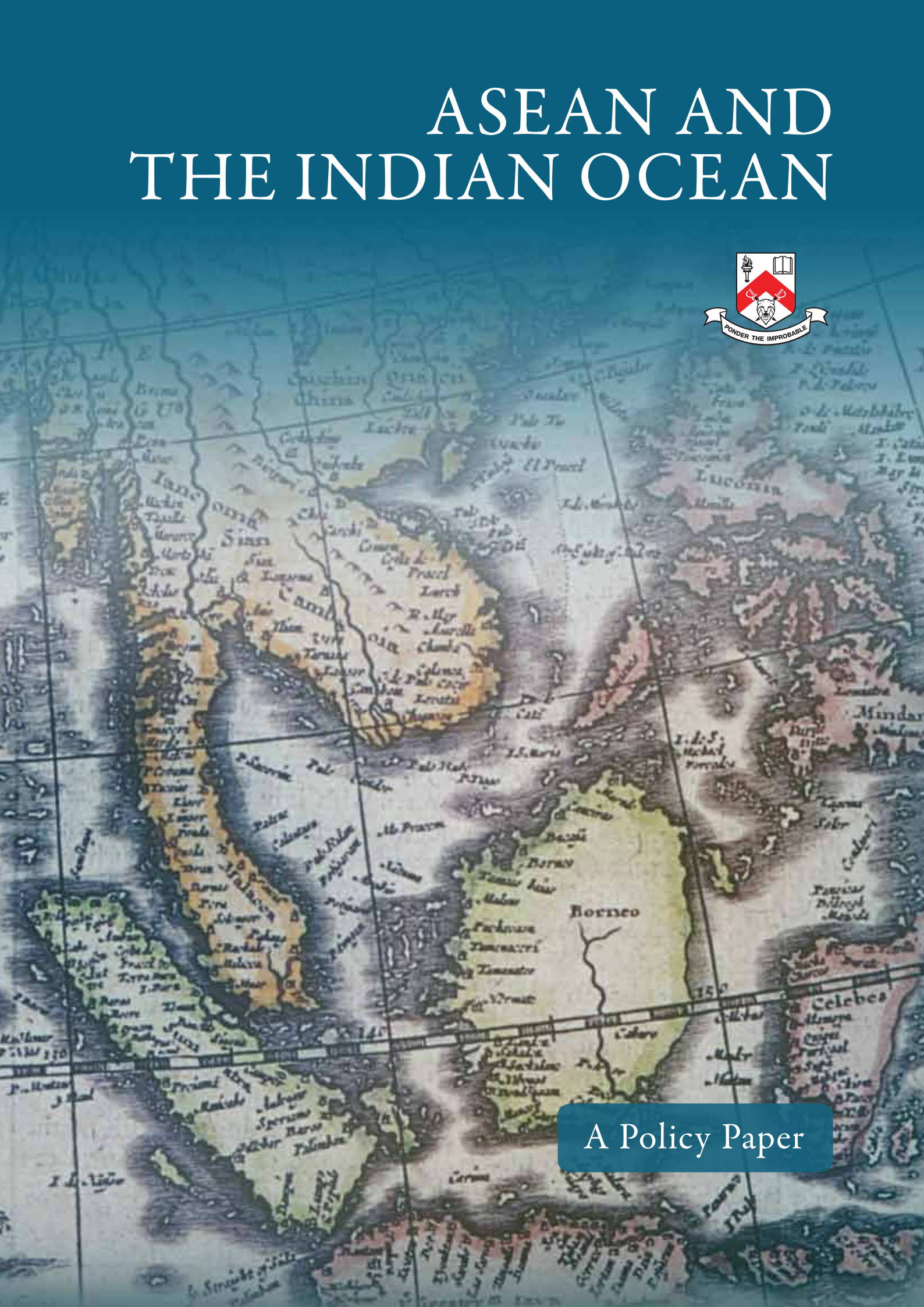
ASEAN AND THE INDIAN OCEAN



A Policy Paper

ASEAN AND THE INDIAN OCEAN

The Key Maritime Links

RSIS POLICY PAPER

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FOREWORD

The Indo-Pacific region is an area of both relative insecurity and strategic stability. It contains some significant flashpoints and has its fair share of border issues, acts of terrorism and overlapping maritime claims. Robert Kaplan has argued in Foreign Affairs that the Indian Ocean could be centre stage for the challenges of the twenty-first century, and that the maritime dimension is the key element of how geopolitics might play out.

The Pacific part of the Indo-Pacific region possesses significant multilateral structures like the Asia-Pacific Economic Cooperation. Most regional institutions revolve around the Association of Southeast Asian Nations (ASEAN), including the East Asian Summit (EAS), the ASEAN Regional Forum (ARF) and the various 'ASEAN Plus' groupings. The membership of the EAS includes India, but the various ASEAN-hubbed institutions have focused mainly on East Asia, while the Indian Ocean Region (IOR) has received less attention. Although several pan-regional organisations exist in the IOR, such as the Indian Ocean Rim-Association for Regional Cooperation, the South Asian Association for Regional Cooperation, and the Indian Ocean Tuna Commission, none are entirely effective.

Southeast Asia is often regarded as a distinctively maritime sub-region. In many ways, it is the geographical centre of gravity for the wider Indo-Pacific region. Sitting astride significant chokepoints between the Indian and Pacific oceans, Southeast Asia also fringes the South China Sea, and is, thus, economically and strategically vital to the emerging economies of Asia. Southeast Asia's westward maritime links, to the IOR, should be as strong as they currently are with East Asia. Increasingly, it makes sense to conceive of a wider Indo-Pacific region rather than the traditional conception of Asia-Pacific and its various sub-regions. Economic connectivity across the Indo-Pacific region depends largely on maritime links, for trade and energy supplies needed to propel future growth. It is time to start turning this concept into a reality.

The Indian Ocean is the world's third largest ocean. Much of the world's trade in energy crosses the Indian Ocean into Southeast Asian waters. With widespread concern for the security of sea lines of communication (SLOCs) across the IOR and Southeast Asia, there is no doubt that there will be renewed interest of extra-regional countries in the IOR. Strategically, we in Southeast Asia should be developing our links between the Western Pacific and the Indian Ocean.

The importance of maritime security has been highlighted by the recent establishment of the ASEAN Maritime Forum and the ASEAN Regional Forum's Inter-Sessional Meetings on Maritime Security. I therefore commend the recommendations in this paper to these forums, and I believe this policy paper is a timely contribution to the current debate on regional maritime security. It is of great value to maritime security and intelligence professionals, academics and policy-makers.

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EXECUTIVE SUMMARY

The Indian Ocean region (IOR) is the focus of increasing strategic and political attention, both from the eastern and western fronts. Even though ASEAN and Southeast Asia have strong historical roots in the IOR, it was only after the end of the Cold War that Southeast Asian nations started paying more attention to their western frontiers.

As the geopolitics of the IOR have evolved considerably since the end of the Cold War, impending changes to the regional and global distribution of power will likely bring about structural adjustment in the IOR. Southeast Asia stands between the overlapping interests of China and India. Major shipping routes between the Pacific and Indian oceans pass through the region, and any conflict or tension between China and India would play out in regional waters.

Much of the world's trade in energy originates in the IOR and crosses the Indian Ocean. With widespread concern for energy security and the security of sea lines of communication (SLOCs) across the ocean, this largely explains the renewed interest of extra-regional countries in the IOR.

The region is also the scene of many conflicts and disputes, particularly in Southwest Asia and Northeast Africa. While traditional security risks are evident in the IOR, the region also faces extensive non-traditional security threats. The Indian Ocean is very under-researched in terms of marine scientific data largely due to past political differences, therefore limiting our capability to predict severe weather events.

ASEAN has proven to be a successful regional association. It has much to offer the IOR and its sub-regions as the larger region moves to a new era of development and regional institution-building. It could play a useful role in dampening down some of the instability that is emerging in the IOR.

The recommendations in this paper are grouped within three categories:

- *Regional Stability and Cooperation*
  To recognise the potential of ASEAN as a regional association, to be more active in helping to mitigate the risks of strategic uncertainty and bring more certainty to the IOR.

- *Maritime Policing*
  To promote cooperation between the IOR and ASEAN in countering illegal activities and non-traditional security threats, particularly those that are a common concern, including the security of SLOCs.

- *Oceans Management*
  To establish that effective management of the Indian Ocean is the principal common interest of all IOR countries, including the Southeast Asian countries that are part of the region.

SUMMARY OF RECOMMENDATIONS

REGIONAL STABILITY AND COOPERATION

- In the spirit of the concept of an Indo-Pacific region, ASEAN should be more active in pursuing its common interests and links with the Indian Ocean Region (IOR), and in helping to provide greater strategic certainty within that region.

- ASEAN should now look more to its west with a more active programme of regional engagement in the IOR. Particular areas for increased engagement are:
  - Security and safety of shipping transiting across the Indian Ocean and through Southeast Asian choke points;
  - The mitigation of marine natural hazards; and
  - Measures to counter human trafficking.

- The ARF might now start giving consideration to IOR issues, including the safety and security of shipping and non-traditional security threats affecting the wider Indo-Pacific region.

- ASEAN should support cooperative measures for shipping security in the IOR.

- ASEAN members that are part of the IOR should continue their support for the Indian Ocean Naval Symposium (IONS), including by offering to host a future meeting of the symposium.

- ASEAN should promote regional institution building by supporting moves to rejuvenate the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) so that it focuses on a wider range of regional issues, including energy security.

- ASEAN through the implementation of the Masterplan on ASEAN Connectivity (ACM) should ensure further and deeper engagement with IOR partners.

- ASEAN should seek to work with BIMSTEC to address human trafficking between the two regions.

- ASEAN might promote a forum for consideration of common interests in the East Indian Ocean.

- Processes for the exchange of maritime information between ASEAN members and nearer countries of the IOR should continue to be improved.

- Major regional navies should send liaison officers to Singapore's Information Fusion Centre (IFC) to enhance the level of information exchange.

MARITIME POLICING

- ASEAN might sponsor a meeting between maritime policing agencies in ASEAN and like agencies in South Asia to explore issues of common interest and develop a framework for ongoing cooperation.

- ASEANAPOL should give more focus to law enforcement at sea, possibly by establishing a sub-group to address maritime crime which would include representation by regional maritime law enforcement agencies such as national coast guards and the Malaysian Maritime Enforcement Agency (MMEA), which are distinct from national police forces.

- ASEAN, possibly through ASEANAPOL, should enhance processes for the collection and analysis of human trafficking between South and Southeast Asia.

- ASEAN should strengthen the role of the Regional Cooperation Agreement Against Piracy in Asia (ReCAAP).

OCEAN MANAGEMENT

- ASEAN should support moves to improve marine scientific research in the IOR, including the possible establishment of an East Indian Ocean Marine Scientific Research Association.

- With a view towards enhancing the provision of speedy, responsive, and effective humanitarian assistance and disaster relief operations across the IOR, the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) might give some attention to the these requirements in the IOR outside of its immediate interests in the ASEAN region.

- A study should be initiated by ASEAN of the maritime capacity needs of the less well-off countries of the IOR and of the potential for ASEAN to provide assistance, including training and human resource development, to the less well-off countries of the IOR in areas such as port development and management, coastal zone management, EEZ management and mitigating the effects of maritime natural disasters.

INTRODUCTION

SAM BATEMAN & JANE CHAN

OBJECTIVE

The Indian Ocean Region (IOR) is the focus of intensifying strategic and political attention. Robert Kaplan has argued that the Indian Ocean will be centre stage for the challenges of the twenty-first century, and that the maritime dimension is the key element of future geo-political trends.[1] Other commentators have picked up on this theme, claiming that the Indian Ocean includes the most dangerous waters in the world.[2]

Much of the world's trade in energy originates in the IOR and crosses the Indian Ocean. With widespread concern for energy security and the security of sea lines of communication (SLOCs) across the ocean, this largely explains the renewed interest of extra-regional countries in the IOR. Conflict in Iraq and Afghanistan has intensified external military involvement. This is now reinforced by energy politics, piracy around the Horn of Africa, and the emergence of China as a new and powerful regional player.

So far, the Association of Southeast Asian Nations (ASEAN) has given little attention to the IOR. Since the establishment of the organisation in 1967, it has looked primarily to the east and north with its strong economic and trading links with Northeast Asia, and the United States as the major regional strategic and military power. The increased economic, strategic and political interest in the IOR now suggests that ASEAN, as well as individual Southeast Asian countries, should also be looking to the west.

Several ASEAN members are IOR countries (i.e. Myanmar, Thailand, Malaysia, Singapore and Indonesia), and trade between ASEAN and the IOR has been increasing over the years. Table 1[3] shows that trade between ASEAN IOR countries and East Africa, the Middle East and South Asia grew at an annual average rate of about 26 per cent between 2003 and 2008, although there was a marked downturn in this trade in 2009 due to the Global Financial Crisis. Trade between the two areas fell by over a quarter between 2008 and 2009. Nevertheless, the compound growth rate in the trade between 2003 and 2009 was still significant, at 15 per cent per annum.

This policy paper proposes that it would be in the best interests of ASEAN and individual ASEAN member countries to play a greater role in the IOR. As Ralf Emmers and Sam Bateman discuss in their contribution to this policy paper, ASEAN has developed norms and principles of cooperation that could usefully be applied in the IOR. Some ASEAN members are critically dependent on SLOCs across the Indian Ocean and most are heavily exposed to the various non-traditional security threats, such as people smuggling, drug trafficking, severe weather events and piracy, that are associated with the IOR. There is scope for ASEAN, as an institution, and its individual members to be more active in the IOR.

ASEAN and Southeast Asia have strong historical roots in the IOR. Emrys Chew's essay in this monograph points out that through out history, much of the trade, politics and culture of Southeast Asia was driven by maritime links with the Indian Ocean. The focus of the region on the Pacific is a relatively recent construct shaped by post-colonial factors and superpower rivalries. For ASEAN now to look more to the west would reflect the new ways of thinking about the links between the Pacific and Indian Ocean described by Raja Mohan in his essay in this policy paper. Infrastructure developments with roads, rail and pipelines across Asia from the east to the west suggest a different orientation to the concept of maritime Asia based on the SLOCs across the Indian Ocean through Southeast Asia and along the coast of East Asia. Perhaps in the long term, there is a risk that Southeast Asian countries may become marginalised

[1] See Robert D. Kaplan, "Center Stage for the Twenty-first Century", Foreign Affairs, March/April 2009, Vol. 88 Issue 2; and Robert Kaplan, "Power plays in the Indian Ocean: The Maritime Commons in the 21st Century", in Abraham M. Denmark and James Mulvenon, eds, Contested Commons: The Future of American Power in a Multipolar World, Washington: Center for New American Security, January 2010 (available for download at: www.cnas.org/node/4012).

[2] "Pirates Are Terrorising the High Seas off Africa's East Coast", The Economist, June 17, 2008.

[3] See Annex A.

economically and strategically as the direct continental links between East and West Asia expand. However, given the existing gaps in land connectivity, the bulk of trade between the IOR and East Asia trade is likely to remain seaborne for the foreseeable future, including most of the oil and gas imported from the Middle East.

This policy paper is a collection of short essays on key issues in the IOR and the interests of ASEAN in that region. Following Kaplan's view that the maritime dimension is a key factor in IOR affairs, the paper focuses mainly on that dimension. It identifies key maritime issues in the Indian Ocean, including where the interests of ASEAN might lie, and explores the interplay between Southeast Asia and the IOR on these issues. Lastly, the paper makes policy recommendations regarding the prospective ASEAN position on IOR issues and the initiatives that ASEAN might take.

GEOPOLITICAL CHANGE

As noted in the essays by Raja Mohan and Rajesh Basrur, the geopolitics of the IOR have evolved considerably since the end of the Cold War. Impending change to regional and global distribution of power will likely bring about structural adjustments in the IOR. As these changes are slowly unveiling, ASEAN will have to be steadfast in reinforcing a comprehensive regional framework, and in focusing on common interests to ensure peace and stability in this sea of change.

Relevant developments in the recent years include the rise of China and India; the war in Iraq and continuing conflict in Afghanistan; the greater salience of energy issues; piracy off the Horn of Africa/Gulf of Aden; and deeper concern about environmental threats in the Indian Ocean, such as climate change, sea level rise and marine natural disasters. The geopolitics of oil and energy will have a powerful impact on the strategic dynamics of the Indian Ocean and largely explain the increased interest of extra-regional powers in the IOR. The competition for energy will be a major factor in the future geopolitics of the IOR.[4]

The Indian Ocean is the world's third largest ocean. It has 48 independent island and littoral countries; 18 in Africa, 11 in the Middle East, 7 in South Asia, 6 in Southeast Asia, 5 island states and Australia, while France and the United Kingdom still have island territories in the ocean. The total population of the IOR is about 2.6 billion, or 39% of the world's population, most of whom are extremely poor. The region is extremely diverse in terms of race, religion, culture, political systems and economic prosperity.

Southeast Asia stands between the overlapping interests of China and India. Major shipping routes between the Pacific and Indian ocean pass through the region, and any strategic competition between China and India would play out in regional waters. India sees itself in the longer term as the pre-dominant power in the IOR. However, India is increasingly concerned about the inroads China is making in the region. India is using its navy to promote power and influence across the ocean from the Straits of Hormuz and Gulf of Aden to the Malacca Strait and down to the Cape of Good Hope.

Meanwhile China with its deep concern for energy security is seeking greater influence in the region. It is contributing to the building of new ports in many IOR countries, and providing extensive development assistance to African countries. China's trade with Africa has grown exponentially in recent years. Rajesh Basrur notes in his essay that Sino-Indian naval competition, still in its infancy, appears set to grow. The United States remains the dominant strategic power in the IOR although some scepticism is evident about how long that might endure.

As well as India, Australia and South Africa are other littoral countries that have sought to play a leading role in the IOR in the past but their interests have waned over the last decade or so. South Africa has been more fixated on affairs of the African continent while Australia tends to look eastwards to the Pacific and northwards to East Asia rather than to its west. However, this situation might be changing with some indications of renewed Australian interest in the IOR. In a speech in November 2010, the Australian Minister

[4] Rumley D, and Chaturvedi S (eds) 2005. Energy security and the Indian Ocean region, South Asian Publishers, New Delhi.

for Foreign Affairs said that,"... now Australia must look west, to the great challenges and opportunities that now present themselves across the Indian Ocean region." [5]

IOR littoral countries hold about 62% of the world's proven oil reserves and 48% of the proven gas reserves.[6] The Middle East is the source of much of the world's reserves of oil and gas, and other IOR countries provide many of the strategic minerals required to fuel the rapidly growing economies of Asia. Africa is the source of about one-third of the world's commodities, including strategic raw materials, such as platinum, manganese, nickel and cobalt.

The region is also the scene of many conflicts and disputes, particularly in Northeast Africa and Southwest Asia, although in Sri Lanka, one of the IOR's longest-running internal conflicts has now concluded. While traditional security risks are evident in the IOR, the region also faces extensive non-traditional security threats, notably climate change, transnational crimes (particularly drug and arms trafficking and people smuggling), food shortages and famine, and major maritime natural hazards, such as tsunamis, cyclones and floods. Largely due to political differences in the past, the Indian Ocean is very under researched in terms of marine scientific data, thus the capability to forecast severe weather events is still lacking.

Energy is a key component of geopolitics in the contemporary IOR. Rajesh Basrur argues in his essay that the struggle over energy is a potential source of tension in the IOR where both large suppliers and the interests of rising consumers are concentrated. The 'power shift' between the established hegemony of the United States and the rising challenge of China has significant implications for the energy market.[7]

Nuclear issues are another major component of the geopolitics of the IOR. Much of the growth in the global consumption of nuclear power is concentrated in the region.[8] Nuclear weapons are also increasingly present in the region, including littoral countries (India, Pakistan, Israel and potentially, Iran) as well as the 'Permanent Five' extra-regional powers, all nuclear-armed states that maintain a naval presence in the IOR. The illicit transportation of nuclear technology or materials by sea in the IOR is a related security concern.

Poverty, hunger, disease, public health, and food security, are major problems in the IOR; hence the importance of the Millenium Development Goals (MDG) in the region.[9] The region includes some of the poorest countries in the world; mainly, though not exclusively, in Africa. According to the Human Development Index compiled by the United Nations Development Programme (UNDP) and as shown in Table 2,[10] 7 IOR countries are among the 24 countries in the world with low human development. 26 IOR countries are among the 75 with medium human development.

Globally, the proportion of people living in extreme poverty is falling.[11] Low income countries, including those in the IOR, are making significant progress in reducing the proportion of their population living in extreme poverty while middle-income countries are making most progress relative to specific MDG goals, such as child mortality and universal primary education. While economic growth in Southeast Asia generally proceeds at a faster rate than that of most IOR countries, particularly those in Africa, the gap in levels of human development between most ASEAN and IOR countries is widening. While ASEAN may currently be focused on social and health problems within its own region, it may be timely for the organisation to become more outward looking with assisting in fighting the international scourge of poverty.

[5] The Hon Kevin Rudd MP, Australian Minister for Foreign Affairs, Speech at the University of Western Australia: Australia's foreign policy looking west, 12 November 2010.

[6] BP Statistical Review of World Energy 2009, www.bp.com

[7] Rajesh Basrur, "Energy and Geopolitics in the Indian Ocean Region"

[8] Ibid.

[9] AusAID (Australian Agency for International Development) 2009. 'The Millennium Development Goals: the fight against global poverty and inequality', AusAID, Canberra, available from: http://www.ausaid.gov.au/keyaid/mdg.cfm

[10] UNDP (United Nations Development Programme) 2009. 'Human development report 2009', available from: http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf; See Annex B.

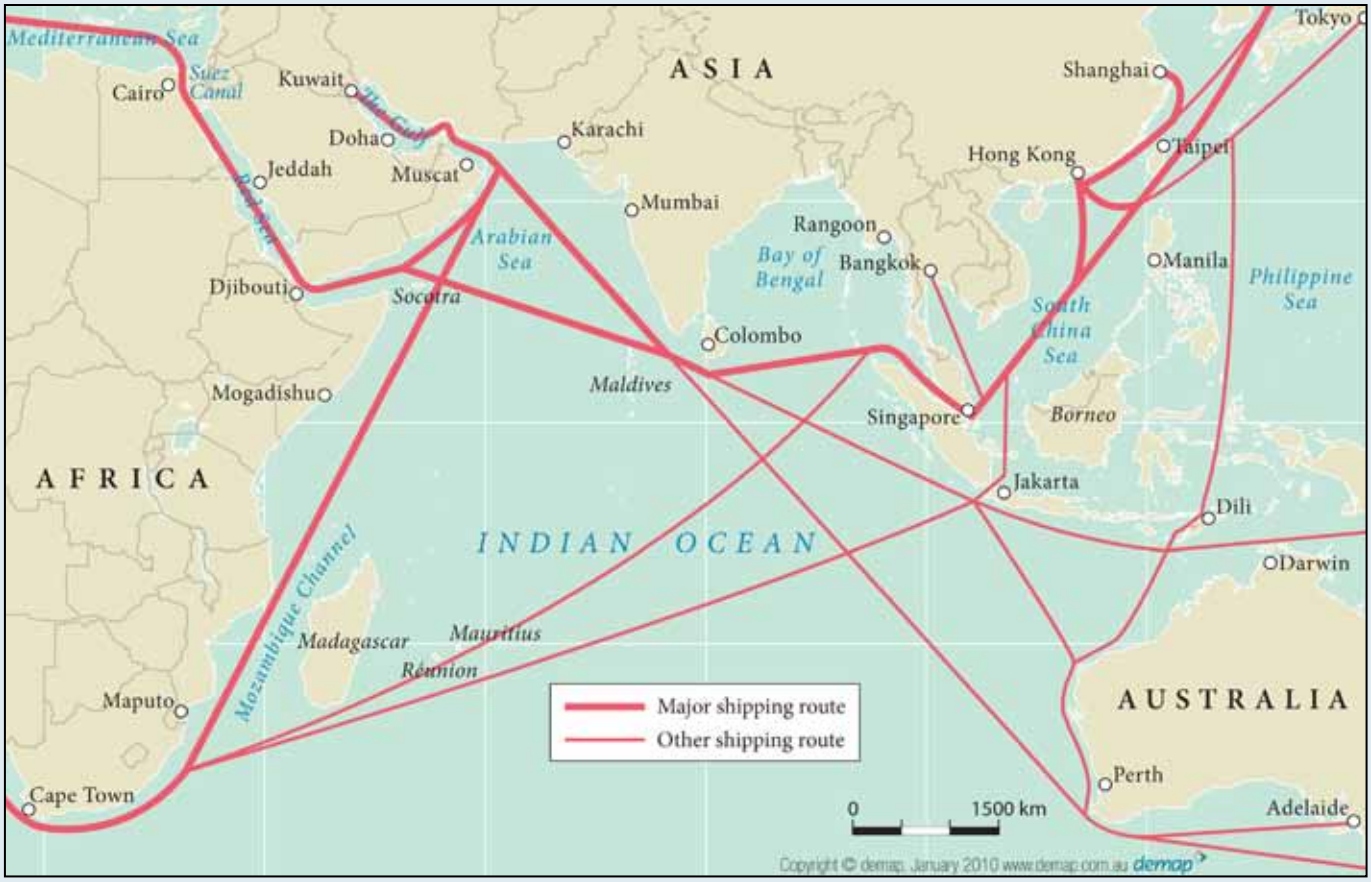
[11] Overseas Development Institute, "The Big Picture", Millenium Development Goals Report Card – Learning from Progress, http://www.odi.org.uk/resources/download/4908.pdf

TRADE

Table 1 shows the rapid growth of trade between ASEAN countries and East Africa, the Middle East and South Asia over the period 2003 – 2008. Indonesia, Malaysia, Singapore and Thailand account for about 90 per cent of ASEAN trade with Africa, the Middle East and South Asia.[12] Myanmar and ASEAN members that are not part of the IOR account for relatively small trade volumes with IOR states. Crude oil imports from the Middle East are a major component of ASEAN trade in the IOR, accounting for around half of the imports from the IOR into Singapore and Thailand.

Joshua Ho, in his essay, discusses seaborne trade and critical sea lanes in the IOR. A high volume of oil is carried by sea through the narrow straits in the northwest and northeast of the Indian Ocean. The Straits of Hormuz are the world's most important oil choke point. The United States, in particular, attaches great strategic importance to the security of the Straits of Hormuz, as well as to the security of the Malacca Strait, as the key choke points leading in and out of the Indian Ocean. These and other choke points are also of major strategic interest to Northeast Asian countries, as well as to ASEAN. The safety and security of shipping are requirements that potentially provide the basis for maritime cooperation in the IOR.[13]

FIGURE 1: SHIPPING ROUTES IN THE IOR



[12] Based on data from International Monetary Fund (IMF), Direction of Trade Statistics Yearbook 2009, Washington DC: IMF, 2009.

[13] Rumley D, Chaturvedi S, Yasin MT (eds) 2007. The security of sea lanes of communication in the Indian Ocean region, Maritime Institute of Malaysia, Kuala Lumpur.

REGIONAL INSTITUTIONS

The IOR includes a veritable "alphabet soup" of sub- and intra-regional organisations.[14] However, with the exception of ASEAN itself and other fora in the western part of the region, such as the Gulf Cooperation Council, most are ineffective, reflecting the reality that the IOR is more of a geographical entity than a political one. The diversity of the region and political issues have generally inhibited the development of effective cooperative forums.

Australia and India led efforts in the mid-1990s to build cooperation in the region, but did not make much progress. The region's great diversity and differing views about whether any regional association should be open to all or an exclusive grouping were two factors inhibiting cooperation. With the exception of Indonesia, Southeast Asian countries played little part in the efforts in the 1990s to build IOR cooperation.

The Indian Ocean Association for Regional Cooperation (IOR-ARC) is the only surviving outcome of the mid-1990s activity.[15] It was established with high hopes that it might become a forum for economic and trade cooperation similar to APEC, but the expectations held for the forum have not been realised. It has become lackluster and is not well supported by regional countries. India may attempt to rejuvenate the association when it takes over as the association's chair in 2011. India is also promoting regional maritime cooperation through the Indian Ocean Naval Symposium (IONS), regional naval exercises, and bilateral cooperation with regional countries, including providing patrol vessels to the Maldives, Mauritius, and the Seychelles.

MARITIME ISSUES

Threats to maritime security are very evident in the IOR. They include the risks of interstate conflict,[16] maritime terrorism, piracy, illegal, unreported and unregulated (IUU) fishing, trafficking in drugs, arms and people, marine natural hazards and climate change. Energy security, food security and disease are all major issues with significant maritime dimensions.

Piracy and armed robbery at sea are a significant maritime security problem in the IOR. While most recent attention has focused on the area around the Horn of Africa, attacks on ships also occur elsewhere down the East African coast and in ports in the Indian subcontinent. Some resurgence of incidents in and around the Malacca and Singapore straits has occurred since 2009.

Maritime terrorist attacks are a threat in the IOR due to the presence of extremist groups and the incidence of piracy in the region. The terrorist attack in Mumbai in November 2008 demonstrated the risks of terrorist attack from the sea if coastal waters are not secure. Key access routes to the Indian Ocean, such as the Malacca and Singapore straits, the Strait of Hormuz and Bab-el-Mandab, have dense shipping traffic where potential targets are readily available to terrorists.

Illegal trafficking in arms, drugs and people are all evident to some extent in the IOR, as well as trafficking in other contraband, such as liquor, cigarettes and wildlife. Most of this illegal trade is conducted by sea. These activities are all manifestations of transnational organised crime, and dealing with them requires cooperation between regional countries.

[14] Leighton G. Luke, "United in Disunity? Pan-regional Organisations in the Indian Ocean Region", Strategic Analysis Paper, Perth: Future Directions International, 30 April 2010. A list of the more important of these may be found in Sam Bateman and Anthony Bergin, Our western front; Australia and the Indian Ocean, Strategy Paper, Canberra: Australian Strategic Policy Institute, March 2010, Appendix A.

[15] Members of the IOR-ARC are Australia, Bangladesh, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates, and Yemen. The Seychelles withdrew from the Association in July 2003. China, Egypt, France, Japan, and the United Kingdom are dialogue partners of the IOR-ARC.

[16] According to the Heidelberg Institute for International Conflict Research Conflict Barometer 2008 at hiik.de/en/konfliktbarometer/index.html, 146 of the world total of 345 conflicts, or 42.3%, are in the IOR. They include six of nine wars and a considerable proportion of the world's high intensity conflicts.

Human trafficking is a highly profitable business.[17] South Asia and Northeast Africa are major points of origin for refugees and asylum seekers in the IOR, while many victims also originate from Southeast Asia, particularly women and children.[18] Sexual exploitation is a major motivation for human trafficking. Pau Khan Khup Hangzo in his essay in this report claims that human trafficking from South to Southeast Asia might increase in size and scope given its geographic proximity, maritime environment, and the high economic growth rates experienced by several ASEAN countries. Much of this trafficking occurs by sea.

Illegal drugs are widely available across much of Southeast Asia,[19] and this region has the largest number of drug users in the world.[20] Most illegal drugs used in the region originate from the IOR. The manufacture and trafficking in methamphetamines ('ice') and other amphetamine-type stimulants has increased substantially and pose a major problem in East and Southeast Asia. The dual uses of precursor materials make it difficult to suppress the manufacture of 'ice'. India, for example, is a major exporter of precursor chemicals and is unlikely to support export controls over those materials.[21]

IUU fishing is a serious problem in the IOR. Increased demand and the depletion of fish stocks elsewhere in the world have led to more fishing in the Indian Ocean and an increasing presence of fishing vessels from outside of the region. The involvement of these vessels is facilitated largely because there is no effective regime for regional fisheries management. The Indian Ocean Tuna Commission (IOTC) is notoriously ineffective.[22] Major links have also been found between international fishing vessels and transnational crime, including human trafficking.

Marine natural hazards arise through climate change, tropical storms, tsunamis and other severe oceanic conditions. Southeast Asia and other parts of the IOR are prone to these hazards, and scientific findings suggest that the intensity and frequency of disasters arising from these hazards is increasing.[23]

According to the Asian Disaster Reduction Centre, Asia is the most disaster-affected area in the world.[24] This was demonstrated by the Indian Ocean tsunami in December 2004 and the impact of cyclone Nargis in Myanmar in May 2008. Other areas of the region are vulnerable to cyclones, including islands in the Southwest Indian Ocean, and the associated impacts of storm surges and flooding. Sea-level rise poses a potentially existential threat to low-lying states in the region, such as the Maldives. Many IOR countries are relatively ill equipped to deal with the problems posed by natural hazards, and this is an area where ASEAN might potentially help with capacity building.

In 2007, Geoscience Australia undertook a hazard risk assessment of the Asia–Pacific region for AusAID, covering earthquakes, volcanic eruptions, tsunamis, cyclones, floods and wildfire hazards.[25] This found that the northern part of the Bay of Bengal was the most dangerous area for large tsunamis and that, of individual countries, Indonesia has the highest population threatened by tsunamis, followed by Bangladesh and India. The higher frequency of extreme weather events will have a great impact on low lying coastal areas, such as Bangladesh.

[17] Centre for NTS Studies, "Transnational Organised Crime in Southeast Asia: Threat assessment", NTS Alert July 2010, Issue 1, p. 6.

[18] Centre for NTS Studies, "Responding to Transnational Organised Crime in Southeast Asia: Case Study of Human Trafficking and Drug Trafficking", NTS Alert July 2010, Issue 2, p. 1.

[19] Centre for NTS Studies, "Transnational Organised Crime in Southeast Asia", p. 2.

[20] Centre for NTS Studies, "Responding to Transnational Organised Crime in Southeast Asia", p.5.

[21] Bateman and Bergin, Our western front, p. 29.

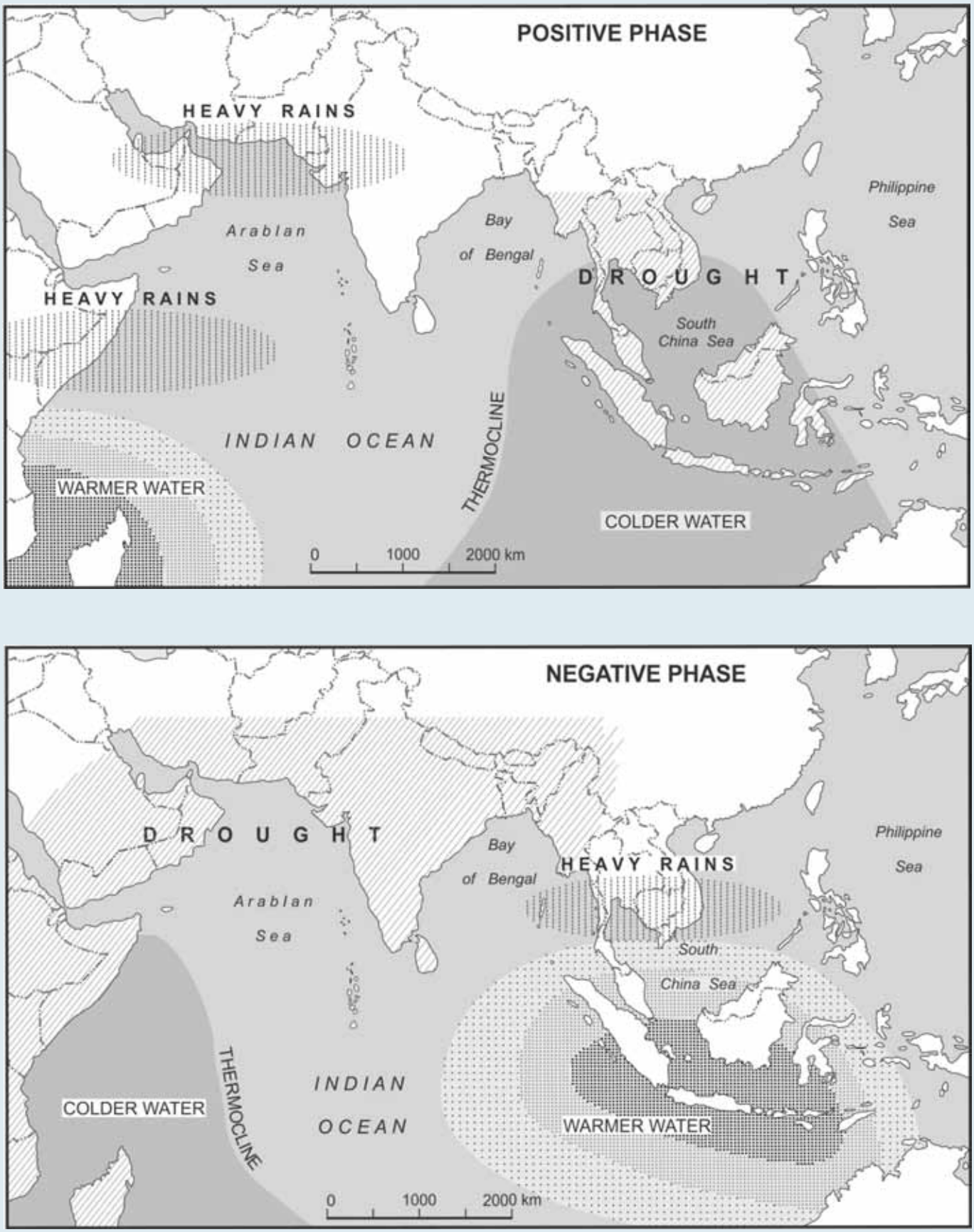
[22] Rumley D, Chaturvedi S, Sakhuja V (eds) 2009. Fisheries exploitation in the Indian Ocean: threats and opportunities, Institute of Southeast Asian Studies, Singapore.

[23] Centre for NTS Studies, "Regional Support for Southeast Asia Disaster Preparedness", NTS Alert November 2009, Issue 2, p. 5.

[24] Asian Disaster Reduction Center (ADRC) 2006. Natural disasters data book 2006: an analytical overview, ADRC, available at: http://www.adrc.or.jp/publications/databook/DB2006_e.html

[25] Simpson A, Cummins P, Dhu T, Griffin J, Schneider J 2008. 'Assessing natural disaster risk in the Asia–Pacific region—supporting international development through natural hazard risk research', AUSGEO News, 90:1–8.

FIGURE 2: THE INDIAN OCEAN DIPOLE



Improved oceanographic knowledge of the Indian Ocean would markedly improve predictions of severe weather events, as well as weather forecasting generally in littoral land masses. The Indian Ocean Dipole is a particular feature of the ocean. As shown in Figure 2, this is a system of temperature fluctuations in the eastern and western parts of the Indian Ocean. In its negative phase, the dipole system brings heavy rains to Southeast Asia and drought to the Arabian Sea region. In its positive phase, water temperatures are reversed and less rain falls in Southeast Asia, while the Arabian Sea region has heavy rains. Better ability to predict movements in the dipole would benefit agricultural output in East Africa, South Asia and Australia.

PROMOTING LINKS

This policy paper argues that the IOR will become far more economically, politically and strategically important in the future. ASEAN as an institution, and its members, cannot afford to ignore these trends and should pay increased attention to promoting links with the IOR. There is a multitude of common interests, particularly in the maritime domain, that will facilitate these links. Annex 3 lists some ASEAN agreements where intra-mural cooperation has already been achieved and potentially might provide a benchmark for the IOR.

The recommendations in the concluding chapter provide a set of focused objectives for closer linkages between ASEAN and the IOR. By deepening its links with the IOR, Southeast Asia will be rediscovering the formulative, western connections and influences that were so important to its history.

SOUTHEAST ASIA AND THE INDIAN OCEAN: MARITIME CONNECTIONS ACROSS TIME AND SPACE

EMRYS CHEW

Located strategically at the crossroads of the Indian Ocean and the South China Sea, Southeast Asia is a geographic region—part-mainland, part-island—whose history has been shaped as much by the influence of great civilisations as the impact of great powers. For much of that history, the trade, politics, and culture of Southeast Asia were defined or driven by maritime connections across the Indian Ocean arena, rather than the Asia-Pacific, which is a relatively recent construct. Southeast Asia, at the Indian Ocean's eastern periphery, was from earliest antiquity a porous zone and passageway for the diffusion of trade and culture. It would later be transformed into a pivot of international politics and grand strategy.

POROUS ZONE AND PASSAGEWAY FOR TRADE AND CULTURE

Some two millennia ago, Southeast Asia and the Indian Ocean trading system were linked by an ancient sea route flowing from the mouth of the Red River (near modern Hanoi) through the Malacca Strait to Sri Lanka and India, the Persian Gulf and Red Sea, and Roman ports in the Mediterranean. In wide usage during China's Eastern Han period (25-220 CE), this sea route was superseded by a more famous maritime 'silk route' starting from the Pearl River, Guangdong, during the Tang period (618-907). Mirroring the overland Silk Road across Central Asia, it enabled long-distance transportation of goods, especially luxuries like slaves, silk, satin and other fine fabrics, musk and other perfumes, spices, exotic foodstuffs, medicines, gemstones, ceramics, and glassware. The mercantile markets of oasis towns far inland were thereby complemented by bustling bazaars that emerged in port-cities along the shores of the Indian Ocean, from coastal East Africa to the archipelagic waters of Southeast Asia. Uniquely sustained over many centuries by the annual monsoon cycle, and animated by a lively subculture of bargaining and 'value added' services, these cosmopolitan emporia were crucial intermediaries between indigenous communities and the outside world.

These maritime trade circuits facilitated an archaic form of globalisation, acting simultaneously as conduits for the communication of ideas, knowledge, and culture between different parts of the ancient world. Commercial and cultural exchanges across the Indian Ocean were a significant factor in the evolution of great civilisations in China, India, Egypt, Persia, Arabia, and Rome, in several respects helping to lay the foundations of the modern world. They also inspired new forms of culture and politics in Southeast Asia, via 'Indianisation' and 'Islamisation'.[1]

Southeast Asia's pre-colonial polities—ranging from localised units to centralised kingdoms—often knew how to share power and divide sovereignty. Through the art of political bargaining, they were sophisticated enough to accommodate religious-ethnic differences and overlapping claims of suzerainty both from within and beyond the region. Most characteristic of the region's early political history is its adaptation of the mandala system (Sanskrit, manda = core, la = container), whereby clusters of small settlements (vassals) coalesced around strong rulers (overlords) in a loose geopolitical or economic alliance. Exemplifying the spiritual vitality of this cross-cultural fertilisation were monumental temple complexes like Angkor Wat (in Cambodia) and Borobudur (in Java); Srivijiya (in Sumatra) was home to as many monks as Nalanda, and produced one of the greatest Buddhist missionaries, Atisha, who proved instrumental in establishing Tibetan Buddhism. With the coming of Islam, there were *negara* that functioned as trading emporia as well as new centres of learning. Southeast Asia witnessed a succession of mainland and maritime states that flourished as typical Indian Ocean polities, including Funan, Champa, Srivijaya, Majapahit, Temasek-Singapura, Malacca, Angkor, Pagan, Ayutthaya, Riau-Johor, Aceh, and Sulu.[2]

[1] K. McPherson, The Indian Ocean: A History of People and The Sea (Delhi, 1993), pp. 16-136; C. A. Bayly, '"Archaic" and "Modern" Globalization in the Eurasian and African Arena', in A. G. Hopkins (ed.), Globalization in World History (London, 2002), pp. 47-73; P. Beaujard, 'The Indian Ocean in Eurasian and African World-Systems before the Sixteenth Century', Journal of World History, 16:4 (2005), pp. 411-65.

[2] O. W. Wolters, History, Culture, and Region in Southeast Asian Perspectives (Revised edition; Singapore, 1999), pp. 27-40, 126-54; N. G. Owen (ed.), The Emergence of Modern Southeast Asia (Singapore, 2005), pp. 52-82.

Early historical linkage between the Indian Ocean and Southeast Asia was thus characterised by long stretches of collaboration leading to a peaceable exchange of commodities and culture, with only occasional naval conflict directed towards the domination of maritime trade. The latter included episodic naval rivalries, such which emerged during the eleventh century between the Chola rulers of southern India and Srivijaya, contending for mastery of the Malacca Strait; and later, the naval expeditions of the Ming Admiral Zheng He during the fifteenth century, momentarily extending China's maritime sphere of influence through the Malacca Strait across the Indian Ocean, as far as the shores of Arabia and Africa.

Only against this historical context of a dynamic Indian Ocean complex, with a largely peaceful and prosperous Southeast Asian region at its eastern periphery, can we properly understand expanding Europe's quest for the riches of the Orient. Between the sixteenth and the nineteenth centuries, the Portuguese, the Dutch, the British, and the French entered the Indian Ocean arena (and very early on, a geographically-fragmented Southeast Asia) en route to China, first to trade and then to build seaborne empires.

PIVOT OF POLITICS AND GRAND STRATEGY

Long-established maritime connections between Southeast Asia and the Indian Ocean were transformed by the European incursions. The Portuguese and the Dutch both regarded control of Malacca, formerly the political and cultural centre of the Malay world, as a crucial link in their respective chains of fortified trading bases extending across the Indian Ocean and further eastward. Malacca fell to the Portuguese in 1511 and to the Dutch in 1641. Intensifying rivalry between the Dutch, the British, and the French meshed with the internal crises and transformation of indigenous societies from the mid-eighteenth to early nineteenth centuries, producing an uneven transition from free-trade imperialism to the politics and strategies of colonial rule.

Britain's naval victory over France at the Battle of the Nile in 1798 effectively ended French pretensions to a seaborne empire in Asia, marking the beginnings of British dominion over the Indian Ocean and its Southeast Asian periphery. The Anglo-Dutch Treaty of 1824, which partitioned maritime Southeast Asia into British and Dutch colonial spheres, was a prelude to a gradual consolidation of colonial states by Britain (in Singapore and the Malay Peninsula, Burma, and North Borneo), the Netherlands (across much of the Indonesian Archipelago) and France (in Indochina).

Superseding the traditional Indian Ocean emporia in this age of Western global expansion were port-cities that combined indigenous, imperial, and industrial features. They functioned as vital nodes of interregional trade within the vastly expanded networks of an emerging industrial world economy. The opening of the Suez Canal in 1869 significantly accelerated the passage of steamships from Europe to the Far East, and augmented the volume of seaborne commerce transiting the Straits of Malacca and Singapore. Even when the Panama Canal was opened in 1914, it was still cheaper to convey goods from East Asia to the Atlantic seaboard ports of the United States via Singapore, the Indian Ocean, and the Suez Canal.[3]

Buttressing the colonial authority of the Western great powers, various port-cities around the region acquired global strategic importance as well, particularly those located near choke-points such as the Strait of Hormuz and the Strait of Malacca. In wider geopolitical calculations, port-cities from Singapore to Bombay, Muscat, Mombasa, and Zanzibar both reflected and reinforced the strategic imperatives of the British Raj across a 'British Lake' in the Indian Ocean, reaching their apotheosis in the strategic vision of British Indian Viceroy Lord Curzon. Curzon envisaged a broader strategic space to defend the interests of Britain's 'jewel in the crown', encompassing various buffer states and extending from the Persian Gulf to Southeast Asia.

[3] L. K. Wong, 'Commercial Growth before the Second World War', in E. C. T. Chew and E. Lee (eds.), A History of Singapore (Singapore, 1991), p. 52.

Ironically, the strategic thinking of this visionary of Western global empire was echoed and elaborated decades later by nationalist pundits in independent India. In this neo-Curzonian grand design, they advocated Indian blue-water naval expansion, underpinned by a ring of Indian naval bases that could reclaim the 'British Lake' and make it 'India's ocean' in a more literal sense. As an apologist for independent India and the emerging post-colonial order in Asia, K. M. Panikkar espoused the ideas of American naval strategist Alfred Thayer Mahan regarding the influence of sea power on history. In so doing, he tended to overstate India's past role in naval and maritime issues, highlighting sea battles in which Indian forces like the Cholas fared well, and assigning sea power an altogether prominent place in India's destiny. Alongside Panikkar, K. Vaidya argued that Indian bases could be established from the Cape of Good Hope to Mozambique, Mombasa, Aden, Oman and Muscat (on the western side), through Trincomalee, Rangoon, Penang, and Singapore (on the eastern side), and the Maldives, the Seychelles, Mauritius, and Madasgascar (to the south), which might stand India in good stead to face China as a potential future challenger and rival in the region.[4]

FROM INDIAN OCEAN ARENA TO ASIA-PACIFIC ORDER

Yet changes in the political climate after World War II—the geopolitics of British decolonisation 'east of Suez', bi-polar superpower rivalry, and regional non-alignment—drew an emerging post-colonial Southeast Asia increasingly away from Indian Ocean geopolitics into the orbit of a new Asia-Pacific order.

While post-1945 realignments still included indigenous nationalist attempts at some form of neutral 'Afro-Asian' unity revolving around the Indian Ocean, there were sustained American-led efforts to interweave strands of capitalist-economic and military-strategic partnership between the United States and its Pacific allies under the 'San Francisco System'. Having to survive politically and strategically torn between two divergent ocean-based systems, various Southeast Asian nation-states, including Singapore, would be drawn progressively toward the Pacific. The San Francisco Treaty of 1951 paved the way for an Asia-Pacific regional system, constructed by the United States, Japan and other capitalist partners over successive decades, with a view to containing and then defeating communism in Asia.[5]

The cosmopolitan Indian Ocean of time and memory was thereby marginalised, gradually reduced to a 'non-aligned' sea of forgetfulness. At an Asian Relations Conference in 1947, held shortly before he became Prime Minister of independent India, Jawaharlal Nehru had been among the first to raise the possibility of a non-aligned Indian Ocean region. But as autarkic India was sidetracked by its Cold War connection with the Soviet Union as part of a broader strategic alignment against China-US-Pakistan alliances, this idea got frozen until the Non-Aligned Meeting at Lusaka in 1970, when proposals for an Indian Ocean 'Zone of Peace' were at last adopted. In 1971, the United Nations General Assembly declared the Indian Ocean a Zone of Peace, and it created an Ad Hoc Committee to find ways to implement the declaration. However, despite over 450 meetings of the Committee, the Zone of Peace never really materialised. India, perhaps hoping to become the dominant regional power, had succeeded in amending the initial proposal so that it circumscribed the activities of extra-regional powers. While support was generally forthcoming from all the littoral states, including Singapore, neither the United States nor the Soviet Union was interested. Indeed, the Anglo-American base on Diego Garcia persisted, along with the American bases in the Philippines, to meet perceived Soviet and Chinese communist challenges within an arc of containment extending from West and South Asia to Southeast and East Asia. Then, in 1989, key Western members of the Committee withdrew, arguing that superpower rivalry in the Indian Ocean had diminished with the end of the Cold War, rendering a Zone of Peace purposeless.[6]

[4] J. Brobst, The Future of the Great Game: Sir Olaf Caroe, India's Independence, and the Defence of Asia (Akron, Ohio, 2004), pp. xiii-xx, 15-76; K. M. Panikkar, India and the Indian Ocean: An Essay on the Influence of Sea Power on Indian History (London, 1951), pp. 7-8, 14-16, 41-43; K. Vaidya, The Naval Defence of India (Bombay, 1949), pp. 1, 91, 101.

[5] K. E. Calder, 'Securing Security through Prosperity: The San Francisco System in Comparative Perspective', Pacific Review, 17:1 (March 2004), p. 136.

[6] M. N. Pearson, The Indian Ocean (London; New York, 2003), p. 286; D. L. Berlin, 'Neglected No Longer: Strategic Rivalry in the Indian Ocean', Harvard International Review (June 2002).

Some littoral states were nonetheless convinced of the need to band together for the purpose of regional economic cooperation, seeing the apparent triumph of global capitalism and the advent of a new age of globalisation, which included renewed participation from both India and China. In 1997, the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) was founded in Mauritius, with the aim of facilitating trade and investment between its member states, but IOR-ARC seems to have stagnated. Member states have widely divergent national interests and political economies, and it has been difficult to make progress towards regional cooperation or integration.

A NEW INDO-PACIFIC ORDER?

However, with India and China both rising again, an enlarged 'Indo-Pacific' maritime space is taking shape in contemporary geopolitical calculus. Scholars, analysts, and policy-makers are today scrutinising the maritime connections between Southeast Asia and the Indian Ocean in that strategic context.

Some analysts view the 'Look East' strategy as part of a grand design or forward policy, in which rising India gets to play a prominent role in Asia and international affairs. They argue that neo-Curzonians among the Indian elite, taking into account current geopolitical realities, are again in favour of implementing a wider strategic vision for India in the present context. The prospect of a rising China 'looking west'—extending its influence across Southeast Asia and projecting its power into the Indian Ocean via a 'string of pearls' (a euphemism for Chinese naval bases) to secure access to trade markets and energy sources as far as East Africa and the Middle East—is mirrored by India's desire to secure its strategic space in 'India's ocean' and then 'look east' toward Southeast Asia and the South China Sea in order to counter that challenge.[7]

The extra-regional maritime activities of the United States, Britain, France, Russia, Australia and Japan would no doubt continue to influence the security environment and balance-of-power equation in the Indo-Pacific milieu. But much would also hinge upon the blue-water ambitions, strategic alliances and economic agendas of a concurrently renascent India and China. In what ways then, and to what end, might historical analogies like the Chola raids or the Ming voyages be invoked in policy formulation and decision-making?

At the dawn of the twenty-first century, it remains to be seen whether the two major regional powers of the Indo-Pacific are able and willing to transcend their historically conditioned roles as continental powers in order to assume expansive new roles as maritime powers. In that respect, it might be interesting to speculate whether their future naval strategies and policies will be shaped by a more accommodating, benign past as Asian powers that have been great civilisations as well, or whether they will be driven by the imperatives and dynamics of a more competitive 'Westphalian' system imported under colonial conditions from the Western great powers. For those who are positioned between these rising powers, there remains an equally historic challenge: mandala-like, the member states of ASEAN must find fresh ways of averting confrontation and facilitating cooperation that would contribute to a more pacific future in the Indian Ocean.[8]

[7] See A. Kumar, 'A New Balance of Power Game in the Indian Ocean: India Gears Up to Tackle Chinese Influence in the Maldives and Sri Lanka', *IDSA Strategic Comments* (24 November 2006); D. Scott, 'India's "Grand Strategy" for the Indian Ocean: Mahanian Visions', *Asia-Pacific Review*, 13:2 (2006); C. R. Mohan, 'India and the Balance of Power', *Foreign Affairs* (July/August 2006); C. J. Pehrson, 'String of Pearls: Meeting the Challenge of China's Rising Power *Across the Asian Littoral*', *SSI Carlisle Papers in Security Strategy* (July 2006); S. Devare, *India and Southeast Asia: Towards Security Convergence* (Singapore, 2006).

[8] See A. I. Latif, Between Rising Powers: China, Singapore and India (Singapore, 2007).

CONTEMPORARY STRATEGIC ENVIRONMENT OF THE INDIAN OCEAN REGION: AN OVERVIEW

C. RAJA MOHAN

Until the end of the Cold War the nations of Southeast Asia had viewed their security and economic challenges mainly through a trans-Pacific lens. Although individual countries of ASEAN such as Singapore or Indonesia have maintained a measure of interest in the Indian Ocean, most of their individual and collective interests were focused on the Pacific. When ASEAN was becoming a more coherent organisation and began to increase its weight in the global economy during the last two decades of the twentieth century, its western neighbourhood in the Indian Ocean was becoming increasingly marginal to its concerns. Southeast Asia's historic links to India and the Subcontinent had steadily eroded amidst South Asia's inward orientation.

The conflicts in South-West Asia were seen as remote and part of US-Soviet rivalry that had no direct consequences for ASEAN. While the energy resources of the Persian Gulf were important for the rapidly growing economies of Japan, Korea and other Asian tigers, the responsibility to protect that vital region and the sea lines of communication between the Gulf and East Asia was almost entirely the burden of the United States and its Navy. The east coast of Africa was distant and had little resonance for ASEAN or East Asia. The sources of ASEAN's insecurity and the answers to it during the Cold War period were firmly rooted in the Western Pacific.

ASEAN'S WESTERN ENGAGEMENT

Once the Cold War ended, ASEAN began to pay a little more attention to its western land and maritime frontiers. The entry of Burma into ASEAN in 1997 as a full member consolidated the geographic importance of the organisation as the eastern flank of the Indian Ocean littoral. India's economic reforms from the early 1990s and New Delhi's Look East policy provided a new basis for ASEAN's engagement with its western neighbours. The establishment of the ASEAN Regional Forum (ARF) in 1994 saw a debate on how big its footprint should be and who its members might be. India was admitted first into the ARF and other South Asian nations soon followed.[1]

More broadly as the economic growth of East Asia picked up momentum, the nature of the energy and security linkages between the two regions became more visible.[2] The rise of Asian military and nuclear capabilities also saw the first efforts at imagining the strategic geography of Eastern and Western Asia in a more integrated fashion.[3] The rise of extremist Islamic ideologies in the post Cold War period and their impact on world politics after 9/11 also made the Indian Ocean littoral of great importance to ASEAN.[4] China's rapid rise to great power status and India's emergence as a major power compelled new ways of thinking about the relationship between the Pacific and Indian Oceans as well as between East Asia, South Asia, West Asia and East Africa.

As a major source of raw materials, the home to some of the world's most volatile regions, the incubator of violent extremism, the main theatre for the proliferation of weapons of mass destruction, the location for a large number of failed and failing states, the littoral's importance for the global economy and great power relations is no longer in doubt.[5] Many of these themes are dealt with elsewhere in this policy paper. This paper focuses on the broad theme of the unfolding geopolitical change in the Indian Ocean and its implications for the ASEAN.

[1] Rodolfo C. Severino, The ASEAN Regional Forum (Singapore: Institute of Southeast Asian Studies, 2009).

[2] Kent E. Calder, Asia's Deadly Triangle: How Arms, Energy and Growth Threaten to Destabilize Asia-Pacific (London: Nicholas Brealy, 1997).

[3] Paul Bracken, Fire in the East: The Rise in Asian Military Power and the Second Nuclear Age (New York: Perennial, 2000).

[4] Zachary Azuba, Militant Islam in Southeast Asia (London: Lynne Reinner, 2003).

[5] See for example, Robert D. Kaplan, Monsoon: The Indian Ocean and the Future of American Power (New York: Random House, 2010).

STRATEGIC OUTLOOK

The current strategic excitement about the Indian Ocean is similar to the one more than four decades ago, when Great Britain announced the withdrawal of its forces from East of Suez. Then and now, the big question is about the meaning and consequences of a power transition in the Indian Ocean. In the late 1960s, there was no doubt on who might replace Great Britain as the dominant power in the Indian Ocean. The only issue then was how the United States would organise itself to manage the affairs of the Indian Ocean. The change of guard four and a half decades ago was a relatively smooth one, for it shifted the burden of securing the Indian Ocean from one Anglo-Saxon power to another. That the two were strong allies and shared basic values made the transition quick and decisive. The current power transition could be longer and more destabilising.

Changes in the distribution of power, historians hold, are the main source of systemic conflict in world politics. The rise of new powers and the decline of the old sets up the context for destabilising struggles for rebalancing the world. Either preventing the power transition from one great power to another or facilitating it potentially involves much bloodletting.

In the present context, there are many who argue that the relative decline of the United States is inevitable and a reorganisation of the balance of power in the Indian and Pacific Oceans is necessary amidst the rise of China and the emergence of India. Others argue that structural change in the geopolitics of the Indian Ocean may be inevitable, but not imminent. They insist that the United States will remain the pre-eminent power in the world and in our own littoral.[6] Some trends, however, are indisputable. The overall size of the US Navy is on the decline and that the costs of deployment in the Pacific and Indian Ocean can only rise.[7] Some of the consequences of these trend lines—for example the loss of U.S. maritime primacy--can indeed be disputed but are being debated.[8]

There is no denying therefore that the new imperatives for some structural adjustment in the Indian Ocean Region amidst the unfolding change in the regional and global distribution of power. China has replaced Japan as the second largest economy in the world. India is inching its way to become one of the top five in the next decade. The rapid accretion of economic power means Beijing and Delhi will be able to devote a part of it to acquiring a stronger military. The increase in the economic mass of China and India will intensify their gravitational pull and reconfigure the geopolitical space in the littoral of the Indian Ocean and the Asia Pacific. The economic, political and security integration of China and India is rapidly growing with all the sub-regions of the Indian Ocean littoral in the last decade and is reflected even in Africa. The widening circle of their national interests also means that China and India are today more reliant on the seas than ever before in their history. The more integrated China and India become with the world economy, greater are their stakes at sea. If oceans are the lifelines for the economic well-being of nearly two and a half billion people, Beijing and Delhi are bound to invest heavily—in diplomatic and military terms—in securing their interests in the Pacific and Indian Oceans.

Unlike in the past when China and India emphasised their autarky, their growing interdependence with the rest of the world now demands more flexible and complex military strategies to realise their transformed national interests. As the most versatile of the military instruments, the navies will become increasingly weighty in the strategic calculus of China and India. Both Beijing and Delhi have begun to increase the share of resources devoted to their navies. This would mean a steady expansion of the size and quality of Chinese and Indian naval forces. It is also clear that both Beijing and Delhi are building blue water navies. That Chinese and Indian security interests go beyond the local and regional is underlined by the fact that the economic prospects of their large populations are dependent on access to vital natural resources and markets in distant

[6] See for example, Robert D. Kaplan, "America's Elegant Decline", The Atlantic, November 2007, available at <http://www.theatlantic.com/magazine/archive/2007/11/america-8217-s-elegant-decline/6344/> accessed on October 10, 2010; See also, Robert Farley, "The False Decline of the U.S. Navy", The American Prospect, October 23, 2007, available at < http://www.prospect.org/cs/articles?article=the_false_decline_of_the_us_navy> accessed on October 10, 2010.

[7] See for example Seth Cropsey, "Ebb Tide", American Interest, September-October 2010, available at <http://www.the-american-interest.com/article.cfm?piece=858> accessed on October 10, 2010.

[8] James Kraska, "How the United StatesLost the Naval War of 2015", Orbis, Winter 2010, available at <http://www.fpri.org/orbis/5401/kraska.navalwar2015.pdf> accessed on October 10, 2010.

lands. Powerful blue water navies, then, become inevitable adjuncts to the globalising economies of China and India.[9]

The rise of China, the emergence of India, the weakening of the United States and the irreversible decline of Western Europe, Russia, and Japan would mean a restructuring of the relationships among major powers and regional actors in the Indian Ocean. It is not unreasonable to predict that the important 'strategic triangle' in our littoral and the maritime world will be that between the United States, China and India. While other major powers like Russia, Japan, France and medium powers like Korea, Indonesia, Australia and Iran to name a few will indeed have a bearing on the maritime structures of the Indian Ocean and the Pacific, it is the triangular dynamic between Washington, Beijing and Delhi that will be the most consequential. There are many ways in which the triangular relationship could unfold. Some American commentators see the importance of accommodating the rise of China through the construction of a condominium; others see India as a natural balancer against China's rise. Some even argue that Washington must balance against both Beijing and Delhi. Observers in Beijing worry that India's naval power, in collaboration with the United States and Japan, could hit at the vital maritime interests of China. There are others in Beijing who speculate that the rise of Indian naval power is more of a threat to the United States rather than to China.

COLLECTIVE SECURITY

If the dynamics of great power relations has become quite fluid in the Indian Ocean, it would seem logical that the IOR should explore collective security measures and multilateral confidence building measures. The fact, however, is that there is no tradition of collective security in the IOR. Nor has there been a credible effort in the littoral to build regional institutions that could mitigate the great power rivalry and other traditional and non-traditional threats to security. Although the IOR has looked for such measures in the past, there was little success.

When the transition from the United Kingdom to the United States was being organised in the late 1960s, the Indian Ocean littoral states called for a zone of peace in the region with the approval of the UN General Assembly. The Anglo-American powers and the West viewed this somewhat weak and incoherent effort led by the non-aligned states as a threat to their primacy in the IOR and as supporting Moscow's propaganda to delegitimise their presence in the region. While many developing states paid lip sympathy to the concept of the Indian Ocean Zone of Peace (IOPZ), they were driven by their national logic to align with either Washington or Moscow or play one against the other during the Cold War. Some nations saw the campaign for IOPZ by India as a thinly veiled attempt at promoting its own aspirations in the Indian Ocean.[10] The popularisation of the IOPZ as a slogan in the 1970s nevertheless saw a brief set of negotiations between the United States and the Soviet Union on limiting their naval and nuclear arms in the Indian Ocean. Needless to say the talks never really took off as the US.-Soviet détente collapsed and renewed confrontation between the superpowers took hold of the IOR at the end of the 1970s.[11]

The end of the Cold War saw a renewed effort to build regional organisations in the littoral. Notable among them was the creation of the Indian Ocean Rim Association for Regional Cooperation that was set up in 1997. While resistance from India prevented the inclusion of security issues on the agenda of the organization, the IOR-ARC never really gained the momentum necessary for regional cooperation.[12]

With a view to promote regional maritime confidence building India has convened in 2008 a meeting of all the chiefs of navies from the littoral called the Indian Ocean Naval Symposium (IONS). Although broadly modelled after the Western Pacific Naval Symposium, it has been argued that that IONS "lacks the political top cover that notionally is provided for the WPNS through the APEC and the ASEAN Regional Forum. Its continued existence is likely to be entirely dependent on Indian funding and leadership".[13]

[9] For a broad overview, see James R. Holmes and Toshi Yoshihara, Chinese Naval Strategy in the 21st Century: The Turn to Mahan (London: Routledge, 2007); James R. Holmes, Andrew C. Winner and Toshi Yoshihara, Indian Naval Strategy in the Twenty-first Century (London: Routledge, 2009).

[10] For a review of the debates, see Dieter Braun, The Indian Ocean: Region of Conflict or 'Peace Zone (Delhi: Oxford University Press, 1983).

[11] Richard Haas, "Naval Arms Limitation in the Indian Ocean", Survival, Vol. 20, No. 2, March 1978, pp. 50-57; see also Rodney W. Jones, "Ballistic Missile Submarines and Arms Control in the Indian Ocean", Asian Survey, Vol. 20, No. 3, March 1980, pp. 269-79.

[12] Saman Kalegama, "Indian Ocean Regionalism: Is There a Future?", Economic and Political Weekly, Vol. 37, No. 25, June 22, 2002, pp. 2422-25.

Many analysts of the Indian Ocean recognise the extraordinary diversity of the region and the difficulty of constructing a comprehensive regional framework for security management. While the Indian Ocean Region boasts of a number of sub-regional organisations including BIMSTEC, SAARC and the GCC, none of them today is equipped to provide a framework to address the security issues confronting the region. Whether it is in coping with the changing distribution of power within the sub-regions, the rise of naval and military capabilities of new regional powers, or the threats from non-state actors like the pirates operating from Somalia, it is not the regional framework that has provided the answers. Frightened by the growing Iranian power, the Arab Gulf has turned to the United States and other Western powers for arms and security assurances.[14] The response to the growing threat of piracy has been an international one with the navies of NATO, China, and India playing a role that they did not before, although not necessarily with any significant success in quelling piracy.[15]

A 'TWO OCEAN' STRATEGY FOR ASEAN?

Located at the intersection of the Indian and Pacific Oceans, Southeast Asia is prone to becoming a theatre of contestation among great powers. Until now, the security concerns of ASEAN have been centred around the Western Pacific. In the near future, ASEAN will need to devote increasing attention to the challenges emanating from the Indian Ocean. Put simply, ASEAN now needs a 'two-ocean strategy' to ensure its own security. ASEAN's two ocean imperative comes at a moment when Washington's historic primacy in the Pacific and the Indian Oceans is under stress. One source of this is the relative decline of the United States and the other is the rapid rise of China and India. This has complicated the geopolitics of the Western Pacific and the Indian Ocean.

In the Western Pacific, China has been widely seen as flexing its newly acquired muscles. Beijing has become more assertive in its territorial claims in the South China Sea as well as the East China Sea. As it modernises, the PLA Navy wants to break out of the confines of the 'first island chain' in the Western Pacific that has been dominated for decades by the naval power of the United States. China's maritime disputes with the United States on the interpretation of the Law of the Sea in relation to naval freedoms of navigation have become more intense in recent years. Meanwhile the US Navy has signalled that it has no intention to vacate the Western Pacific and is reordering its operational deployment and rethinking its strategic doctrine in the East Asian waters. At the political level, Washington has declared a policy of 'returning to Asia'. ASEAN has welcomed the United States and Russia into the fold of the East Asia Summit process, as part of its effort to rebalance the region.

ASEAN, as a bridge between the Indian and Pacific oceans, will have to look in both directions. Reinforcing this imperative is the reality that India's own interests in the Western Pacific are increasing its maritime footprint in East Asian waters. There has a steady surge in China's naval profile in the Indian Ocean; Beijing has signalled its determination to secure its supplies of resources—energy and minerals from Africa and the Persian Gulf. Completing the emergence of an Indo-Pacific system is the emerging recognition in Washington that it can no longer view the Indian and Pacific Oceans as separate theatres and the need to develop an overall strategy. Washington has been urging India to play a larger role in the Pacific; during his visit to India in November 2010, President Barack Obama pressed Delhi to engage East Asia more vigorously.

Although India's navy has already participated in Western Pacific exercises, it will be some time before India becomes an integral part of the maritime balance of power in the Western Pacific. Yet its growing weight in the Indian

[13] Sam Bateman, "The Indian Ocean Naval Symposium: Will the Navies of the Indian Ocean Unite?", RSIS Commentaries, March 17, 2008.

[14] Patrick Knapp, "The Gulf States in the Shadow of Iran", Middle East Quarterly, Vol. 17, No. 1, Winter 2010, pp. 49-59.

[15] For a review, see Bibi van Ginkel and Frans-Paul van der Putten, eds., The International Responses to Somali Piracy (Leiden, Brill, 2010).

Ocean should be of considerable interest to ASEAN as it looks west. In recent years, the accretion of India's naval capabilities has occurred in tandem with the evolution of its maritime strategy. As its economic growth rate picked up momentum at the turn of the century, India has had more resources to spend on military modernisation. As its economy became more global and dependent on the seas, Delhi has begun to place special emphasis on building a powerful navy. Since the end of the Cold War India has also shed its military isolationism, which together with economic self-reliance and strategic non-alignment defined national identity.

INDIA'S MARITIME STRATEGY

India's new outward-looking maritime strategy has a number of components. One is the determined engagement of great powers in the Indian Ocean. This is a reversal of India's previous stance favouring the withdrawal of major powers from the Indian Ocean. It now has an intensive naval engagement with the navies of the United States, France, Britain and Russia. Second, India's shift from being a 'lone ranger' has also involved greater naval cooperation with the major regional actors in the Indian Ocean littoral and beyond. From Southern African waters to the South China Sea and from the Gulf of Aden to Oceania, India has naval exchanges with all the major regional actors in the littoral of the Indian and Pacific Oceans. Third, India has begun to demonstrate a strong commitment to help smaller states in the Indian Ocean in building their maritime capabilities. Finally, India has also begun to recognise the importance of contributing to public goods in the maritime commons of the Indian and Pacific Oceans. Traditionally inclined towards sea denial and narrowly focused on protecting its own security interests, the Indian Navy is now open to cooperative security arrangements.

This broad evolution of the Indian Navy into a more capable institution, more amenable to cooperation, makes it a valuable partner for ASEAN in the Indian Ocean. Many ASEAN states already have substantial bilateral naval cooperation with India. Yet at the collective level, there has been not enough engagement and exchange of ideas between India and ASEAN on maritime security issues in the Indian and Pacific Oceans. While India is party to many regional multilateral organisations that deal with security issues overlapping the member states of the ASEAN, its participation in them has been somewhat lacklustre. While India has taken the initiative to establish IONS, it could benefit much from consultation and cooperation with the ASEAN. As Ralf Emmers and Sam Bateman point out in their chapter, ASEAN's strength in the development of multilateral norms and institutions could complement India's growing national capabilities and emerging interest in multilateralism. India and the ASEAN could work together in making the IONS a credible forum, revive the IOR-ARC, and build on the existing forums like the BIMSTEC.

CONCLUSION

The rise of China, the emergence of India and their triangular dynamic with the United States have introduced a new uncertainty in the regional balance of power. Securing its own interests amidst this geopolitical flux will demand considerable strategic skill on ASEAN part. Harmonising the maritime interests of the members of ASEAN in the face of a regional re-distribution of power, and preventing a political split between maritime and continental Southeast Asia are preconditions for ASEAN's ability to prevent a great power conflict within its seas and encourage the development of a framework for the protection of a vital maritime commons that connects Western Pacific with the Indian Ocean.

ASEAN'S MODEL OF CONFLICT MANAGEMENT: LESSONS FOR THE INDIAN OCEAN REIGON?

RALF EMMERS AND SAM BATEMAN

INTRODUCTION

This essay examines the ASEAN model of conflict management and discusses its application within and beyond Southeast Asia.[1] It does so by focusing on the Treaty of Amity and Cooperation (TAC) and the activities of the ASEAN Regional Forum (ARF).[2] It is argued that the Association has promoted norms and principles leading to a code of conduct and established a mechanism for conflict management based on conflict avoidance rather than resolution. Likewise, the ARF has sought to apply this particular code of conduct and conflict avoidance model to the wider Asia-Pacific. The limitations of the ASEAN approach are also discussed in the essay. The Association is unable to resolve inter-state and intra-state disputes in Southeast Asia and it is still uncertain whether the ARF has succeeded in developing a set of norms and principles respected by its many participants. The Conclusions and Recommendations at the end of this Policy Paper further examine the attributes and achievements of ASEAN and discuss them in light of their relevance to the Indian Ocean region. They draw out especially how the experience of the TAC and ARF could support some engagement and be applied to the Indian Ocean.

THE TAC AND CONFLICT MANAGEMENT IN SOUTHEAST ASIA

ASEAN was established through the Bangkok Declaration of August 1967. Its original members; Indonesia, Malaysia, the Philippines, Singapore and Thailand, came together in the interest of regional cooperation. ASEAN's early years were characterised by inaction, troubled bilateral relations and tensions. The first summit of ASEAN heads of state and government was held in 1976 in the wake of the new political environment in Indochina. The rapid success of revolutionary communism surprised the ASEAN states and shattered hopes of enlarging the Association to all Southeast Asian nations. As a collective response to external shocks and a sign of unity and cohesion, the Bali Summit of February 1976 led to two statements: the Declaration of ASEAN Concord and the Treaty of Amity and Cooperation (TAC) in Southeast Asia. This essay focuses on the latter and its relevance for conflict management.

The adoption of the TAC in 1976 sought to establish a norm-based code of conduct for regional inter-state relations. It mentioned the principles of the United Nations (UN) Charter and the principles endorsed at the Asian-African Conference in Bandung, Indonesia, in April 1955. The Treaty also referred to the 1967 Bangkok Declaration and 1971 Kuala Lumpur Declaration. Among others, the TAC enunciated the following principles: 'Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations'; 'the right of every state to lead its national existence free from external interference, subversion or coercion'; 'Non-interference in the internal affairs of one another'; 'Settlement of differences or disputes by peaceful means'; and 'Renunciation of the threat or use of force.'[3] Based on the UN Charter, most of these principles are well known in the study of International Relations as they represent the underlying foundations of the traditional European states system constructed on the sovereignty of nation-states. Nonetheless, the adherence to a common set of norms and principles should be viewed as vital to the operation of a code of conduct for conflict management.

[1] ASEAN was established in Bangkok in 1967. The original members were: Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei joined in 1984, Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999.

[2] In 1994, the ARF participants were Australia, Brunei, Canada, China, the European Union, Indonesia, Japan, Laos, Malaysia, New Zealand, Papua New Guinea, the Philippines, Russia, Singapore, South Korea, Thailand, the United States and Vietnam. Cambodia was admitted in 1995, India and Myanmar in 1996, Mongolia in 1998, North Korea in 2000, and Pakistan in 2004.

[3] Treaty of Amity and Co-operation in South-East Asia, Bali, Indonesia, 24 February 1976.

The Treaty included provision for a dispute resolution mechanism, a High Council for establishing techniques of mediation and consultation. Yet, it stipulated that the 'foregoing provision of this Chapter shall not apply to a dispute unless all the parties to the dispute agree to their application to that dispute.'[4] The need to have the consent of all the parties to a dispute was repeated by the Southeast Asian foreign ministers when they adopted during their 2001 ASEAN Ministerial Meeting (AMM) the procedures of the High Council and later also in the ASEAN Charter.[5] The provision for a High Council, which is at odds with ASEAN's basic norm of non-intervention in the internal affairs of other states, has never been invoked by the members. Instead, the latter have continued to rely on the TAC as an informal code of conduct. Simon still suggests that the provision 'created an expectation, evolving into a norm, that ASEAN members would not resort to force in resolving conflicts among themselves.'[6]

The Treaty was open to accession by all the other Southeast Asian nations. ASEAN hoped that this regional code of conduct, based primarily on respect for national sovereignty, would promote peaceful co-existence in Southeast Asia. By adhering to the TAC, the Indochinese states would have accepted the norms and principles promoted by the Association. Indeed, the TAC was an implicit attempt to reach some kind of accommodation with Hanoi and to include Vietnam in a stable regional order. In addition, the Treaty was expected to consolidate a common ASEAN identity when dealing with extra-mural relations. By rejecting the TAC in 1976, Hanoi thwarted ASEAN's attempt to promote a new regional order in Southeast Asia. Vietnam and Laos eventually acceded to the TAC in 1992 and joined the Association respectively in 1995 and 1997. Cambodia signed the Treaty in 1995 and joined ASEAN in 1999. Adhering to the TAC has therefore become the only institutional obligation prior to joining the Association.

Since 1976, the TAC has become the cardinal ASEAN document. It has provided ASEAN with a political identity, a shared approach to security and a code of conduct for regulating intra-mural relations and managing existing or potential disputes. Codified within the TAC, the code of conduct for conflict management has relied on a modest set of international norms and principles that has characterised the lowest common denominator among the regional partners. Respect for national sovereignty, in contrast to the notion of political integration, has been set forward as the core ASEAN principle. Through the TAC, ASEAN has continued to rely on dialogue and to operate through a mode of conflict avoidance and management. The TAC has emphasised the need for a peaceful and non-confrontational approach to cooperation and made clear that ASEAN would deal with security matters through political and economic means rather than by conventional military methods. Finally, the TAC has strengthened a sense of regionalism amongst the members that further defined the Association as a regional entity.

The TAC has remained relevant in two particular ways. First, it has in recent years been signed by non-ASEAN members keen to deepen their relations with the Association. Significantly, China became the first non-ASEAN nation to sign the TAC in 2003, thereby seeking to indicate its accommodative foreign policy toward the Southeast Asian states. The Treaty has in the meantime been ratified by all the participants of the East Asia Summit (ASEAN plus China, South Korea, Japan, Australia, India, and New Zealand) as well as by France and most recently the United States. The European Union has also indicated its willingness to adhere to the Treaty. The attributes of the TAC have therefore been accepted beyond Southeast Asia, at least rhetorically. In that sense, the TAC has helped the ASEAN countries in partly re-defining their relations with external powers. Secondly, the TAC is at the core of ASEAN's attempt at establishing a security community in Southeast Asia. Indeed, in response to a series of transnational threats, the Southeast Asian leaders announced at an ASEAN Summit in Bali in October 2003 the formation of an ASEAN Security Community (ASC) by 2020. In the spirit of the TAC, the ASC stresses the willingness of the member states to "rely exclusively on peaceful processes in the settlement of intra-regional differences".[7]

[4] Treaty of Amity and Co-operation in South-East Asia.

[5] See Rules of Procedure of the High Council of the Treaty of Amity and Cooperation in Southeast Asia, Hanoi, Vietnam, 23 July 2001 and The ASEAN Charter, Jakarta: ASEAN Secretariat, January 2008.

[6] Sheldon W. Simon, 'Security Prospects in Southeast Asia: Collaborative Efforts and the ASEAN Regional Forum', The Pacific Review, vol. 11, no. 2, 1998, p. 196.

[7] Declaration of ASEAN Concord II (Bali Concord II), Bali, 7 October 2003.

THE ARF AND SECURITY COOPERATION IN THE ASIA-PACIFIC

Created by ASEAN in 1994, the ARF remains the first and only inclusive security arrangement serving more or less the entire Asia-Pacific. ASEAN's decision to establish the ARF resulted from several motivations. It was regarded by the Association as a diplomatic instrument to promote a continuing US involvement in the region and to encourage China into habits of good international behavior. The ARF was thus viewed as a means to both socialise Beijing in a comprehensive fashion while keeping Washington engaged in the region.[8] Furthermore, the creation of the ARF was meant to ensure the ongoing relevance of ASEAN. The latter hoped to consolidate its diplomatic position by further developing its stabilising role in Southeast Asia and beyond. Fifteen years later, ASEAN's original objectives – to institutionalise great power relations within a multilateral framework – have arguably been achieved.[9] The United States is still deeply involved in Asian security affairs while China has become an active participant in the process of institution-building. Moreover, most regional actors continue to support ASEAN's position of leadership in Asia-Pacific institutionalism.

The first ARF meeting took place in Bangkok in July 1994 and gathered 18 foreign ministers to discuss Asia-Pacific security matters. Significantly, it was agreed that the Forum would meet annually and the different participants accepted ASEAN's Treaty of Amity and Cooperation as a code of conduct for regulating regional relations.[10] By extending the geographical ambit of its treaty, the Association hoped that other ARF participants would reject the use of force as a means to solve disputes with ASEAN states. It had in mind Beijing and its territorial claims in the South China Sea.

The second annual ministerial meeting of the ARF was particularly relevant for the purposes of conflict management. Held in Brunei on 1 August 1995, it led to the acceptance of a Concept Paper that outlined the future evolution of the Forum. It stated that the ARF would progress through three stages of security cooperation: confidence-building, preventive diplomacy (PD) and conflict resolution mechanisms. As a result of China's demands, the third stage was amended to 'elaboration of approaches to conflicts' in the chairman's statement.[11] This manifested China's influence on the cooperative process. The ARF was said at the time to be in its first stage of development.

Sixteen years after its formation, the ARF is now often being criticised for being no more than a 'talk shop', unable to respond to security developments in the Asia-Pacific. Today, the ARF remains primarily a confidence-building exercise. The initiative to move beyond the promotion of confidence-building measures has been painfully slow. Progress towards the second stage of development has been undermined by disagreements over the definition and scope of PD. Some participants regard preventive diplomacy as a more threatening form of cooperative security, as it might in some instances touch on the issue of national sovereignty.

Furthermore, despite some successes in promoting confidence-building, the ARF remains ill-equipped to address a series of security issues in the Asia-Pacific. The forum cannot influence the Taiwan, North Korean and Kashmiri issues in spite of the fact that these flashpoints could seriously destabilise the region. Moreover, the ARF suffers from structural limitations that affect its development. It has twenty-seven members. Finding a general agreement on common objectives is a troubling matter, as deep divisions exist between the participants. Crucial differences also contrast Northeast Asian security relations from those in Southeast Asia. The territorial disputes in Southeast Asia cannot be compared to the complex security problems that persist in the Northeast, for example. The United States, Japan, and China also have different expectations and strategic perspectives that cannot implicitly be ignored by reference to the 'ASEAN Way'.

That having been said, the ARF has succeeded in increasingly assuming a non-traditional agenda, notably in the areas of counterterrorism, non-proliferation, maritime security, and disaster assistance and humanitarian relief

[8] Michael Leifer, The ASEAN Regional Forum: Extending ASEAN's Model of Regional Security, Adelphi Paper No. 302, Oxford: Oxford University Press, 1996.

[9] Evelyn Goh, 'Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies', International Security, Vol.32, No.3 (Winter 2007/08), pp.113-157.

[10] Chairman's Statement, the First Meeting of the ASEAN Regional Forum, Bangkok, Thailand, 25 July 1994.

[11] Chairman's Statement, the Second ASEAN Regional Forum, Bandar Seri Begawan, Brunei Darussalam, 1 August 1995.

(HADR). A former Secretary-General of ASEAN has argued for example that the shift to non-traditional security issues is a 'natural' step for the ARF, which has found it difficult to assume a traditional security agenda.[12]

ASEAN'S MODEL OF CONFLICT MANAGEMENT: LESSONS FOR THE INDIAN OCEAN REGION?

One of ASEAN's greatest accomplishments is related to its contribution to conflict avoidance and management. It has operated as an instrument to avoid the recurrence of conflict in Southeast Asia and beyond. The likelihood of regional states using force to resolve disputes has decreased. ASEAN has improved the climate of regional relations and has generally succeeded in containing peacefully, rather than addressing or solving, differences between its members. Its approach to conflict avoidance and management has been defined by the absence of concrete confidence building measures and preventive diplomacy. Rejecting formal or legal mechanisms, ASEAN has relied on dialogue and consultation, the practices of self-restraint and consensus building and on the principles of national sovereignty and non-interference in the domestic affairs of other states.

ASEAN has integrated within its structure a set of norms and principles and introduced a code of conduct regulating intra-mural relations. Since its adoption, the TAC has constituted a normative foundation that seeks to persuade its participants to behave in a particular fashion acceptable to others. This represents an achievement when considering the kind of regional interactions that preceded the establishment of the Association in 1967. The adherence to the TAC has in the post-Cold War gradually been extended to all Southeast Asian states and the wider Asia-Pacific.

Furthermore, ASEAN has succeeded in partly re-defining sub-regional relations with external powers by becoming a diplomatic player of some relevance in Asia-Pacific regionalism. Most regional actors have supported the position of leadership adopted by the Association. Its primary role in the formation and development of the ARF has resulted from the fact that no other regional player was in a position to propose the development of a multilateral security dialogue. Although non-ASEAN led proposals on regionalism have arisen from time to time, most have been ill-received as they have caused concerns with regard to the complex issue of regional leadership. In the absence of an alternative acceptable to all participants, ASEAN, long held as the default option despite its faults, has continued to assume the hub role within the emerging institutional architecture.

The main focus in ASEAN activities on cooperation among member states and the practical experience in achieving that cooperation provides practical lessons that may be of use in the Indian Ocean Region (IOR). These lessons may be particularly useful in the context of moves to revitalize the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). They are not just with building a sense of regionalism but also at a more practical level with fostering cooperation in a range of areas of common interest, including mitigating the effects of natural disasters, dealing with transnational crime, and fighting terrorism and maritime piracy. Many of these issues where ASEAN has achieved successful cooperation between its member states are likely to be on the agenda of a revitalised IOR-ARC, and the lessons provided by the ASEAN experience may assist that forum in achieving its goals and objectives.

The TAC with its key principles of mutual respect, equality, territorial integrity and national identity and its emphasis on a peaceful and non-confrontational approach to cooperation and conflict avoidance also has lessons for the IOR. A reliance on dialogue and an inclusive approach to dealing with regional issues has been manifest in the implementation of the TAC over the years. One of the successes of both the TAC and the ARF has been the way in which they have drawn in key parties, both from within and from outside of the ASEAN region, into constructive security dialogue. Beyond an observer role, extra-regional powers are not engaged in regional forums in the IOR at present despite what would appear to be their legitimate interests in the region.

Other parts of this report highlight the strategic uncertainty of the IOR at present. Apart from uncertainty over the intentions of major powers in the region, tensions are evident in parts of the region including around the Bay of Bengal, in Southwest Asia and Northeast Africa. The TAC principles of dialogue and non-confrontation are particularly relevant to the maritime sovereignty disputes in the Bay of Bengal, particularly as all countries bordering the bay are parties to the TAC.

[12] Rodolfo Severino, The ASEAN Regional Forum, Singapore: Institute of Southeast Asian Studies, 2009.

NON-TRADITIONAL SECURITY CHALLENGES IN THE INDIAN OCEAN REGION

PAU KHAN KHUP HANGZO

The Indian Ocean Region (IOR) is viewed increasingly through the prism of strategic competition and great power rivalry. Robert Kaplan has argued that the Indian Ocean is a stage for Sino-Indian rivalry. Such thinking ignores the fact that there is a number of pressing non-traditional security (NTS) issues that can facilitate cooperation, rather than rivalry, and bring about socio-economic benefits to countries of the IOR. The IOR faces a number of NTS challenges with a significant maritime dimension, including illicit people movements, natural disasters and climate change, and unreported and unregulated fishing (IUU). Tackling this host of transnational challenges will require coordinated responses across the Indian Ocean rim. ASEAN's activism on NTS concerns, directly affecting several of its member states in the IOR, could offer models and opportunities for wider cooperation.

IRREGULAR MIGRATION

The Indian Ocean has long been the scene of irregular migration, defined as occurring outside the norms and state procedures established to manage the orderly flow of migrants. Irregular migration includes both migrant smuggling and trafficking in persons. Human trafficking has been a particular concern in the IOR. According to the ILO, there are at least 2.45 million victims of human trafficking, of which 1.36 million were in Asia and the Pacific.[1] The US Department of State has estimated the number of people trafficked across national borders annually at 600-800,000.[2] Countries of the eastern IOR, especially those located in Southeast Asia have been identified as a major source of human trafficking. An estimated 200-250,000[3] women and children are trafficked from Southeast Asia each year and victims from the region are detected in more than 20 countries.[4] The overall incidence of trafficking victims in the region is estimated at three per thousand inhabitants.[5]

The other issue of concern is refugees and asylum seekers. Australia is the destination of choice for asylum seekers from Afghanistan, Pakistan, Iraq, and Sri Lanka among others. In Afghanistan, sophisticated people-smuggling syndicates reportedly charge around US$12,000 for a one-way trip from Kabul to Christmas Island in Australia.[6] In Iraq, intense competition among smuggling syndicates has driven prices down to as low as $1-2000 for passage.[7] Southeast Asia is an important transit area for people smuggling, as well as a destination for economic migrants in its own right. According to Malaysia's law enforcement authorities, the most common trafficking route for human smuggling involves syndicates bringing in migrants, legally, through Kuala Lumpur and other hub airports, who are then smuggled illegally into Indonesia and on to Australia, often by boat. As of January 2011, an estimated 17,000 asylum seekers in Indonesia were awaiting to travel to Australia, with a further 25,000 in Malaysia.

1 International Labour Organization (ILO), 2005, *A Global Alliance against Forced Labour*, Geneva: www.ilo.org/public/english/standards/relm/ilc/ilc93/pdf/rep-i-b.pdf

2 US Department of State, 2005, *Trafficking in Persons Report 2005*, Washington D.C, June. www.state.gov/documents/organization/47255.pdf

3 Silverman, Jay G., Michele R. Decker, Heather L. McCauley, and Katelyn P. Mack, 2009, *Sex Trafficking and STI/HIV in Southeast Asia: Connections between Sexual Exploitation, Violence and Sexual Risk*, United Nations Development Programme (UNDP)/ Harvard School of Public Health, Colombo: July. hdru.aprc.undp.org/resource_centre/pub_pdfs/P1113.pdf

4 United Nations Office on Drugs and Crime (UNODC), 2009, *Global Report on Trafficking in Persons*, Vienna: February. www.unodc.org/documents/human-trafficking/Global_Report_on_TIP.pdf

5 US Department of State, 2008, *Trafficking in Persons Report 2008*, Washington D.C: June. www.state.gov/documents/organization/105501.pdf

6 Skelton, Russell, 'People Smugglers Operate as 'Open Secret', *The Sydney Morning Herald*, 29 January 2011. www.smh.com.au/national/people-smugglers-operate-as-open-secret-20110128-1a8ds.html

7 O'Brien, Natalie, 'Smugglers blatantly tout in Iraq', *The Sydney Morning Herald*, 19 December 2010. www.smh.com.au/national/smugglers-blatantly-tout-in-iraq-20101218-191bk.html

The Bali Process has emerged as the major forum for addressing people smuggling and trafficking within the wider Asia Pacific region. Over 40 governments from source, transit and destination countries participate, as well as international agencies, including the Office of the United Nations High Commissioner for Refugees and the International Organisation for Migration. The Bali Process convened its first Ministerial Conference in late March 2011, co-chaired by Australia and Indonesia, to consider proposals for a regional cooperative framework to address the irregular movement and smuggling of people.[8]

NATURAL DISASTERS AND CLIMATE CHANGE

The IOR is one of the most disaster-prone regions. The region experiences floods, landslides, severe weather events including cyclones, drought, wildfires, earthquakes and volcanic eruptions, epidemics and crop infestations. Maplecroft's 'Climate Change Vulnerability Index 2011', calculates the vulnerability of 170 countries to the impacts of climate change over the next 30 years. Of the 16 countries rated as "extreme risk", 9 are from the IOR: Bangladesh (1); India (2); Madagascar (4); Mozambique (5); Afghanistan (8); Myanmar (10); Ethiopia (11); Thailand (14) and Pakistan (16).[9] Of the top-ten countries affected by natural disasters in 2009, four were from the IOR: India, Indonesia, Bangladesh and Australia. Among natural disasters to have hit the region in the period 1900-2011 the biggest killers were drought, extreme temperatures, wildfires, flood, storms, epidemics, earthquakes, landslides and volcanic eruptions. Climate change is predicted to further increase the frequency and intensity of severe weather events and flooding in the IOR. Despite this, IOR countries have been generally slow to respond to natural disasters, with little attention given to disaster prevention.

The Indian Ocean tsunami that struck the western coast of Sumatra, on 26 December 2004 exposed the weaknesses of IOR countries in responding to large-scale calamities collectively. As a natural disaster affecting much of the Indian Ocean rim simultaneously, the tsunami demonstrated both a requirement for region-wide coordination and shortcomings in emergency response. This was not so much because of lack of resources but more because of a lack of a regional system to identify and mobilise available resources effectively.

In the aftermath of the tsunami, ASEAN Foreign Ministers on July 2005 signed the ASEAN Agreement on Disaster Management and Emergency Response (AADMER). AADMER contains provisions on disaster risk identification, monitoring and early warning, prevention and mitigation, preparedness and response, rehabilitation, technical cooperation and research, mechanisms for coordination, and simplified customs and immigration procedures. It also provides for the establishment of an ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) to undertake operational coordination of activities under the Agreement.

The effectiveness of AADMER was first tested when Cyclone Nargis struck Myanmar in May 2008. The cyclone caused the death of 140,000 people and affected another 2.4 million. ASEAN was quick to react and respond to Cyclone Nargis with ASEAN Foreign Ministers agreeing to establish an ASEAN-led coordinating mechanism and to set up the ASEAN Humanitarian Task Force (AHTF) to facilitate effective distribution and utilisation of assistance from the international community, including incoming international assistance to support Myanmar's relief, recovery and reconstruction efforts. The AHTF was instrumental in raising more than $600 million. These funds have been crucial in addressing the needs of survivors. ASEAN proactively assumed a leadership role, both in convincing the Myanmar government to cooperate with the international community and in managing the response itself. In so doing, it helped to open an unprecedented level of humanitarian space. The major contingent factor still weighing on AADMER's effectiveness is the states' willingness to grant field access to aid agencies. Nevertheless, other sub-regions within the IOR that have yet to establish any disaster response mechanism could usefully apply lessons learned from ASEAN's collective operational experience in HADR.

The rising frequency of severe weather events around the Bay of Bengal underscores the Indian Ocean's importance

[8] Australian Department of Foreign Affairs and Trade joint press statement, 28 March 20011. www.foreignminister.gov.au/releases/2011/kr_mr_110328.html

[9] Maplecroft, 2010, 'Big economies of the future - Bangladesh, India, Philippines, Vietnam and Pakistan - Most at Risk From Climate Change', www.maplecroft.com/about/news/ccvi.html

to global climate change. Facilitating collaborative research and data sharing among IOR scientific institutions is likely to lead to better modelling, and thus assist inter-governmental disaster prevention efforts, as well as planning for disaster relief.

ARMS SMUGGLING

Prolonged internal conflicts have weakened a number of states around the Indian Ocean periphery. A heavy influx of arms since the cold war has also left a legacy of arms smuggling in various sub-regions of the IOR. State failure in Somalia and the ready availability of small arms have served as enablers for the growth in piracy in the Horn of Africa/Gulf of Aden over the last decade. Conflict in Afghanistan has functioned as a major demand and supply factor in the illegal trade in arms within the IOR, which has been conducted along maritime as well as overland routes. The military defeat of the LTTE insurgency in Sri Lanka in 2010 brought to an end a large scale and highly organised maritime arms smuggling operation, extending to South and Southeast Asia. The LTTE's demise has reduced the demand for illicit arms in the eastern IOR, but internal conflict in southern Thailand and instability within Myanmar, for example, still have the potential to draw in illegal arms. The high volume of inter-regional seaborne commerce traversing the IOR and the variable quality of port state controls further complicate the detection of illicit arms shipments. Recent seizures of suspected dual-use nuclear-related materials in Malaysia's Port Klang highlight the additional risk of the IOR serving as a conduit for weapons of mass destruction and their delivery systems.[10]

DRUG TRAFFICKING

A symbiotic relationship closely connects the illicit trade in drugs and arms. The IOR hosts both the "Golden Crescent" and "Golden Triangle", two enduring global centres for narcotics production. The combined value of drugs out of Myanmar, Afghanistan and Pakistan has been estimated at $200 billion.[11] The favoured trafficking route from South-west Asia to Europe is overland through Central Asia, Russia and the Baltic States. However, narcotics are also smuggled into Pakistan and India, and from there shipped or flown to third countries. Shipping links between South Asian and the Gulf have in the past been integral to the cannabis trade. South Africa has also been targeted both as a market and trans-shipment point for narcotics.

ILLEGAL, UNREPORTED AND UNREGULATED FISHING

IUU fishing is seen increasingly as a threat to sustainable fisheries and the marine environment. It also imposes significant economic and social losses. The total value of IUU fishing losses worldwide has been estimated at $10–23 billion annually.[12] This represents between 11 and 26 million tonnes or between 10 and 22 per cent of total fisheries production. Fisheries offer one of the few easily accessible opportunities for economic development especially for the poorer countries of the IOR. However, IUU fishing has affected the livelihoods of coastal communities in the region by undermining the stocks on which they depend. The rise in piracy along the coast of Somalia in the western Indian Ocean for example has been directly

[10] 'Malaysia May be WMD Transit Point', *Straits Times*, 22 March 2011: www.straitstimes.com/BreakingNews/SEAsia/Story/STIStory_647802.html

[11] 'Small Arms and Drug Trafficking In the Indian Ocean Region', Aparajita Biswas, University of Mumbai, Centre for African Studies, Working Paper. www.mu.ac.in/arts/social_science/african_studies/biswaswp.pdf

[12] Agnew, David J. et al., 2009, 'Estimating the Worldwide Extent of Illegal Fishing', *PLoS ONE*, 4(2): e4570, 25 February. www.plosone.org/article/info:doi/10.1371/journal.pone.0004570

[13] Waldo, Mohamed Abshir, 'The Two piracies in Somalia: Why the World Ignores the Other?', Somali Press Review, 8 January 2009.

[14] Hassan, M. G. and A. Mwangura, *'IUU Fishing and Insecurity Impacts on Somali Fisheries and Marine Resources', Presentation delivered at the 4th IUU Fishing Update and Consultation*, Chatham House, 31st March – 1st April 2008. www.illegal-fishing.info/uploads/Hassan.pdf

[15] Roble, Muhyadin Ahmed, 'Foreign Companies Loot $350m from Somalia', *AfricaNews,* 22 October 2010. www.hiiraan.com/news2/2010/oct/foreign_companies_loot_350m_from_somalia.aspx

linked to IUU fishing in Somali waters by European and Asian fishing vessels as well as the dumping of hazardous waste by European firms following the collapse of the Somali state in 1991.[13] It has been estimated that on an average, 850 foreign owned vessels engage in unlicensed fishing in Somali waters each year.[14] This accounts for an estimated $250–350 million worth of fish and other seafood annually.[15] In the eastern Indian Ocean, Indonesia claims to be the world's biggest victim of IUU fishing. Each year, an estimated 1,000 foreign vessels conducted IUU fishing in 12 per cent of its territorial waters resulting in the loss of about $3 billion every year.[16]

The Indian Ocean Tuna Commission is in place to regulate the exploitation of highly migratory stocks but in practice has proved ineffective.[17] Otherwise, there is no regional or sub-regional framework to check the practice of IUU fishing and maritime trespassing in the IOR. The Southern Indian Ocean Fisheries Agreement is designed to cover fishery resources other than tuna but has yet to come into force.[18] In South Asia most maritime trespassing occurs due to the absence of boundary markers and lack of navigational tools for small fishermen. States usually react to such trespassing through arrest and detention, and this has caused diplomatic tension between countries in South Asia. According to both Pakistani and Indian law, crossing illegally into the other's territorial waters carries a maximum three-month jail sentence and a $12 fine. In reality, however, fishermen from both countries are often jailed for a year or longer.[19]

A concrete plan to combat IUU fishing currently exists only in the eastern IOR. ASEAN member countries along with Australia, China, Japan, and Papua New Guinea established a Regional Plan of Action (RPOA) in 2007.[20] The objective of the RPOA is to enhance and strengthen the overall level of fisheries management in the region, in order to sustain fisheries resources and the marine environment, and to optimise the benefit of adopting responsible fishing practices. The actions cover conservation of fisheries resources and their environment, managing fishing capacity, and combating IUU fishing. Western Indian Ocean countries can inform other countries in the IOR on how a workable mechanism can be established. This can be done through the exchange of knowledge and experience at the sub-regional level. The ultimate objective of such exchanges is to establish a Regional Plan of Action in South Asia, in the Middle East, and in eastern Africa. Such a mechanism could drastically reduce the problem of IUU fishing and maritime trespassing in the IOR.

TOWARDS A COOPERATIVE FRAMEWORK

Establishing a comprehensive region-wide policy framework to address non-traditional security threats remains a challenge because countries in the region have varying concerns and threat perceptions. In instituting cooperative mechanisms at the sub-regional level, a number of important lessons can be gleaned from eastern Indian Ocean countries in general and Southeast Asia in particular, given ASEAN's proactive stance on non-traditional security. Cooperation is most likely to take root at the sub-regional level because the IOR is already home to a number of sub-regional organisations including ASEAN, the Arab League, the East African Community, the Gulf Cooperation Council, and the South Asian Association for Regional Cooperation. Functional cooperation on specific NTS concerns through specialised organisations is another possibility. The anti-piracy initiative ReCAAP focuses its activities primarily on Southeast Asia, but may offer a useful model on other NTS concerns, given that it groups several ASEAN and IOR countries among its members.

[16] Sembiring, Dalih, 'Indonesian Minister Calls for International Effort Against Illegal Fishing', *The Jakarta Globe*, 16 August 2009. Available at thejakartaglobe.com/home/indonesian-minister-calls-for-international-effort-against-illegal-fishing/324320.

[17] Rumley D, Chaturvedi S, Sakhuja V (eds) 2009. Fisheries exploitation in the Indian Ocean: threats and opportunities, Institute of Southeast Asian Studies, Singapore.

[18] Bateman, Sam and Anthony Bergin, 2010, Our Western Front: Australia and the Indian Ocean, Australian Strategic Policy Institute (ASPI), p 54.

[19] 'End to Arrest of Pakistani, Indian Fishermen Demanded', The News, 14 February 2010. www.illegal-fishing.info/item_single.php?item=news&item_id=4552&approach_id=30.

[20] 'Regional Plan of Action (RPOA) to Promote Responsible Fishing Practices (including Combating IUU Fishing) in the Region'. www.illegal-fishing.info/uploads/APFIC-RPOA-0507.pdfAvailable at thejakartaglobe.

ENERGY AND GEOPOLITICS IN THE INDIAN OCEAN REGION

RAJESH BASRUR

The politics of energy in the Indian Ocean Region (IOR) has become a key focus of contemporary strategic interest owing to the rapid rise in demand for energy in Asia. China, which is not geographically part of the IOR but which nevertheless impinges strongly on it, leads the surge. The gap between supply and demand could produce tensions within the IOR and elsewhere. A typical tract on the evolving strategic canvas warns of the coming rise in competition: "In the emerging international system, we can expect the struggle over energy to override all other considerations, national leaders to go to extreme lengths to ensure energy sufficiency for their countries, and state authority over both domestic and foreign energy affairs to expand."[1] While this may be an exaggerated expectation, it is not without substance. As Table 1 shows, the energy deficit has indeed become an increasingly urgent issue all round and nowhere more than in fast-industrialising Asia. Moreover, cost-benefit calculations about energy are inevitably complicated by the geopolitical factors with which it is inevitably and inseparably intertwined. The chief policy challenges lie in three areas: the search for energy sources, the need to protect trade in energy, and – connected but distinctive – the special problems relating to nuclear energy.

THE GEOPOLITICS OF ENERGY SOURCING

The search for enhanced energy supplies faces significant geopolitical problems. Several major existing and potential supply chains in the Indian Ocean Region (IOR) are caught in difficult and unpredictable circumstances. Iran, a major producer of oil and gas, is under pressure from the United States on account of its nuclear energy programme. The long-awaited Iran-Pakistan-India (IPI) gas pipeline has finally got off the ground, but without India, which has been reluctant to join the project owing to its concerns about Pakistan as a reliable supplier and because of American pressure on Iran.

Two major planned routes connecting Central Asia to the Indian Ocean via Afghanistan, Pakistan and India await the establishment of a semblance of peace, which is an essential prerequisite to the construction and working of pipelines. These are the Turkmenistan-Afghanistan-

TABLE 3. PROJECTED ELECTRICITY DEMAND AND SUPPLY IN ASIA (BASED ON FOSSIL FUELS), IN TWH[2]

Region	2015		2030	
	Demand	Supply	Demand	Supply
South Asia	981.5	1091.2	2092.2	2147
Northeast Asia	5205.5	4341	7361.8	5713.1
Southeast Asia	725.6	660.7	1434	1293.7

Source: Asian Development Bank, Energy Outlook for Asia and the Pacific, October 2009.
*TWh refers to terawatts hour as the unit of measurement of electricity being generated. The fossil fuels factored into the estimate comprise coal, oil and natural gas.

[1] Michael T. Klare, *Rising Powers, Shrinking Planet: The New Geopolitics of Energy* (New York: Henry Holt, 2008), pp. 6-7.

[2] Rajesh Basrur, Kalyan Kemburi and Koh Swee Lean, "Nuclear Energy and Energy Security in Asia," Unpublished Paper, S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore, April 2011.

Pakistan-India (TAPI) project and the Central Asia-South Asia electricity scheme (CASA-1,000). Between them, they could annually provide up to 33 million cubic metres of gas and over 1,000 MW of electricity a year.[3] The fate of these two projects remains unclear so long as Afghanistan and, to a lesser extent Pakistan, remains mired in violent internal conflict.

In contrast, Myanmar has been able to play its gas card profitably: it has successfully shielded itself from American pressure to democratise by obtaining the backing of China and India as well as Thailand, to all of which it is a major potential supplier. Though China obtained the lion's share of Myanmar's new oil and gas projects, India too has benefited by way of a 12.5% share of the investment in the gas pipeline and a 30% share in the gas blocks being exploited.[4] For ASEAN, this means, first of all, that the military junta in Myanmar will be in a position to continue resisting pressures to relax its iron grip on the country's politics; and second, that – once the pipelines are in place – China will be less dependent on the Malacca Straits for its energy supplies, albeit only marginally. Geopolitically, this could reduce the potential for friction arising from strategic tensions between the big players – the US, China and India – in the region. From the economic perspective, the loss in energy trade will mean some economic disadvantage.

THE GEOPOLITICS OF ENERGY TRADE

Despite the negative impact on maritime trade produced by the construction of overland pipelines, the greater part of energy supplies linking the eastern and western ends of the IOR will continue to be seaborne. This trade is already confronted with significant levels of threat to stability and the trend is likely to grow. The main problem arises from the combination of accelerated economic activity in Asia and the rise of two new powers in the region. China is by far the bigger of the two and is widely seen as the challenger to American hegemony. This has tended to push India, which has a border dispute with China, closer to the United States, which itself is undergoing a secular trend of relative decline. Increasing India-US defence cooperation has brought a measure of insecurity to China, which has sought to strengthen its presence in the Indian Ocean in order to protect its energy and other supplies. This is a typical security dilemma that is ubiquitous in inter-state relations: what one state does to try and protect its interests makes another insecure and engenders a competitive response, thereby raising the prospects of a spiralling competition. What we see today in the form of rising naval capabilities, and forays into each other's maritime backyards may be the beginnings of a major Sino-Indian rivalry in the Indian Ocean.[5] If the rivalry intensifies, the United States is likely to become a direct participant. Such a competitive environment is not in Southeast Asia's interest, for it could well bring maritime security crises that could affect energy flows negatively. It would be worth exploring the ways in which individual countries and ASEAN collectively can try and prevent the growth of tensions.

The growth of piracy in the region is an additional and not entirely unrelated problem. According to the International Maritime Bureau's Piracy Reporting Centre, during the first four months of 2011, the area around Somalia alone produced as many as 117 piracy incidents, i.e. 67% of a worldwide total of 173; and 20 out of 23 hijacking incidents.[6] Despite the high cost (estimated to be some US $7-12 billion in 2010), the threat by and large remains

[3] John Foster, "Afghanistan, the TAPI Pipeline, and Energy Geopolitics," Journal of Energy Security, March 2010 <www.ensec.org/index.php?option=com_content&view=article&id=233:afghanistan-the-tapi-pipeline-and-energy-geopolitics&catid=103:energysecurityissuecontent&Itemid=358>.
Roman Muzalevsky, "TAPI and CASA-1,000: Energy Geopolitics on Whose Terms?" Eurasia Daily Monitor, Vol. 8, No. 3 February 16, 2011 <www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=37521&cHash=71d4e86c3623791bd7fee72130b9d43e> (accessed on 30 April 2011).

[4] "India Approves ONGC, GAIL to Tap China-Myanmar Gas Pipeline," Finance China, 20 February 2010 <news.fnchn.com/India_approves_ONGC_GAIL_to_16760.aspx> (accessed on 30 April 2011).

[5] C. Raja Mohan, Sino-Indian Rivalry in the Western Indian Ocean, ISAS Insights, No. 52, Institute of South Asian Studies, National University of Singapore, February 2009.

[6] "Piracy News and Figures," International Chambers of Commerce Commercial Crime Services (as of 28 April 2011) <www.icc-ccs.org/piracy-reporting-centre/piracynewsafigures> (accessed on 30 April 2011).

high.[7] At the same time, the growth of piracy provides justification for various naval forces to strengthen their presence in the western reaches of the Indian Ocean in the guise of protecting a critical national interest.[8] It is notable that efforts to undertake ocean policing through multilateral contribution have been limited. The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), which entered into force in 2006, has only 17 member states (though, significantly, the membership does straddle both East Asia and the IOR).The 2009 Djibouti Code of Conduct, which is focused on information sharing, has 18 of a possible maximum of 21. The larger problem of how various naval forces can coordinate among themselves needs to be addressed in order to create a multilateral order at sea that is both imbued with a culture of cooperation and effective in the counter-piracy mission.

GEOPOLITICS AND NUCLEAR ENERGY IN THE IOR

The strategic dimensions of nuclear energy have been central to the geopolitical landscape in the IOR. The controversial 2008 India-US nuclear agreement, linked to the Nuclear Suppliers Group's nod to civilian nuclear trade with India, sharpened tensions between China on the one hand and the United States and India on the other. Subsequently, China decided to go ahead with the construction of two new reactors in Pakistan, which raised American and Indian hackles. Reports of Myanmar's interest in developing nuclear weapons have underlined worries that the emergence of more and more nuclear plants in the IOR could lead to weapons reaching the hands of states as well as non-state actors.[9] In the meantime, Iran's nuclear programme has aroused considerable alarm, but continues despite sanctions. A huge fear is that rising tensions may encourage Israel or the United States to carry out a preventive strike against Iranian nuclear facilities, thereby setting the Middle East aflame, disrupting oil supplies, and sharply raising energy prices. A longer-term apprehension is that, when (rather than if) Iran does obtain nuclear weapons, it will have the capacity to alter the balance of power in the region and thereby create an upheaval in the energy market.

The larger implication is that the boundary between civilian and military nuclear technology is porous and can be penetrated by states committed to doing so. This makes urgent the problem of keeping a tight lid on technology and materials. There has been some progress in this regard. The International Atomic Energy Agency (IAEA) in December 2010 agreed to create a fuel bank as a central source of supply for nuclear fuel to states developing new nuclear energy programmes. Disposal of nuclear waste, which requires storage of radioactive material for the indefinite future, will likely prove to be a more difficult problem and needs to be addressed now rather than later. The disaster that struck Japan's Fukushima nuclear plant in March 2011 has raised hard questions about the "nuclear renaissance" in Asia. Thus far, most Asian countries – notably China and India – have affirmed the need to learn from the crisis, but not backtracked on their nuclear plans. Unless there is a sharp reversal arising from the Japanese crisis, nuclear energy production is slated to climb rapidly. Assuming a high growth scenario, global consumption of nuclear power is projected to increase from 1,909 billion kilowatt hours in 1990 to 3,966 billion kilowatt hours in 2030.[10] Much of this growth will occur in the IOR. The rising number of nuclear reactors will bring the risk of proliferation among non-state actors, or targeting of nuclear infrastructure by terrorist groups.

[7] Anna Bowden, *The Economic Cost of Maritime Piracy*, One Earth Future Working Paper, December 2010, Table 13, p. 25 <oceansbeyondpiracy.org/documents/The_Economic_Cost_of_Piracy_Full_Report.pdf>.

[8] "Piracy Not Only Game in Indian Ocean Naval Build-Up," Reuters Africa, 12 October 2010 <af.reuters.com/article/energyOilNews/idAFLDE69A1YT20101012> (accessed on 30 April 2011).

[9] Joby Warrick, "Report Says Burma is Taking Steps toward Nuclear Weapon Program," *Washington Post*, 4 June 2010 <www.washingtonpost.com/wp-dyn/content/article/2010/06/03/AR2010060304859.html?wpisrc=nl_cuzhead> (accessed 4 June 2010).

[10] United States, Department of Energy, Energy Information Administration, International Energy Outlook 2009, Report # DOE/EIA-0484(2009), May 2009.

POLICY IMPLICATIONS

What are the main risks and what can be done about them?

Localized Confrontations: States in the IOR may not want war, but may slip into it when local tensions escalate. The most obvious example of such a risk is the possibility of a conflict between Iran and Israel, which could conceivably engulf the Middle East. Other hot spots in and around the IOR are the India-Pakistan border and the India-China border. In all of these cases, resort to force is far more likely to produce regional disorder than to resolve bilateral problems. There is no quick fix, for conflicting interests are often hard to dissolve. Thus far, the search for regional institutions in Asia and the IOR has yielded meager results. Nonetheless, the community of states needs to consider ways of, first, managing crises that may erupt as the result of the politics surrounding nuclear energy;[11] and second, inducing political engagement – however slow it might be to bring stability – in order to sustain a process of dialogue.

Confrontations at Sea: Naval conflict is in a class by itself. It is in some ways more likely to occur than conflict on land for two reasons: because at sea red lines are ill-defined or non-existent; and because fear of a high risk of escalation to all-out war is likely to be less strong in places distant from home since one's own territory is not directly threatened. Conceivably, this could apply to nuclear-armed states as well. To minimise this risk, naval confidence building is vital. At a bilateral level, formal or informal understandings can be developed to reduce tensions through transparency measures (e.g. in technology development, force structures and normal deployments) and through communications processes (e.g. providing information on forthcoming exercises, tests, and nuclear-related accidents). At a multilateral level, apart from regular naval exercises to combat piracy and respond collectively to natural disasters, collaboration on protection of choke points and sea lines of communications would be helpful.

Non-state Actors: Some forward movement has occurred on joint patrolling of the waters around Somalia. Similarly, the Proliferation Security Initiative (PSI) has attracted a significant cohort of participants. The implementation of UN Security Council Resolution 1540, which requires states to take measures to counter the threat of weapons of mass destruction, has also made progress. But much remains to be done with respect to intelligence sharing, the diffusion of best practices and the sharing of technology. The enormity of the task should not be underestimated, but neither should the need to persist with it. To the extent that states have an interest in backing or turning a blind eye to terrorist groups, the undertaking remains difficult.

Introspection: Perhaps the most difficult task is to restrain states from their mercantilist approach to energy resources. It is a standard practice among strategic analysts to raise worst case expectations with reference to the growing demand for energy.[12] Yet it is worth bearing in mind that a "realist" zero-sum approach has distinct limitations. Energy security is ultimately about reliable, affordable and sustainable availability. Ownership of resources cannot provide long-term advantage for the cost to others in an integrated economic system is also a cost to oneself.[13] Ultimately, it makes more sense to focus on ensuring stable markets – and more generally, stable governance – than on accumulating resources other than for short-term purposes.

[11] Kwa Chong Guan, "A Second Nuclear Age in Asia?" *RSIS Commentaries*, No. 38, March 2011.

[12] See, e.g.Klare, *Rising Powers, Shrinking Planet*; Carlos Pascual, "The Geopolitics of Energy: From Security to Survival," Brookings Institution, January 2008 <www.brookings.edu/~/media/Files/rc/papers/2008/01_energy_pascual/01_energy_pascual.pdf> (accessed 10 June 2010). Frank Umbach, "Global Energy Supply and Geopolitical Challenges," n.d., available at <www.dgap.org/midcom-serveattachmentguid-736aceaccaeb11da94ad0327231c36473647/Asia_and_Europe_umbach%2B(1).pdf> (accessed 10 June 2010).

[13] Brenda Schaffer, *Energy Politics* (Philadelphia: University of Pennsylvania Press, 2009), pp. 91-104.

CRITICAL SEA LANES IN THE INDIAN OCEAN REGION

JOSHUA HO

OIL TRANSIT CHOKEPOINTS

Chokepoints are narrow channels along widely used global sea routes. They are a critical part of global energy security due to the high volume of oil traded through narrow straits. The Strait of Hormuz, leading out of the Persian Gulf and the Straits of Malacca linking the Indian and the Pacific Oceans are two of the world's most strategic chokepoints and lie in the Indian Ocean Region. Another important passage in the Indian Ocean Region is the Bab-el-Mandab, which connects the Arabian Sea and the Red Sea which leads to the Suez Canal.

The international energy market is dependent on reliable transport. The blockage of a chokepoint, even temporarily, can lead to substantial increases in total energy costs. In addition, chokepoints leave oil tankers vulnerable to theft from pirates, terrorist attacks, and political unrest in the form of wars or hostilities as well as shipping accidents which can lead to disastrous oil spills.

STRAIT OF HORMUZ

The Strait of Hormuz is a narrow strategically important waterway between the Gulf of Oman in the southeast and the Persian Gulf. On the north coast is Iran and on the south coast is the United Arab Emirates and Mussandam, an enclave of Oman. The Strait of Hormuz is the world's most important oil chokepoint due to its daily oil flow of 16.5 to 17 million barrels (2008), which is roughly 40 percent of all seaborne traded oil (or 20 percent of oil traded worldwide). Oil flows averaged over 16.5 million barrels per day in 2006, dropped to a little over 16 million barrels per day after OPEC cut production, but rose again in 2008 with additional Persian Gulf supplies.

At its narrowest point, the Strait is 21 miles wide. Ships moving through the Strait follow a Traffic Separation Scheme (TSS), which separates inbound from outbound traffic to reduce the risk of collision. The traffic lane is six miles (10km) wide, including two two-mile (3 km-wide) traffic lanes, one inbound and one outbound, separated by a two-mile (3km) wide separation median. To traverse the Strait, ships pass through the territorial waters of Iran and Oman under the transit passage provisions of the United Nations Convention on the Law of the Sea. Oman has a radar site to monitor the TSS in the Strait of Hormuz and the site is located on a small island on the peak of Mussandam Peninsula.

The majority of oil exported through the Strait of Hormuz travels to Asia, the United States and Western Europe. Currently, three-quarters of all Japan's oil needs pass through this Strait. On average, 15 crude oil tankers passed through the Strait of Hormuz daily in 2007, along with tankers carrying other petroleum products and liquefied natural gas (LNG).

Threats

On 29 June 2008, the commander of Iran's Revolutionary Guard, Al Mohammed Jafari, said that if Iran were attacked by Israel or the United States, it would seal off the Strait of Hormuz, to wreak havoc in oil markets. This statement followed other more ambiguous threats from Iran's oil minister and other government officials that a Western attack on Iran would result in turmoil in oil supply. On 8 July 2008, Ali Shirazi, a mid-level clerical aide to Iran's Supreme Leader Ayatollah Ali Khamenei, also made the assertion that should Iran be attacked by the U.S. or Israel, it would retaliate by attacking U.S. and Israeli shipping.

Experts disagree on how long the Straits can be closed. An article in International Security in 2008 contended that Iran could seal off or impede traffic in the Strait for a month, and an attempt by the U.S. to reopen it would likely escalate the conflict. In a later issue, however, the journal published a response which questioned some key assumptions and suggested a much shorter timeline for re-opening of the Straits.

Besides the possibility of the closure of the Straits by Iranian naval forces, there is also the prevailing threat of a maritime terrorist attack on shipping conducted by Al Qaeda linked terrorist groups. For example, on the 28 July 2010, a Japanese oil tanker, the M Star, was hit by an

explosive-laden dinghy as it transited the Strait. The ship was loaded with two million barrels of oil and had been heading toward Japan, when a sudden force shattered windows, ripped off railings from the deck, blew off a lifeboat and punched a huge dent into its hull with one crew member suffering minor injuries. It was fortunate that the hull was not breached and after a week of repairs and a thorough examination, the tanker continued on its way to Japan. The act was perpetrated by the Abdullah Azzam Brigades, a militant group with ties to Al Qaeda.

International Response

In response to the threat of closure of the Straits, the Commander of the U.S. 5th Fleet stationed in Bahrain across the Persian Gulf from Iran, warned that such action by Iran would be considered an act of war, and that the U.S. would not allow Iran to effectively hold hostage nearly a third of the world's oil supply.

Alternate Routes

Closure of the Straits of Hormuz would require the use of longer alternate routes at increased transportation costs. Alternate routes include the 745 miles long Petroline, also known as the East-West Pipeline, across Saudi Arabia from Abqaiq to the Red Sea. The East-West Pipeline has a capacity to move five million bbl/d. The Abqaiq-Yanbu natural gas liquids pipeline, which runs parallel to Petroline to the Red Sea, has a 290,000 bbl/d capacity. Other alternate routes could include the deactivated 1.65 million bbl/d Iraqi Pipeline across Saudi Arabia (IPSA), and the 0.5 million bbl/d Tapline to Lebanon. Oil could also be pumped north to Ceyhan in Turkey from Iraq.

STRAITS OF MALACCA

The Straits of Malacca is 600 miles long and provides the main corridor between the Indian Ocean and the South China Sea. It is a major sea lane used by tankers from the Middle East. Around 26 tankers, including three fully loaded supertankers heading for Asian ports, carrying an estimated 15 million bbl/d (2006), pass through the Malacca Straits daily. Because the straits are relatively shallow, only 23 metres deep at most points, the International Maritime Organisation (IMO) has required an under-keel clearance of 3.5 metres for ships transiting the Straits, which translates to ships of at most 200,000 dead-weight tonnes.

At its narrowest point in the Straits of Singapore, the navigable channel is only 1.5 miles wide. In terms of total volume, more than 200 ships of 300 gross tones and above and of 50 metres or more in length pass through the Straits of Malacca daily, about 72,000 annually, carrying 80% of the oil transported to Northeast Asia. In terms of value, the total tonnage carried by the Straits of Malacca amounts to 525 million metric tons worth a total of US$390 million. The traffic volume will likely increase in the future due to the increasing trade flows and energy demands in Asia.

Threats

There are three main threats to shipping in the Straits of Malacca: piracy, maritime accidents, and maritime terrorism.

According to the International Maritime Bureau 2009 Annual Report, Southeast Asia was the region with the most number of piracy incidents until 2007. In particular the number of incidents in the Malacca Straits peaked in 2005 with 19 attacks. The narrowness of the Malacca Straits is conducive to pirates and attacks can be launched from the numerous adjacent channels and islets.

The narrowness and relative shallowness of the Straits also creates a natural bottleneck with a high risk of collisions, grounding and consequently, oil spills. There are also 34 shipwrecks in the Traffic Separation Scheme (TSS), the channel for commercial ships, and these pose a collision hazard in the narrow and shallow Strait.

On the 3 March 2010, the Republic of Singapore Navy's Information Fusion Centre issued an advisory to shipping and indicated that a terrorist group could be planning attacks on oil tankers in the Malacca Strait. The advisory also indicated that there is a possibility for attacks on other large vessels with dangerous cargo. Maritime terrorism continues to be a threat to shipping.

Regional Response

To counter the twin threats of piracy and maritime terrorism, the regional countries have instituted several initiatives. The first is the Malacca Straits Patrols, which were started in 2004, and comprise air and sea patrols, an intelligence exchange group to facilitate sharing of intelligence, an information system to facilitate information exchange, as well as a joint coordinating committee to coordinate

the various military activities in the Straits between the four littoral countries of Singapore, Malaysia, Indonesia and Thailand.

Another initiative is the Regional Cooperation Agreement to Combat Piracy and Armed Robbery against Ships in Asia (ReCAAP) Information Sharing Centre (ISC), which was established in Singapore in 2006. ReCAAP comprises the ten ASEAN countries, minus Indonesia and Malaysia who have not acceded to it, plus the three Northeast Asian countries of China, Japan, and South Korea and the three South Asia countries of Bangladesh, India, and Sri Lanka. Through its focal points in each country, the ReCAAP ISC shares information and conducts detailed analysis of piracy incidents, capacity building exercises and enters into cooperative arrangements.

The last but perhaps most important of the initiatives is the Cooperative Mechanism for the Enhancement of the Safety, Security and Environmental Protection of the Straits of Malacca and Singapore (CM), which is a framework for cooperation between the users and the littoral states to address the safety and environmental protection of the Straits of Malacca and Singapore. The CM was launched in 2007 under the auspices of the International Maritime Organisation (IMO) and in accordance with Article 43 of the United Nations Convention on the Law of the Sea (UNCLOS). The CM consists of three components. The first was the Forum for Cooperation which comprises senior officials and technical experts from the maritime authorities of Indonesia, Malaysia, and Singapore. The Forum would form the main avenue for interested user states and other parties to meet and cooperate with the littoral states. The second component was the Project Coordination Committee, which was formed to oversee a package of projects that was proposed by the littoral states for which funding and participation from the user states and interested parties have been sought. The third component was the Aids to Navigation Fund where interested stakeholders could volunteer financing of the maintenance of the critical aids to navigation. Since its inception, many countries and industry-related organisations have participated and contributed to the Cooperative Mechanism (CM), bearing testimony to the successful implementation of UNCLOS Article 43, which governs burden-sharing among coastal and user states in straits used for international navigation.

Alternate Routes

If the Straits were blocked, nearly half of the world's fleet would be required to reroute around the Indonesian archipelago and through the Lombok Strait, located between the islands of Bali and Lombok, or the Sunda Strait, located between Java and Sumatra. A diversion of this nature will incur an additional 3 days of sailing time and according to a 2002 study done by the U.S. National Defence University, the extra steaming costs could amount to $8 billion per year based on 1993 trade flows. No doubt, if the current trade flows were used in the calculations, the cost would be even higher. It was reported that Malaysian, Indonesian and Saudi companies signed a contract in 2007 to build a US$7 billion pipeline across the north of Malaysia and the southern border of Thailand to reduce 20 percent of the tanker traffic through the Straits of Malacca. However, there has been no news on the start date for the project.

BAB-EL-MANDAB

The Strait of Bab-el-Mandab is a chokepoint between the Horn of Africa and the Middle East, and a strategic link between the Mediterranean and the Indian Ocean. It is located between Yemen, Djibouti and Eritrea, and connects the Red Sea with the Gulf of Aden and the Arabian Sea. Exports from the Persian Gulf must pass through the Bab-el-Mandab before entering the Suez Canal. In 2006 an estimated 3.3 million bbl/d flowed through this waterway toward Europe, the United States and Asia. The majority of traffic, around 2.1 million bbl/d, flows northbound through the Bab-el-Mandab to the Suez/Sumed Complex.

The Bab-el-Mandab is 18 miles wide at its narrowest point, making tanker traffic difficult and limited to two 2 mil-wide channels for inbound and outbound shipments. More than 20,000 ships per year transit the Straits and its closure could keep tankers from the Persian Gulf from reaching the Suez Canal or Sumed Pipeline, diverting them around the southern tip of Africa. This would effectively engage spare tanker capacity, and add to transit time and cost.

Threats

Security remains a concern for foreign firms doing business in the region, due two maritime terrorist attacks. The first was on the USS Cole in 2000 and the second was on the French tanker, Limburg, in October 2002, both of which were attacked off the coast of Aden, Yemen by terrorists. More recently, rampant piracy has become a problem in the Gulf of Aden, which the Bab-el-Mandab connects to, and off the coast of Somalia.

According to the International Maritime Bureau 2010 Annual Report published in January 2011, 192 ships were attacked in 2010, compared to 197 in 2009, 111 in 2008 and 44 in 2007. While 53 of those attacks were in the Gulf of Aden, there were 135 attacks off Somalia. In 2010, there were 48 successful hijacks as compared to 46 in 2009, 42 in 2008 and 13 in 2007. Clearly, there has been a substantial increase in the number of attacks from 2007 to 2010 and the area of attacks appears to have spread out to the Red Sea, off the coast of Oman, and into the Indian Ocean as well. For ships that are hijacked, ransoms are demanded for their return. Ransom demands ranged initially from US$500,000 to US$2 million. However, the amounts have escalated dramatically since the end of 2008. According to a report by the Royal Institute for International Affairs in October 2008, ransoms that have accrued amounted to between US$18 million and US$30 million in 2008. However, Kenya's foreign minister has put a higher amount to the ransom paid, estimating that more than US$150 million in ransoms were paid in 2008. Ransoms are usually negotiated directly between shipowners and the pirates, but sometimes a middleman is used. Besides the payment of ransoms, one of the consequences of piracy is an increase in insurance rates for the shipping industry and the need to purchase additional insurance to cover the risk associated with transiting a piracy-prone region.

International Response

To combat the threat of piracy, the international community has sent ships to patrol the area to deter the pirates. These ships operate under either the Combined Task Force 151, which is a U.S. led coalition, under the European Union led Operation Atalanta, or are there on independent national missions. The forces present have set up a transit corridor, known as the Internationally Recommended Transit Corridor (IRTC), which is a maritime corridor through the Gulf of Aden aimed at deterring attack and the hijacking of ships seeking safe passage through the zone. Besides the setting up of the transit corridor, the forces present have also established communications links with each other to coordinate their respective actions on the ground. The forces present have had some successes as there have been reports of attacks being deterred and the arrest of pirates.

Besides the presence of the international community, there has also been a regional response to the piracy incidents. On January 2009, the 21 governments of the western Indian Ocean and the Gulf of Aden adopted the Djibouti Code of Conduct Concerning the Repression of Piracy and Armed Robbery against ships in the western Indian Ocean and the Gulf of Aden. Modelled after the ReCAAP, the purpose of the Code of Conduct is to repress piracy and armed robbery against ships by information sharing, with national focal points, interdicting ships suspected of engaging in piracy, ensuring apprehensions and prosecution of pirates and adopting uniform criteria for the reporting of incidents. It also called for multiple states with legitimate interests to liaise and coordinate to facilitate rescue, interdiction, investigation, and prosecution. Under the Djibouti Code of Conduct, three information sharing centres were to be established in Yemen, Djibouti and Kenya.

However, despite the measures taken to date, the Somali pirates continue to aggressively attack ships outside the corridor, even up to distances of 1,000 nautical miles from Mogadishu, Somalia and as a result ships have been warned to stay preferably more than 600 nautical miles from the Somali coast. Given that, the piracy problem off the coast of Somalia is likely to remain for some time to come.

Alternate Routes

The Strait of Bab-el-Mandab could be bypassed through the East-West oil pipeline, which crosses Saudi Arabia, with a 4.8 million bbl/d capacity. However, southbound traffic would still be blocked. In addition, closure of the Bab-el-Mandab would block non-oil shipping from using the Suez Canal, except for limited trade within the Red Sea region. Ships could also divert around the Cape of Good Hope, but this diversion would add 4,000 km, or 12 to 15 days, to a tanker's trip, at a cost of between US$20,000 to US$30,000 per day.

CONCLUSION

The threats faced by the critical sea lanes in the Indian Ocean region range from the traditional, state-closure of the Straits of Hormuz, to the non-traditional, like piracy and armed robbery in the Gulf of Aden and piracy, maritime terrorism and the risk of maritime accidents in the Malacca and Singapore Straits. The measures taken to address the threats in the three sea lanes are also different and have an impact on the long term sustainability and efficacy of the measures.

The littoral states have primarily driven the efforts in the Straits of Malacca and this has yielded most success as piracy rates has dropped in the Straits since 2005 and there has been strong user state participation in the Cooperative Mechanism. In contrast, the international community has been driving most of the measures taken in the Gulf of Aden with a nascent regional effort underway in the form of the Djibouti Code of Conduct. As a consequence, the piracy rates have continued to increase, despite the international forces present. An external power, the U.S. Navy, has also been the main deterrent against Iranian moves to close the Straits of Hormuz.

Hence, it can be surmised that for most of the Indian Ocean Region, a strong external presence, either in the form of the U.S. Navy or a coalition of international forces, is still required to guarantee the security of the sea lanes. The necessity for this strong external presence will only diminish with increasing regional involvement in sea lane security and with a strong regional power taking the lead in security operations. However, as this is not likely to happen in the near future, the continued U.S. presence in the region proves to be critical.

CONCLUSIONS AND RECOMMENDATIONS

SAM BATEMAN, JANE CHAN AND EUAN GRAHAM

While ASEAN has proven itself to be a successful regional association, its external focus has historically been to the east and north, even though several of its members face on to the Indian Ocean and its approaches. This is already changing, with India's rise, and as Southeast Asia starts to re-position itself at the fulcrum of a broad Indo-Pacific maritime arc. ASEAN has much to offer the IOR, as one of its most dynamic sub-regions, as the larger Indian Ocean region moves to a new era of development and regional institution-building. The Association has promoted norms and principles leading to a code of conduct and established a mechanism for conflict management based on conflict avoidance rather than conflict resolution.[1] The ASEAN Treaty of Amity and Cooperation (TAC) has become the key ASEAN document. Most importantly for this policy paper, the TAC has been supported by non-ASEAN members keen to deepen their relations with the Association, and has been at the core of ASEAN's attempts to establish a security community in Southeast Asia.

The ASEAN Regional Forum (ARF) has sought to apply ASEAN's norms and principles to the wider Asia-Pacific region, and has become the principal forum for security dialogue in Asia. However, so far it has not turned its attention to the Indian Ocean and has been hesitant about addressing hard security issues. It has not brought the IOR into its geographical ambit despite the clear overlapping interests that exist with the Asia-Pacific. The fundamental nature of these common interests, including the key strategic issue of energy security creates a compelling logic for closer cooperation, but little has occurred in terms of formal regional institution building or intra-regional links towards the creation of a broader Indo-Pacific community.

ASEAN could play a useful role in dampening down instability emerging in the IOR, and sharing its experience in fostering integration and community building. These contributions by ASEAN would be in accordance with the aims and purposes as set out in the ASEAN Declaration, particularly those relating to joint endeavours, the promotion of regional cooperation and stability, and collaboration with other institutions and regional associations. Mutual benefits would flow to both ASEAN and the larger IOR from the development of inter-regional links.

Non-traditional security threats, particularly in the maritime domain, figure prominently in the issues that are of common concern both within ASEAN and in the wider IOR. These threats include piracy and armed robbery at sea, maritime terrorism, trafficking and smuggling, illegal, unregulated and unreported (IUU) fishing, climate change, and marine natural hazards. Measures to deal with these threats offer a good vehicle for the engagement of ASEAN and its members in the IOR. Such engagement would also serve to mitigate the impact of some of these threats on Southeast Asia.

This concluding chapter to this policy paper identifies initiatives, mainly related to the maritime domain, that ASEAN could take in the IOR. These initiatives fall within the categories of those that might contribute to regional stability and cooperation in the IOR; those that would promote cooperation between the IOR and ASEAN in countering illegal activities and non-traditional security threats, particularly those that are a common concern; and those that assist in improving oceans management both across the IOR and for individual countries.

REGIONAL STABILITY AND COOPERATION

Strategic Uncertainty

Strategic uncertainty is evident in the IOR due to the motivations of extra-regional countries in securing energy supplies, conflict in Afghanistan, the ongoing tension between India and Pakistan, and competition for regional influence between India and China, as well as to perceptions that United States might be losing its ability to play a moderating role in the region. Inevitably by virtue of geography and the presence of key shipping choke points, Southeast Asia is enmeshed in this uncertainty as

[1] Ralf Emmers, "ASEAN's Model of Conflict Management".

[2] Pickford A, Jones E 2009. Incorporating energy policy into grand strategy: an Indo Pacific perspective, FDI occasional paper 4, East Perth: Future Directions International, East Perth.

the spheres of influence of the rising naval powers of China and India, as well as other extra-regional powers, overlap within its geographical limits. As Raja Mohan says in his essay, "Put simply, ASEAN now needs a 'two ocean' strategy to ensure its own security.

The mitigation of the risks arising from strategic uncertainty requires more attention to preventive diplomacy and maritime confidence and security building measures, including greater transparency with regard to naval operations and exercises. There is a need for preventive diplomacy in the region but at present there is no effective forum in the region to carry initiatives forward. There is a potential for ASEAN, as a regional association, to be more active in helping to mitigate the risks of strategic uncertainty and bring more certainty to the IOR.

As it looks west, ASEAN might play a role in moves to dampen down regional security uncertainty, including using its links with China and India to moderate the risks of tension between those two key regional players. Both China and India participate in the ARF, but these two rising powers of Asia may not entirely respect the norms and principles developed by ASEAN and may be reluctant to have their bilateral relationship discussed within that forum.

Recommendations

In the spirit of the concept of an Indo-Pacific region, ASEAN should now be more active in pursuing its common interests and links with IOR, and in helping to provide greater strategic certainty within that region.

ASEAN should now look more to its west with a more active programme of regional engagement in the IOR. Particular areas for increased engagement are:

- *The mitigation of marine natural hazards;*
- *Measures to counter human trafficking; and*
- *Security and safety of shipping transiting across the Indian Ocean and through Southeast Asian choke points*

ARF might now start giving consideration to IOR issues, including the safety and security of shipping and non-traditional security threats affecting the wider Indo-Pacific region.

Shipping Security

The security of shipping and seaborne trade across the Indian Ocean is a strong common interest of most IOR and ASEAN countries, as well as extra-regional stakeholders, particularly Japan, China and the United States. Particular attention is focused on the security and safety of shipping in the major choke points into and out of the Indian Ocean – the Strait of Hormuz into the Persian Gulf, the Malacca Strait between the Indian and Pacific Oceans, and Bab-el-Mandab into the Red Sea.[3] The detailed measures required in these straits are different, but in broad terms, cooperation between the navies of stakeholder nations is required to ensure the security of SLOCs in the region. So far the US Navy has set the main example in promoting this cooperation and with its own presence in the region. It would be in the interest of ASEAN to support cooperative measures for the security and safety of shipping in the IOR.

India has initiated the Indian Ocean Naval Symposium (IONS) to promote cooperation between maritime security forces, both navies and coast guards, in the IOR.[3] The symposium provides a regional forum through which the naval chiefs of all the littoral states of the IOR periodically meet to constructively engage with one another through the creation and promotion of regionally relevant mechanisms, events and activities. All Southeast Asian countries that are part of the IOR participated in the initial IONS held in February 2008.

Recommendations

ASEAN should support cooperative measures for shipping security in the IOR.

ASEAN members that are part of the IOR should continue their support for the IONS, including by offering to host a future meeting of the symposium.

[3] Leighton G. Luke, "United in Disunity? Pan-regional Organisations in the Indian Ocean Region", Strategic Analysis Paper, Perth: Future Directions International, 30 April 2010, p. 4.

Regional Institutions

Several pan-regional organisations currently exist in the IOR. These are the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC), the Indian Ocean Tuna Commission (IOTC), IONS, and the Indian Ocean Tourist Organisation but none may currently be regarded as entirely effective. The IOR-ARC has failed to live up to its expectations. It is focused on economic and trade issues, but has the potential to address a wider range of issues, including IUU fishing, oceans management and human trafficking.

The Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC) is an existing forum that links South Asia with some Southeast Asian countries. The members of BIMSTEC are Bangladesh, India, the Maldives, Myanmar, Nepal, Sri Lanka and Thailand. The main focus of the initiative is on economic and social developments, as well as the management of climate change and natural hazards. A BIMSTEC Weather and Climate Centre has been established in India. There is also a BIMSTEC Convention on Cooperation in Combating International Terrorism, Organized Crime and Illicit Drug Trafficking. Rather surprisingly, BIMSTEC seems not to have addressed human trafficking despite the apparent incidence of this activity in and around the Bay of Bengal.

The Bay of Bengal Large Marine Ecosystem Project is another cooperative organisation based on the Bay of Bengal.[4] The project has been established under the auspices of the Food and Agriculture Organization of the United Nations (FAO) to protect the health of the ecosystem and manage its living resources sustainably.

The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) is another existing organisation linking the South Asian and Southeast Asian sub-regions. ReCAAP is a major contribution to piracy prevention across the Asian region. It provides an information network and cooperation regime to prevent piracy and armed robbery against ships in regional waters, including an Information Sharing Centre in Singapore. Fourteen Asian countries are now members. Malaysia and Indonesia remain outside the agreement but cooperate informally with ReCAAP members.

With the exception of ASEAN itself, the more effective exiting sub-regional organisations appear to be in the West Indian Ocean rather than in the East. These include the Southern African Development Community, the Gulf Cooperation Council,[5] the African Union and the Indian Ocean Commission.[6]

The South Asian Association for Regional Cooperation (SAARC) is dedicated to economic, technological, social, and cultural development of South Asian countries, but it has not been particularly effective.[7] Among ASEAN members, Myanmar is an observer at SAARC and Indonesia is planning to become one.

Because of the diversity of the IOR and the difficulties of building region-wide cooperation, it may be necessary to look for more focused frameworks.[8] Scope exists for the establishment of a forum in the East Indian Ocean (EIO) that would bring together IOR littoral countries from India and Sri Lanka down through Southeast Asia to Australia.[9]

[4] Bangladesh, India, Indonesia, Malaysia, Maldives, Myanmar, Sri Lanka and Thailand participate in this project.

[5] Members of the Gulf Cooperation Council (GCC) are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. GCC activities include military and maritime cooperation among the GCC states, which signed a Joint GCC Defence Pact in 2000.

[6] The Indian Ocean Commission (IOC) covers the Southwest, largely Francophone part of the ocean. Its members are Comoros, France (for Reunion), Madagascar, Mauritius and Seychelles. The Maldives is an observer. The IOC's objectives are to promote the sustainable development of its members, which share similar geographical position, history and culture, including through diplomatic cooperation; economic and commercial cooperation; and cooperation in the fields of agriculture, maritime fishing and the conservation of resources and ecosystems.

[7] Members of SAARC are Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, Sri Lanka and Afghanistan. Observers are Australia, China, Japan, the EU, the Republic of Korea, Iran, Mauritius, Myanmar, and the United States.

[8] Rumley D (2008), 'Securitising the Indian Ocean Region: concrete entity and geopolitical imaginations', in Doyle T, Risley M (eds), Crucible for survival: environmental security and justice in the Indian Ocean Region, Rutgers, New Brunswick, pp. 25-26.

[9] Bateman and Bergin, Our Western Front, pp. 47-48.

There are clear common interests within this sub-region, including disaster management, scientific research of oceanographic conditions and marine resources, shipping security and safety (including maritime information sharing), illegal trafficking, and offshore infrastructure security. These issues merit consideration and cooperation within this sub-region. There is some overlap between a possible EIO forum and BIMSTEC, and India may be reluctant to consider a wider forum that includes Indonesia and Australia as major players. However, the forum would have wider interests and geographical coverage than BIMSTEC.

The recent adoption of the Masterplan on ASEAN Connectivity (ACM) during the 17th ASEAN Summit could potentially lead to closer partnership in the region. The ACM outlined strategies to improve links and deepen cooperation among member states and external partners. The ASEAN Leaders' aim to realise an ASEAN Community by 2015 calls for a well-connected region that will build a more competitive and resilient ASEAN when it converges peoples, goods, services, and capitals. A better connected region is key to achieve the ASEAN Community, as it reinforces the centrality of ASEAN, accelerates the community building process and integration efforts, and intensifies relations with external partners.[10]

Recommendations

ASEAN should support regional institution building by supporting moves to rejuvenate the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) so that it focuses on a wider range of regional issues, including energy security.

ASEAN should seek to work with BIMSTEC to address human trafficking between the two regions.

ASEAN could support the launch of a forum for consideration of common interests in the East Indian Ocean.

ASEAN through the implementation of the ACM should ensure further and deeper engagement with IOR partners.

Maritime Information Exchange

Arrangements for sharing maritime data are an important contribution to maritime security, both to meet current operational needs for maritime domain awareness and as a building block for wider maritime security cooperation. Singapore has taken the lead with maritime information sharing in Southeast Asia and adjacent regions by establishing the Information Fusion Centre (IFC) at the Changi Command and Control Centre, to bring together information from diverse sources.[11] The IFC fuses information shared by partner navies and agencies, and shares this across a network of users, heightening the maritime domain awareness of every participant in the network, which will help cue participating countries to take actions to respond to potential threats and developing situations early. Several IOR countries, including Australia and India, have posted liaison officers to the centre.

A previous RSIS Policy Paper[12] noted that a higher level of good order at sea in Southeast Asia requires that regional countries take steps to enhance the sharing of information relevant to the detection, prevention and suppression of threats to good order at sea. It went on to make a number of recommendations to enhance the process of maritime information exchange in Southeast Asia. Similar recommendations might now be extended to the IOR.

Recommendation

Processes for the exchange of maritime information between ASEAN members and nearer countries of the IOR should continue to be improved.

Regional navies should send liaison officers to the Information Fusion Centre (IFC) to enhance the level of information exchange.

[10] "New Master Plan Unveiled to Better Connect ASEAN", ASEAN Statements and Communiqués, 28 October 2010, http://www.aseansec.org/25434.htm

[11] Bateman S, Ho J, Chan J (2009), Good order at sea in Southeast Asia, RSIS policy paper, S Rajaratnam School of International Studies, Singapore, Nanyang Tehnological University, p.34.

[12] Bateman S, Ho J, Chan J (2009), Good order at sea in Southeast Asia, RSIS policy paper, S Rajaratnam School of International Studies, Singapore, Nanyang Tehnological University.

MARITIME POLICING

Illegal trafficking in arms, drugs, people and other contraband is conducted between the Southeast Asian sub-region and the wider IOR. Much of this trade is conducted by sea because the maritime domain is the main medium for the illegal movement of people and goods because larger shipments can be carried, covert transshipment is possible at sea, and maritime borders are more porous than land and air borders. Foreign fishing vessels operating in the region may also be involved in transnational criminal activities. Controlling these illegal activities places a large premium on maritime policing and cooperation between maritime law enforcement agencies, including those within ASEAN and between ASEAN agencies and those in the IOR, particularly in South Asia.

At present there is no formal process by which cooperation on maritime policing takes place within ASEAN, and cooperation between ASEAN agencies and counterpart agencies in South Asia is non-existent, with the exception of that which takes place under the framework of ReCAAP. Some joint naval patrolling occurs between India and Southeast Asian countries bilaterally, but this is presently more for confidence-building purposes. Cooperative maritime policing would be more effective at the multilateral level.

ASEAN countries have accumulated considerable experience in counter-piracy. This could be a particular area where ASEAN might assist IOR countries in building their capacity. ReCAAP has reported a recent upsurge in piracy. In 2010, a total of 164 incidents (133 actual, 31 attempted) of piracy and armed robbery against ships were reported in Asia.[13] This was an increase in the number of incidents reported compared to the same period of 2007-2009. The increase was mostly Category 2 (moderately significant) incidents in the South China Sea, and Category 3 (less significant) incidents in ports and anchorages of Bangladesh, Indonesia and Vietnam.

It is unlikely that the requisite level of cooperation with maritime policing will be achieved through naval cooperation. Most ASEAN members have designated coast guards, or some similar agency, to have prime responsibility for maritime law enforcement rather than the navy. For example, The Malaysian Maritime Enforcement Agency (MMEA) became operational in March 2005 and has taken over prime responsibility for law enforcement in Malaysia's territorial sea and EEZ. Its responsibilities also include search and rescue, pollution control, and counter piracy and drug trafficking on the high seas.

There are numerous reasons for regional countries to deploy a coast guard for maritime law enforcement. Naval personnel are usually not well trained for law enforcement at sea, and employing high-technology warships and weapons systems on policing tasks may be out of proportion to the threat, as well as a diversion of highly trained naval personnel from their core missions. Coast guard units are also more suitable than warships for policing operations in sensitive areas where there are conflicting claims to maritime jurisdiction and/or political tensions between parties. Warships are high profile symbols of sovereignty whose employment in these areas may be provocative. The trend towards using coast guards reflects the appreciation by regional countries that cooperation between them is essential for a multitude of maritime policing, environmental protection and safety tasks at sea, particularly search and rescue, they may be inhibited by sensitivities with navies working together.

ASEANAPOL

The ASEAN Chiefs of National Police (ASEANAPOL) meetings deal with the preventive, enforcement and operational aspects of cooperation against transnational crime, as well as exchanges on matters relating to terrorism, especially at the bilateral level. Underpinning this cooperation is the 1997 ASEAN Declaration on Transnational Crime and the 2002 Work Plan to Implement the ASEAN Plan of Action to Combat Transnational Crime (see Annex C), which mentions cooperation on eight specific crime types: illicit drug trafficking, trafficking in persons, sea piracy, arms smuggling, money laundering, terrorism, international economic crime and cybercrime.

Recommendations

ASEAN could sponsor a meeting between maritime policing agencies in ASEAN and counterpart agencies in South Asia to explore issues of common interest and develop a framework for ongoing cooperation.

[13] ReCAAP ISC Half Yearly Report January-June 2010.

ASEANAPOL should give more focus to law enforcement at sea, by establishing a sub-group to address maritime crime which would include representation by regional maritime law enforcement agencies such as national coast guards and the MMEA, which are distinct from national police forces.

ASEAN should support and strengthen the role of ReCAAP, including greater participation from IOR countries.

Human Trafficking

Human trafficking is an issue of great concern both for ASEAN and the IOR generally. The trafficking occurs both ways with the illegal movement of people into Southeast Asia from the IOR and from Southeast Asia towards the IOR, particularly to countries in the Middle East. Victims from Southeast Asia have been detected in more than 20 countries. [14] Pau Khan Khup Hangzo has noted that human trafficking from South Asia to Southeast Asia is poorly understood and constitutes a critical gap in knowledge. A greatly improved culture of data collection, database management and ongoing analysis and assessment is required.

Recommendation

ASEAN, possibly through ASEANAPOL, should enhance processes for the collection and analysis of human trafficking between South and Southeast Asia.

ASEAN should support efforts through the Bali Process, co-chaired by Indonesia and Australia, to establish a pan-regional cooperative framework to combat people smuggling and trafficking in persons.

OCEANS MANAGEMENT

The Indian Ocean itself is a clear common interest of all IOR countries. Several of these countries have large EEZs (see Figure 2 and Table 3). There is scope for much greater cooperation managing the ocean, protecting its environment and managing living resources. This cooperation could be achieved by a revitalised IOR-ARC placing oceans management high on its agenda.

The Indian Ocean has some unique characteristics. Unlike the Pacific and Atlantic, it is enclosed on four sides by land masses. As a consequence oceanic currents in the Indian Ocean reverse during the year in a way that does not occur in the other major oceans, The strong through-flow of water from the Pacific to the Indian Ocean is another factor which has a strong impact on oceanographic conditions.

Effective management of the Indian Ocean is in the principal common interest of all IOR countries, including the Southeast Asian countries that form part of the region. Indonesia has been particularly active recently in international oceans management, for example, hosting several major ocean-related international meetings: the World Ocean Conference in Manado in May 2009, the 2nd APEC Ocean-related Ministerial Meeting in 2005 and the UN Climate Change Conference in 2007.

Marine Scientific Research

The Indian Ocean is the most under-researched of all the world's oceans. Better oceanographic knowledge would markedly improve climate research with benefits for all IOR countries and the ability to predict severe weather events, such as cyclones and periods of drought. Improving marine scientific research in the region is essentially a cooperative activity and there is much scope for improvement in this regard. The Western Indian Ocean is at present better organised for cooperative marine scientific research than the East Indian Ocean yet oceanographic conditions in the eastern part of the ocean essentially drive oceanographic conditions in the ocean generally, particularly through the Indonesian through-flow. Improved knowledge of these conditions would have major benefits in terms of the ability to predict severe weather benefits and weather forecasting generally. Understanding of the importance of the Indian Ocean as a driver of global climate change is still developing, but the benefits of improved scientific collaboration are likely to be felt far beyond the region.

[14] Centre for NTS Studies, "Responding to Transnational Organised Crime in Southeast Asia: Case Study of Human Trafficking and Drug Trafficking", NTS Alert July 2010, Issue 2, p. 1, and UNODOC, "Global Report on Trafficking in Persons", United Nations Office on Drugs and Crime, February 2010, http://www.unodc.org/documents/Global_Report_on_TIP.pdf

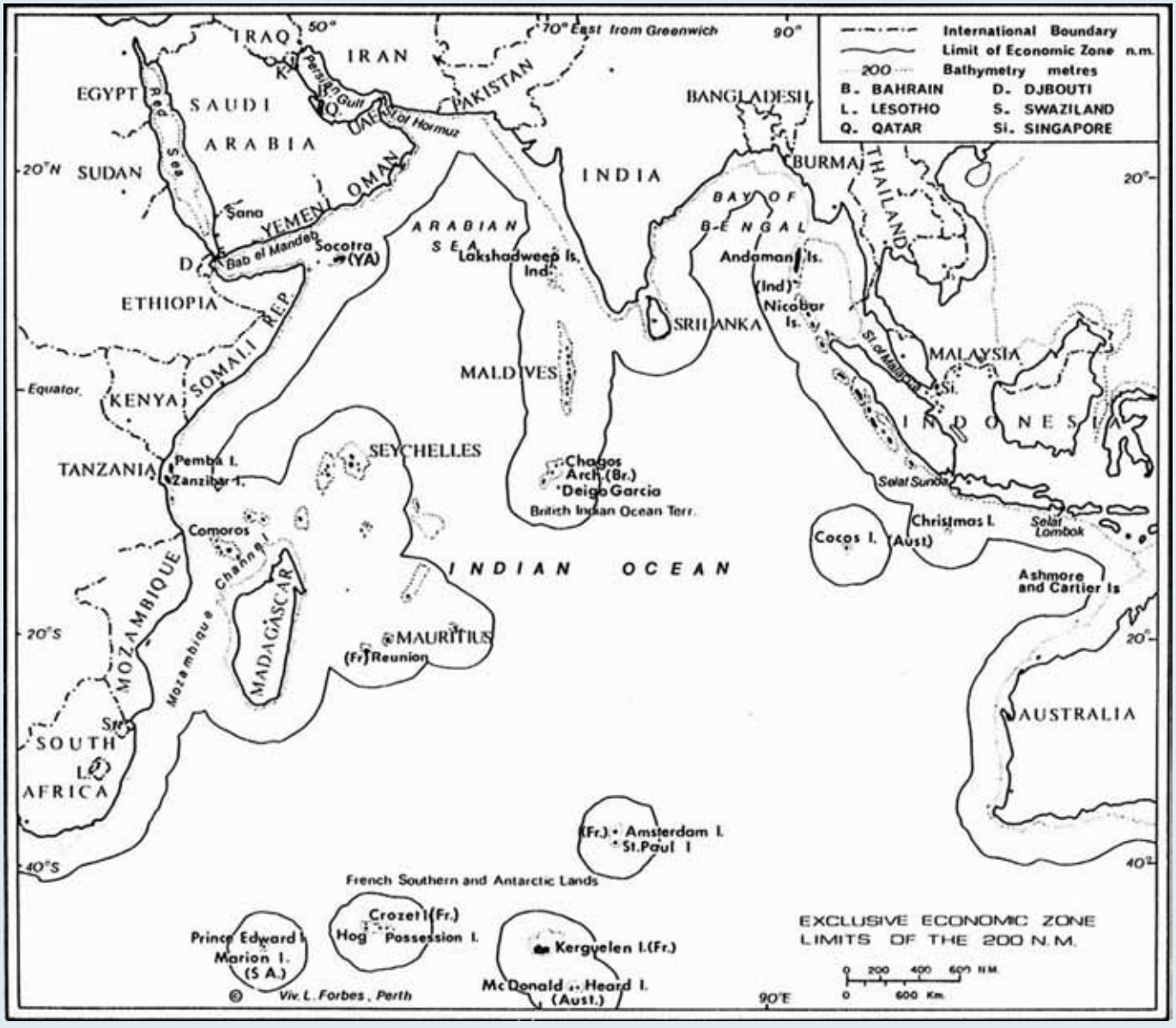
Achieving both a higher level of activity and greater cooperation in marine scientific research in the IOR is a major challenge. There is no process to develop a holistic view of the marine environment of the Indian Ocean, and a lack of knowledge about research being carried out. Some cooperation occurs in the West Indian Ocean through the Western Indian Ocean Marine Science Association but there is nothing equivalent at present in the East Indian Ocean.

Recommendation

ASEAN should support moves to improve marine scientific research in the IOR, including the possible establishment of an East Indian Ocean Marine Scientific Research Association.

Promote academic exchanges between relevant institutions through the ASEAN University Network.

FIGURE 3: EXCLUSIVE ECONOMIC ZONES IN THE INDIAN OCEAN REGION



Mitigating Maritime Natural Hazards

The IOR in general and Southeast Asia in particular are heavily exposed to maritime natural hazards, particularly tsunamis, cyclones and flooding. Mechanisms for regional cooperation in disaster management are relatively well developed in Southeast Asia. Disaster management was one of the first areas for cooperation within the ASEAN bloc,[15] and significant progress has been made with progressing cooperation over the years. As the ASEAN Regional Programme on Disaster Management (ARPDM) 2004 expired in 2010, The ASEAN Agreement on Disaster Management and Emergency Response (AADMER) which was signed in July 2005 and entered into force in December 2009, will supersede the ARPDM for the period 2010 to 2015.[16] Cooperation between ASEAN and the regions of the IOR exposed to marine natural hazards, particularly South Asia and the Southwest part of the region would enhance cooperation across the region and regional security. It is an area of engagement where ASEAN has developed significant skills and experience.

There is much scope for a coordinated approach between ASEAN and the IOR for disaster relief operations, particularly in the northeastern part of the IOR. An examination of existing mechanisms for disaster management in the region has found that there were shortcomings in coordination and coherence and, critically, insufficient focus on preventing and mitigating disasters.[17] There were also shortcomings in the building of national capacity for nations to self manage disasters, and ASEAN countries have the skills and expertise to assist in building this capacity.

Recommendations

With a view towards enhancing the provision of speedy, responsive, and effective humanitarian assistance and disaster relief operations across the IOR, the AADMER might give some attention to these requirements in the IOR outside of its immediate interests in the ASEAN region.

Capacity Building

Many of the poorer countries of the IOR have large EEZs (see Table 3) but lack the capacity to effectively manage their offshore areas and exploit their marine resources. These resources tend to be exploited at present largely by distant water fishing nations with low economic returns to the IOR countries. Many of the IOR littoral and island countries are unable to afford the costs of maintaining the required maritime forces.[18]

The marine industry sectors of East African countries are underdeveloped with pressing requirements for capacity building in areas such as port development and management, coastal zone management (including the involvement of coastal communities in management processes), EEZ management, and fisheries enforcement. ASEAN members have skills in these areas which could gainfully be employed in East Africa.

Some ASEAN countries and regional institutions, such as The Southeast Asian Fisheries Development Center (SEAFDEC), Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre), have skills and expertise in relevant areas, particularly with fisheries management, disaster relief and marine scientific research. As a guide to the assistance that ASEAN might provide, a study should be undertaken of the maritime capacity needs of the less well-off countries of the IOR.

Recommendations

A study should be initiated by ASEAN of the scope for individual member nations to provide maritime capacity building assistance, including training and human resource development, to the less well-off countries of the IOR in areas such as port development and management, coastal zone management, EEZ management and mitigating the effects of maritime natural disasters.

[15] Centre for NTS Studies, "Regional Support for Southeast Asia Disaster Preparedness", NTS Alert November 2009, Issue 2, p. 2.

[16] 'ASEAN Forges Stronger Multi-Stakeholder Partnership for Disaster Management', Philippines, 20 May 2010. http://www.aseansec.org/24701.htm

[17] Bateman and Bergin, Our Western Front, p. 30.

[18] Rajeev Sawhney, "Challenges for Cooperative Maritime Security: An Indian Ocean Perspective", Maritime Affairs, Vol. 4, No.2, Winter 2008, p. 87.

TABLE 4: EXCLUSIVE ECONOMIC ZONE OF SELECTED IOR COUNTRIES

COUNTRY	LAND AREA	EEZ (sq.km)	RATIO OF LAND TO SEA AREA (1:)
Maldives	300	923,322	3,077
Seychelles	455	1,336,559	2,940
Mauritius	2,040	1,284,997	630
Sri Lanka	65,610	532,619	9
India	3,287,590	2,011,514	0.61
Somalia	627,337	830,389	1.32
Kenya	569,140	111,999	0.2
Oman	309,500	535,912	0.27
Yemen	527,968	544,416	1.03
Mozambique	786,380	571,955	0.73
Tanzania	885,800	241,541	0.27

ANNEX A

TABLE 1: TRADE OF ASEAN COUNTRIES WITH THE IOR (US$ MILLION)

Country/Trading Partner	2003			2008			2009		
	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total
ASEAN -5 to IOR	**23985.37**	**29496.43**	**53481.8**	**75918.28**	**93438.12**	**169356.4**	**65172.7**	**59318.05**	**124490.75**
Singapore									
East Africa and Island States	558	337	895	1788	640	2428	1722	428	2150
South Asia	4828	1649	6477	15728	8702	24430	12447	5814	18261
Middle East	2550	8531	11081	6878	31096	37974	5961	19446	25407
TOTAL	7936	10517	18453	24394	40438	64832	20130	25688	45818
Malaysia									
East Africa and Island States	469	237	706	1390	853	2243	1001	627	1628
South Asia	3851	740	4591	10377	3330	13707	7674	2447	10121
Middle East	2670	1775	4445	8352	7191	15543	6504	4059	10563
TOTAL	6990	2752	9742	20119	11374	31493	15179	7133	22312
Myanmar									
East Africa and Island States	0.67	1.46	2.13	11.83	2.13	13.96	20.81	1.91	22.72
South Asia	395.89	103.41	499.3	973.67	268.71	1242.38	1192.84	245.59	1438.43
Middle East	14.81	3.56	18.37	45.78	17.28	63.06	42.05	12.55	54.6
TOTAL	411.37	108.43	519.8	1031.28	288.12	1319.4	1255.7	260.05	1515.75
Indonesia									
East Africa and Island States	417	5294	5711	962	437	1399	895	392	1287
South Asia	2468	721	3189	9312	3041	12353	9146	2380	11526
Middle East	1814	1856	3670	5258	7221	12479	3996	5096	9092
TOTAL	4699	7871	12570	15532	10699	26231	14037	7868	21905
Thailand									
East Africa and Island States	526	355	881	2320	875	3195	2529	458	2987
South Asia	1434	1037	2471	5099	2794	7893	4891	1969	6860
Middle East	1989	6856	8845	7423	26970	34393	7151	15942	23093
TOTAL	3949	8248	12197	14842	30639	45481	14571	18369	32940

Source: International Monetary Fund (IMF), Direction of Trade Statistics Yearbook 2009, Washington DC: IMF, 2009.

Note: Trade for India only. Trade for other South Asian countries either small or not reported.

TABLE 2: COMPARATIVE LEVELS OF HUMAN DEVELOPMENT

LEVEL OF HUMAN DEVELOPMENT	INDIAN OCEAN REGION	ASEAN
Very High	2. Australia	
	23. Singapore	23. Singapore
	27. Israel	
		30. Brunei
	31. Kuwait	
	33. Qatar	
	35. UAE	
High	39. Bahrain	
	56. Oman	
	57. Seychelles	
	59. Saudi Arabia	
	66. Malaysia	66. Malaysia
	81. Mauritius	
Medium	87. Thailand	87.Thailand
	88. Iran	
	95. Maldives	
	96. Jordan	
	102. Sri Lanka	
		105. Philippines
	111. Indonesia	111. Indonesia
		116. Vietnam
	123. Egypt	
	129. South Africa	
	132. Bhutan	
		133. Laos
	134. India	
		137. Cambodia
	138. Myanmar	138. Myanmar
	139. Comoros	
	140. Yemen	
	141. Pakistan	
	142. Swaziland	
	144. Nepal	
	145. Madagascar	
	146. Bangladesh	
	147. Kenya	
	150. Sudan	
	151. Tanzania	
	155. Djibouti	
	156. Lesotho	
	157. Uganda	
Low	160. Malawi	
	164. Zambia	
	165. Eritrea	
	167. Rwanda	
	171. Ethiopia	
	172. Mozambique	
	174. Burundi	

Source: UNDP, Human development report 2009.

ANNEX C

ASEAN AGREEMENTS

1. Declaration On The Conduct Of Parties In The South China Sea 2002

China and ASEAN signed this declaration on conduct in the South China Sea in 2002 with the aim of maintaining peace and stability in the South China region. It was the first political document concluded between China and ASEAN over the South China Sea. China and ASEAN recognized in it the need to promote a peaceful, friendly and harmonious environment in the South China Sea for the enhancement of peace, stability, economic growth and prosperity in the region.

2. Treaty On The Southeast Asia Nuclear Weapon-Free Zone Bangkok, Thailand 15 December 1995

The Treaty on the South-East Asia Nuclear-Weapon-Free Zone, signed by 10 ASEAN states on 15 December 1995, is of a permanent nature and shall remain in force indefinitely. The key goals of the Treaty are to uphold peace and stability while ensuring nuclear non-proliferation in the South-East Asian region, and to commit the full support of the States parties to the Treaty to the three main pillars of the Treaty on the Non-Proliferation of Nuclear Weapons, namely nuclear non-proliferation, nuclear disarmament and the peaceful use of nuclear energy.

3. Joint Declaration Of ASEAN And China On Cooperation In The Field Of Non-Traditional Security Issues 6th ASEAN-China Summit 2002

In 2002, the 6th ASEAN-China summit produced this joint declaration on cooperation in non-traditional security issues. These issues include drug trafficking, people-smuggling, including that of women and children, arms-smuggling, money-laundering, and cyber crime. These issues have affected regional and international security and are posing new challenges to regional stability.

4. ASEAN Declaration Against Trafficking In Persons Particularly Women And Children in November 2004 in Vientiane

The Declaration lays the groundwork for a regional approach to preventing and combating trafficking in persons. Member countries reaffirmed their commitment to improve regional coordination and cooperation among immigration and law enforcement personnel, while respecting and safeguarding the dignity and human rights of the victims of trafficking.

5. ARF Statement On Cooperation Against Piracy And Other Threats To Security 17 June 2003

Efforts to establish a legal framework for regional cooperation to combat piracy and armed robberies against ships are ongoing. Under this agreement, member countries would endeavor to achieve effective implementation of relevant international instruments and recommendations/guidelines, such as UN Convention on the Law of the Sea (UNCLOS), for the suppression of piracy and armed-robbery against ships, and to enhance their coordination and cooperation to that end.

6. ARF Statement on Strengthening Transport Security Against International Terrorism, 2 July 2004

According to this statement, ARF countries will endeavor to cooperate to ensure that terrorists are prevented from using information technology and its applications to disrupt and sabotage the operation of transportation systems; and ARF participants will implement effective export controls and enforcement measures to control the transfer of materials, technology and expertise that can contribute to the design, development, production or use of WMD and their means of delivery. However, efforts to prevent the proliferation of WMD should not hamper international cooperation in material, equipment and technology for peaceful purposes.

7. ASEAN-Japan Ministerial Declaration On Transport Security Bangkok, 9 February 2007

In view of the need to develop cooperation to enhance national transport security, the Ministers adopted the ASEAN-Japan Ministerial Declaration on Transport Security. To embody the declaration, the Ministers recognised the importance of taking every practicable measure to prevent terrorist acts against all modes of transport systems, valuing the efforts of international organisations and implementing capacity building assistance.

8. Plan Of Action To Implement The Joint Declaration On ASEAN-China Strategic Partnership For Peace And Prosperity (2011-2015)

This Plan of Action is formulated to serve as the "master plan" to deepen and broaden ASEAN-China relations and cooperation in a comprehensive and mutually beneficial manner with the view to strengthening the strategic partnership for regional peace, development and prosperity and playing a proactive role to tap the opportunities and meet the challenges of the new millennium. ASEAN and China will pursue joint actions and measures in a variety of fields, including nuclear non-proliferation, cooperation in the South China Sea, Cooperation in the Field of Non-traditional Security and Military Exchanges and Cooperation.

9. Declaration On Terrorism By The 8th ASEAN Summit Phnom Penh, 3 November 2002

The Declaration on Terrorism was issued to condemn the heinous terrorist attacks in Bali, Indonesia and in the cities of Zamboanga and Quezon in the Philippines. The ASEAN Leaders reiterated their determination to carry out and build on the specific measures outlined in the 2001 ASEAN Declaration on Joint Action to Counter Terrorism. They resolved to intensify their efforts, collectively and individually, to prevent, counter and suppress the activities of terrorist groups in the region. Practical cooperative measures were to be pursued with the international community in fighting terrorism.

10. Regional Plan of Action for Responsible Fisheries 2007

The RPOA objective is to enhance and strengthen the overall level of fisheries management in the region to sustain fisheries resources and the marine environment. It outlines the current resource and management situation in the region and calls for joint work to compile an overview of artisanal and industrial fishing, current status of fish stocks, trade flows and markets. As a first critical step it encourages countries of the region to ratify, accede, accept fully UNCLOS and the UN Fish Stocks Agreement (UNFSA), relevant Regional Fisheries Management Organization (RFMO) agreements and relevant other multilateral agreements and established international instruments – UNCLOS, UNFSA, FAO Codes, Agreements and International Plans of Action (IPOAs).

11. Plan of Action to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity, 30 October 2010

It is an ambitious road map and the 82 Action Points reflect the vast potential and desire to develop a multi-faceted India-ASEAN relationship. ASEAN and India will cooperation and take joint action in a variety of fields, including nuclear non-proliferation, international terrorism, transnational crime, and cooperation in cooperation in maritime safety, search and rescue operation (SAR).

12. ASEAN Political-Security Community Blueprint, 1 March 2009

The members pledge to rely exclusively on peaceful processes in the settlement of intra-regional differences and regard their security. It has the following components: political development; shaping and sharing of norms; conflict prevention; conflict resolution; post-conflict peace building; and implementing mechanisms. It envisages ASEAN to be a rules-based Community of shared values and norms; a cohesive, peaceful, stable and resilient region with shared responsibility for comprehensive security; as well as a dynamic and outward-looking region in an increasingly integrated and interdependent world.

13. ASEAN Plan of Action to Combat Transnational Crime 1999

The Plan established mechanisms and activities to extend ASEAN member countries' efforts to combat transnational crime from the national and bilateral levels to the regional dimension, and strengthen regional commitment and capacity to undertake the expanded task. The Plan puts in place a cohesive regional strategy to fight transnational crime and encompasses information exchange, cooperation in legal and law enforcement matters, institutional capacity building, training and extra-regional cooperation as key programme activities.

14. ASEAN Agreement on Disaster Management and Emergency Response 2005

AADMER is the first of its kind in the world, an agreement that binds Asian states together to address disaster risk reduction and improve their preparedness for response. AADMER is a regional legally-binding agreement that binds ASEAN Member States together to promote regional cooperation and collaboration in reducing disaster losses and intensifying joint emergency response to disasters in the ASEAN region. AADMER is also ASEAN's affirmation of its commitment to the Hyogo Framework for Action (HFA).

15. Concept Paper for the Establishment of the ASEAN Maritime Forum

The concept paper provided a platform for comprehensive deliberations and dialogues among relevant ASEAN bodies on maritime issues. Indonesia held the 1st ASEAN Maritime Forum on 28-29 July 2010 in Surabaya. The inaugural meeting discussed cross cutting matters related to maritime affairs, including topics such as connectivity, maritime security problems and search and rescue to assist persons and vessels in distress at sea.

16. Hanoi Plan of Action to Implement the ASEAN Regional Forum Vision Statement, 2010

The Plan of Action is a step to strengthen the ARF process, with ASEAN as the primary driving force, as a central pillar in the evolving regional security architecture. It will help to move the ARF process forward at a pace comfortable to all Participants, in its evolution from the stage of confidence-building measures. Maritime security is one of the main areas for cooperation. According to the plan of action, by 2020, ARF should serve as a regional forum for maritime security issues that promotes and enhances maritime domain awareness, and develop concrete and effective regional responses to maritime security challenges.

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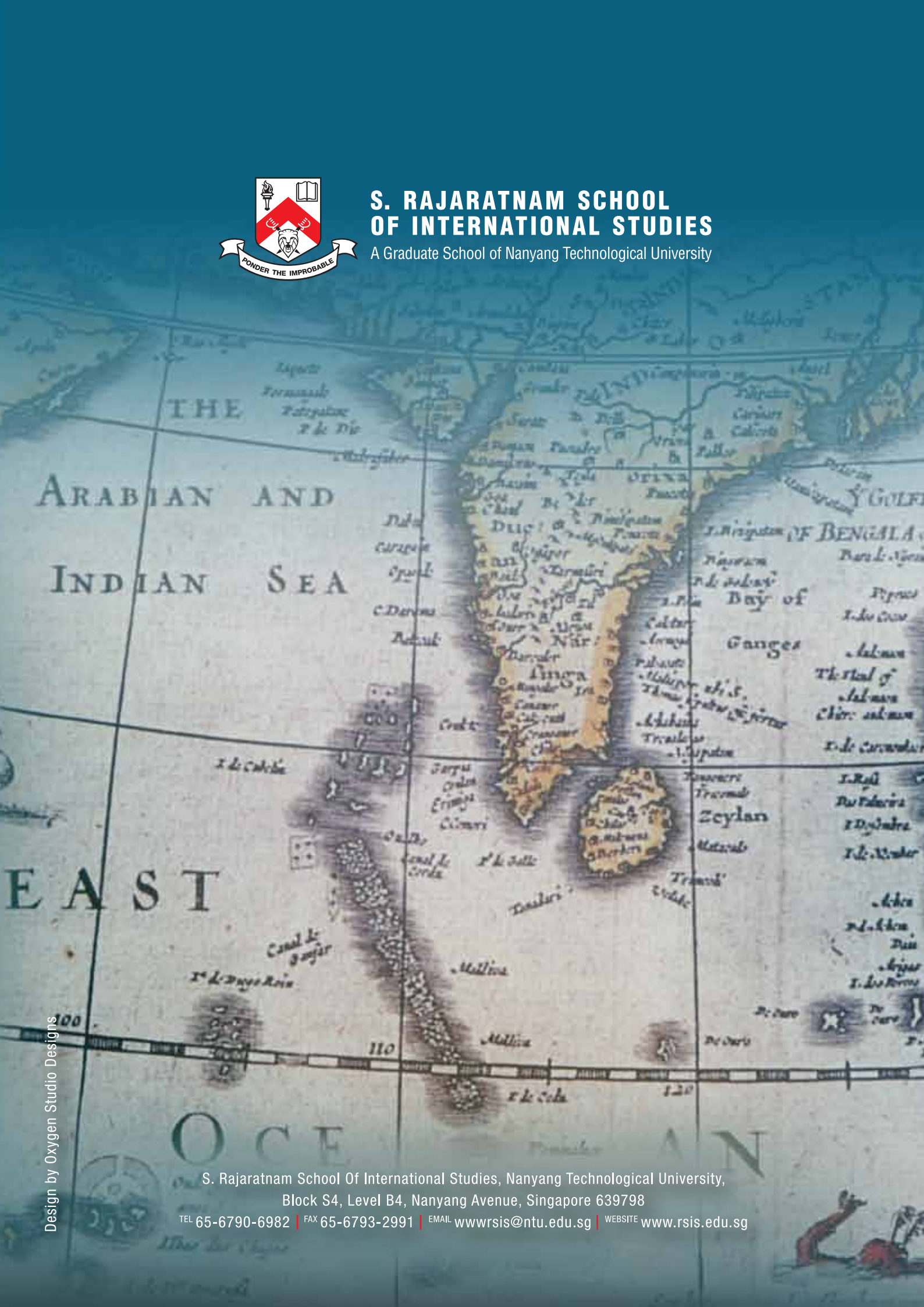
LIST OF ABBREVIATIONS AND ACRONYMS

AADMER: ASEAN Agreement on Disaster Management and Emergency Response
ACM: Masterplan on ASEAN Connectivity
AHA Centre: ASEAN Coordinating Centre for Humanitarian Assistance on disaster management
AHTF: ASEAN Humanitarian Task Force Regional Plan of Action (RPOA)
AMM: ASEAN Ministerial Meeting
ARF: ASEAN Regional Forum
ARPDM: ASEAN Regional Programme on Disaster Management
ASC: ASEAN Security Community
ASEAN: Association of Southeast Asian Nations
ASEANAPOL: ASEAN Chiefs of National Police
BIMSTEC: Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation
CASA-1,000: Central Asia-South Asia electricity scheme
CM: Cooperative Mechanism
EAS: East Asian Summit
EIO: East Indian Ocean
FAO: Food and Agricultural Organization of the United Nations
HADR: Humanitarian Assistance and Disaster Relief
HFA: Hyogo Framework for Action
IAEA: International Atomic Energy Agency
IFC: Information Fusion Centre
IMO: International Maritime Organisation
IONS: Indian Ocean Naval Symposium
IOPZ: Indian Ocean Zone of Peace
IOR: Indian Ocean Region
IOR-ARC: Indian Ocean Rim Association for Regional Cooperation
IOTC: Indian Ocean Tuna Commission
IPI: Iran-Pakistan-India
IPOAs: Agreements and International Plans of Action
IPSA: Iraqi Pipeline across Saudi Arabia
IRTC: Internationally Recommended Transit Corridor
ISC: Information Sharing Centre
IUU: illegal, unreported and unregulated
LNG: liquefied natural gas
MDG: Millenium Development Goals
MMEA: Malaysian Maritime Enforcement Agency
NTS: Non-Traditional Security
PD: Preventive Diplomacy
PEMSEA: Partnerships in Environmental Management for the Seas of East Asia
PSI: Proliferation Security Initiative
ReCAAP: Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia
RFMO: Regional Fisheries Management Organization
SAARC: South Asian Association for Regional Cooperation
SAR: Search and Rescue
SEAFDEC: Southeast Asian Fisheries Development Center
SLOCs: Sea Lines of Communication
TAC: Treaty of Amity and Cooperation
TAPI: Turkmenistan-Afghanistan-Pakistan-India
TSS: Traffic Separation Scheme
UN: United Nations
UNCLOS: United Nations Convention on the Law of the Sea
UNDP: United Nations Development Programme
UNFSA: UN Fish Stocks Agreement



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