The Indian Ocean Region: Security, Stability and Sustainability in the 21st Century

Australia India Institute
Task Force on Indian Ocean Security
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The Indian Ocean Region: Security, Stability and Sustainability in the 21st Century

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The views, findings and recommendations of this Report are the edited product of the collective deliberation of an independent group of analysts and policy-makers constituting the Indian Ocean Task Force at a Roundtable held in Fremantle, Western Australia, on 4th and 5th May 2012. The Report does not necessarily represent the views of the Australia-India Institute, its Faculty or its Administration. Nor does it represent the views of any one of the individuals or institutions with which those involved are affiliated. All statements of fact, expressions of opinion as well as recommendations contained in the Report are to be read bearing in mind that all contributors do not necessarily agree on every detail.
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A Message from the Director

The Australia India Institute has quickly established itself as Australia’s preeminent centre for the study of India and as a leading centre of dialogue and research partnerships between India and Australia. Based at the University of Melbourne, the Institute hosts a growing range of programmes that are deepening and enriching the relationship between our two great democracies.

In May 2011, we set up a Task Force on Indian Ocean Security to bring together experts from Australia and India to debate and report on policy directions that both states might consider for the future enhancement of regional security. Apart from regular communication among Task Force members, preliminary meetings were also held in Melbourne and Kolkata in 2011. This report represents the edited outcome of the final Task Force meeting held in Fremantle, Western Australia in May 2012.

The AII Task Force on Indian Ocean Security had four principal aims:

• To discuss the geopolitics of the Indian Ocean region (IOR), its changing significance, the various perspectives of regional states and the IOR's relationships with other regions as part of a broad context for an analysis of security issues.

• To analyse the numerous security challenges of the IOR, including major non-traditional security issues such as fishing and food security; global warming and environmental issues, population and migration; access to undersea energy resources; and differences and similarities in Indian and Australian perspectives. Furthermore, to discuss issues related to sea lanes of communication (SLOCs) security along the long Indo-Pacific littoral, with particular focus on Indian and Australian perspectives on SLOC security between the Red Sea and the South China Sea.

• To consider the roles of India and Australia in Indo-Pacific security, including a discussion of Indian and Australian perspectives on their future roles in Indo-Pacific security.

• To evaluate various policy and research implications and options, including a consideration of common security interests; alternative regional security structures for the IOR and/or the Indo-Pacific (for example, expansion of IOR-ARC, concert of powers; single issues coalitions etc); and the degree to which these would fit with Indian and Australian strategic perspectives.

I would like to thank all the members of the Task Force, particularly Prof Dennis Rumley, for their contribution to this valuable report, which will be of interest not just to policy makers in Canberra and New Delhi, but also to the wider academic and policy community.

Amitabh Mattoo
March 2013, Melbourne
I. Executive summary of the report

While some analysts might quibble over definitions of the IOR, there is little dispute over the assertion that it is highly diverse from a political, demographic, economic, environmental and strategic viewpoint. Thus, from a narrow statist perspective, the IOR is neither a “single strategic entity”\(^1\) nor a “clear and coherent geopolitical system” (Figure 1).

![The Indian Ocean regional sub-systems and peripheral regional systems](image)

Figure 1: The Indian Ocean regional sub-systems and peripheral regional systems\(^2\)

This issue touches on Buzan and Weaver’s *regional security complex theory*. A regional security complex represents “a group of states whose primary security concerns are linked together sufficiently closely that their national securities cannot realistically be considered apart from one another”. In short, a regional security complex comprises a group of states united by common security problems\(^3\).

In the IOR, state-based security relationships have tended to be organised at a sub-regional system level – for example, Southern Africa, Persian Gulf, South Asia and Southeast Asia – and it is at this scale that there exists the most effective level of regional cooperation and economic integration among states. Nonetheless, there are many ocean-wide security issues of regional and global significance deserving of further regional analysis and policy development. This is especially the case for non-state threats such as piracy and terrorism as well as other non-traditional or transnational security threats associated with the use of the ocean, such as maritime security matters, environmental security issues and the nature of economic exploitation both in and below the ocean itself.

Inevitably there is debate over the nature of any regional security regime or regimes that might be constructed for the IOR. What is also clear is that different regional structures can perform different security functions at different scales and/or in parallel. In a very real sense, there was no need for regional states to devise a security regime during a period when the Indian Ocean was dominated by outside powers. The combination of colonialism and the Cold War ensured that regional states were insufficiently emancipated to collectively decide their destinies. In any event, internal interaction was relatively weak and this ensured a weak regionalism. Just as security threats and insecurity are constructed, so security itself also needs to be constructed. At present, apart from the role of the United Nations and a few second track groups, ultimately, much of the responsibility for constructing security in the IOR lies in the hands of regional states.

There are at least four essential characteristics of this current security environment. First, there is no region-wide security regime for the Indian Ocean. Second, sub-regional security regimes are relatively weak. Third, security arrangements are essentially Western-oriented and are principally orchestrated by the United States. Fourth, there is an emphasis on stronger bilateral, rather than multilateral, security relationships in the IOR.

Developments in world affairs over the last 20 years have directed fresh attention to the Indian Ocean. Salient among these has been the shift in global economic weight and influence from the North Atlantic to Asia, including in particular the rise of China and India. This, together with a more urgent focus on energy, resource and food security issues, has driven new levels of interest in the trade routes and sea lanes eastwards from the Persian Gulf and the Red Sea and north from Australia. In addition, there has been a renewed interest in Africa and, potentially, the Indian Ocean seabed as sources of mineral resources as well as in development issues in Indian Ocean rim countries, arising in part from the challenges posed by failed or failing states in the region. These developments have given rise to renewed attempts to delineate and define the IOR, and to determine more clearly just how important it is in global strategic terms.

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The present reality is that the issues relating to the Indian Ocean and its littoral are best addressed in terms of two overlapping regional systems. The first system embraces Indian Ocean-centric issues – that is, issues that are specific to the Indian Ocean and its littoral. These include issues of economic development and human security, the environment, the seabed and fisheries management, among others. These issues are best addressed by the countries with direct stakes in them, and which therefore potentially form the essential reform agenda of the current pre-eminent regional body, the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).

The second system sees the Indian Ocean as part of a wider Indo-Pacific ‘strategic system’ that embraces the trade routes and sea lanes that cross the Indian Ocean itself but also extends past the Straits of Malacca and the Sunda and Lombok Straits into the South China Sea and north to China, Taiwan, Korea and Japan, and indeed on to the west coast of North America. As trade highways, these routes are arguably the most important in the world today, and the ‘choke points’ and contested waterways along the highway attract critical attention of the ‘hard security’ kind. Given the range of stakeholders, this is an inclusive framework, and the issues embraced within it are played out at a high political level. Thus, as conceptualised in this Report, while some discussions of the Indo-Pacific security system have been exclusive (meaning that China is excluded), we argue for the concept to be inclusive (meaning that China is included) in order to maximise long-term regional security. This inclusive concept we refer to as the “New Indo-Pacific” to clearly differentiate it from the exclusive meaning.

In order to fully develop the argument for both the enlargement of the IOR-ARC agenda to incorporate an array of non-traditional security issues, and the incorporation of a new Indo-Pacific concept into higher order security thinking, this Report is divided into three major sections. The first section considers the changing security dynamics of the IOR. This section begins by arguing for the need to consider security as a multidimensional concept in the 21st century. The report suggests that policy-makers need to incorporate a broader and more interdependent concept of security than the traditional military concept in order to maximise long-term regional security. Thus, concepts of human security, economic and resources security, maritime security and environmental security are interrelated and critically important to 21st century state and regional stability. This section of the report also evaluates the narratives surrounding proponents of different regional security structures. It finds that a new concept of maritime regionalism can be applied to a range of non-traditional security concerns in the Indian Ocean. Furthermore, while there is need for a new regional maritime security regime, the old exclusive Indo-Pacific security concept will not likely guarantee long-term regional stability.
The second major section of the report provides a detailed description and analysis of the various components of the multidimensional security concept as they apply to all Indian Ocean states. It is concluded that, within the IOR, while there has been a significant increase in military expenditure among some states, and while important inter-state conflicts still remain, in reality, most conflicts actually occur within rather than between states. As a result, at the Indian Ocean regional level, greater policy attention needs to be given to aspects of human security, economic and resources security, maritime security and environmental security.

The third major section of the report considers the roles of India and Australia in Indo-Pacific security. This section of the report focuses on the development of the Australia-India strategic relationship and how this can be enhanced to the benefit of both states in the context of shifts in the balance of power between the Indian and Pacific oceans and the implications of the emergence of an Indo-Pacific strategic region. It is argued that there is considerable scope for increased bilateral cooperation between India and Australia both within the IOR and beyond. It is suggested that, given the current configuration of IOR-ARC, both India and Australia can take the lead in increasing regional awareness and cooperation among Indian Ocean rim states. Furthermore, both India and Australia can be active participants in the provision of maritime security through the entire Indo-Pacific littoral. In short, both India and Australia can take the lead in facilitating the development of security agendas for both the Indian Ocean and the Indo-Pacific security systems.

The concluding section brings together the main policy and research implications of the report. In summary, the following 22 conclusions and policy suggestions are made:

1. There is a need for a new Indo-Pacific maritime security regime that involves all relevant stakeholders in matters of regional maritime security.
2. The agenda of IOR-ARC needs to be expanded beyond economic matters to incorporate a range of non-traditional security issues.
3. Due weight should be placed on the increasing geopolitical importance of the IOR in national and regional security policies.
4. Recognition should be given by all regional states to the multidimensional nature of security in the development of national and regional security policies.
5. Most conflicts occur within states. Maximising human development requires appropriate attention be given to military expenditure compared with other forms of expenditure.
6. Competition for power and influence within the IOR by outside powers is unlikely to maximise long-term regional stability.

7. Regional security is especially jeopardised by five “states of concern” that are failed or failing, not free and highly repressive.

8. To ensure long-term national and regional stability, the maximisation of human security should be a central goal.

9. There is a need to develop cooperative mechanisms for collectively dealing with displaced persons, refugees and people trafficking.

10. A major regional policy target should be the “vicious circle of economic security and civil conflict”.

11. ODA targets and outcomes need to be more closely focused and monitored.

12. The “militarisation of energy security” is a regional cause for concern.

13. A new Indo-Pacific Maritime Energy Security (INDOMES) regime is proposed to incorporate all states that are stakeholders in maximising the security of energy flows through the Indian Ocean.

14. Integrated land-sea policies are essential to enhance maritime security.

15. Agricultural technology and other ODA need to target regional food-insecure states.

16. Water sharing, conservation and technological cooperation are essential for states that are water insecure.

17. There is a need for a regional agreement on the prevention of illegal dumping of nuclear waste.

18. The potential growth of sustainable fisheries requires a new integrated regional management framework.

19. Collective action is essential to ameliorate the adverse impacts of human-induced climate change.

20. The long-term maximisation of regional security requires the adoption and development of a new collective Indian Ocean maritime regional paradigm.

21. Both India and Australia can take the lead in increasing awareness and cooperation among Indian Ocean rim states.

22. India and Australia can also enhance their own bilateral security relationship through greater cooperation in maritime security issues both within the Indian Ocean and in the broader Indo-Pacific region.
II. The changing security dynamics of the Indian Ocean region

1. Security as a multidimensional concept

In the Brundtland Report, published in the final stages of the Cold War period, the global implications of the interdependence of society, economy, politics and environment were explained explicitly for the first time, and the centrality of a multidimensional post-realist concept of security was affirmed. Thus, for example, ecologically sustainable development was seen to be necessary in order to maintain environmental security. Second, economic participation needed to be maximised to guarantee economic security. Economic inequalities would likely lead to social insecurity. Third, representation and participation ought to be maximised in order to ensure political security.

![Diagram of multidimensional security]

Figure 2: Essential elements of multidimensional security

Clearly, while environmental movements can have an impact on political security, government policies will influence the extent of environmental security. In sum, the degree of stability and security, and thus peace and conflict among and within states, is determined by this set of interrelationships (Figure 2).

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The emergence of a new security agenda

The post-Cold War concern with a range of “new security challenges” is associated with a profound debate not only about the meaning of the term security but also about the nature of national, regional and global security policy. As has been pointed out elsewhere, the case has been well put against the “traditionalists” who want to restrict discussions of security solely to politico-military issues, compared to the “wideners” who want to extend the concept to include economic, social and environmental aspects of security. The present Report belongs unequivocally to the latter orientation, since in the post-Cold War period these issues have become increasingly securitised.

To some degree, since the end of World War II and up until relatively recently, for different reasons Indian Ocean states have been regionally disengaged or even isolated in terms of their principal security relationships. The end of the Cold War and its association with increasing globalisation has necessitated a new security outlook on the part of regional states in terms of the nature and types of perceived threats. In addition, these changes have precipitated a new outward orientation such that threats are no longer conceived solely within a national frame of reference, but also within a non-state, regional and even global context. Thus, both the nature and the scale of threat have changed, while the question of human security has become increasingly significant. These changes, in turn, have been associated with a developing concern on the part of both states over mutual regional security interests, especially in the IOR and wider Asia-Pacific region. In short, the IOR has been subject to the emergence of a “new security agenda” that all states must confront due in part to globalisation.

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In particular, three overall trends have contributed to the emergence of this new agenda. First, the emergence of globalised networks, which have increased state vulnerability to non-state actors and to a range of transnational threats; second, technological developments in weaponry have generated new threats and have brought states closer together; and third, globalised information networks have contributed to increased demands for action and have had an associated impact on international law. As a result, solutions to the new threats generally require regional and even global mechanisms for cooperation and coordination.

However, collectively confronting new security challenges due to globalisation is never straightforward since the impacts are generally uneven and sometimes contradictory (Figure 3).

<table>
<thead>
<tr>
<th>Greater freedom</th>
<th>Human rights violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creates wealth</td>
<td>Creates inequalities</td>
</tr>
<tr>
<td>Generates human insecurity</td>
<td>Makes some feel more secure</td>
</tr>
<tr>
<td>Enabling</td>
<td>Disempowering</td>
</tr>
<tr>
<td>Certainty</td>
<td>Uncertainty</td>
</tr>
<tr>
<td>The ‘globalised’</td>
<td>The ‘marginalised’</td>
</tr>
</tbody>
</table>

*Figure 3: Some contradictory impacts of globalisation on security*  

It has been argued, for example, that the gap between the so-called ‘globalised’ and the ‘marginalised’ or ‘unglobalised’ is the most important of all cultural divisions, and that this gap will increasingly become a source of conflict during the present century. One influential book differentiates between a globalised “functioning core” and a “non-integrating gap” and draws an extremely arbitrary boundary between those states that are seen to be actively integrated into the global economy – that is, the “functioning core” – and the remainder that constitute the “non-integrating gap”. While the core states “adhere to

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globalisation’s emerging security rule set”, the states of the gap apparently do not. The gap states are also characterised as being “poor” and as places where life is “nasty”, “short”, “brutal” and “solitary”.

In the IOR, only three states – Australia, India and South Africa – are included in Barnett’s “functioning core”. In short, if we accept this aspect of Barnett’s characterisation, all three states will increasingly have mutually significant security interests due to globalisation during the present century. As has been pointed out, the transnational economic and geopolitical space that has resulted from globalisation requires “organized responses”. Given their regional location in this space, both India and Australia are in a unique position to take on a leading role in collaboratively developing and implementing a new regional security agenda.

On the face of it, some observers may argue that the IOR is inherently insecure. For example, from a geopolitical perspective, as stated earlier, the region does not comprise a “true security system”; rather, it comprises a set of highly diverse sub-systems. Furthermore, the region has been characterised as being akin to an “arc of crisis”, since it contains many poor, unstable states which are beset by bilateral land-based and/or maritime disputes. This view is similar to an earlier characterisation by Brzezinski of the region as an “arc of crisis” through the Middle East into Africa. It has also been argued that the IOR has now entered a new geopolitical era which comprises an “Indianoceanic order” characterised by heterogeneity, fragmentation into sub-regional systems, an emergent regionalism, subordination to large regional powers and realisation of the actual importance of the ocean itself both as a highway and environment. In this new “order”, many regional states are as much concerned with the problems of internal stability as they are with Indian Ocean regional issues or questions related to a security threat from another state.

Constructing security

It is accepted here that security is a contested, multi-scalar and multidimensional concept, whose component parts are interdependent. It can thus embody traditional concerns over military security that are generally evident at the scale of the state but it also encompasses other aspects of security such as economic and environmental security. In addition, a broad definition of security would include other non-state forms of non-traditional security, such as terrorism, money laundering and drug trafficking. Thus, security threats can take many forms – from armed conflict to sexual violence against women. Policies designed to meet traditional security concerns have generally been enacted at the state scale, but with increasing globalisation and technological change, policies associated with economic and environmental security and with all forms of non-traditional security increasingly necessitate inter-state cooperation. This is a significant policy concern for most Indian Ocean regional states since the nature of non-traditional security threats is becoming increasingly more important, and in a globalised world, states will wish to portray themselves both as being secure and as being of no threat. In short, constructing Indian Ocean security in the 21st century in the broadest sense requires regional cooperation.

Geopolitically-constructed security threats

In the 21st century, geopolitically-constructed security threats have been ascribed by the West to states and regions. Thus, “rogue states” and “failed states” have been portrayed by the West as being located outside of the civilised world in a way that echoes the Cold War good-versus-evil rhetoric of the conflict with the Soviet Union. However, it is clear that there is a tendency for international crises to be centred on weak or failing states. The characterisation of Iran, Iraq and North Korea as being part of an “axis of evil” was not only based on the belief that these states were developing weapons of mass destruction (WMD) but that they were intending to use these weapons against Western interests.

Geopolitically-constructed security threats are inevitably contested. The term Cold War, for example, has been interpreted as comprising four different but related conflicts – USA versus European states, economic centre versus economic periphery, freedom versus totalitarianism and USA versus USSR.

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Another well known global geopolitical construction, of course, is the clash of civilizations hypothesis. For the IOR, this construction predicts an ongoing set of conflicts among African, Islamic, Hindu, Buddhist, Sinic and Western ‘civilizations’, with permanent ‘fault lines’ located where these six civilizations connect. Huntington would have us believe that Australia will be in permanent conflict with most of its Indian Ocean neighbours, including India, since the primary dimension of conflict is seen as between so-called Western civilization and the rest. As has been pointed out, not only is Huntington’s concept of ‘civilization’ conceptually and operationally flawed, his analysis seems to ignore the fact that, in recent years, most violent conflicts have actually occurred within civilisations and more particularly within states.

An alternative construction of a primary dimension of conflict that has implications for the IOR is provided by Tariq Ali. He sees the main source of global conflict as being a “clash of fundamentalisms”, especially between Islamic fundamentalism and what he characterises as “the mother of all fundamentalisms: American imperialism”. This characterisation has some important implications for real and perceived security threats within the IOR, given the locations of the land and sea based presence of the United States.

Most of the West Asian portion of the IOR has been characterised as “the global zone of percolating violence” and “is likely to be a major battlefield, both for wars among nation-states and, more likely, for protracted ethnic and religious violence”. In addition, most of the northern half of the IOR, including India, has been incorporated into a “Southern Belt of Strategic Instability” which stretches from southern Japan in the east to northern Italy in the west. Not only do such constructions tend to be self-reinforcing and self-fulfilling, they can also come to be regarded as rigid and limiting templates for policy-making.

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Threats and legitimate interests

Most states will pursue legitimate interests in order to maximise their economic security. However, in situations of competition and resource scarcity, states are likely to be in conflict with others and these conflicts may well be ‘developmental’ – that is, they are based on a developed state static concept of ‘developmental order’ that requires less economically developed states to pose no significant economic challenge. A threat to a developed state’s economic security and economic dominance may well be portrayed or characterised by it as a threat in the traditional use of the term. Furthermore, challenges to the ‘developmental order’ may also be portrayed as challenges to regional hegemony and thus resisted. From a traditional security perspective, the identification of hegemonic ‘no-go spaces’, such as the Indian Ocean, constructs a security threat both to the hegemon and to the ‘invading power’ that may well have legitimate regional interests. As in the Cold War period, the identification of and propagandisation of such spaces to some degree results in potential competition and uncertainty.
2. The changing geopolitical significance of the Indian Ocean region

The final decade of the 20th century saw an upsurge in global interest in the IOR on the part of policy-makers, business people, academics and others associated with a growing realisation of its enhanced geostrategic importance. The end of the Cold War, increasing globalisation, India’s “opening up” and its Look East policy, the end of apartheid in South Africa, Australia’s so-called Look West policy and the burgeoning concern over an array of non-traditional security threats, especially in relation to energy security, placed new emphasis on the IOR, especially the secure and sustainable use and management of the entire ocean environment.

The Indian Ocean as a routeway

In terms of international trade, the Indian Ocean now contains the world’s most important routeways for international maritime long-haul cargo. For example, the Indian Ocean is now the world’s most important energy routeway. In 2007, half of global daily oil production was moved by tankers on fixed maritime routes. Since approximately 36 per cent of the world’s oil imports derive from the Middle East, secure interregional oil shipments through the Indian Ocean are vital to world prosperity. Oil import security is especially important for Japan (80% of oil imports come from the Middle East), China (39%), Europe (21%) and the United States (16%). Furthermore, in 2006, more than 80% of the world’s seaborne trade in oil passed through only three Indian Ocean choke points – Strait of Hormuz (40%), Strait of Malacca (35%) and Bab el-Mandab (8%).

What this means, is that the Northern economic powers and the developing economic powers of China and India (and each of their respective navies) have a legitimate interest in the security of SLOCs as well as a special concern for the stability and geopolitical orientation of states proximate to the entrances and exits to the ocean.

In this regard, apart from the troubled Horn of Africa, at least eleven regional states are critical to the free flow of global sea trade – Australia, India, Indonesia, Iran, Malaysia, Mozambique, Oman, Singapore, South Africa, United Arab Emirates and Yemen. Since these states represent more than half of its membership, the Indian Ocean Region Rim Association for Regional Cooperation (IOR-ARC), formed in 1997, is potentially an extremely important regional grouping for the construction of a cooperative security regime in the IOR. This necessitates the broadening of the agenda of IOR-ARC, not only to breathe new life into economic cooperation but, more importantly, a wide array of potentially mutually-beneficial cooperative endeavours.

The Indian Ocean as the neglected ocean

In global terms, the Indian Ocean has been a relatively neglected ocean and one that has been seen to be marginal to global centres of power and conflict. The region and its peoples were perceived by the European powers as being primarily suitable and freely available for colonisation and exploitation and would thus likely remain dependent and underdeveloped for the foreseeable future. Thus, despite the existence of ancient civilisations and a wide array of sophisticated indigenous peoples, it was thought that since the IOR included no global power, it would continue to remain peripheral to global geopolitics and geo-economics.

It has been suggested that there are at least five interrelated reasons why Western observers, in particular, have underestimated the geostrategic importance of the IOR. First, since some commentators see the region as primarily comprising Third World states, it has been accorded a lower level of significance compared with other oceans, especially the Atlantic and Pacific.

Second, the Northern-centric and primarily English-based system of global knowledge has contributed to a level of ignorance about the region and regional states. Northern-Western resources were unlikely to support Indian Ocean educational programmes when better economic returns were perceived to exist elsewhere. Some Western scholars have been hesitant about using the term 'Indian Ocean', if only because it implies that India is the centre. Indeed, questions have been raised as to whether the term can even be used as a viable category of inquiry and analysis.

Third, since the region is a former arena of European colonial competition and external domination, to some degree, residual core-periphery values of social, economic and political superiority and security dependency continue

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to prevail. Fourth, there is a relative paucity of reliable description and analysis from students of international affairs on the geostrategic importance of the IOR and of the geopolitics of regional states. Rather, what literature there is on the IOR is dominated by Western writers imbued with Western orientations, understandings and opinions.

Finally, the geopolitical orientation of many Indian Ocean regional states has tended away from the ocean and has instead been directed either internally for reasons of social, economic and political stability or towards other states and regions of perceived greater geo-economic significance.

21st century strategic reassessment of the Indian Ocean Region: two examples

The 21st century has seen a strategic reassessment of the global geopolitical significance of the IOR. This is as a result of a changed set of perceptions on the part of regional and extra-regional states. Two brief examples are worthy of mention here: Australia and the United States.

(i) Australia

The 2009 Australian Defence White Paper argued that the Indian Ocean will have a much greater geostrategic significance in the period to 2030 and will join the Pacific Ocean in terms of its centrality to Australian defence planning and maritime strategy. The changing strategic context in the IOR has caused a former Australian defence minister to suggest that the geopolitical importance of Australia itself has fundamentally shifted from what he describes as a “strategic backwater” to a situation where Australia is now at “the southern tier of the focus of the global political system”.

(ii) The United States

The United States has a substantial interest in the stability of the Indian Ocean region as a whole… Ensuring open access to the Indian Ocean will require a more integrated approach to the region across military and civilian organizations “according to the US Defense Department.”

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The United States has been undergoing a reassessment of the strategic importance of the IOR in recent years due in part to the growth of a range of non-traditional threats and since the growing economic and military importance of China and India challenges US dominance in the region. Indeed, it has been recently asserted that:

“...the Indian Ocean may be the essential place to contemplate the future of US power. Only by seeking at every opportunity to identify its struggles with those of the larger Indian Ocean world can American power finally be preserved”.

The United States has generally eschewed regionalism and multilateralism in favour of bilateralism, unless states are territorially contiguous or within its own hemisphere. However, in the case of the Indian Ocean, the United States now appears to be more in favour of a regionalism that might facilitate stability and may allow it to have some influence, especially through its relationships with Australia and India.

The changing geopolitical environment

In summary, the strategic reassessments and associated changes in perceptions are the outcome of the interaction of many important factors and considerations that include:

1. The increasing economic and military capabilities of China and India.
2. The increased competition for resources in the IOR, and especially in Africa and the Middle East.
3. The challenge of meeting millennium development goals in the IOR.
4. The necessity for ageing Northern economies and rapidly growing Southern economies to meet energy security requirements.
5. The ability and willingness of regional ‘energy-niche’ states to meet regional and global energy demands.
6. The regional and global growth in terrorism and piracy.
7. The need to collectively enhance maritime security.
8. Increasing concerns over the exploitation of ocean resources both within and under the sea.
9. An upsurge in the need to deal cooperatively with a range of environmental security considerations, including climate change, water, food and ocean management.

10. The gradual emergence of what we call the fifth “new regionalism” phase of intra-IOR connectivity. This follows earlier pre-colonial, colonial, Cold War and post-Cold War phases.

**Current regional security arrangements and forums**

In the context of this new strategic environment, the precise regional security configuration of the Indian Ocean for the fifth stage of “new regionalism” has yet to be determined. As noted earlier, the current arrangements are an overlapping patchwork of regional, sub-regional and extra-regional first and second track forums and linkages, none of which explicitly incorporates a concept of multidimensional security, nor is contained within an agreed regional structure or one that involves all appropriate stakeholders.

For the sake of the present discussion, it is important to examine the extent to which some of the current regional and sub-regional arrangements meet these three ‘tests’ – that is, multidimensionality, agreed regional structure and appropriate stakeholders – for four key Indian Ocean players – Australia, India, China and the United States. We include three ocean-wide, seven sub-regional and two ‘external linkage’ regional groupings in this analysis (Figure 4).

---

<table>
<thead>
<tr>
<th>Region</th>
<th>A</th>
<th>C</th>
<th>I</th>
<th>USA</th>
</tr>
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<td></td>
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<td>X</td>
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<tr>
<td>EAS^</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

* economic security
@ maritime security
+ environmental security
^ traditional security
# multidimensional security
DP = Dialogue Partner
CP = Contracting Partner

**Figure 4: Indian Ocean regional security arrangements: Australia, China, India and USA linkages**

Of the 12 examples listed in Figure 4, membership of all four states occurs in only two non-ocean regional groupings: ARF and EAS. For the three Ocean-wide groupings –IOR-ARC, the Indian Ocean Naval Symposium (IONS) and the Indian Ocean Tuna Commission (IOTC) – the results for the four states against the three ‘tests’ are mixed. For example, for IOR-ARC, which is ostensibly an economic cooperation group in search of a broader agenda, both Australia and India are members and China is a Dialogue Partner, but the United States is currently excluded. In the context of a broad conception of security and the present regional interests of ‘external’ states, on the face of it this differentiation between China and the United States seems rather unusual. Indeed, the United States is excluded from all three ocean-wide groupings, while only Australia and India have been involved in IONS. India, on the other hand, does not have a direct association with only three of the 12 regional groupings (Figure 4).

From a regional security perspective, it seems that in the IOR there is a mismatch between regional structure and regional function. There is no regional organisation that can deal with a wide array of environmental security problems, nor is there a forum within which problems of maritime security, for example, can be discussed among all relevant stakeholders.
3. Regional options for Indian Ocean security

Competing regional security constructions

In has been argued that, in recent years, the regional security debate and responses in Australia have primarily reflected three competing security constructions of the IOR\textsuperscript{43a}. The first is an all-embracing concept of an IOR comprising up to 51 states at its largest scale to 19 states at the scale of the IOR-ARC. The second is a scaled-down version of the first into the East Indian Ocean. The third and largest in area is an Indo-Pacific concept that emphasises the pre-eminence of regional naval power and ensures that India (along with Indonesia, Japan and the United States, among others) potentially plays a central policing role not only within the IOR.

A narrative based on an Indian Ocean regional security construction tends to be perpetuated by liberal practitioners and commentators concerned primarily with non-traditional security issues, the cooperative use of diplomacy and smart power in a regional community context. On the other hand, the dominant narrative based on an Indo-Pacific region security construction tends to be propagated by conservative practitioners and commentators concerned principally with the use of collective traditional security and hard power directed either overtly or covertly towards individual states, and in particular, towards China. While there are subservient interpretations of the Indo-Pacific concept that are inclusive of China, these inclusive maps are not the dominant geopolitical construction currently espoused (Figure 5).

We argue that there is an overriding narrative at work that de-emphasises an Indian Ocean regional security construction, while attempting to propagate a view in favour of a more US-centric/China exclusive Indo-Pacific regional security construction. We argue here, however, for a more inclusive definition of the Indo-Pacific, one that includes both China and the United States.

Indian Ocean Region | East Indian Ocean | Indo-Pacific Region
--- | --- | ---
Diplomacy | Limited diplomacy | Traditional security
19 states comprise IOR-ARC | Tripartite bloc | US-India centric/exclusive
Pakistan excludes India; Iran excludes USA; China a Dialogue Partner | Australia/India/Indonesia Japan also a key player | Australia-China contested
Soft power Non-traditional security issues | Soft/hard power | Hard power Traditional security
Pan-regionalists Foreign Affairs departments/ Consultants | Sub-regionalists Defence departments | Nationalists
Foreign Affairs/Defence Consultants | Liberal/conservative commentators | Conservative commentators
Liberal commentators

Figure 5: Comparison among three competing regional constructions

The Indian Ocean region

From a formal perspective, the IOR could be defined as comprising those states that border directly the Indian Ocean. From a functional point of view, we could define the IOR as comprising those 19 states that belong to the IOR-ARC. The common formal and functional criterion is a border on, and an interest in, the ocean itself. In the case of the latter criterion, we could include states associated with the tributary waters to the Indian Ocean as well as those land-locked states for which transit to and from the sea is primarily oriented towards the Indian Ocean (Figure 6). Using this broadest regional construction, we can identify a total of 51 states, 28 of which are Indian Ocean rim states, plus a further 10 that are coastal states of the Red Sea and the Persian Gulf, together with an additional 13 Indian Ocean land-locked states.

---
Indian Ocean rim states | Other coastal states of the Red Sea and the Persian Gulf | Indian Ocean land-locked states
---|---|---
Australia | Mozambique | Bahrain
Bangladesh | Oman | Egypt
Burma (Myanmar) | Pakistan | Eritrea
Comoros | Seychelles | Iraq
Djibouti | Singapore | Israel
France* | Somalia | Jordan
Kenya | South Africa | Kuwait
India | Sri Lanka | Qatar
Indonesia | Tanzania | Saudi Arabia
Iran | Thailand | Sudan
Madagascar | Timor-Leste | 
Malaysia | United Arab Emirates | 
Maldives | United Kingdom* | 
Mauritius | Yemen | 

(*For France and United Kingdom: because of their island territories)

Figure 6: The 51 states of the Indian Ocean region

One view of a preferred regional security construction is that it be built around the IOR. This view argues that strategic reassessments of the IOR and associated security challenges are contributing to the development of a new collective Indian Ocean security paradigm built on maritime regionalism. This paradigm is primarily designed to facilitate confidence building and to deal effectively with a wide range of so-called ‘non-traditional’ security challenges. Significantly, however, the United States Unified Command Structure divides the IOR between USAFRICACOM and USPACOM, splitting the Indian Ocean in two (Figure 7).

This division has resulted in a “fragmented” organisational security structure as far as the US approach to the IOR is concerned\textsuperscript{45}. Often changes in overall strategic direction fail to transpire simply because bureaucratic and departmental structures are pre-existing and well-entrenched, rather than because there is an acceptance or rejection of a new institutional architecture that reflects power shifts and new regional constellations\textsuperscript{46}.

The East Indian Ocean

A second competing regional security construction centres on the East Indian Ocean (EIO). We have been reminded recently that “Australia often forgets that it's a three-ocean country”. While Australia has had a unified policy framework for the Pacific Ocean, such an approach is lacking for the Indian Ocean as a whole\textsuperscript{47}. A full Australian engagement in an Indian Ocean-wide set of security initiatives is subject to the constraint of “territorial overstretch”; that is, the challenge of attempting to undertake too much engagement across too great a span of territory on too many issues\textsuperscript{48}. Since Australia's “geographical reach is limited”, a more limited regional security construction might be preferred.


While not neglecting the rest of the IOR, Australia, it is argued, should focus on the geographically closer EIO sub-region to enable practical cooperation and constructive dialogue\(^49\). Importantly for this regional construction, the EIO is congruent with USPACOM.

**The Indo-Pacific region**

A third regional security construction is that of the Indo-Pacific region. Some commentators appear to take it for granted that we have now entered the “Indo-Pacific century”\(^50\). Proponents lead us to believe that its emergence is both “irresistible”\(^51\) and “inevitable”\(^52\). We are assured that the Asia-Pacific era “died” in 2011 and was replaced with the Indo-Pacific era. The conservative Australian journalist Greg Sheridan, for example, claims that the 60th anniversary Australia–United States Ministerial Consultations (AUSMIN) meeting in San Francisco in September 2011 marked the “pivot point” at which Australia and the United States began to “redefine their region not as the Asia-Pacific, but as the Indo-Pacific”\(^53\).

Not surprisingly, the Indo-Pacific construction itself is contested. The University of Adelaide’s [Indo-Pacific Governance Research Centre](https://www.adelaide.edu.au/indopacific/) defines the Indo-Pacific as the “region spanning the Western Pacific Ocean to the Western Indian Ocean along the eastern coast of Africa”. The Indo-Pacific has also been defined as “the areas of the Indian Ocean and the West Pacific”\(^54\). Furthermore, it has been defined as “an emerging Asian strategic system that encompasses both the Pacific and Indian Oceans, defined in part by the geographically expanding interests and reach of China and India, and the continued strategic role and presence of the United States in both”\(^55\).


Furthermore, increasing economic and trade linkages – a process of regionalisation – necessitates the construction of an Indo-Pacific regionalism. It appears that one of the practical security aims of the re-introduction of this regional construction is to shift the centre of gravity of Indian and Australian security concerns towards the South China Sea as part of a burden-sharing strategy with the United States. It is thus in part an attempt by the United States to engage India and Australia (and others) while simultaneously facilitating its hegemonic transition.

The United States and the Indo-Pacific

It has been argued that the United States does not have a coherent geopolitical vision of the IOR and that the allocation of political and military resources makes it difficult for the US to make a credible commitment to the security of the IOR. To the extent that the US has an alliance structure in the IOR, it is comprised of the residual relationships from other strategically important regions, thus decreasing its ability to be turned to the security of the IOR. While the US Department of Defense rhetorically recognises the geopolitical importance of the IOR, as noted there is no single US military command structure dedicated to the IOR. The military forces that are prepositioned in the region are not insignificant, but are ill-suited for making the necessary commitments to the region as a whole. This spatial distribution of resources has implications for the United States’ ability to claim that the IOR as a whole is at the core of its interests.

The new imperative of shifting from an Indian Ocean to an Indo-Pacific regional security construction is driven, in part, by concerns over possible Chinese naval expansion and concern over the use of Chinese naval power in the Indian Ocean and in the South China Sea. From an American perspective, effectively managing these concerns requires the cooperation not only of India, but also of Australia, Indonesia, Japan and other states that possess similar concerns. Australia benefits, it is argued, because it will obtain a US presence in a remote region that is of national economic significance and a potential subject of future threat. From an overall regional geopolitical perspective, the coalition will affect closer monitoring and potential control over the eastern exits and entrances of Indian Ocean access routes. The end result is clearly of global geopolitical significance.

The renewed interest in an Indo-Pacific construction on the part of the United States has some clear implications for the long-term future of US-Australia security relations. The move towards an Indo-Pacific security construction has reignited the basic trilateral geopolitical tension faced by Australia’s external linkages. Culturally, Australia identifies primarily with Europe; economically,

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Australia’s strongest links are with Asia, and especially China; and, militarily and politically, Australia is aligned with the United States\textsuperscript{57}. Enhanced engagement has also been proposed by creating a formal trilateral dialogue among Australia, India and the United States that would address common security challenges in the Indo-Pacific Region\textsuperscript{58}.

**Towards a more inclusive regional security construction**

One of the more important dimensions of contested regionalism is whether the scale or the type of regionalism includes or excludes certain states, and whether the type of regionalism is in full accord with, or conflicts in some way with, state/non-state goals. This dimension of contested regionalism can be seen to operate in practice from, first, the viewpoint of the state wishing to be included and, second, from the perspective of the state or states wishing to implement exclusion. In either case, inclusion in or membership of regional constructions or organisations can be used as a mechanism for creating or reconstituting some form of regional identity\textsuperscript{59}. The depiction of the Indo-Pacific by most commentators and state actors in Australia, India and the United States, and the way it has been perceived in China, indicates that the current Indo-Pacific regional construction is exclusive and therefore directed towards China. The propagation of this concept in its present form may have unintended negative consequences, which may lead to an increase in regional instability. As mentioned at the outset, we argue for a model of regionalism that is inclusive of Indian and Chinese interests and of bilateral relationships with the United States.

**Conclusion and implications**

The undoubted strength and influence of the Indo-Pacific regional security construction has some important implications for our other two Indian Ocean proposals: IOR-ARC and EIO. For example, the prospects for EIO security cooperation along the lines discussed earlier remain relatively bright, if only because the EIO is congruent with United States Pacific Command (USPACOM).

However, any potential security function – either traditional or maritime security cooperation – that IOR-ARC might consider undertaking will likely take place at other forums, though IOR-ARC will remain an extremely useful regional governance forum for a whole array of other cooperative ventures.


III. Security challenges in the Indian Ocean region

1. Traditional security and military conflict

The Indian Ocean is potentially an arena for geostrategic rivalry among great powers reinforced by the “great base race” around the Region. The result is an “Indian-Oceanic arc of militarisation” stretching from Egypt to Indonesia and Australia\(^60\). In 2010, the IOR included two of the world’s top military spenders Saudi Arabia (7\(^{th}\)) and India (9\(^{th}\)) – with 2.8% (US$45.2B) and 2.5% (US$41.3B) of global expenditure on arms respectively\(^61\).

Attempts to objectively measure security and precisely define security threats are fraught with difficulty compared with, for example, the measurement of insecurity outcomes – such as the number of deaths in battle or the number of piracy attacks. Threat assessment, at best, is an imprecise science and, dependent on its policy impact, runs the risk of exacerbating insecurity, especially between states. However, since World War II, most conflicts have occurred within rather than between states (Figure 8). State violence has generally been directed internally while non-state violence, such as terrorism, has often been directed at state apparatus, especially government buildings, the judiciary and various manifestations of the economy.

**Traditional military security**

Almost half of Indian Ocean states have armed forces in excess of 100,000 and/or military expenditure levels in excess of three per cent of GDP (Figure 9). Six states have armed forces in excess of 400,000 – in order, India, Pakistan, Vietnam, Iran, Burma and Egypt. However, the size of the armed forces is not a good indicator of the degree of state militarisation (that is, the size of the armed forces as a percentage of state population).

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Five other Indian Ocean states have militarisation levels above one per cent – in order, Brunei, Singapore, Oman, Bahrain and Djibouti (Figure 9). Of all 11 states, six have military expenditures greater than three per cent of GDP – Pakistan, Brunei, Singapore, Oman, Bahrain and Djibouti. However, four other regional states have similar military expenditure priorities – Saudi Arabia, Burundi, Sudan and Kuwait (Figure 9).

In short, on one measure or another, approximately one-third of all Indian Ocean states place a relatively high, and in some cases increasing, expenditure priority on traditional military security. Critically evaluating the relevance of this priority in the context of alternative human developmental and other priorities aimed at creating peaceful and sustainable regional communities are complex and challenging research tasks.

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<table>
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<tr>
<th>State</th>
<th>Size of armed forces 2003</th>
<th>Militarisation (force as % pop)</th>
<th>Military expenditure (% GDP 2008)</th>
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</tr>
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<tr>
<td>Yemen</td>
<td>67,000</td>
<td>0.28</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Figure 9: Traditional security indicators in the Indian Ocean region

Nonetheless, these priorities clearly represent a response to either perceived intra-regional threat and/or to a desire to assert state territorial control over actual or potential intra-state conflict. This is important from the perspective of regional stability since in 2008 the IOR included more than half of the world’s major armed conflicts, all of which were intrastate – so-called “one sided” violence against civilians”. Furthermore, most of the world’s “least peaceful states” were located in the IOR in 2009.

Regional nuclear proliferation

Arguably, the Indian Ocean is becoming a “nuclear ocean” given the increasing number of regional nuclear weapons on land, as well as the indeterminate number on and under the ocean at any one time, plus the likely increasing importance of the regional uranium trade in the future.

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The extent of regional nuclear proliferation can be seen both as a regional security threat and a guarantor of peace, depending on one's perception and point of view. The standard arguments can be opposed – that is, the “more will be better” school of Waltz and others versus the “more will be worse” perspective of Sagan and others. On the one hand, while Waltz has argued that nuclear proliferation will lead to greater stability through deterrence, Sagan has argued that proliferation induces greater instability because of the potential for deliberate or accidental conflict, and thus there is a need to enhance the global non-proliferation regime.

Others have argued that the inevitability of nuclear proliferation has resulted in a fundamental shift in global geopolitics as a result of the onset of the “second nuclear age.” While the “first nuclear age” began on 16 July 1945 with the US testing of the atomic bomb in the New Mexico desert, the “second nuclear age” – an “Asian nuclear age” – arguably began with Chinese nuclear tests in 1964, with India’s nuclear test of 1974 the first example of what one American commentator refers to as an “outlaw bomb.” Among other things, this characterisation assumes that some (other) nuclear bombs are ‘legal’ and thus available for ‘legitimate’ use if necessary.

Only one regional state – South Africa – had them but gave them up, while Iran may have them but say they do not and are not developing them, and others, like Australia, shelter under a nuclear umbrella. Australia appears to be comfortable with not having any nuclear weapons of its own on the one hand, yet it exports substantial quantities of uranium on the other (admittedly under treaty safeguards). Furthermore, when Australia chastised India when it tested a nuclear device in 1998, this had a negative impact on the trading relationship of both states, since the relative importance of inter-state trade declined almost immediately.

Many Western commentators find it difficult to conceive of a state like Iran, with such enormous fossil fuel reserves, taking the pathway to nuclear energy. Among other things, one interpretation of Iranian nuclear behaviour is that it is in direct response to that of Israel and, earlier, to an Iraq that did possess WMD, apart from also being a response to the United States itself.

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If we were to accept the arguments of Waltz that more is better, then India, Israel, Pakistan and potentially Iran are not regional nuclear threats. Accepting the arguments of Sagan, on the other hand, results in the opposite conclusion. Equality of nuclear security would necessitate that all regional states or that no regional state should possess nuclear weapons. Inequality of state access to nuclear weapons is arguably the ‘real’ security threat. On the other hand, “the existence of nuclear weapons is a guarantee of their proliferation”70.

State “success”

As already indicated, one of the common characteristics of the IOR is that it has enjoyed a significant degree of conflict for control of resources and territory from the European colonial powers, the legacy of which endures to this day. The well known violence and yet not fully chronicled atrocities against indigenous peoples and the colonial imposition of centralised states with boundaries incorporating and/or bisecting nations inevitably created a dislocation with the state. As Sugata Bose put it so eloquently:

The Indian Ocean realm experienced a sea change in the concept of sovereignty in the age of high imperialism, which has lingered as colonialism’s most poisoned legacy.71

It therefore comes as no surprise that the IOR includes close to half the number of states that fall into the first global quartile of the failed state index. The failed state index is a composite measure of 12 indicators of state vulnerability – demographic pressures, refugees/IDPs, group grievance, human flight, uneven development, economic decline, delegitimisation of the state, public services, human rights, security apparatus, factionalised elites and external intervention.

For 2008, 177 states were rank ordered on the sum of the total scores for each indicator, with the latter ratings placed on a scale of 0 (most stable) to 10 (least stable)72. In the IOR, 40 per cent of states (a total of 20 states) were located in the upper quartile on this index.

On the other hand, only six regional states were in the most stable or ‘successful’ group, five of which are IOR-ARC members – Australia, Mauritius, Oman, Singapore and UAE (Figure 10).

As has been pointed out, weak states pose a threat to regional and global stability as they are potential sources of conflict and abuses of human rights and breeding grounds for terrorism that can have local, regional and international impacts. It has been argued that the creation of policies designed to strengthen these states could well be central to future global stability\textsuperscript{73}. Contributing to the design of such policies is thus potentially of global significance.

<table>
<thead>
<tr>
<th>Indian Ocean state</th>
<th>Failed State Index</th>
<th>Global rank</th>
</tr>
</thead>
<tbody>
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<td>Somalia</td>
<td>114.7</td>
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</tr>
<tr>
<td>Zimbabwe</td>
<td>114.0</td>
<td>2</td>
</tr>
<tr>
<td>Sudan</td>
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<td>Iraq</td>
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<td>Nepal</td>
<td>95.4</td>
<td>25</td>
</tr>
<tr>
<td>Malawi</td>
<td>93.8</td>
<td>28</td>
</tr>
<tr>
<td>Iran*</td>
<td>90.0</td>
<td>38</td>
</tr>
<tr>
<td>Egypt</td>
<td>89.0</td>
<td>43</td>
</tr>
<tr>
<td>Laos</td>
<td>89.0</td>
<td>44</td>
</tr>
<tr>
<td>Rwanda</td>
<td>89.0</td>
<td>45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indian Ocean state</th>
<th>Failed State Index</th>
<th>Global rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhutan</td>
<td>87.3</td>
<td>48</td>
</tr>
<tr>
<td>Cambodia</td>
<td>87.3</td>
<td>49</td>
</tr>
<tr>
<td>Comoros</td>
<td>86.3</td>
<td>52</td>
</tr>
<tr>
<td>Philippines</td>
<td>85.8</td>
<td>53</td>
</tr>
<tr>
<td>Zambia</td>
<td>84.2</td>
<td>60</td>
</tr>
<tr>
<td>Indonesia*</td>
<td>84.1</td>
<td>62</td>
</tr>
<tr>
<td>Swaziland</td>
<td>82.4</td>
<td>65</td>
</tr>
<tr>
<td>Lesotho</td>
<td>81.8</td>
<td>67</td>
</tr>
<tr>
<td>Madagascar*</td>
<td>81.6</td>
<td>68</td>
</tr>
<tr>
<td>Tanzania*</td>
<td>81.1</td>
<td>70</td>
</tr>
<tr>
<td>Mozambique*</td>
<td>80.7</td>
<td>72</td>
</tr>
</tbody>
</table>

\textsuperscript{73} Fukuyama, F. (2004), State-Building: Governance and World Order in the 21st Century. New York: Cornell University Press, p. 120.
Contested spaces in the Indian Ocean region

The IOR has had a long history of extra-regional influence and perhaps it could be argued that some of the many remaining legacies of this, which are evident around the region, are potential sources of stability. Apart from Indian Ocean states, all major industrial powers and energy suppliers have an innate interest in Indian Ocean security and stability75.

An important question is the extent to which any extra-regional security presence, while aiming to guarantee regional as well as its own security interests, is also perceived by other states as a source of insecurity. From this perspective, regional and external states are seen to be in a process of competition for influence and resources76. However, it should be recognised and accepted that the United States and China, as well as other extra-regional states, have legitimate regional security interests.


Chinese pearls | USA diamonds | Indian nuggets
---|---|---
Bangladesh | Australia | Andaman Islands
Burma | Bahrain | Mauritius
Pakistan | Diego Garcia | Maldives
Sri Lanka | Djibouti |
Egypt |
Indonesia |
Kenya |
Kuwait |
Oman |
Qatar |
Singapore |
UAE |

*Figure 11: Indian Ocean pearls, diamonds and nuggets*[^77]

If we consider the IOR as an overall ‘arena of competing influence’, then it is instructive to locate a significant United States and Chinese presence and add to this the regional presence of India. We end up with an interesting geographical distribution of Chinese ‘pearls’, USA ‘diamonds’ and Indian ‘nuggets’, principally reflecting concerns over energy security and secure access to SLOCs (Figure 11).

For the sake of the present discussion and putting aside the veracity of arguments in favour of a ‘string of pearls’ strategy, China has nonetheless some presence in four northern Indian Ocean rim locations – Chittagong in Bangladesh, Gwadar in Pakistan, Hambantota in Sri Lanka and Sittwe in Burma[^78]. Furthermore, according to the US Department of Defense Base Structure Report[^79], the United States has some presence in 12 Indian Ocean locations – the centrally-located Diego Garcia, five in the Persian Gulf (Bahrain, Kuwait, Oman, Qatar and UAE), three in Africa (Egypt, Djibouti and Kenya) and a further three on the eastern rim (Australia, Indonesia and Singapore). If we add to these India’s presence in the Andaman Islands, Mauritius and Maldives[^80], we are left with a number of what might be called ‘contested spaces’ – that is, they remain competitive arenas which have yet to be incorporated into the influence of powerful external states. These include the failed states of Somalia and Yemen and much of Oceanic Africa.

[^77]: Brewster, 2009; Kostecka 2011; US Department of Defense 2010
2. Human security

To maximise human security is "to protect the vital core of all human lives in ways that enhance human freedoms and human fulfilment. Human security means protecting fundamental freedoms – freedoms that are the essence of life. It means protecting people from critical (severe) and pervasive (widespread) threats and situations. It means using processes that build on people's strengths and aspirations. It means creating political, social, environmental, economic, military and cultural systems that together give people the building blocks of survival, livelihood and dignity."\(^81\)

In the globalised 21\(^{st}\) century, what is becoming increasingly clear is that the traditional realist model of security – principally embodied in the view that threats emanate from one state, are aimed at another state and are of a military nature – has increasingly come into question.\(^82\) Furthermore, the specific nature of these ‘non-traditional’ security threats – for example, people smuggling, drug trafficking, piracy and terrorism – require ‘non-traditional’ responses by security agencies.\(^83\) At the Indian Ocean regional scale, these new security threats essentially require a new approach to regional security thinking and cooperation at various levels.

The Commission on Human Security has argued that there is a need for a new paradigm of security in this new context. While the state still remains the central purveyor of security, it often fails to properly discharge its security obligations and at times can even be a threat to its own citizens. As a result, attention must now shift from the security of the state to the security of the people – that is, there is a need to shift the focus to human security.\(^84\) This shift will involve greater focus on human rights to assure the “freedom to live in dignity.”\(^85\) However, while concern over human security is due principally to “a loss of faith in the state”, it seems that it is an agenda promoted by the West, rather than the South.\(^86\) One means of examining this issue is by attempting to differentiate between threats to the state and threats to people. Two additional principal policy aims of the human security agenda are the protection of people in violent conflict and supporting the human security of people on the move. One of the changes consequent upon the end of the Cold War is that there was an important change of scale and differentiation in threat reality and threat perception. In the 21st century, while threats to the

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82 Commonwealth of Australia (2003), Advancing the National Interest: Australia’s Foreign and Trade Policy White Paper, Canberra, DFAT.
economy and natural environment of states tend to be global, ‘real’ threats to people are more likely to be intra-state and even intra-urban. In short, ‘real’ threats to the state are global and ‘real’ threats to people emanate from within the state. The “democratisation of security” is thus essential to address ‘real’ needs.

**Freedom and democracy in the Indian Ocean region**

“Maximising freedom” in the IOR is problematic since the existence of authoritarian regimes is common. Authoritarian regimes not only threaten their own people, but they also threaten regional and even global resources security given their general coincidence with the distribution of hydrocarbons.

Rights and freedoms are restricted by the state for many often interrelated reasons – for example, self-preservation, elite dominance, religious victimisation, ethnic discrimination, income inequality and corruption, among others. Rights and freedoms once curtailed are invariably difficult to restore, even in the medium term. All other things being equal, repressive states within which human freedoms are limited are more likely to be inherently insecure and thus subject to internal conflict.

<table>
<thead>
<tr>
<th>Status</th>
<th>State</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free (n = 6)</td>
<td>Australia</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Mauritius</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>South Africa</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Botswana</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
<td>5</td>
</tr>
<tr>
<td>Partly Free (n = 24)</td>
<td>Lesotho</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Seychelles</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Bangladesh</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Comoros</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Malawi</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Maldives</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Mozambique</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Philippines</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Tanzania</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Zambia</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Kenya</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Kuwait</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Nepal</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Sri Lanka</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Bhutan</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Burundi</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Pakistan</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>9</td>
</tr>
</tbody>
</table>
If we accept this latter proposition, clearly one of the important security challenges in the IOR is that there are very few states that are currently classified as being ‘free’ – Australia, Botswana, Mauritius, India, Indonesia and South Africa. Rather, most Indian Ocean states are either ‘partly free’ (24 states) or ‘not free’ (20 states). The most repressive regional states – Burma, Somalia and the former unified Sudan – represent the greatest threat to regional stability (Figure 12). The interrelationships among traditional military security indicators, human development, state ‘success’ and freedom are complex. For example, only one regional state (Australia) ranks high on human development, state ‘success’ and freedom, yet is relatively low on traditional security indicators.

Democratisation and state stability

The demand for democratisation and government transparency in the IOR is invariably associated with economic and social change and changing levels of economic participation, especially on the part of emergent middle classes and unemployed youth. One of the most important security challenges that arises from these processes is the strength of their association with state stability.

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has been hypothesised, for example, that pressures within states for greater economic and political participation will impact on their territorial stability.\textsuperscript{89} Authoritarian states enjoying a high degree of territorial control, for example, are likely to be territorially stable, as are those with highly developed liberal democracies. However, any process of transition from authoritarian central control towards democracy (or vice-versa) is likely to be accompanied by an increase in territorial instability of the state. In short, a transition towards democracy will probably liberate formerly suppressed regional loyalties, many of which have some ethnic basis, particularly along state peripheries – for example, most recently in Sudan. The potential for a “renationalisation” and tribalisation of post-colonial states in the IOR is potentially an important regional security challenge.

As the so-called Arab Spring demonstrated, democracy and state stability are not perfectly correlated. While Switzerland might be used as a benchmark for the association between state stability and democracy, other states may remain stable due to the sheer effectiveness of authoritarian control. In the IOR, therefore, the relationship between state stability and democracy in Oman and Saudi Arabia is different from the relationship apparent in Bahrain and Yemen (Figure 13).

In addition, apart from the basic problem of the accurate measurement of freedom and its association with stability among Indian Ocean states, there is also a problem of scale – that is, freedom that is calculated at the state scale says little about variations in freedom within the state across income, ethnic and other categories and by gender. While it is of considerable importance to regional development and stability to monitor human rights and human rights abuses and to compare regional state policies in this regard, a fundamental future research priority is the examination of the intra-state variability of rights and freedoms, especially the changing nature of women's security and rights in the IOR. While a majority of IOR-ARC states have laws against domestic violence, of the 35 Indian Ocean states for which data are available, only half possess laws against domestic violence and sexual harassment, and only four states – Australia, Thailand, Timor-Leste and South Africa – also have laws against marital rape.\textsuperscript{90}


Figure 13: Democracy and stability in Arab spring states

Civil society demands for greater government transparency and accountability are also likely to increase with standard of living improvements.

**Displaced persons and asylum seekers in the Indian Ocean Region**

States most afflicted by a combination of internal violence, human rights abuses and natural disasters are most likely to be the largest sources of forcibly displaced people. Since most forcibly displaced people (about 75%) flee to neighbouring states, the circle of insecurity is thus widened and developing countries host approximately 80% of the global refugee population.

Of the total “global population of concern” to UNHCR of almost 34 million people, more than 50% live in Indian Ocean states. The world’s three largest source countries of refugees are Indian Ocean states that rank highly on the failed state index – Afghanistan, Iraq and Somalia. An additional seven regional states are each the source of more than 25,000 refugees (Figure 14).

<table>
<thead>
<tr>
<th>Country</th>
<th>Refugees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>3,054,709</td>
</tr>
<tr>
<td>Iraq</td>
<td>1,683,579</td>
</tr>
<tr>
<td>Somalia</td>
<td>770,154</td>
</tr>
<tr>
<td>Burma</td>
<td>415,670</td>
</tr>
<tr>
<td>Sudan</td>
<td>387,288</td>
</tr>
<tr>
<td>Vietnam</td>
<td>338,698</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>141,074</td>
</tr>
<tr>
<td>Rwanda</td>
<td>114,836</td>
</tr>
<tr>
<td>Burundi</td>
<td>84,064</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>68,848</td>
</tr>
<tr>
<td>Iran</td>
<td>68,791</td>
</tr>
<tr>
<td>Pakistan</td>
<td>39,982</td>
</tr>
</tbody>
</table>

**Figure 14: Indian Ocean states: total refugees by country of origin (>25,000)**

A total of 47 Indian Ocean states for which data are available are the sources of more than seven million refugees or almost one quarter of the global total. Two other Indian Ocean states – Pakistan and Iran – are ranked first and second globally in terms of the number of refugees they host. Other Indian Ocean states, such as Kenya, Yemen, Sudan and Uganda, are also significant regional refugee host states (Figure 15).

---

93 UNHCR (2011), Global Trends 2010:, 60 Years and Counting Geneva, pp. 42-45
<table>
<thead>
<tr>
<th>Country of asylum</th>
<th>Total refugees</th>
<th>Returned IDPs</th>
<th>Stateless persons</th>
<th>Populations of concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>6,434</td>
<td>3,366</td>
<td>-</td>
<td>1,318,019</td>
</tr>
<tr>
<td>Burma</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iran</td>
<td>1,073,366</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iraq</td>
<td>34,655</td>
<td>-</td>
<td>-</td>
<td>1,824,962</td>
</tr>
<tr>
<td>Kenya</td>
<td>402,905</td>
<td>-</td>
<td>-</td>
<td>751,196</td>
</tr>
<tr>
<td>Nepal</td>
<td>89,808</td>
<td>-</td>
<td>-</td>
<td>891,319</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1,900,621</td>
<td>1,186,889</td>
<td>-</td>
<td>4,041,642</td>
</tr>
<tr>
<td>Somalia</td>
<td>1,937</td>
<td>-</td>
<td>-</td>
<td>1,489,862</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>223</td>
<td>161,128</td>
<td>-</td>
<td>440,323</td>
</tr>
<tr>
<td>Sudan</td>
<td>178,308</td>
<td>143,000</td>
<td>-</td>
<td>1,958,524</td>
</tr>
<tr>
<td>Thailand</td>
<td>96,675</td>
<td>-</td>
<td>542,505</td>
<td>649,430</td>
</tr>
<tr>
<td>Uganda</td>
<td>135,801</td>
<td>302,991</td>
<td>-</td>
<td>585,253</td>
</tr>
<tr>
<td>Yemen</td>
<td>190,092</td>
<td>94,712</td>
<td>-</td>
<td>508,355</td>
</tr>
</tbody>
</table>

Figure 15: Indian Ocean states: total refugees, returned IDPs, stateless persons and population of concern end-2010

People trafficking

Given the scale of forcibly displaced people in the IOR in terms of source and host states, there is a considerable international illegal trade in people, which impacts not only upon immediate neighbours but also upon the security of more distant Indian Ocean states such as Australia. This type of trade has generally been referred to in the West as people smuggling. However, there is another perhaps associated people trade of ‘trafficking in persons’ in which people are commodified in various other ways through forced labour, sex trafficking, bonded labour, debt bondage among migrant workers, involuntary domestic servitude, forced child labour, child soldiers and child sex trafficking.

The United States Department of State has classified all states according to their apparent level of compliance with the Trafficking Victims Protection Act (TVPA). Tier 1 states are those that totally comply; tier 2 states do not yet fully comply but are making significant progress; tier 3 states neither fully comply nor are making significant efforts to do so.

In the IOR only two states (Australia and Mauritius) are given tier 1 status and most states (32) fall into tier 2. A total of 10 Indian Ocean states are grouped into tier 3 – Burma, Eritrea, Iran, Kuwait, Madagascar, Saudi Arabia, Somalia, Sudan, Yemen and Zimbabwe. The use of child soldiers, for example, is seen to be a particular problem in Burma, Somalia, Sudan and Yemen.

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3. Economic and resources security

The relationship between economic insecurity and political conflict is evident both among and within states. The potential for conflict among states is also exacerbated due to the global environment of increasing competition over diminishing natural resources. The attempt by states to achieve resources security and maintain energy security is propelling a new geopolitics of resources and creating new regional tensions. Within states it has been noted that economic insecurity has become part of a process of deepening social divisions and increasing political instability. Under conditions of increasing fragility it has been suggested therefore that the state faces the threat of losing control not only of its capacity to provide basic services but also of its monopoly over law and order and its political legitimacy98.

The global south

It has often been said that a post-Cold War global North-South division is replacing the former East-West division as one of the principal dimensions of global conflict. In this new paradigm there is a danger of prioritising the security agenda of the North at the expense of the South. Regional security threats can arise because of the instability of states with problems of economic, social and political viability. In addition, resources scarcity and resources competition constitute threats, especially when they are linked to food and energy insecurity. Indeed, it has been argued that in the years ahead, “resource wars” will become “the most distinctive feature of the global security environment”99. Furthermore, states that ‘fail’ due to basic problems of good governance and corruption, and are incapable of asserting authority within their own territories, are seen to be “troubling to world order” since they may become sources of instability, mass migration and terrorism100. In short, state and regional stability are jeopardised both by deep economic imbalances among states and deep economic insecurity within states.

Clearly, economic insecurity is common among many Indian Ocean states. Low levels of human development and high levels of economic underdevelopment contribute to significant levels of political instability. The IOR includes only six states that fall into the global category of very high human development – Australia, Singapore, Brunei, Kuwait, Qatar and UAE - while the majority of regional states are classified as having medium human development. Clearly, developmental strategies need to be created for the seven low human development states, nearly all of which are in Africa101.

Economic insecurity has contributed to the degree of aid dependency in some Indian Ocean states. Indeed, in 2005, some regional states were “aid dependent” and contained states with the two highest levels of global aid dependency – for example, Overseas Development Assistance (ODA) to Afghanistan was 316.9 per cent of central government expenditure in 2005 and for Cambodia 112.6 per cent of central government expenditure \(102\).

In addition to the special case of Iraq, five other regional states were the largest ODA recipients in 2005 – Afghanistan, Indonesia, Pakistan, Sudan and Vietnam. Furthermore, several African states had high ODA levels per capita and received ODA in excess of 40 per cent of the total value of imports. Apart from analyses of the geography of ODA, future research lends itself not only to a detailed inquiry into the geopolitics of aid but more especially into its effectiveness in improving the standard of living of the inhabitants of recipient states \(103\). For example, among other states, China is using ODA as a ‘weapon of influence’ in the IOR, especially in Africa.

**Energy security and insecurity in the Indian Ocean region**

Since many Indian Ocean states possess significant energy resources, the Indian Ocean itself is the world’s most important energy highway and most of the world’s largest economies rely on both, energy security is among the greatest regional and global security challenges. Energy security can be conceptualised within a broad systems framework as a set of interactions among four principal components – the dynamics of energy demand and supply relations, the nature of energy flows, the environmental outcomes of maximising energy security, and the various state (increasingly competing) policy responses designed to enhance energy security (Figure 16).

If we take as an arbitrary cut-off point 50 million tonnes of oil equivalent (mtoe) and examine the pattern of net energy imports, we can identify no less than 15 energy import-dependent states in 2008 (Figure 17). These are principally the Northern economies based in the United States, Japan and Europe, with the remainder in Asia. The most significant Indian Ocean energy import-dependent states – India and Singapore – are at the opposite ends of the developmental scale. However, the geopolitics of their dependency gives both states a common stake in the stability of energy suppliers and in the stability and security of supply routes. Similarly, if we take an arbitrary cut-off point of more than minus 40 mtoe for net energy imports, it is possible to identify a further 21 states that could be regarded as energy-niche economies – that is, economies with significant energy exports that comprise an important proportion of total state export income (Figure 18).

\[102\] World Bank (2007), World Development Indicators. Washington DC.

1. Dynamics of energy demand and supply relations

(i) Historical patterns of energy use
Economic growth and demand
The energy consumers
21st century shift towards the developing world and especially towards Asia
Competition for energy – potential for resource conflicts

(ii) Supplies: dependency
Dependency on imports for a significant proportion of energy needs – concept of an energy-dependent state
Dependence on a single state or region for energy supplies
Dependency on a single source of energy
Structural energy dependency
Energy vulnerability and energy mix -> nuclear

(iii) Source: Resource holder
Energy exports and reserves
Concept of an energy-niche economy
The global energy market – the role of energy-producing/consuming groups – for example, OPEC, IEA, MNCs
Strategic significance of resource holders – for example, Iran, Russia
“Oil as a weapon”
Stability of resource holders – for example, Iraq, Saudi Arabia
Resource diplomacy – for example, Australia, Japan, USA
Future resource holders – for example, EEZs – competition for potential sources?

2. Energy Flows
Energy type and transportation prospects – coal by land and sea; gas by pipeline or by liquefaction; oil by tanker; the uranium trade
The transport holder
Infrastructure bottlenecks – energy extraction facilities
Strategic implications of energy flows/routes
Terrorism, naval interference, congestion and environmental problems

3. Environmental Outcomes
Variations of emissions by energy type
Environmental implications of each energy source
“Hydrocarbon man” and the “hydrocarbon society”
Environmental impacts of energy exploration
Trade off between environmental impact and energy needs?
International agreements to reduce emissions and adherence to these

4. Policy Responses to Enhance Energy Security

(i) Spatial
Concept of an energy foreign policy
Hemispheric policies – for example, USA
Access new sources of supply – Atlantic Basin, Caspian, Russian Far East
Import reduction strategies
Cooperative energy security – energy community concept
Maintain open shipping routes

(ii) Energy Transfer
Global energy scenarios
Diversification – enhances energy security
Greater exploration – capital and technology holder
Stockpiling/reserves
Flexible switching
Alternative renewable energy sources – wind, wave, hydrogen, etc

(iii) Non-spatial
Management of dependency – energy independence?
Let the market rule

(iv) Environmental
Energy efficiency
Sustainable development policies – towards decarbonisation

Figure 16: A simplified systems framework for energy security¹⁰⁴

### Energy Import-Dependent States 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Net Imports (mtoe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>634.5</td>
</tr>
<tr>
<td>Japan</td>
<td>418.9</td>
</tr>
<tr>
<td>Germany</td>
<td>210.9</td>
</tr>
<tr>
<td>South Korea</td>
<td>195.1</td>
</tr>
<tr>
<td>China</td>
<td>184.7</td>
</tr>
<tr>
<td>India</td>
<td>157.9</td>
</tr>
<tr>
<td>Italy</td>
<td>155.6</td>
</tr>
<tr>
<td>France</td>
<td>139.3</td>
</tr>
<tr>
<td>Spain</td>
<td>123.0</td>
</tr>
<tr>
<td>Taiwan</td>
<td>97.5</td>
</tr>
<tr>
<td>Turkey</td>
<td>72.5</td>
</tr>
<tr>
<td>Ukraine</td>
<td>59.4</td>
</tr>
<tr>
<td>UK</td>
<td>57.8</td>
</tr>
<tr>
<td>Belgium</td>
<td>56.4</td>
</tr>
<tr>
<td>Singapore</td>
<td>55.9</td>
</tr>
</tbody>
</table>

*Figure 17: Energy import-dependent states 2008*

### Energy-Niche Economies 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Net Imports (mtoe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>-536.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>-412.4</td>
</tr>
<tr>
<td>Norway</td>
<td>-188.7</td>
</tr>
<tr>
<td>Australia</td>
<td>-167.0</td>
</tr>
<tr>
<td>Nigeria</td>
<td>-155.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>-147.3</td>
</tr>
<tr>
<td>Canada</td>
<td>-144.7</td>
</tr>
<tr>
<td>Kuwait</td>
<td>-124.8</td>
</tr>
<tr>
<td>Iran</td>
<td>-122.9</td>
</tr>
<tr>
<td>Venezuela</td>
<td>-115.3</td>
</tr>
<tr>
<td>UAE</td>
<td>-102.9</td>
</tr>
<tr>
<td>Qatar</td>
<td>-99.8</td>
</tr>
<tr>
<td>Angola</td>
<td>-93.7</td>
</tr>
<tr>
<td>Libya</td>
<td>-85.2</td>
</tr>
<tr>
<td>Iraq</td>
<td>-83.1</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>-77.3</td>
</tr>
<tr>
<td>Colombia</td>
<td>-60.2</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>-49.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>-47.2</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>-44.5</td>
</tr>
<tr>
<td>Oman</td>
<td>-42.7</td>
</tr>
</tbody>
</table>

*Figure 18: Energy-niche economies 2008*

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105 International Energy Agency (2010), Key World Energy Statistics, Paris
106 International Energy Agency (2010), Key World Energy Statistics, Paris
Almost half of the world’s energy-niche economies are located in the IOR – five of the Gulf states (Saudi Arabia, Kuwait, UAE, Qatar and Oman) together with Australia, Indonesia, Iran and Iraq. Clearly, energy-niche economies also possess a keen interest in the stability and security of energy supply routes. No less than seven of these states – Australia, India, Indonesia, Iran, Oman, Singapore and UAE – are members of IOR-ARC.

Resources competition and energy security

It has been argued that we are in the throes of a “new geopolitics of energy” that is associated with the emergence of a “new international energy order”. The main players are Russia – an “energy juggernaut”\(^{107}\) – the “rising powers” of China and India\(^ {108}\) and the United States. To Klare, we are seeing the initiation of a global “black gold war” with the United States and its allies against rising Asia, although energy conflicts will also take on something of an intra-Asian dimension. In addition, energy competition will escalate, especially in Third World energy-producing regions and in potential new areas such as the Arctic.

In the new “order”, the strategic perceptions of the policy-makers of the main players will become increasingly oriented towards energy-rich states, especially in the developing world. This is exemplified by the intense competition between the United States and China for access to oil in central Asia and Africa.

The process of competition for scarce energy resources is invariably accompanied by new or increased arms supplies – whether China to Africa or the United States to Saudi Arabia – designed in part to minimise domestic dissent by energy-niche states in the appropriation of their energy and the extension of influence by energy-import dependent states. From this perspective, energy security and human security are invariably inversely related.

While “the scramble for Africa” in the European colonial era was associated with the plunder and exploitation of high value agricultural and minerals resources, in the 21st century, competition for Africa’s energy resources is portrayed as a “global assault” undertaken by the main players and others\(^ {109}\). This “assault”, which has been facilitated by endemic corruption coupled with the inherent weakness of most African states, involves an “American invasion”\(^ {110}\) and strong competition from China and India. who are both portrayed as “predators”\(^ {111}\).


Indeed, Klare talks of “the “China threat” in Africa” to US strategic interests\textsuperscript{112}. Particular African ‘prizes’ in the ‘assault’ would be Algeria, Angola, Libya and Nigeria\textsuperscript{113}.

As a result, the new international energy order will be associated with an emerging energy diplomacy that will be exemplified by new relationships and alliances geared to maximise leverage in relation to energy supply and demand. For example, one commentator has characterised the links among Russia, Venezuela and Iran as an “emerging petro-power axis” and an “axis of petro tyrants”\textsuperscript{114}. The members of this “axis of diesel” are reported to have “extended their reach abroad, backing separatists in Georgia, Islamists in the Middle East and leftists around the world”\textsuperscript{115}.

The so-called “militarisation of energy security” will pose a host of new challenges – for example, those posed by states that use their control over energy supplies as weapons of influence and coercion; domestic instability, conflict and insurgency within strategic energy-producing and exporting states; and threats posed by terrorism and piracy to energy production and transit\textsuperscript{116}.

Economic insecurity and civil strife

As noted above, there has been a steady increase in civil conflicts, especially since the early 1970s, primarily due to the wider geographical persistence of existing conflicts. Indeed, since 1945, civil wars have accounted for more than three times the number of deaths compared to wars between states. The increase in the number of protracted conflicts has been particularly evident in Africa – more than two thirds of states in sub-Saharan Africa have experienced some form of civil war during the past 25 years\textsuperscript{117}. In turn, the impact of civil conflicts is directly reflected in the numbers of transnational refugees and internally displaced people.

\textsuperscript{117} UN DESA (2008), Overcoming Economic Insecurity: World Economic and Social Survey 2008, New York, pp. 111-146.
The causes of protracted civil conflicts are generally linked to low income levels, sluggish economic growth, a weakly diversified economic structure and a high level of inequality. In addition, the level of state capacity appears to be associated with the probability of conflict. Thus, conflict risk tends to be lower in established democracies and autocracies, and higher in periods of transition to and from democracy. What emerges is a “vicious circle of economic security and civil conflict” or a “conflict trap”\(^\text{118}\).

It has been argued that overcoming economic insecurity necessitates an integrated approach involving a greater role for:

> Public goods and stronger regulations in creating and preserving more secure spaces where individuals, communities and countries can pursue their activities with a reasonable degree of predictability and certainty, and with due regard for the customs and interests of others\(^\text{119}\).

However, especially problematic are those situations in some states where, due to high political instability and deep social cleavage, such “secure spaces” have virtually disappeared. In such contexts, rebuilding security, reconciliation and development through improving state capacity and engaging in state building are significant challenges. From the viewpoint of donor states, it thus becomes critically important to closely identify foreign aid objectives and the conditions under which aid is delivered and implemented due to its considerable distributional impacts within recipient societies\(^\text{120}\). This is especially challenging for the aid dependent states of the IOR.

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\(^{118}\) UN DESA (2008), Overcoming Economic Insecurity: World Economic and Social Survey 2008, New York, pp. 111-146.

\(^{119}\) UN DESA (2008), Overcoming Economic Insecurity: World Economic and Social Survey 2008, New York, p. 111.

\(^{120}\) UN DESA (2008), Overcoming Economic Insecurity: World Economic and Social Survey 2008, New York.
4. Maritime security

Maritime security problems and jurisdictional issues in the IOR offer considerable regional security challenges, especially in the areas of the limits of maritime jurisdiction, unresolved boundaries, maritime boundary disputes, sea lanes of communication (SLOCs), non-traditional maritime security threats as well as the uses of the ocean floor, and the long-term management of seabed resources. However, there appears to be no commonly accepted definition of what constitutes maritime security that might be used as a basis for regional cooperation. To date, the collective maritime security environment has tended to be conceptualised as a composite of sea power and the naval arms build-up, island and maritime boundary issues, navigational regimes, activities in the Exclusive Economic Zone (EEZ), competition over resources and the maintenance of law and order at sea, including the protection of SLOCs. To these essential elements can also be added others associated primarily with the stability and integrity of ocean littoral states, the insecurity role of non-state actors and the important question of maritime environmental insecurity.

It goes almost without saying that the security of sea lanes (also referred to as sea lines) of communication is vital to the functioning of the global economy. In 2001, 80% of world trade by value and 90% by volume was in the form of sea trade, and this involved 1.2 million seafarers, 46,000 vessels and 4,000 ports. Maximising the economic security of sea trade thus necessitates the maximisation of security within and among all five essential elements in the maritime trading process – seafarers (for example, background and nationality), vessels (for example, registration and seaworthiness), cargoes (for example, nature and destination), ports (for example, location and security of access and surveillance) and SLOCs. However, any understanding of the security of SLOCs cannot be fully appreciated in isolation from the overall maritime security environment.

Indian Ocean energy chokepoints

In terms of international trade, the Indian Ocean is clearly the world’s most important energy routeway. In 2007, for example, half of global daily oil production was transported by tankers on fixed maritime routes. Since approximately 36 per cent of the world’s oil imports derive from the Middle

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East, secure interregional oil shipments through the Indian Ocean are vital to world prosperity. Oil import security is especially important for Japan (80% of oil imports from the Middle East), China (39%), Europe (21%) and the United States (16%)125. Furthermore, in 2006, more than 80% of the world’s seaborne trade in oil passed through only three Indian Ocean choke points (Figure 19).

<table>
<thead>
<tr>
<th>Choke point</th>
<th>2006 oil flow (mb/d)</th>
<th>World seaborne trade (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strait of Hormuz</td>
<td>16.5-17</td>
<td>40</td>
</tr>
<tr>
<td>Strait of Malacca</td>
<td>15</td>
<td>35</td>
</tr>
<tr>
<td>Bab el-Mandab</td>
<td>3.3</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>83</strong></td>
</tr>
</tbody>
</table>

*Figure 19: Indian Ocean oil choke points*126

The Strait of Hormuz, located between Iran and Oman, is the world’s most important “oil chokepoint”, with a daily oil flow that is equivalent to approximately 40% of global seaborne trade. More than 90% of oil exported from the Persian Gulf is moved by tanker through the Strait, and much of this is destined for Asia, Western Europe and the United States127. In 2008, 75% of all of Japan’s oil needs passed through the Strait. Clearly, closure of the Strait necessitates the use of longer alternative routes thereby increasing shipping costs128. Iran, Oman and the UAE are crucial to the maintenance of a secure Strait environment, with the latter two also key US allies129.

Second, the Straits of Malacca, located between Indonesia, Malaysia and Singapore, account for about 35% of global seaborne trade, and is the shortest sea route between China, Japan and South Korea and Persian Gulf oil suppliers. If the Straits were blocked, almost half of the world’s fleet would need to reroute through the Sunda or Lombok Straits130. Alternative pipeline or canal routes appear to have been shelved for the moment131.
Finally, Bab el-Mandab, an oil chokepoint between Djibouti, Eritrea and Yemen, is a strategic link between the Mediterranean and the Indian Ocean via the Red Sea and Suez Canal, and accounts for approximately 8% of global seaborne oil trade\textsuperscript{132}. The continuing instability of Yemen, ranked 21 on the failed state listing\textsuperscript{133}, is a particular problem for the security of regional shipping\textsuperscript{134}. Alternative routes via the Cape of Good Hope or through the east-west pipeline across Saudi Arabia inevitably lead to increased cost.

**The stability of the Indian Ocean region as an energy routeway**

From the above, it is clear that the Northern economic powers and the developing world economic powers of China and India (and each of their respective navies) possess a legitimate interest in the security of SLOCs as well as a special concern for the stability and geopolitical orientation of states proximate to the entrances and exits to the ocean and their naval capacity. In this regard, apart from the troubled Horn of Africa – for example, Somalia possessed the world’s highest failed state index in 2008\textsuperscript{135} – no less than eleven regional states are critical to the free flow of global sea trade through the Indian Ocean – Australia, Indonesia, India, Iran, Malaysia, Mozambique, Oman, Singapore, South Africa, UAE and Yemen. All eleven states are members of IOR-ARC.

It is important to note that these states represent more than half of its membership, which means that IOR-ARC is potentially an extremely important regional grouping for the construction of a cooperative maritime security regime in the IOR. This implies the need to broaden the agenda of IOR-ARC, not only to breathe new life into economic cooperation but, more importantly, a wide array of potentially mutually-beneficial cooperative endeavours.

Since it is clear that there is a tendency for international crises to be centred around weak or failing states and that maritime insecurity is also a function of territorial stability and control, the east African and north-western Indian Ocean region, comprising the states of Ethiopia (16), Kenya (26), Malawi (29), Somalia (1), Sudan (2) and Yemen (21) is potentially one of the most insecure areas on earth.

As noted earlier, Thomas Barnett differentiates between a globalised “functioning core” and a “non-integrating gap” and draws an extremely arbitrary boundary between those states that are seen to be actively integrated into the global economy – that is, the “functioning core” – and the remainder that constitute the

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\textsuperscript{133} Foreign Policy (2009), ‘Failed states index 2008’, at: http://www.foreignpolicy.com/articles/2009/06/22/the_2009_failed_states_index


\textsuperscript{135} Foreign Policy (2009), ‘Failed states index 2008’, at: http://www.foreignpolicy.com/articles/2009/06/22/the_2009_failed_states_index
“non-integrating gap”\textsuperscript{136}. While the core states “adhere to globalisation's emerging security rule set”, the states of the gap apparently do not\textsuperscript{137}. The gap states are also characterised as being “poor”, and as places where life is “nasty”, “short”, “brutal” and “solitary”\textsuperscript{138}. In the IOR, only three states – Australia, India and South Africa – are included in Barnett’s “functioning core”. In short, if we accept this aspect of Barnett’s characterisation, all three states will increasingly have mutually significant security interests due to globalisation during the present century.

In a region of instability, these three states can provide a firm foundation for regional maritime security cooperation. However, as we know, a number of extra-regional states possess a legitimate interest in the stability of Indian Ocean SLOCs and thus should also be included in any cooperative framework proposal.

**The Indian Ocean as a nuclear ocean**

As also noted earlier, it has been argued that the Indian Ocean is fast becoming a nuclear ocean\textsuperscript{139}. What applies for the security of flows of oil also applies to other energy flows through the Indian Ocean, except that, in the case of uranium, there are important additional environmental security considerations, especially in relation to any movement of nuclear materials as well as the illegal dumping of nuclear waste (Figure 20).

### Nuclear energy users

<table>
<thead>
<tr>
<th>Region</th>
<th>Actual</th>
<th>Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Ocean region</td>
<td>India, Pakistan, South Africa</td>
<td>Indonesia, Iran</td>
</tr>
<tr>
<td>Extra-regional impact</td>
<td>China, France, Japan, South Korea, UK</td>
<td></td>
</tr>
</tbody>
</table>

### Uranium suppliers

<table>
<thead>
<tr>
<th>Region</th>
<th>Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Ocean region</td>
<td>Australia, India, Iran, South Africa</td>
</tr>
<tr>
<td>Extra-regional impact</td>
<td>Namibia</td>
</tr>
</tbody>
</table>

### Nuclear waste

<table>
<thead>
<tr>
<th>Region</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Ocean region</td>
<td>‘Dumping’ nuclear waste – Africa</td>
</tr>
<tr>
<td>Extra-regional impact</td>
<td>Potential regional depositories</td>
</tr>
<tr>
<td></td>
<td>Japan-France</td>
</tr>
</tbody>
</table>

*Figure 20: Indian Ocean region: nuclear energy users, uranium suppliers and waste*\textsuperscript{140}


Attacks on energy shipping in the Indian Ocean

In recent years, a significant proportion (about one-quarter) of maritime piracy attacks have occurred on energy vessels, with the vast majority against oil tankers. In the last decade in the Indian Ocean, the largest proportion of attacks on energy vessels has been in Indonesia and the Straits of Malacca. However, in the past two years, the capacity of pirates in Somalia to operate at significant distances from shore, together with continued attacks off the coast of Nigeria, means that there has been an important shift in the geography of maritime piracy from Asia to Africa (Figure 21).

![Energy attacks by country: 2001-8](image)

Figure 21: Energy attacks by state 2001-8

The international community has since responded via the United Nations and through collective state action. On 2 June 2008, the United Nations Security Council (UNSC) adopted Resolution 1816, which, with the consent of the Somali government, authorised foreign military vessels to enter Somalian territorial waters to combat piracy for a period of six months. On 24 August 2008, 14 states reportedly committed naval vessels to patrol Somali waters and a “security corridor” was established to offer merchant vessels safe transit. While the corridor has since remained virtually free from attack, piracy has actually increased outside corridor boundaries.

The hijack of the supertanker *MV Sirius Star* and its international crew of 25 on 15 November 2008 raised new concerns about maritime energy security and the effectiveness of any joint naval response in the Gulf of Aden. Not only was this

the largest energy vessel ever hijacked – it was carrying two million barrels of crude oil, representing about 25% of Saudi Arabia’s daily output and about the equivalent of France’s daily consumption – the attack also indicated an escalation in the goals of the pirates since they would have had to travel up to four days out to sea to intercept the vessel144.

![Image](image-url)

**Figure 22: Number of incidents reported Jan 2007-June 2011**145

On 2 December 2008, the UN Security Council Resolution 1846 stated that for 12 months from that date, states and regional organisations in cooperation with the Somali Transitional Federal Government may enter Somali territorial waters and use “all necessary means” to combat piracy and armed robbery at sea off the Somali coast, “in accordance with relevant international law”146. Over the past three years, there has been an increase in the number of incidents, especially those occurring at ports and anchorages, and especially in Indonesia (Figure 22).

Maritime jurisdiction and maritime boundary disputes

An important Indian Ocean security challenge concerns maritime boundaries that are either unresolved or in dispute. The conclusion of the United Nations Convention on the Law of the Sea (LOSC) had a profound impact on the scope of claims to maritime jurisdiction worldwide and this certainly applies in the Indian Ocean context. The convention has achieved widespread international recognition and this is also the case in the Indian Ocean where the vast majority of littoral states are parties to the convention as well as enthusiastic claimants of the extensive zones of maritime jurisdiction that it sanctifies (although it is worth noting that there are a few claims that still fail to comply with the LOSC framework – Somalia’s 200 nautical mile territorial sea claim is a good example).

It is the case, however, that the ‘package deal’ achieved in the drafting of LOSC – the delicate balance of rights and responsibilities between coastal and user states enshrined in the convention – now appears to be under increasing stress and there is evidence of this alarming trend in the Indian Ocean. Among the problematic issues arising in relation to maritime jurisdiction in the IOR is the issue of baselines. For example, rising sea levels will mean that normal baselines will move inland and potentially enormous areas of presently claimed maritime zones may be forsaken. This could have dire consequences for the coastal states of the Indian Ocean and in particular those that have extensive, low-lying and densely populated areas along their shores, such as Bangladesh and India. Moreover, the continued existence of the small low-lying island states of the IOR such as the Maldives and Seychelles may ultimately come under threat from the inundation of the entirety of their land territory.

Finally, it can be observed that, even though LOSC has delivered enormous expanses of the Indian Ocean to national maritime jurisdictional claims, the expected economic dividends from these maritime zones have to a large extent failed to materialise as anticipated. In large part, this stems from a distinct lack of capacity among Indian Ocean coastal states in terms of their ability to realise the opportunities that these ‘additional’ maritime areas offer. In particular, weaknesses in terms of surveillance and policing of broad maritime claims means that marine resources, especially fisheries, are under threat from illegal fishing activities by unscrupulous foreign fishers147. Moreover, there are large areas of the Indian Ocean that lie beyond national jurisdiction and thus management and attempts to regulate resource exploitation activities have met with only limited success. While their expansive maritime claims in the Indian Ocean offer great potential for the littoral states, they also represent a significant challenge for governments to manage them sustainably.

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Unresolved maritime and terrestrial boundaries

Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all states is the foundation upon which the countries of the IOR have developed since the late-1960s based on the principles outlined in a plethora of documents and annual meetings. Some of the many challenges that countries within this region face include: how to enhance regional cohesiveness on maritime security without sacrificing national distinctiveness; how to integrate old and new members at different levels of economic development and political systems; and how to adapt to globalisation and maximise the opportunities and potentialities while minimising a decline in economic status. These are not unique.

In most developed states, international political terrestrial boundaries are generally well-defined and their jurisdictional rules are recognised and observed. Some political disputes still exist – for example, India and Pakistan, Bangladesh and India, and UAE and Iran – but these mainly centre on international political maritime terrestrial boundary alignments and sovereignty claims to islands, rocks and reefs. However, in this regional context, whereas the political map delineating international boundaries may appear to be in order, this impression can be misleading. Political land boundaries in the IOR were generally defined by colonial administrators and in many instances were ill-defined and not demarcated, and sections of many of them were not clearly delineated on maps and charts. If they were, it was probably drawn using coloured pencils that were not sharpened, thus portraying a thicker than usual line. Such a line on a small-scale map could give a false impression of the alignment of the boundary.

It is important to emphasise that, while maritime boundaries have been delimited along the eastern littoral of the basin, there still remain at least three notable exceptions in the Bay of Bengal, two in the Arabian Sea, three in the Gulf of Aden, as many in the Red Sea and off the Horn of Africa and no less than six in the Mozambique Channel.

Resolving maritime boundary disputes

Where resolution was required over disputed sovereignty, cooperative zones have been established and special arrangements have been implemented whereby the resources of the marginal seas and adjacent oceans will be explored and harvested in a sustainable manner. Having defined the types of maritime jurisdictional zones and differentiated between a terrestrial border and a maritime boundary, it is necessary now to discuss the issues that result from the boundary delimitations and define the areas of conflict.

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Maritime boundary delimitation and associated disputes, however, are a recent phenomenon. Disputes occur before the boundary is drawn and generally disappear when a line (or series of lines) is eventually determined and agreed upon. Examples where a dispute was resolved with the delineation of lines on a map or chart include the Fisheries Jurisdiction Line between Australia and Papua New Guinea in the Torres Strait and the maritime boundary in the South China Sea between Indonesia and Malaysia. However, there are instances where one party has sought to try and re-negotiate a maritime boundary. For example, Indonesia has indicated on several occasions its wish for a renegotiation with Malaysia of the seabed boundary in the Straits of Malacca and with Australia in the Timor and Arafura Seas. It is not expected that there will be a change in the alignment of the former boundary but a change in status of the latter has been effected by the signing of the Treaty in Perth on 14 March 1997149. This treaty and another between Australia and East Timor signed in May 2002 have yet to be ratified (as at the time of writing) by the respective signatories.

There are several issues that may be involved in disputing maritime space. These include disputed sovereignty over offshore islands, the allocation of natural resources that straddle undefined boundaries, the sustainable development of biotic and mineral resources, and the recognition of rights – traditional and historical – to access those resources between places that transcend perceived national boundaries or frontiers. Thus far, there have been only minor skirmishes arising from boundary disputes, many involving alien fishers operating in another state’s national jurisdiction – perceived or defined. Whereas minor skirmishes have not been a common feature of the evolution of maritime boundaries, the same cannot be said of terrestrial boundaries.

Approaches to maritime security policy

Up until relatively recently, much of the maritime security debate has concentrated almost exclusively on its military definition and thus states have been concerned with the use of so-called “hard power” and the development of maritime strategies and maritime security policies that ignore or underplay a wide range of non-military considerations. From a military perspective, for example, “a modern maritime strategy involves air, sea and land forces operating jointly to influence events in the littoral together with traditional blue water maritime concepts of sea denial and sea control”150.


As has been argued, while most strategic thinking in Australia “is locked into hard power, the oceans offer us great potential to apply soft power and creative diplomacy”\textsuperscript{151}. “Soft power”, or the “second face of power”, essentially derives from the ability to shape or change the preferences of others through an appeal to the sense of attraction or duty of shared values and goals\textsuperscript{152}. The emergence of US President Obama’s “new engagement” associated with the likely realisation of a broader conception of power and its use, especially the notion of “smart power”, is especially significant, not only in dealing with Indian Ocean maritime energy security threats.

As a result, in addition to the military component, a much more broadly-based maritime security strategy would incorporate a wide range of economic, environmental, political and social considerations and thus require greater inter-organisational collaboration within states and the amelioration of “bureaucratic sclerosis” for its successful implementation\textsuperscript{153154}.

Furthermore, while ocean littoral states will endeavour to develop their individual maritime security strategies, in the final analysis, securing the maritime environment, which among other things involves the building of an internationally stable maritime regime as well as the implementation of maritime confidence-building measures, at a minimum will require regional and even global cooperation in the 21st century\textsuperscript{155156}. However, balancing maritime energy security with freedom on the high seas will necessitate a complex and delicate process of international negotiation\textsuperscript{157}.

Towards a cooperative Indian Ocean maritime security policy framework

While there exists a compelling need to develop maritime security cooperation in the IOR, current structures are both fragmentary and incomplete. For example, current maritime energy security policy in the Indian Ocean represents a somewhat fragmented collection of regional and extra-regional cooperative arrangements and individual regional and extra-regional state initiatives (Figure 23).

<table>
<thead>
<tr>
<th>Institutional</th>
<th>Regional</th>
<th>ReCAAP (16 Asian states)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Extra-regional</td>
<td>EU, NATO</td>
</tr>
<tr>
<td>State</td>
<td>Regional</td>
<td>Australia, India</td>
</tr>
<tr>
<td></td>
<td>Extra-regional</td>
<td>China, Japan, US</td>
</tr>
</tbody>
</table>

*Figure 23: Examples of institutional and state Indian Ocean maritime energy security*

The 16-state Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) initiative, which came into force in 2006, has its Information Sharing Centre (ISC) based in Singapore and aims to assist in the process of facilitating cooperation, collation and preparation of relevant data and supporting regional capacity building.

In October 2008, eight EU states led by France announced plans to create an EU maritime security force to assist in combating Somali piracy. Furthermore, NATO has also become involved in anti-piracy duties off Somalia.

Individual state action has involved several regional and extra-regional states. In the case of Australia, it has been suggested that the country should be working with the region on maritime security issues and take a leading role in the promotion of regional cooperation. Extra-regional states, of course, have declared their self-interest in Indian Ocean maritime energy security. For example, on 6 March 2009, the imminent despatch of two Japanese maritime self-defence destroyers to the Gulf of Aden to guard Japan vessels off Somalia under the maritime police action provision of the self-defence forces law was announced.

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161 Hongo, J. (2009), 'MSDF Somalia dispatch slammed by opponents at rally', Japan Times, 6 March, p. 2.
While the adoption by the International Maritime Organisation (IMO) of a comprehensive maritime security approach in 2002 provided security assessment guidelines and risk management strategies for some of the basic elements in the maritime trading process – seafarers, vessels, cargoes and ports – a more comprehensive approach is needed, especially in relation to the security of energy flows through the Indian Ocean, and one that deals not only with the effects of insecurity, but that also begins to systematically address its causes.

As has been noted, “military authorities are quite clear it is impossible for them to protect all merchant vessels – even high risk energy vessels – against all attacks”. Furthermore, if energy vessels engage in varying degrees of self-protection and arm themselves, there is a real danger of “weapon escalation”. Nonetheless, apart from increased vessel security, the only other major course of action from the ‘effects policy perspective’ is to try and avoid the insecure areas162.

A key cooperative policy initiative has been the creation of the Indian Ocean Naval Symposium (IONS) under India’s leadership. The central vision of IONS is to bring “regional navies together for the greater collective good; to enhance safety and security, to share knowledge, and to support disaster relief and humanitarian assistance”163.

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5. Environmental security

Environmental security can be taken to encompass likely threats to social, political and economic stability that might arise as a direct or indirect consequence of the mismanagement of the natural environment, as a result of resource scarcity, or as an outcome of natural disasters. However, it is clear that the concept of environmental security is quite diverse in its meaning. It includes the traditional conflict-based, statist frameworks that view environmental stress as an additional threat to peace and stability; the securing of the environment by nation-states; and more innovative interpretations that envision it as a lynchpin of cooperative models of regional and global security, with the potential to secure access for all people to fulfill their basic needs for survival – a security to practice a diverse range of livelihoods164165166.

There is an enormous gap in the literature on environmental security in the IOR. There have been substantial academic works completed in recent years on the broad subject of environmental security167168169170171172. Some of these works move from theory into empirical research, but when this occurs most of this scholarship is based in and around the Atlantic, Pacific and Southern Oceans173174175176. Researchers have rarely utilised the concept of environmental security in the IOR.

This lack of research literature reflects a broader neglect by the more affluent, minority world in addressing social science policy issues confronting the South. There have been some articles addressing a particular environmental security issue in a specific country, such as water wars in the Jordan Basin\textsuperscript{177} or environmental degradation leading to human displacement in South Africa\textsuperscript{178}. In a search of the electronic version of \textit{Expanded Academic Index}, only one reference includes environmental security insights into the IOR as a whole\textsuperscript{179}.

Obviously, establishing an environmental security research and policy agenda for the IOR is also significant in that it addresses basic survival issues which affect the inhabitants of the region who represent approximately one third of the world’s population. Chaturvedi writes:

\begin{quote}
The Indian Ocean has been rightly described as the ‘Heart of the Third World’ or the ‘Ocean of the South’, with low per capita income and low levels of development in the majority of countries. The overwhelming mass of these peoples struggle to survive under the conditions characterised by chronic poverty, precarious political systems, stagnating and struggling economies, fragmented political systems guided by the considerations of ethnic identities...\textsuperscript{180}.
\end{quote}

The concept of environmental security must be brought to life by reference to some of the most pressing environmental issues confronting the IOR. Particular environmental security challenges are discussed briefly in the present paper, each one ecologically interlocking with the other, snowballing in magnitude, creating desperate realities for billions of people culminating in abject poverty, both in terms of biodiversity (or lack thereof) and human existence – food, water, nuclear waste, climate change and fisheries\textsuperscript{181}.

These major environmental security issues should not simply be read as a 'litany of woes'. All of these issues are potential security challenges for states in the IOR. In traditional or ‘hard’ security terms, environmental security issues, if not addressed, will lead to increases in human conflict and, ultimately, wide-scale disease, poverty and death. Also, due to these problems of a regionally-shared nature, they are also policy issues that invite cooperation among nation states; a shared agenda can emerge, with the potential for promoting a peaceful and extremely necessary dialogue. The long term positive outcomes of such multilateral dialogues are immeasurable.

\begin{itemize}
\item \textsuperscript{177} Shaheen, M. (2000), ‘Questioning the water-war phenomenon in the Jordan Basin,’ Middle East Policy, Vol. VII (3), June.
\item \textsuperscript{181} Doyle, T. and Riseley, M., eds., (2008), Crucible for Survival: Environmental Security and Justice in the Indian Ocean Region. Rutgers University Press.
\end{itemize}
Food

In 2011, the UN Food Price Index reached an all-time high, creating a global food crisis associated with increased food insecurity. Food security is inextricably linked to biodiversity and is defined by the United Nations as “…the physical and economic access, for all people at all times, to enough food for an active, healthy life”\(^{182}\). Significant global conventions such as the Convention on Biodiversity (CBD) and the World Food Summit in Rome in 1996 made commitments to enhancing biodiversity, and in the case of the latter, to try to halve world hunger by 2015. However, too little is still being done and hunger has increased every year since the summit. For example, in 2004, according to the FAO, there were 852 million gravely undernourished people in the world – up 10 million from the previous year\(^{183}\). In addition to this, every day more than 17,000 children under the age of five die from hunger related diseases\(^{184}\). Most of these deaths occur in the IOR.

Numbers of starving people across the IOR are increasing annually, despite the propaganda of neoliberal economists and international finance organisations. In Eastern Africa, nowhere is the nexus between food security and traditional security more obvious. In Kenya, for example, deteriorating standards of living in Nairobi furnished the backdrop for the abortive coup attempt of August 1982. Somali troops clashed with civilians in the northern part of the country after a demonstration was held to protest the ill effects of economic crisis\(^{185}\). Despite this desperate situation, the efforts and resources spent by the international alliance to alleviate hunger and poverty remain meager, particularly when compared to the billions of dollars spent on the ‘war against terror’. The amount of aid provided for famine relief is decreasing as funds are redirected towards strengthening traditional national security through growing military resources\(^{186}\). For example, in Ethiopia it has been reported that the World Food Program reduced daily food rations for the 126,000 refugees from the Sudan, Eritrea and Somalia living in Ethiopian refugee camps because the aid was redirected towards the war against terror\(^{188}\). The legacy of the green revolution is that twenty species now make up about 90 per cent of our food supply out of thousands of potential food plants\(^{187}\). Hence, food security for all people in the IOR is being undermined. For example, in India in the 19th century, about 30,000 native rice species were cultivated. By the start of the 21st century this had been drastically reduced to a meager 50 species\(^{188}\).

\(^{182}\) FAO web site at: http://www.fao.org
\(^{184}\) FAO 2010
\(^{185}\) UN Human Development Report 2005
\(^{186}\) UN Human Development Report 2005
In addition, chemical industrial agriculture requires intensive irrigation, which over long periods can raise the water table. The water table in the Indus Valley in Pakistan, for example, was 30 metres below ground before irrigation was introduced in the middle of last century, but in the space of several years it rose to within centimetres of the surface in low lying areas. This, combined with the increase in fertilizer use, has lead to increased salinity resulting in significant soil degradation and crop failure. The worst affected countries are India, Pakistan, Iraq and Egypt. Australia has also been significantly affected.

Current global food insecurity affects more than 33 states, 19 of which are located in the IOR (Figure 24). There exist a complex combination of interacting factors that help explain the extent of global food insecurity. As the FAO\(^\text{189}\) has put it: ‘This unacceptably high degree of hunger results from many factors, including armed conflict and natural disasters, often in combination with weak governance or public administration, scarce resources, unsustainable livelihood systems and breakdown of local institutions. Faced with so many obstacles, it is little wonder that protracted crises can become a self-perpetuating vicious cycle.’

<table>
<thead>
<tr>
<th>State</th>
<th>% of population food insecure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>35</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>40</td>
</tr>
<tr>
<td>Burundi</td>
<td>66</td>
</tr>
<tr>
<td>Djibouti</td>
<td>31</td>
</tr>
<tr>
<td>Eritrea</td>
<td>15</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>15</td>
</tr>
<tr>
<td>Kenya</td>
<td>16</td>
</tr>
<tr>
<td>Madagascar</td>
<td>25</td>
</tr>
<tr>
<td>Malawi</td>
<td>52</td>
</tr>
<tr>
<td>Mozambique</td>
<td>29</td>
</tr>
<tr>
<td>Nepal</td>
<td>9</td>
</tr>
<tr>
<td>Pakistan</td>
<td>18</td>
</tr>
<tr>
<td>Rwanda</td>
<td>30</td>
</tr>
<tr>
<td>Somalia</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Sudan</td>
<td>n.a.</td>
</tr>
<tr>
<td>Tanzania</td>
<td>15</td>
</tr>
<tr>
<td>Uganda</td>
<td>n.a.</td>
</tr>
<tr>
<td>Yemen</td>
<td>22</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>20</td>
</tr>
</tbody>
</table>

*Figure 24: Food insecure states in the Indian Ocean region\(^\text{190}\)*


\(^{190}\) UN Food Security Report 2009, pp. 45-175; FAO 2010
While a direct causal linkage between food insecurity and state instability is contested, the food crisis in 2008 was associated with riots in 25 countries, including in Mozambique that led to the deaths of 12 people, and instability and uncertainty is symptomatic of the current crisis. Consequently, the international community and individual states have been developing appropriate food security strategies.

**Water**

There are many versions of what constitutes water security, including water availability, water access and water as a human right. The Millennium Development Goals for 2015 (set at the UN Summit of 2000) also recognise the importance of water in achieving sustainability. Out of this recognition, the United Nations has declared the period from 2005 to 2015 as the ‘International Decade for Action’ in relation to ‘Water for Life’. According to the UN, every individual needs a minimum of 15 litres a day, with half of that needed for outright survival. The rest is needed for cooking, basic hygiene and sanitation to help avoid disease. Despite the dependence that all communities have on water, and the struggle that many poor communities have just to get enough water to survive, in wealthier countries such as Australia it has become an almost invisible aspect of our way of life. Nevertheless, our standard of living requires immense water resources: it takes around 18 litres of water to produce one litre of petrol and around 1300 litres of water to produce a microchip.

From basic survival to maintaining living standards, water also has vital cultural value. Water is at the source of almost all religious faiths, from Christianity to Islam and even Buddhism. It is associated with birth, life, death (through drought and floods), reproduction and even power. To those who believe in evolution, the fluid element is the origin of all life on earth. In the origin myths of many countries, such as Africa for example, water is always present.

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Thus in many countries, including India and parts of Africa, water is sacred. For this reason, rivers that flow through communities are respected and even worshiped. In some parts of Africa, people still present offerings to lakes and rivers to show their gratitude for nourishment to crops and to ensure bountiful harvests in the coming growing seasons. In Africa, many ancient customs in traditional communities serve to protect water and the water cycle by recognising the need to respect natural cycles and avoid over-exploitation. African legends reflect the balance of ecological, economic, social and political forces being present in the three realms – mineral, vegetable and animal\(^{200}\). In Kenya for example, the Masai worship Engai, the god of rain, which leads to respect for every form of life and ecological principles. This has enabled the Masai to live in an environment where the temperature often reaches 50°C and rainfall is less than 60cm per year\(^{201}\).

It is clear that there are many water insecure states in the Indian Ocean, many of which tend to cluster around the west Asian or northwestern part of the region (Figure 25). Policies designed to meet water needs and minimise state and regional water insecurity lend themselves to inter-state cooperation.

<table>
<thead>
<tr>
<th>State</th>
<th>Annual renewable water resources 1997 (km/3/yr)</th>
<th>Total freshwater withdrawal 2000 (km/3/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>0.1</td>
<td>0.30</td>
</tr>
<tr>
<td>Kuwait</td>
<td>0.02</td>
<td>0.44</td>
</tr>
<tr>
<td>Oman</td>
<td>1.0</td>
<td>1.36</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.1</td>
<td>0.29</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>2.4</td>
<td>17.32</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>0.2</td>
<td>2.30</td>
</tr>
<tr>
<td>Yemen</td>
<td>4.1</td>
<td>6.63</td>
</tr>
</tbody>
</table>

*Figure 25: Water insecure states in the Indian Ocean region*\(^{202}\)

However, ultimately, if solutions are to be pursued successfully, we must move away from the idea that environmental security only concerns nation states withstanding threats from the environment, and move to a position that views environmental security ‘as shifting the focus from state security to societal and individual well-being’\(^{203}\), advocating the concept of environmental security as security for the environment (of which humanity is a part).

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\(^{202}\) Pacific Institute (2010), The World’s Water, Data Tables 1 and 2

Problems associated with quantity and quality and access at a variety of scales have contributed to the human securitisation of water\textsuperscript{204}. Indeed, it has been argued that water is a growing source of conflict and an increasingly important global security challenge. Concepts such as “water rage”, “water wars” and “water refugees” have been used to describe various aspects of actual and potential water conflict. This has caused one commentator to argue for an alternative water future based on a Blue Covenant developed on principles of water conservation, water justice and water democracy\textsuperscript{205}.

**Nuclear waste**

Pressures aimed at maximising energy security have contributed to increased global demand for nuclear power, notwithstanding the Fukushima catastrophe in Japan. This in turn has led to a potential increase in environmental insecurity due to the requirement to attempt to safely dispose of larger volumes of nuclear waste materials. It is an interesting irony that, on the one hand, apart from South West Asia and South Asia, the Indian Ocean is surrounded by nuclear weapon free zones (Antarctic Treaty, Treaty of Bangkok, Treaty of Pelindaha, Treaty of Rarotonga) while, on the other hand, it is fast becoming a nuclear ocean\textsuperscript{206}. Apart from the increasing number of regional nuclear weapons on land, as well as the indeterminate number on and under the ocean itself at any one time, the increasing global and regional demand for nuclear energy is having a significant impact on the structure of Indian Ocean uranium trade\textsuperscript{207}. These impacts, in turn, raise a host of security questions linked to nuclear safety, uranium flows, the flows and storage of nuclear waste and the security of SLOCs in the IOR, as noted earlier.

While Africa had the dubious distinction of being first choice for the dumping of European nuclear waste and persistent organic pollutants (POPs) in the 1980s, it was the first to respond politically to the threat of “waste colonialism”\textsuperscript{208}. Prior to the ratification of the Basel Convention, many African states were especially concerned about the transboundary movement of such hazardous waste into Africa from industrialised countries and some indeed saw this process as one of the systematic dumping of nuclear waste into Africa\textsuperscript{209}. At the May 1988 Organisation of African Unity (OAU) Council of Ministers 48\textsuperscript{th} Ordinary Session


\textsuperscript{209} Krummer, K. (1999), International Management of Hazardous Wastes, OUP.
in Ethiopia, a resolution condemned the importation into Africa of industrial and nuclear waste as a “crime against Africa and the African people” and called upon member states to introduce import bans. The resolution condemned “all transnational corporations and enterprises involved in the introduction, in any form, of nuclear and industrial wastes in Africa; and demands that they clean up the areas that have already been contaminated by them”\textsuperscript{210}.

As a consequence of this resolution, work began on an African Convention under the auspices of the OAU shortly after the adoption of the Basel Convention, since the latter excluded nuclear waste. There was therefore a concern that certain needs of African states were not properly taken into account, and thus, while the Basel Convention was a convention of the north, there was need for a convention of the south. The resultant Bamako Convention, which was adopted in Mali in January 1991, entered into force in April 1998.

Of particular international concern are the five states that have neither signed nor ratified the Bamako Convention as well as a further seven that have signed but have yet to ratify. It may be that some states have stalled either signing or ratifying in order to participate in the lucrative trade in hazardous waste\textsuperscript{211}. This may well be true for the six Indian Ocean littoral states of Djibouti, Kenya, Madagascar, Seychelles, Somalia and South Africa, none of which were in the original convention signatory group of twelve states. Furthermore, of these six littoral states, two have neither signed nor ratified Bamako (Seychelles and South Africa) and a further two (Djibouti and Somalia) have yet to ratify either the Basel or Bamako conventions.

The Indian Ocean tsunami of December 2004 resulted in the washing up on Somali beaches of many containers of nuclear and toxic waste that were illegally dumped during the early 1990s\textsuperscript{212}. It has been alleged that, in at least one case, a lucrative financial agreement had been reached between the interim government headed by Ali Mahdi Muhammed and certain Swiss and Italian companies to import millions of tonnes of nuclear waste from Italy into Somalia. These companies were alleged to be under the control of the Italian mafia, and the Somali deal was said to be only one part of so-called “eco-mafia” operations\textsuperscript{213}. For the Europeans, the cost per tonne (US$8) represented a fraction of the likely cost of up to US$1,000 per tonne of appropriate local treatment and disposal\textsuperscript{214}.

\textsuperscript{210} Organisation of African Unity (1988), Secretariat, CM/Res.1147-1176.
\textsuperscript{211} UNEP (2000), Global Environmental Outlook, Nairobi, Chapter 3: Policy responses-Africa.
\textsuperscript{212} Clayton, J. (2005), ‘Somalia’s secret dumps of toxic waste washed ashore by tsunami’, at: http://www.timesonline.co.uk/
\textsuperscript{214} Clayton, J. (2005), ‘Somalia’s secret dumps of toxic waste washed ashore by tsunami’, at: http://www.timesonline.co.uk/
Given Somalia’s strategic location and its current statelessness, such illegal or unauthorised movements of nuclear waste have potentially very significant implications not only for the human security of the Somalian population, but for the Indian Ocean environment, the Indian Ocean routes along which such flows take place, as well as the lethal prospects of the potential terrorist use of such nuclear materials. It has been noted that Somalia is a “stateless war economy”, one of the requirements of which is to engage in international “commercial complicity” since its local economy is unable to meet military expenditures. Funding the war economy is achieved in various ways, including via trade by local conflict groups with international corporations and institutions in unauthorised commodities, including nuclear waste. Indeed, Somalia currently functions as a transhipment point and a supply route for a wide variety of illegal merchandise for the whole of the Horn of Africa and beyond.

This touches on another fundamentally important security challenge for the IOR. It has been pointed out that seizures of smuggled radioactive material capable of making a terrorist “dirty bomb” have doubled in recent years. According to the International Atomic Energy Authority (IAEA), smugglers, mainly from the former Eastern bloc, have been caught attempting to traffic such materials on more than 300 occasions since 2002, with most of the incidents understood to have taken place in Europe. IOR-ARC potentially has a very important role as a pressure group regionally and in international forums to try and eradicate the smuggling of radioactive materials into the region and to prevent dumping into the ocean.

Climate change

It has been estimated that Indian Ocean states are responsible for approximately 40% of global greenhouse gas emissions. Furthermore, the region contains five states that emitted more than 100 million metric tonnes of carbon in 2006 – India, Iran, Saudi Arabia, South Africa and Australia – and four states that rank among the world’s top per capita emitters – Qatar, Kuwait, UAE, Bahrain and Australia.

With the securitisation of the climate change debate, it has been argued that the current trajectory of climate change will likely contribute to an increase in a wide range of traditional and non-traditional security threats. As a result, it is suggested that such threats require a military response and that regional

defence forces will inevitably need to plan for various ‘second order’ impacts that will contribute to instability and conflict. In particular, according to this view, climate change is likely to lead to an increase in the magnitude and frequency of regional humanitarian crises that will in turn exacerbate border security questions due to the emergence of “climate refugees”\(^{219}\) and possible associated changes in migration patterns\(^{220}\). In addition, rising sea levels due to climate change are likely to have major impacts on the prospects for some Indian Ocean states to continue to exist (for example, Maldives) and on all low lying coastal areas around the region, most of which are major centres of population.

While all of these changes are yet to be fully investigated and are thus only potentially significant security challenges to regional states, a recent scientific paper concluded that global climate changes have indeed been responsible for violent conflict and even the collapse of civilisations\(^{221}\). Using data from 1950-2004, the authors conclude that the probability of new civil conflicts throughout the tropics doubles during El Niño years relative to La Nina years. They suggest that this indicates that the El Niño/Southern Oscillation (ENSO) has had some role in 21% of all civil conflicts since the 1950s\(^{222}\).

**Fisheries**

Since more than 800 million people around the Indian Ocean rim rely on fish as a major source of protein, the impact of the degradation of fish stocks, either directly or indirectly, will likely cause very significant regional dislocations. To enable ecologically sustainable and socially just development and management of Indian Ocean fisheries requires a paradigm shift in the perceptions and policies of major stakeholders. A central policy challenge is to identify a collective regional interest for fisheries and accordingly the development of integrated management policies that link ecology and society and that incorporate individuals, communities, agencies, states and regimes into a holistic cooperative endeavour.

Successful ocean governance therefore requires greater inter-state and inter-agency consultation and cooperation, an improvement in linking national initiatives to local action, increased participation of local government and local communities and the enhancement of local capability. Achieving this overall goal requires either the enhancement of existing regional institutions or the creation of a new regional body. There is some recent evidence to suggest that the achievement of this goal is in progress.

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Of the 600 marine fish stocks globally monitored by the Food and Agriculture Organisation (FAO), it is estimated that 76% are fully exploited, overexploited or depleted, while in the Indian Ocean, stocks of southern bluefin tuna are classified as ‘depleted’, the FAO’s worst category. Several other species in the Indian Ocean – for example, emperor, Indian mackerel and bigeye tuna -- range from being fully exploited to overexploited223. There are many other species in the Indian Ocean where the level of exploitation is unknown or is extremely difficult to determine. It is not known with any degree of certainty, therefore, whether there are any Indian Ocean species that are, in fact, underexploited.

Seven states – China, Peru, India, Indonesia, USA, Japan and Chile, the so-called seven “fisher states” – take in nearly two thirds of the world’s total fish capture224. Furthermore, over the next 15-20 years, two of these states – Japan (60.2 kilograms) and China (35.9 kilograms) and two regions – Southeast Asia (25.8 kilograms) and the EU (23.7 kilograms) – are projected to consume the largest amount of fish per capita.

Apart from the two Indian Ocean ‘fisher states’ (India and Indonesia), these other states and regions are increasingly unable to meet the growing demand within their own national jurisdictions and thus there will likely be greater pressure on fish stocks in the Indian Ocean. As a result, the Indian Ocean is potentially becoming a more intense arena for conflict and competition over extra-regional demands for increasingly scarce fish resources. Unfortunately, however, the current status of Indian Ocean fish stocks “signal little room for further expansion, in addition to the possibility that some, if not most, stocks might already be overexploited”225. The social, environmental, economic and political outcomes of this dilemma are likely to be far-reaching and thus will necessitate careful regional and extra-regional management.

In the Indian Ocean, fisheries practices and governance are transacted within a complex array of environmental, institutional, social, economic and jurisdictional frameworks. These policy frameworks serve to impose some degree of regulatory control, dependent to a considerable degree on state and local adherence and enforcement capacity.

On the other hand, however, these policy frameworks invariably exacerbate inter- and intra-state conflict, since they are primarily located within an overall statist and/or corporate context that over-emphasises national security concerns and company profit maximisation at the expense of the collective regional interest. As international agencies and states with depleting fishing resources all know, resolving the multiplicity of interacting and overlapping international  

fishery conflicts and designing ecologically sustainable solutions is a very significant challenge. The nature of fisheries conflict resolution itself, of course, can vary along a spectrum from peaceful diplomacy and inter-state cooperation at one end to open hostility, “gunboat diplomacy” or war at the other226. Identifying a collective regional interest for fisheries is thus a major policy opportunity in the Indian Ocean.

A critical regional holistic evaluation of fisheries resource exploitation policies is essential in order to ensure a sustainable future for Indian Ocean fisheries as part of a new cooperative regional environmental strategy. This overall clean management approach will become increasingly necessary as other Indian Ocean biological and mineral resources are exploited in the future and as a result of the increasing impact of regional population pressures. Furthermore, in order to be comprehensive, such an approach will need to take place within a fully participatory environment incorporating all of the stakeholders that is informed by a new environmental security paradigm.

IV. India and Australia in Indo-Pacific security

This section of the report discusses the current and future roles of India and Australia in the Indo-Pacific, particularly from an Australian perspective. India is widely considered to have an important future role in Australia’s security. However, there is considerable uncertainty as to how Australia and India should develop a closer relationship with India, particularly in light of their relationships with the United States and China. This section explores some of the convergences and challenges in their growing security relationship with India with reference to bilateral issues and in the context of other key relationships. The section also explores the strategic concept of the Indo-Pacific and its potential impact on the Australia-India security relationship. This section is divided into the following sub-sections:

2. The developing the Australia-India strategic relationship.
4. The idea of an Indo-Pacific strategic region: potential consequences for Australia and India.

The shifting balance of power in the Indo-Pacific

The balance of power in both the Indian and Pacific oceans is undergoing some fundamental shifts that will have an important impact on the Australia-India relationship. Broadly, these include:

- The rise of China as a global economic power and a regional military power in East Asia.
- The simultaneous rise of India as a global economic power and a regional military power in South Asia and the IOR.
- The expansion of the areas of strategic interest of both China and India beyond their traditional areas of interest and spheres of influence.
- The emergence of other countries such as Indonesia and South Africa as growing economic powers with important stakes in the IOR.
- A decline in the relative military power of the United States in the Pacific and Indian oceans.

For Australia, the consequences of these shifts are potentially profound. Changes in the alignments of Australia’s economic and security relationships have created some significant strategic uncertainties for Australia that are only likely to intensify. For most of its history as an independent country, Australia has had
the luxury of having its key economic partnerships aligned with its key security partnerships. First, Britain was Australia's strategic guarantor and also its major economic partner. Then, the United States became Australia's strategic guarantor and the United States and its allies such as Japan were Australia's main economic partners.

Over the last five years or so China has become Australia's major trading partner. India is now Australia's third or fourth largest export partner. India's economic importance to Australia is only likely to grow in coming years, especially with the finalisation of the Comprehensive Economic Cooperation Agreement (CECA) between Australia and India, which is currently under negotiation. However, the United States is and for decades will likely continue to be Australia's key security partner. This potential disjuncture between Australia's economic and security alignments is the cause of some discomfort among Australian strategists and has been the subject of wide public debate in recent years. So far this debate has largely focused on how Australia should balance its relationships with the United States and China, but there is also increasing discussion about how Australia's relationship with India should be developed and how this will fit with other key relationships.

Developing the Australia-India security relationship

One of the greatest strategic challenges facing Australia in the Indian Ocean and beyond is the need to develop a good security relationship with India. Many believe that there is an essential congruence in Australian and Indian strategic interests on many issues, and that in some ways they are natural economic and security partners. However, there are also likely to be some challenges in developing the relationship.

Divergent strategic perspectives

For much of their modern histories, Australia and India have not had a close strategic relationship. Despite a common language and some shared political traditions, Australia and India's strategic perspectives were often very different. During the Cold War, India was a determined advocate of strategic autonomy and nonalignment, while Australia was a loyal ally of the United States. To some extent during the Cold War, the India-Australia relationship broadly fitted the pattern of India's relations with many Western-aligned or oriented states in the Asia Pacific – divergent geopolitical perspectives, ideological differences and weak economic links. However, there were also a number of factors specific to the Australia-India relationship that have caused each side to neglect the relationship.

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However, despite holding very different strategic perspectives for most of the Cold War period, there was little direct friction or interaction between them, including over Indian Ocean security. In fact, Australia did not figure materially in New Delhi’s calculations of Indian Ocean security and was often considered as being merely a client state of the United States. For its part, Canberra did not see India as presenting any threat to Australia, although there were some residual concerns about the extent and impact of India’s security relationship with the Soviet Union. Different perspectives and misunderstandings continued for some years after the end of the Cold War. In particular, in 1998, Australia reacted strongly against India’s Pokhran II nuclear tests, motivated by a desire to safeguard the nuclear non-proliferation system. Australia (along with Japan) led international condemnation of the tests. Some in India saw Australia’s position as being somehow directed at India, which was certainly not the case.

Changes in Australian strategic perspectives on India

While the 1998 nuclear tests represented a low point in the bilateral relationship, they also represented a pivot point for the recognition by Australia of the strategic importance of India. Since the turn of the century, Australia has made considerable efforts to develop a comprehensive strategic relationship with India. This reflected the increasing importance of India as an economic power and potentially a major economic partner for Australia. There was also recognition of considerable shared interests with India in promoting regional security and stability. This recognition was enhanced by the strategic rapprochement between India and the United States, which removed many political irritations and opened the prospect for a change in India’s longstanding policies that inhibited security cooperation between India and Western states. For Australia’s part, as well as being concerned about the stability of South Asia in which India is the predominant player, it also saw the expansion of India’s area of strategic interest into areas that are traditionally of key strategic concern for Australia, especially Southeast Asia. This was highlighted in Australia’s 2009 Defence White Paper, which commented that, “as India extends its reach and influence into areas of shared strategic interest, we will need to strengthen our defence relationship and our understanding of Indian strategic thinking…”

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Australia’s heightened strategic interest in India also reflects the increasing strategic importance to Australia of the IOR as a whole, where India plays a leading role. Australia’s strategic focus has traditionally been towards East Asia and the Pacific, while the Indian Ocean has often been neglected in its strategic thinking. Some might argue that Australia’s Indian Ocean strategy has often largely involved encouraging the continued commitment of its great power friends to the region – the predominant role of the Royal Navy up until the early 1970s and the US ascendancy thereafter. While US strategic predominance in the Indian Ocean is likely to continue for many years to come, it is increasingly looking to share the security burden with key regional partners, which includes both Australia and India.

The relative neglect of the IOR in Australian strategic thinking has to some extent lagged behind the reality of its military involvement in the region. Since 1973, the great majority of Australia’s military deployments have been in and around the Indian Ocean (including Kuwait, Somalia, East Timor, Iraq, Afghanistan and the Gulf of Aden) and not the Asia Pacific. The location of many of Australia’s resources in Western Australia and off Australia’s northwest coast has now become a significant factor in Australian defence planning. As the 2009 _Defence White Paper_ stated, “over the period to 2030, the Indian Ocean will join the Pacific Ocean in terms of its centrality to our maritime strategy and defence planning.” The growing recognition of the strategic importance of the IOR to Australia has resulted in a significant movement of Australia’s defence resources to the north and west of the country in recent years. Australia began developing a significant naval presence in the Indian Ocean in the late 1980s and presently around one third of the Royal Australian Navy is deployed in the IOR, including at Fremantle, Western Australia, which is the RAN’s largest base. This shift in defence resources towards the IOR is only likely to accelerate as a result of the recent Australian Force Posture Review.

As a result of these developments, Australia now recognises India as a key partner for Australia in Indian Ocean security and increasingly also as an important partner in the Pacific. As Australian Defence Minister, Stephen Smith, commented in 2011:

“India’s rise as a world power is at the forefront of Australia’s foreign and strategic policy, as is the need to preserve maritime security in the Indian Ocean. India and Australia, with the two most significant and advanced navies of the Indian Ocean rim countries, are natural security partners in the Indo-Pacific region.”

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The contemporary Australia-India security relationship

Since the turn of this century, Australia has made considerable efforts to develop a comprehensive strategic relationship with India. There have been numerous visits to India by Australian prime ministers and senior ministers. This increased political engagement has led to several bilateral agreements on security-related matters, including a 2003 agreement on terrorism, a 2006 memorandum of understanding on defence cooperation, a 2007 defence information sharing arrangement and 2008 agreements on intelligence dialogue, extradition and terrorism. In November 2009, Australia and India announced a Joint Declaration on Security Cooperation, intended to set out shared strategic perspectives and create a framework for the further development of bilateral security cooperation. At the same time, then Prime Minister Kevin Rudd told an audience in New Delhi that India and Australia were “natural partners” and should become “strategic partners”\(^\text{236}\).

The Australia-India security declaration is a non-binding declaration of principles and understandings in security matters and establishes a bilateral framework for further cooperation in security matters. Australia has announced similar security declarations with Japan (2007) and South Korea (2009). India also announced a security declaration with Japan in 2008. Some see these security declarations as a way of linking India with a web of security relationships with US allies in the Pacific\(^\text{237}\). Whether this is the case or not, the 2009 security declaration was a notable step for Australia and India in establishing a framework for further development of the security relationship, including the formalisation of regular consultations and dialogues between senior ministers, senior military and diplomatic representatives and joint working groups on maritime security operations and counter-terrorism and immigration. In conjunction with the security declaration, Australia and India have finalised new cooperation arrangements in intelligence, law enforcement, border security, terrorist financing and money laundering.

Australia is now coming to see India as an important element in its security, primarily in the Indian Ocean, but also potentially playing a material role in East Asia. Most strategic analysts in Australia now see the underlying strategic interests of Australia and India as “essentially congruent”\(^\text{238,239}\) and believe that there is significant scope for bilateral security cooperation between Australia and India in the Indian Ocean and beyond. However, there is a degree of disappointment in Canberra over New Delhi’s cautious response to developing

\(^{236}\) Rudd, K. (2009), ‘From fitful engagement to strategic partnership,’ Address to the Indian Council of World Affairs in New Delhi, 12 November.


the India-Australia relationship over the last decade or so. In New Delhi, Australia is generally seen as an element of an extended Look East Policy, although it does not have the priority afforded to India’s relations with, for example, Japan or Singapore. Some Indian commentators see great potential for a maritime security partnership between India and Australia that spans the Indo-Pacific. Others regard Australia merely as a potentially useful junior partner in an informal coalition with the United States to balance against China.

There have been irritations in recent years that have created political difficulties for New Delhi in developing the relationship with Australia. A series of assaults on Indian vocational students studying in Melbourne in 2008-9 was taken up by the Indian media and became a major source of controversy among the Indian public. But the greatest irritant in the security relationship has been the uranium issue. Despite the US-India nuclear cooperation agreement that was reached in 2007, Australia has been slow to fully accommodate India’s new status as a nuclear power outside of the international nuclear non-proliferation regime. The Australian Labor government, which has been in power since 2007, has until recently been bound by party policy that banned the export of uranium to any state that is not a signatory to the Nuclear Non-Proliferation Treaty. This policy reflected the politically controversial nature of uranium mining and exports in Australia and Australia’s enthusiasm for supporting international non-proliferation norms. While India did not have any immediate need for uranium supplies from Australia, having secured supplies from Russia, Kazakhstan, Gabon and Canada among others, Australia’s refusal to supply uranium was taken by New Delhi as indicating a lack of commitment to the relationship and a refusal to acknowledge India’s great power status, especially when seen in light of Australian exports of uranium to China. For several years, the policy significantly reduced any enthusiasm by the Indian government for closer relations with Australia. The recent visit to New Delhi by the Australian Prime Minister, Julia Gillard, during which discussions took place on an agreement to export uranium to India, will likely pave the way for enhanced security relations between India and Australia.

**Australia-India security dialogues**

As noted above, one of the important features of the 2009 security declaration was the establishment of regular bilateral security dialogues between Australia and India at a ministerial, official and military-to-military level. The Australian and Indian foreign ministers now meet for an annual dialogue, as do the respective defence ministers (although there are no arrangements for meetings in a 2+2 format). In recent years, there has also been a considerable increase in visits and exchanges at the military-to-military level, although this will likely take time to bear fruit.

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Of greater controversy than bilateral security dialogues have been attempts to establish a regular security dialogue that also includes the United States. This is of considerable practical importance to security cooperation between Australia and India given Australia’s close security relationship with the United States and the burgeoning strategic relationship between India and the United States. The absence of regular and structured interaction among all three states would likely inhibit the development of a closer security relationship between Australia and India. An arrangement of this nature has been on the cards for some years. In early 2007, Japanese Prime Minister Shinzo Abe proposed the so-called “quadrilateral” initiative, under which India would join a formal security dialogue with Japan, the United States and Australia. Some saw this proposal as extending the existing ministerial-level US-Japan-Australia Trilateral Security Dialogue to include India. Despite official denials, this was widely viewed as part of a policy to balance or contain China and was viewed by some as the beginnings a four-way alliance between the United States, Japan, India and Australia. These perceptions were reinforced by the large-scale Malabar 2007 naval exercises that were held later that year in the Bay of Bengal, involving India, the United States, Australia, Japan and Singapore. However, Abe’s proposal was never implemented. Chinese official and semi-official sources reacted very negatively to the quadrilateral initiative and the Malabar 2007 exercises, criticising the initiatives as resurrecting “a cold-war mentality” and marking “the formation of a small NATO to resist China.” The Australian government had considerable misgivings over the proposal, which was seen by some as undefined and unduly provocative towards China. There were also misgivings about the proposal in New Delhi, Washington and even Tokyo. Canberra may also have had concerns that the inclusion of India in the existing Trilateral Security Dialogue would dilute the effectiveness of that dialogue, and perhaps also Australia’s role. Canberra may well have feared for Australia’s goals in an arrangement in which it would inevitably be only a junior partner. Whatever the mix of reasons, Australia’s decision in early 2008 to publicly announce its withdrawal from the initiative while in the presence of the Chinese foreign minister Yang Jiechi was perceived badly in New Delhi.

However, proposals for security dialogues that include the United States have been revived. In December 2011, the United States, India and Japan held their first Trilateral Security Dialogue meeting at an assistant secretary level, an arrangement that failed to attract the political controversy that surrounded the 2007 quadrilateral proposal. In December 2011, following the change in

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the Australian policy on uranium exports to India, Australia also proposed that India should join with it and the United States in a separate Trilateral Security Dialogue. The Australian Foreign Minister Kevin Rudd was reported as commenting that Australia had received a positive response from India on the proposal, although this was later denied. While there have been calls to revive a quadrilateral security dialogue involving India, Australia, the United States and Japan, from the perspective of both Australia and India, separate trilateral dialogues may currently be the most effective way of focusing on shared security concerns in the IOR and the Pacific.

**India and Australia as natural maritime partners in the Indian Ocean region?**

Much of the initial focus of security cooperation between Australia and India in coming years is likely to be on maritime security issues. These will include issues such as piracy and maritime terrorism, illegal fishing and maritime environmental issues, people trafficking and humanitarian and disaster relief (HADR). There are many opportunities for expanded cooperation in these areas on a bilateral or multilateral basis. Australia, India and the United States could, for example, sponsor the establishment of disaster relief arrangements in the IOR, modelled on the successful FRANZ trilateral disaster relief arrangements conducted in the Pacific by France, Australia and New Zealand. There are also opportunities for enhanced cooperation in anti-piracy efforts. Australia currently participates in the US-sponsored Combined Task Forces 150 and 151 to combat piracy and terrorism in the northeast Indian Ocean. India conducts its own anti-piracy operations in the Gulf of Aden and does not formally participate in coalition counter-terrorism operations. One of the key reasons for this is political sensitivity in New Delhi over participation in US-led military coalitions. There may be scope for Australia to find creative ways to bridge this gap, for example, through promoting bilateral anti-piracy operations involving Australian and Indian naval vessels.

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Australia has also been pressing for some time to institute regular bilateral exercises between the Australian and Indian navies, beyond the irregular passage exercises that currently occur (generally when RAN vessels are on passage to the Persian Gulf). India has also not participated in the Australian-hosted multilateral Kakadu naval exercises, probably because of the participation of the Pakistan Navy. Following Julia Gillard’s recent visit to New Delhi, it is expected that the Indian Ministry of External Affairs will now give the go-ahead to the Indian Navy to institute regular bilateral naval exercises with Australia.

Another potential area for cooperation in Indian Ocean maritime security is in maritime domain awareness. Over the last decade or so India has given significant focus to improving its maritime domain awareness throughout the IOR. This has included considerable investment by India in maritime intelligence, surveillance and reconnaissance (ISR) capabilities, including enhanced electronic intelligence and signals intelligence capabilities on the Indian mainland and at other strategic locations in the IOR (including in India’s Andaman Islands in the northeast Indian Ocean). Australia already has considerable maritime ISR capabilities throughout the eastern Indian Ocean in areas that abut or overlap with areas of strategic interest to India. In coming years, both India and Australia will likely acquire Boeing P-8 maritime aircraft and possibly Global Hawk UAVs as the backbone of their maritime ISR capabilities. This will create unprecedented opportunities for information sharing as well as for cooperation in training and maintenance. It has been suggested that India and Australia could jointly sponsor a regional maritime domain partnership, which would involve collaboration with Southeast Asian states in intelligence sharing, maritime domain awareness and coordinated patrolling, somewhat along the lines of the Saudi-sponsored Arab Naval Task Force in the Gulf of Aden. A regional arrangement co-sponsored by India and Australia could be a useful way of advancing ISR cooperation while also satisfying Indian political sensitivities about regional security partnerships that do not necessarily involve direct reliance on the United States.

India and Australia can also play important political roles in developing regional awareness and cooperation among Indian Ocean rim states. The lack of an effective Indian Ocean multilateral economic or security framework may make Australia’s goal of engaging India in the Indian Ocean more difficult, but can also provide an opportunity for India and Australia to work together. In the mid-1990s, India and Australia (together with South Africa) acted as co-sponsors in the establishment of IOR-ARC with the primary aim of promoting trade and investment in the region. However, the extreme diversity of states in the Indian Ocean rim and a lack of political will and funding has meant that IOR-ARC has had few concrete achievements in progressing regional economic cooperation or even cultural issues. India and Australia have recently taken a leading role

in trying to revive IOR-ARC and mould it into an effective regional grouping. In 2011, India and Australia released a joint paper outlining six priority sectors for future cooperation within IOR-ARC, including maritime security, trade and investment, fishing industry, disaster management, tourism and capacity building. The inclusion of maritime security issues as a priority represents a significant change in the position of India, which has previously opposed the grouping discussing security issues. At its establishment in 1997, India firmly opposed suggestions by Australia that security issues be included on the organisation’s agenda, most likely from an instinct to avoid addressing security issues in regional forum and concerns about the potential for members to raise India-Pakistan issues.

As a result, at the November 2011 Council of Ministers meeting in Bangaluru, for the first time maritime security issues, specifically the shared threat of piracy, figured prominently in discussions. Member states agreed – at least in principle – to use IOR-ARC as a vehicle for sharing information, experience and best practice in relation to piracy. Whether this agreement will be translated into action remains to be seen. Some analysts continue to be sceptical that it can be revived as an effective organisation for addressing regional concerns.

Opportunities for collaboration beyond the Indian Ocean region

Australia and India have numerous shared interests beyond the Indian Ocean, which extend into the Asia Pacific region and to a global level. At a global level, there may be considerable scope for cooperation on issues such as nuclear non-proliferation and disarmament and control of other weapons of mass destruction. Australia and India also have shared interests in ensuring that any future Asian regional security and economic architecture includes both countries as core members. Both India and Australia want to see the development of balanced multilateral institutions in the Asia Pacific that are not dominated by any one country.

Australia and India have shared interests in ensuring safety and freedom of navigation in key SLOC in the Asia Pacific region such as the Straits of Malacca and the South China Sea. They also have shared interests in promoting democracy, political stability and secularism in Southeast Asia, and particularly in Indonesia. This is an area where there can be considerable strategic collaboration between India and Australia in the future.

Underlying these strategic factors is a strong incentive for Australia to see India as a major investor in its resources sector, which would also have the benefit of helping to balance the role of other major investors such as China. India also has good reason to want to develop Australia as a dependable and stable energy supplier.

**Challenges in developing the security relationship**

Despite considerable improvement in the India-Australia political relationship and the many opportunities open for collaboration in security, practical security cooperation between India and Australia has been slow to develop. In practice, Australia and India are still a long way from having a close working security relationship. Some believe that the relationship between Australia and India will be for many years largely focused on the economic and political domain – with military and security aspects having less importance. There is good reason to suggest that Australia and India will develop a close working security relationship in the long term reflecting the many similarities in their strategic interests. Nevertheless, there are several challenges ahead in developing the relationship, many of these reflecting differences between the Indian and Australian strategic cultures. These include:

- **Important differences in perspectives between an activist middle power and an emerging power with great power aspirations such as India.** An activist middle power such as Australia is neither a major regional power (for example Japan) that is inherently important to India nor a small and useful gateway state (for example Singapore). It seems that New Delhi is yet to be convinced that engagement with a middle power such as Australia is a high priority relative to other commitments. Australia needs to much better articulate how it can add to India’s security in practical terms so that there can be a shared understanding that Australia and India are important to the other’s security.

- **There are also considerable differences in habits of security cooperation that need to be recognised and addressed.** Australia has a deeply embedded habit of collaboration with security partners, which contrasts sharply with India’s instinct to oppose multilateral security cooperation except under the clear banner of the United Nations. While India’s perspectives on security cooperation may be evolving, they are changing slowly, and there continues to be significant political sensitivity about participating in US-led coalitions. There may be value in Australia moving beyond its comfort zone in participating in US-led coalitions (such as the Combined Task Forces 150 and 151 in the northeast Indian Ocean) and considering working in coalition with India and other countries.
• While the India-US strategic rapprochement over the last decade has been an important factor in Australia’s changing strategic perceptions of India, Australia needs to better articulate the many other factors that have led to a congruence of strategic interests between India and Australia that will form the basis of a strong bilateral relationship. This means that Australia will need to find a delicate balance between engaging with India alongside the United States on certain issues while also pursuing opportunities where Australia and India should act without US involvement. It is neither in Australia nor India’s interests to allow the bilateral relationship to be wholly captive to the vagaries of the health of the US-India strategic partnership.

These and other factors need to be kept in mind in developing the Australia-India security relationship in coming years. Effective security cooperation between Australia and India is likely to depend on addressing these strategic cultural issues just as much as addressing practical issues.

Australia’s challenge in navigating relationships with India and China in the Indian Ocean

Another major challenge that Australia will need to address in the Indian Ocean is how to navigate its important relationships with both China and India. China is now Australia’s leading economic partner and India is also rapidly become a key economic partner. India and China have a rapidly developing trade relationship, although they also have a number of bilateral security issues (most particularly their unresolved border dispute) that sometimes create significant threat perceptions, particularly on the Indian side.

In engaging with India, Australia needs to be mindful of Indian concerns and differences in perceptions of China. In the Indian Ocean in particular, there are some important differences between Australian and Indian perceptions of China’s security interests. Many Indian strategists are highly sensitive to any Chinese security presence in the Indian Ocean. Many view Chinese commercial interests in the region with suspicion and a sizeable number of Indian analysts believe that China has a long-term strategy of encircling or containing India. In contrast, Australian analysts generally see any Chinese commercial interests in the region in relatively benign terms and perceive any Chinese security presence in the Indian Ocean primarily as an expression of China’s interests in protecting its key trading routes. Some believe that mutual threat perceptions of India and China in the IOR could create a security dilemma that could lead to heightened naval rivalry, not only in the Indian Ocean but also in the Pacific Ocean. Such an eventuality could have a profoundly adverse effect on Australia’s interests. As a result, in developing its strategic relationship with India, Australia is unlikely to place itself in a position where it is forced to choose between...
China and India in strategic terms, whether in the Indian Ocean or in Southeast Asia. As the short-lived quadrilateral initiative demonstrated, attempts to frame Australia’s relationship with India primarily within a China threat theory can be unproductive. Rather, Australia has a profound interest in promoting good relationships not only with India and China, but also between China and India.

Australia’s strategy towards China in the IOR will also involve some difficult balancing of its interests in the Indian and Pacific oceans. Australia, the United States and others have concerns about China’s increasing military power in the Pacific, particularly in the South China Sea. However, despite the growing interrelationship between Indian Ocean and Pacific Ocean security, it is not clear to what extent – or how – these concerns in the Pacific should drive Australia’s strategic policy in the Indian Ocean.

Some argue that Australia should work with the United States and India to enhance their collective military capabilities in the Indian Ocean. Such an approach could sustain or even increase China’s existing strategic vulnerability in the IOR. However, the consequences of this are not easy to predict. Others believe that Australia should work with the United States, India and China in the Indian Ocean to find ways to accommodate the legitimate interests of all powers in the IOR. It may be in Australia’s interests to facilitate the development of China’s role as a legitimate and responsible stakeholder in Indian Ocean security.

In short, Australia in coming years may need to choose whether it should work with its security partners to limit any Chinese naval presence in the Indian Ocean or facilitate the role of China as a responsible stakeholder in Indian Ocean security. However, the viability of any long-term understanding with China in the Indian Ocean may depend on China’s willingness to recognise India’s legitimate security interests in the Pacific, and for India to recognise China’s interests in the Indian Ocean. An understanding of this nature may be difficult to reach. However, it may well be in Australia’s interests if the major powers were able to reach some sort of modus vivendi in both the Indian and Pacific oceans.

The idea of the “Indo-Pacific” strategic region: its impact on Australia and India

An important consequence of recent shifts in the balance of power in the Indian and Pacific oceans is a growing reconceptualisation of those regions in strategic thinking. Whereas the Indian and Pacific oceans were once considered as largely separate regions in strategic terms, many now see considerable strategic interaction between those regions.

There is increasingly discussion within the security communities in Australia, India and the United States of an integrated, or at least interconnected, Indo-Pacific strategic region encompassing the entire Asian littoral running from
northeast Asia to the Middle East and Africa. This is often viewed primarily in the maritime security dimension, particularly in connection with the security of the SLOCs running from the Middle East to northeast Asia, through which much of the world’s energy supplies are carried. These security concerns cross the spectrum of state and non-state actors and traditional and non-traditional security concerns.

More generally, the Indo-Pacific strategic construct reflects the recent expansion of China’s area of strategic interest from the Western Pacific into the IOR and a simultaneous expansion of India’s area of strategic interest from the IOR into the Western Pacific. China is developing economic and security relationships in the IOR, as well as direct transport links to the Indian Ocean through countries such as Pakistan and Burma. India is developing important economic and security relationships in East Asia with countries such as Japan, South Korea and Vietnam. This means that the Sino-Indian security relationship will increasingly span the Indian and Pacific oceans.

The Indo-Pacific strategic concept has particular significance for India’s growing aspirations to play a significant security role in the Asia Pacific region. India has given much greater attention to security concerns in East Asia since the 1990s. However, India faces many constraints in playing an expanded role in the Asia Pacific. India has not traditionally been considered to be geographically a part of the Asia Pacific. It was not included in Asia Pacific institutions such as APEC and there have been attempts to portray India as an outsider to East Asian-centred groupings such as the East Asia Summit. For India, the concept of the Indo-Pacific is a useful way of grouping itself together with the key economic and military powers in East Asia. As former Indian Foreign Secretary Shyam Saran commented in 2011, the use of the term Indo-Pacific in strategic discourse in India represents a recognition of the inclusion of the Western Pacific within the range of India’s security interests.

However, significant questions remain as to the practical consequences of this concept. As US Secretary of State Hillary Clinton commented in 2011, “how we translate the growing connection between the Indian and Pacific Oceans into an operational concept is a question that we need to answer if we are to adapt to the new challenges in the region.” Some see the Indo-Pacific strategic construct as a way of bringing India into closer strategic relationships with “liberal democratic” powers in the Asia Pacific (that is, the United States and some of its allies such as Japan and Australia), primarily to balance the growing power of China. According to one report by influential Australian, Indian and US think tanks:

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“Liberal democratic powers in the Indo-Pacific share a strategic interest in enhancing a web of relationships that promote economic and political stability, security, continued free and open trade throughout the region, and democratic governance. U.S.-India-Australia trilateral cooperation should be a critical element of this underpinning.”

However, others see the idea of the Indo-Pacific in more inclusive terms, with shared security interests of all major powers, including China, in the littoral running from the Middle East, through Southeast Asia to Northeast Asia. According to this view, the Indo-Pacific as a concept is an opportunity for all interested powers to be recognised as legitimate stakeholders and cooperate in providing maritime security throughout the entire littoral. However, this strategic concept evolves, it is likely to become an important driver in strategic thinking of the United States, India and other major powers. The concept of the Indo-Pacific could also become a key driver in the Australia-India relationship and something that both countries could potentially use to their advantage.

A change in US thinking about the strategic interrelationship of the Indian and Pacific oceans is likely to have a significant impact on US strategic relationships with Australia and India, and the Australia-India bilateral relationship. It is likely that the US will increasingly adopt a strategic posture with respect to the Indo-Pacific that seeks to address the security challenges facing the Asian littoral in an integrated manner. Despite reduced security commitments in Iraq and Afghanistan, the US “pivot” to Asia may involve even greater emphasis on security in the IOR. Some practical consequences for the US security engagement in the region are likely to include:

- A gradual shift in US defence resources from the Northwest Pacific towards the Southwest Pacific area (including Australia, Singapore and the Philippines). In broad terms, this can be seen in the recent announcements of the basing of several US littoral combat ships in Singapore, the stationing of US marines for training in northern Australia and the drawdown of US marines from Okinawa, Japan.

- A greater reliance of the US on security partners such as Australia that form a link between the Pacific and Indian Oceans, increasing US capability to respond flexibly to security challenges in both the Pacific and Indian oceans. This includes increased use of countries such as Australia and Singapore to “pivot” US defence resources between the Pacific and Indian oceans.

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• A greater importance of India and Australia as US security partners in the IOR. The United States would like to see India and Australia taking greater responsibility for security in the IOR to take the strain off US resources in the Western Pacific. The United States is also encouraging a closer working security relationship between India and Australia that covers both the Indian and Pacific theatres.

As noted above, the Indo-Pacific strategic concept has particular significance for India's potential role in the Pacific and its security relations in the region. This includes:

• Improved political-security links between India and the United States and its Pacific allies (including with Japan, South Korea and Australia). The joint security declarations between India and each of Japan and Australia were manifestations of this as are the institution of trilateral security dialogues that include the United States.

• India playing a much greater security role in the Pacific Ocean and forming much closer security relationships with US allies such as Australia and Japan and others such as Vietnam. India is already becoming a player of consequence in the South China Sea.

• From India's perspective there may be increased focus on cooperation with partners that form gateways between the Indian and Pacific oceans. These include security partners such as Singapore and Australia and potentially Indonesia.

**Conclusion**

Fundamental shifts in the balance of power in the Indian and Pacific oceans have underlined the need for a much closer security relationship between Australia and India. Australia can no longer rely on some of the certainties that have underpinned its strategic posture for many decades. India is also subject to strategic imperatives that are likely to make Australia an important security partner in coming years. The primary focus of the future Australia-India security relationship is likely to be in the IOR, and specifically on maritime security, where there are many opportunities for mutual benefit. Importantly, a balanced security relationship will require cooperation with the United States in some areas, but should also move beyond the United States in other areas. It will also require a balanced understanding of the regional role of China. The relationship will also be affected by the growing strategic interrelationship between the Indian and Pacific oceans. Australia and India need to pay significant attention to this and how the concept can be best shaped to their mutual benefit.
V. Conclusions: Policy and Research Implications

Overview

Developments in world affairs have come together over the last 20 years to direct fresh attention to the Indian Ocean. Salient among these has been the shift in global economic weight and influence from the North Atlantic to Asia, including in particular the rise of China and India. This, together with a more urgent focus on energy, resource and food security issues, has driven new levels of interest in the trade routes and sea lanes eastwards from the Persian Gulf and the Red Sea and north from Australia. There has also been a renewed interest in Africa and, potentially, the Indian Ocean seabed as sources of mineral resources, and in development issues among Indian Ocean rim countries, arising in part from the challenges posed by failed or failing states in the region. These developments have given rise to renewed attempts to delineate and define the IOR and to determine more clearly just how important it is in global strategic terms.

The reality is that the issues relating to the Indian Ocean and its littoral are best addressed in terms of two overlapping regional systems. The first system embraces Indian Ocean-centric issues; that is, issues that are specific to the Indian Ocean and its littoral. These include issues of economic development and human security, the environment, seabed and fisheries management, among others. These are issues that are best addressed by the countries that have direct stakes in them, and which therefore potentially form the essential agenda of the pre-eminent regional body, the IOR-ARC.

The second system sees the Indian Ocean as part of a wider Indo-Pacific strategic system, a system that embraces the trade routes and sea lanes that cross the Indian Ocean itself but extend well past the Straits of Malacca and the Sunda and Lombok Straits into the South China Sea and north to China, Taiwan, Korea and Japan, and indeed the west coast of North America. As trade highways, these routes are arguably the most important in the world today, and the ‘choke points’ and contested waterways along the highway attract critical attention of the ‘hard security’ kind. Given the range of stakeholders, this is necessarily an inclusive framework, and the issues embraced within it are played out at the level of ‘high politics’. Thus, as conceptualised in this report, while some discussions of the Indo-Pacific system have been exclusive (meaning that China is excluded), we argue of the necessity for the concept to be inclusive (that is, China is included) in order to maximise long-term regional security. This inclusive concept we refer to as the New Indo-Pacific to differentiate it from the exclusive meaning.
A regional security regime

We argue that it is essential that there is a clear congruency between regional structure and regional function. In the IOR, we suggest that it is desirable that there should be ‘parallel tracks’ separating non-traditional region-based security issues from those of a ‘higher order’ that include but go beyond this region. At the latter scale, we therefore recommend the adoption of a New Indo-Pacific regional security regime concept to involve all relevant stakeholders in dealing with matters of regional maritime security, especially those related to the flows of energy through the Indian Ocean (see below).

In parallel, we also recommend that the agenda of the Indian Ocean peak body, IOR-ARC, be expanded well beyond its current remit on economic cooperation. It is recommended that this broader agenda incorporate a range of cooperative mechanisms designed to enhance the human and environmental security of the Indian Ocean itself. While the agenda of IOR-ARC might be broadened in various specific ways (see below), it may also be necessary for IOR-ARC to revisit its membership structure and to involve other Indian Ocean littoral states.

Geopolitical significance of the Indian Ocean region

For the foreseeable future, the IOR will become increasingly important globally from both a geo-economic and geopolitical perspective. Trade flows will continue to increase and competition for scarce resources will intensify. Due weight needs to be given to this reality in national and regional security policies and collective action is necessary in order to maximise regional security.

Multidimensional nature of security

Such policies need to especially recognise the multidimensional nature of security and the interdependence of state and regional stability with a wide array of social, military, political economic and environmental factors. The degree of stability and security (and thus peace and conflict) among Indian Ocean states is determined by this complex set of interrelationships.

Traditional security and military conflict

For all regional states, questions of development in its widest sense are likely to come into conflict with the perceived need to maintain, if not enhance, the traditional security role of the state. Developmental priorities for expenditure may well be at odds with those of military expenditures for many residents of developing states. Intra-state conflicts are thus almost unavoidable with those with strong vested interests in acquiring greater military power. In any event, fiscal constraints are likely to inhibit the capacity of regional states to sustain or increase military expenditure.
Cooperative action on security matters is thus increasingly significant to enable true development. Indian Ocean regionalism and the strengthening of sub-regionalisms within the Indian Ocean are potentially significant mechanisms that will facilitate the minimisation of intra-state and intra-regional conflict.

It is highly debatable as to whether an increase in extra-regional military influence will have the same effect. Clearly, what is in progress is the emergence in the IOR of a trilateral process of competition for influence and resources between China, India and the United States. There is debate within India, the only regional state, as to what its options are in relation to this competitive process. Other regional states – such as Australia – are conflicted somewhat between traditional security relations, cultural ties and current and future economic linkages.

On the one hand, the Australian Defence Force Posture Review, while not advocating any significant change to the present location of ADF bases, argued that ADF posture needs to be adjusted to meet current and future needs.²⁵³

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However, it was reported in *The Washington Post* on 27 March 2012 that the United States is keen to expand its military ties with Australia even further (Figure 26). Apart from the already agreed expansion at Darwin, other developments are possible on the mainland in Western Australia and Queensland and on Cocos Island. For example, the Washington DC-based Center for Strategic and International Studies has suggested the need for an enhanced US defence presence in Australia as one option to increase its Asia-Pacific regional posture. Among other things, this would involve the basing of a complete nuclear-powered aircraft carrier force at HMAS Stirling naval base in southern metropolitan Perth, Western Australia. According to the Australian Defence Minister, Stephen Smith, such a proposal is not currently being contemplated by the Australian Government.

1. **High failed state index**

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<tr>
<td>Iraq</td>
<td>108.6</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>108.2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>104.1</td>
</tr>
<tr>
<td>Burma</td>
<td>101.5</td>
</tr>
<tr>
<td>Kenya*</td>
<td>101.4</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>98.9</td>
</tr>
<tr>
<td>Yemen*</td>
<td>98.1</td>
</tr>
</tbody>
</table>

2. **States “not free”**

<table>
<thead>
<tr>
<th>Score (max 14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yemen*</td>
</tr>
<tr>
<td>Afghanistan</td>
</tr>
<tr>
<td>Iran*</td>
</tr>
<tr>
<td>Swaziland</td>
</tr>
<tr>
<td>Vietnam</td>
</tr>
<tr>
<td>Zimbabwe*</td>
</tr>
<tr>
<td>Laos</td>
</tr>
<tr>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Burma</td>
</tr>
<tr>
<td>Somalia</td>
</tr>
<tr>
<td>Sudan</td>
</tr>
</tbody>
</table>

3. **USTVPA Tier 3 states**

Burma, Eritrea, Iran*, Kuwait, Madagascar*, Saudi Arabia, Somalia, Sudan, Yemen*, Zimbabwe

* IOR-ARC member states

*Figure 27: Indian Ocean states of concern*

---


Regional and global concern over stability and security should be especially aimed at failed or failing states. Particular Australian and Indian policy priorities need to be especially aimed at five regional “states of concern” – states with a very high failed state index plus very high freedom score plus appearing on the USTVPA Tier 3 list – that is, Burma, Somalia, Sudan, Yemen and Zimbabwe (Figure 27). India and Australia should also be concerned over gaining influence and maintaining stability in ‘contested spaces’ in the IOR.

**Human security**

Maximising human security is a central goal for all Indian Ocean regional states in order to ensure long-term national and regional stability.

One of the most pressing security challenges in the IOR is the strength of the association between processes of democratisation and state stability (Figure 28).

Figure 28: Participation and territorial stability

All other things being equal, repressive states within which human freedoms are limited are likely to be inherently insecure and thus subject to internal conflict.

There is a need to create and/or strengthen regional cooperative mechanisms for collectively dealing with displaced persons, refugees and people trafficking.

---

Economic and resources security

Low levels of human development and high levels of economic underdevelopment contribute to significant levels of political instability in the IOR.

The “vicious circle of economic security and civil conflict” is a central policy target, especially in relation to African Indian Ocean states. It has been argued that overcoming economic insecurity necessitates an integrated approach involving a greater role for:

- Public goods and stronger regulations in creating and preserving more secure spaces where individuals, communities and countries can pursue their activities with a reasonable degree of predictability and certainty, and with due regard for the customs and interests of others.\(^{257}\)

However, especially problematical are those situations in some states where, due to high political instability and deep social cleavage, such “secure spaces” have virtually disappeared. In such contexts, rebuilding security, reconciliation and development through improving state capacity and engaging in state building are very considerable challenges.

From the viewpoint of the North, it thus becomes critically important to closely identify foreign aid objectives and the conditions under which aid is delivered and implemented due to its not inconsiderable distributional impacts.\(^{258}\) This is especially challenging for the aid dependent states of the IOR.

The security challenges associated with the “militarisation of energy security” need to be collectively addressed.

Towards a new Indo-Pacific maritime security regime

There is a need for a cooperative maritime security regime for the IOR, especially for energy flows and the use of the ocean – on, in, under and across – based on a New Indo-Pacific regional concept.

One of the pre-requisites for more effective regionally-based cooperative action to minimise energy insecurity is to identify those states with some direct interest in Indian Ocean maritime security. No less than 23 states can be classified into at least one maritime energy security interest category – energy-import dependent state, energy niche economy state and energy security choke point state (Figure 29). Furthermore, all of these states share an interest in the security of energy flows - especially oil, coal, natural gas and uranium – through the Indian Ocean.

\(^{257}\) UN DESA (2008), Overcoming Economic Insecurity: World Economic and Social Survey 2008, New York, p. 111

\(^{258}\) UN DESA (2008), Overcoming Economic Insecurity: World Economic and Social Survey 2008, New York. p141-2
<table>
<thead>
<tr>
<th></th>
<th>Energy-import Dependent state</th>
<th>Energy niche economy</th>
<th>Energy security chokepoint state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia*+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>China**@</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Egypt**+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>France**+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>India*@+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Indonesia*@+</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Iran*+</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Iraq</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Japan**@+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Kuwait+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Malaysia*@+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Oman*+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Qatar+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Saudi Arabia+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Singapore*@+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>South Africa*+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>South Korea@</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>UAE*+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>UK**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Yemen*+</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

*IOR-ARC member  
** IOR-ARC dialogue partner  
@ ReCAAP cooperation group  
+ IONS participant

*Figure 29: States with Indian Ocean maritime energy security interests*

The list is not completely inclusive, however, since it omits other states that have an interest in energy security choke points – for example, Djibouti and Eritrea. Nonetheless, such a group of states might well form the basis of a new Indo-Pacific Maritime Energy Security (INDOMES) Forum built on IOR-ARC and in collaboration with the International Maritime Organisation. Many of these states were participants in the recent Indian Ocean Naval Symposium (IONS) meeting in South Africa.

We suggest that such a INDOMES be co-chaired by India and Australia and be headquartered in Chennai, India, but also have an operational office in Fremantle, Western Australia. It would be inclusive, aimed primarily at confidence-building, act as a holistic forum to overcome current fragmentation and be concerned with issues of SLOC security and more general issues of the global commons.
In this context, it is worth re-emphasising the obvious, and that is that threats to maritime energy security emanate from bases on land and hence a comprehensive cooperative approach also requires policies designed to deal with the causes of the threats from a land-based as well as a sea-based perspective. Security on sea cannot be guaranteed without security on land – that is, from where maritime security threats might emanate. Integrated sea-land policies are thus essential to enable the maximisation of regional stability.

**Environmental security**

**Food**

Agricultural, technological and other aid needs to target regional food insecure states.

**Water**

Collective action on water sharing, conservation and technology is necessary for regional states that are water insecure.

**Nuclear waste**

Regional nuclear safety issues need to be collectively addressed, especially uranium flows and the storage of nuclear waste. In particular, there needs to be a regional agreement on the prevention of the illegal dumping of nuclear waste.

**Fisheries**

For regional fisheries policies to achieve a sustainable oceanic future necessitates a strong role for regional states, and there is a requirement for partnerships among states as well as with non-state actors. In addition, the limitations of neo-liberal natural resource management models need to be fully recognised.

In the final analysis, future fisheries policies designed to maximise marine biodiversity necessitate a more comprehensive and integrated framework to replace the traditional sectoral approach to ocean management. Successful ocean governance requires the incorporation of ecological and market factors, greater inter-state and inter-agency consultation and cooperation, an improvement in linking national initiatives to local action, increased participation of local government and local communities and the enhancement of local capacity.

**Climate change**

Collective action is necessary on the prevention, amelioration and potential impacts of climate change around the IOR. Apart from national abatement strategies, this could involve collaboration on technology transfer, developments in regional energy markets as well as on regional protective measures.
Conclusion: a 21st century regional security paradigm for the Indian Ocean

Strategic reassessments of the IOR and associated security challenges are contributing to the development of a new collective Indian Ocean security paradigm built on maritime regionalism.

There are at least five key interrelated elements of this paradigm that should be reiterated here:

1. It is ocean-based – the ocean is central. Issues associated with the use of the ocean are critical considerations – around the edge, across, on, in and under.

2. It is a holistic security paradigm that takes into consideration the notion that security is a multidimensional concept comprising military, economic, environmental, human and political factors.

3. It is less contrived and more natural in that it is based around an ecological concept of the Indian Ocean and its various interactions.

4. It is a concept that is much more people-centred that ensures that the voices of Indian Ocean peoples and communities have more of a say in their human security.

5. It is a concept that implies a much greater degree of regional cooperation to collectively solve common problems rather than a concept that is solely state-based and grounded primarily in competition.

There is considerable scope to construct security regimes around areas of common interest and concern – for example, the ocean environment, SLOCs, piracy and so on – the majority of which are non-traditional (and perhaps less threatening) security concerns. Minimising insecurity requires greater mutual knowledge, education and understanding among Indian Ocean governments and peoples. IOR-ARC also has a potentially significant educational role in the region.

Regional opportunities currently exist around the Indian Ocean for ‘second track’ actors to make an important contribution to regional security. Other areas of concern, such as environmental security and many other non-traditional security threats such as those noted above, might well form the basis of an increasingly strong civil relationship among people living around the IOR in the future.
In the final analysis, creating freedom from fear in the IOR requires all regional states to:

Commit themselves to implementing a new security consensus based on the recognition that threats are interlinked, that development, security and human rights are mutually interdependent, that no state can protect itself acting entirely alone and that all states need an equitable, efficient collective security system; and therefore commit themselves to agreeing on, and implementing, comprehensive strategies for confronting the whole range of threats, from international war through weapons of mass destruction, terrorism, state collapse and civil conflict to deadly infectious disease, extreme poverty and the destruction of the environment\textsuperscript{259}.

Overall, increasing interdependence due to globalisation implies greater inter-state cooperation. It also implies the increasing importance of non-traditional security threats. The logical outcome of the interaction of these processes is a decline in regional inter-state conflict.

Key Indian Ocean regional states such as Australia and India are in an important position both to strengthen their own bilateral security relationship in various ways and facilitate broader outcomes by initiating a new regional multidimensional security agenda along the lines conceptualised above.

\section*{Acknowledgement}

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\begin{footnotesize}
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Appendix –
Fremantle roundtable participants

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University

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Professor Dennis Rumley,
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Dennis Rumley is the editor and principal author of this Report.

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Australian Department of Defence (2002-2006). Ric Smith is one of the principal
authors of the Executive Summary of this Report.

Professor Anjoo Sharan Upadhyaya,
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Mr Siddharth Varadarajan,
Editor, The Hindu newspaper

Professor John Webb,
Distinguished Fellow, Australia India Institute, University of Melbourne
Report of the Australia India Institute
The Indian Ocean Region: Security, Stability and Sustainability in the 21st Century

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