

# Submission to Senate Foreign Affairs, Defence and Trade Committee

## *Inquiry into the Indian Ocean Region and Australia's foreign, trade and defence policy*

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This submission draws on three principal sources of my research and experience:

1. It draws upon 10 years of close involvement in the Indian Ocean Research Group (IORG) that is Incorporated in Western Australia. A summary of the activities of IORG is attached (Appendix A).
2. It also refers to many years of research conducted on the Indian Ocean Region by myself, by members of IORG and by others as discussed in the Editorial Essay of the first issue of our *Journal of the Indian Ocean Region* (Appendix B). The Journal web site is: <http://www.tandf.co.uk/journals/rior>
3. It draws upon direct involvement over the past 18 months or so in the *Indian Ocean Rim-Association for Regional Cooperation* (IOR-ARC) as Australia's focal point for the *Indian Ocean Rim Academic Group* (IORAG).

### **Introduction: The Indian Ocean Region**

The Senate Committee title refers to the “Indian Ocean Region” while the terms of reference refer to the “Indian Ocean Rim”. This dichotomy suggests, among other things, an uncomfortable juxtaposition of the two terms as well as a lack of clarity in regional definition.

All regions are constructions and are defined or delimited by governments, geographers, strategic analysts, historians, economists and others based on a particular common formal or functional criterion or set of criteria. Consequently, the boundaries and extent of any region will vary according to the basis upon which it is constructed. Thus, from a formal perspective, the Indian Ocean Region could be defined as comprising those states that border directly onto the Indian Ocean itself – that is, the littoral states or rim of the Indian Ocean. From a functional point of view, on the other hand, we could define the Indian Ocean Region as comprising those 19 states that currently belong to and participate in the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).

However, a broader functional definition would include all of those littoral Indian Ocean states that have an interest in the maximisation of the Ocean’s security (broadly-defined). The common formal and functional criterion is, of course, a border on and an interest in the Ocean itself. In the case of the latter criterion we could therefore 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. Using this broadest regional construction, we can identify a total of 51 states (Table 1.1), 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 (Bouchard and Crumplin 2010, pp. 34-5).

**Table 1.1 The 51 states of the Indian Ocean Region**

Indian Ocean Rim States		Other Coastal States of the Red Sea and the Persian Gulf	Indian Ocean Land-Locked States
Australia	Mozambique	Bahrain	Afghanistan
Bangladesh	Oman	Egypt	Bhutan
Burma (Myanmar)	Pakistan	Eritrea	Botswana
Comoros	Seychelles	Iraq	Burundi
Djibouti	Singapore	Israel	Ethiopia
France*	Somalia	Jordan	Lesotho
Kenya	South Africa	Kuwait	Malawi
India	Sri Lanka	Qatar	Nepal
Indonesia	Tanzania	Saudi Arabia	Rwanda
Iran	Thailand	Sudan	Swaziland
Madagascar	Timor-Leste		Uganda
Malaysia	United Arab Emirates		Zambia
Maldives			Zimbabwe
Mauritius	United Kingdom*		
	Yemen		

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

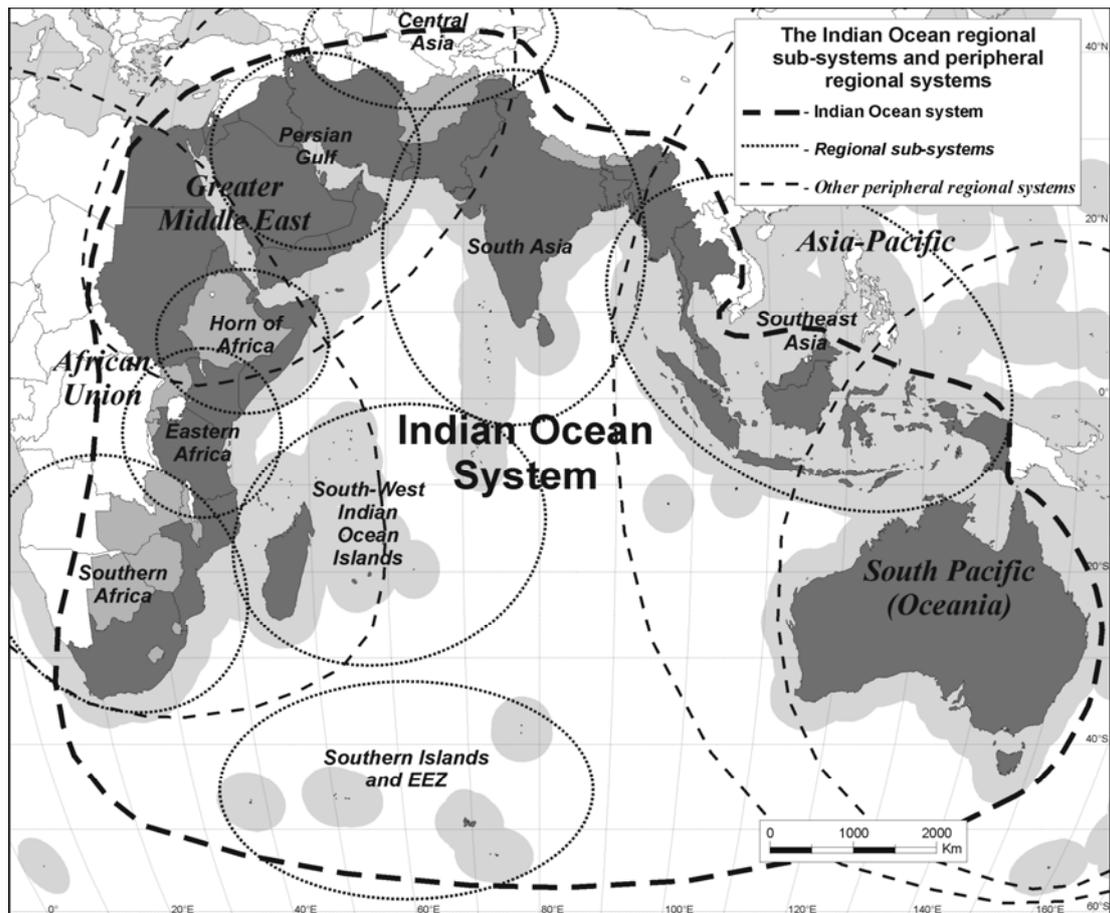
Source: Bouchard and Crumplin 2010, page 35

While some analysts might quibble about this definition of the Indian Ocean Region, 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 Indian Ocean Region is neither a “single strategic entity” (Smith 2011) nor is it a “clear and coherent geopolitical system” (Figure 1.1).

Rather, state-based security relationships tend 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 among states the most effective level of

regional cooperation and economic integration (Bouchard and Crumplin 2010, page 42). Nevertheless, there are many Ocean-wide security issues of both regional and global significance deserving of further regional analysis and policy development.

**Figure 1.1 The Indian Ocean Region and Sub-Systems**



Source: Bouchard and Crumplin 2010, page 42

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.

The changing geopolitical significance of the Indian Ocean has prompted a reassessment of the regional security challenges and associated strategic requirements

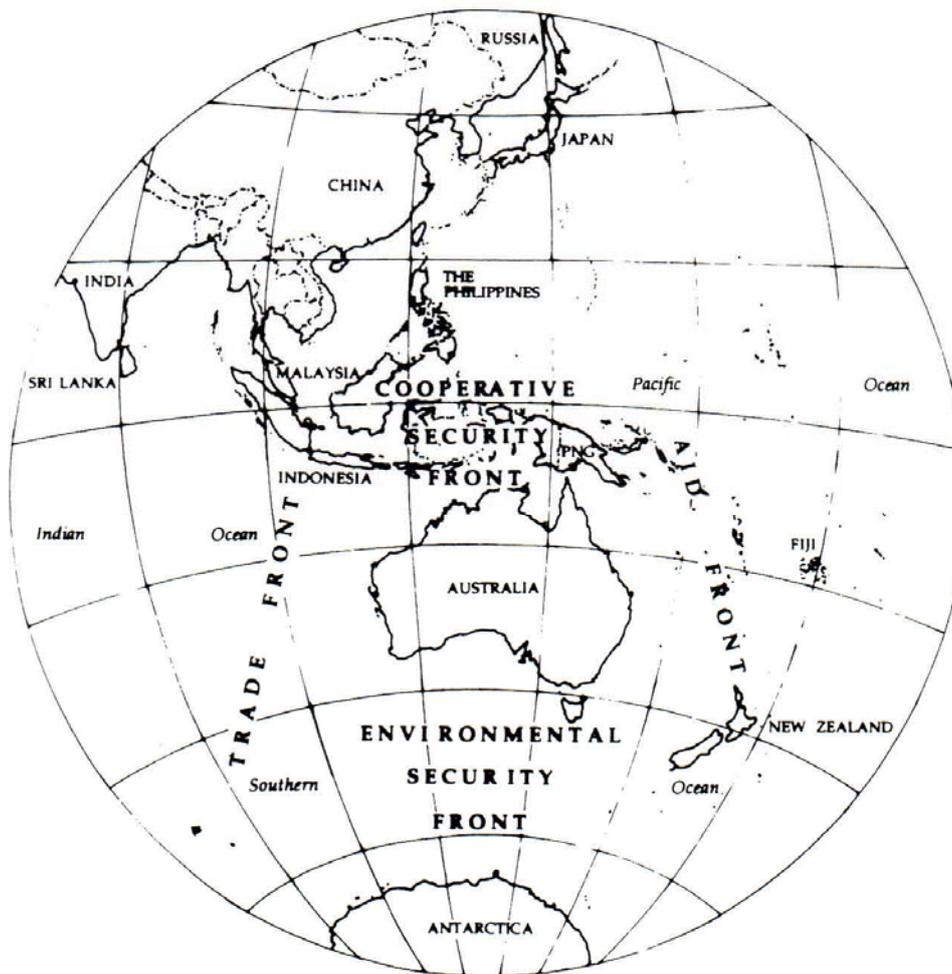
on the part of key regional states. In June 2011, for example, the Australian Defence Force Posture Review was initiated to determine “whether the Australian Defence Force (ADF) is correctly geographically positioned to meet Australia’s modern and future strategic and security challenges” (Minister of Defence 2011). Furthermore, in July 2011, India launched a National Task Force “to assess the current state of the country’s national security management system” (Gokhale 2011).

The policy suggestions which follow are quite brief and should be regarded as a series of dot points worthy of further consideration and elaboration on:

- (a) trade and tourism opportunities for Australia, including the role of free trade agreements;
- (b) Australian mineral exports, including competition and synergies in the region;
- (c) strategic developments in the Indian Ocean, including growing naval influences and defence postures and their implications for Australia and the region more generally;
- (d) the Indian Ocean Rim Association and any other relevant bodies and their future directions; and
- (e) other relevant matters.

**(a) trade and tourism opportunities for Australia, including the role of free trade agreements**

The Indian Ocean has been referred to as Australia's "trade front" (Figure 1). This is in addition to a cooperative security front to the north, an aid front to the east and an environmental security front to the south (Rumley 1999, p. 2).



**Figure 1 Australia's Geopolitical Orientation**

Growing markets in South Asia and in Africa provide enormous long-term potential for the expansion of Australian trade as to some underdeveloped areas in the Gulf.

Trade and consular representation in all such areas would be helpful to facilitate further development.

**(b) Australian mineral exports, including competition and synergies in the region;**

- Clearly, the Australian Government decision to enable the expansion of uranium exports will be of particular importance to those energy-import dependent states around the Indian Ocean Region, especially India and Singapore.
- Other sources of energy – coal and natural gas – should be able to expand their regional markets, especially in the growing economies of other South Asian and East African states.
- Two-way trade with African states and with the GCC could be expanded significantly.

**(c) strategic developments in the Indian Ocean, including growing naval influences and defence postures and their implications for Australia and the region more generally;**

- Maritime energy security is a critically important regional issue which deserves closer cooperation among states both within and outside of the Indian Ocean Region with a stake in the security of energy sea lanes of communication.
- There is considerable regional scope for the development of cooperative mechanisms in a wide range of non-traditional security issues.
- There is clearly contestation over the most appropriate regional structures – Indian Ocean, East Indian Ocean, Indo-Pacific - within which to encompass various forms of cooperative arrangements.

**(d) the Indian Ocean Rim Association and any other relevant bodies and their future directions;**

This section will deal only with some aspects of the *Indian Ocean Rim Association for Regional Cooperation* – IOR-ARC – which is the peak Indian Ocean regional body.

Three initial points:

- (i) This organization, which was founded in 1997, had not been a success but appears to be in a revival phase, partly due to the efforts of India and Australia. A useful evaluation is given in Sakhuja 2012 (copy to be supplied to the Committee).
- (ii) Few Indian Ocean inhabitants, including most Australians, would have ever even heard of the IOR-ARC acronym.
- (iii) After more than 14 years of its existence, IOR-ARC still remains a concept.

The IOR-ARC requires reform and revitalization at all levels, and a separate enquiry is almost required into this. The Indian Ocean Rim Academic Group (IORAG) could be reformed in a variety of ways (Appendix C).

**(e) other relevant matters.**

*(i) ODA*

Australia's ODA priorities do not have a substantial orientation to the Indian Ocean Region. This needs to be critically examined, especially in relation to questions of international needs.

*(ii) Australian National Indian Ocean Research Centre (ANIORC)*

- As has been argued on more than one occasion, there is a need for an Australian national tertiary focus for Indian Ocean social science and natural science studies and research (Bateman and Bergin 2010). The recent history of Indian Ocean studies in Australia does not make optimistic reading, however.
- There have been three unsuccessful incarnations in Perth – The Indian Ocean Centre for Peace Studies; the Indian Ocean Centre Mark 1 (downtown Perth); and, The Indian Ocean Centre Mark 2 (Curtin University).
- The combination of Pacific orientation, lack of political will, funding limitations, alternative priorities, political in-fighting, among other factors, have contributed to such a lack of success.
- Indian Ocean Studies deserves serious national research and teaching attention ideally combining national areas of scientific and social scientific strength located in Australia's two Indian Ocean States, Western Australia and South Australia
- The Oceans Institute at the University of Western Australia provides a natural scientific node upon which to build such a National Centre and the Indo-Pacific Governance Research Centre at the University of Adelaide provides a natural international relations node which could combine with the Oceans Institute in the creation of a new *Australian National Indian Ocean Research Centre (ANIORC)*. Such a new Centre would require cooperative research funding and a small academic and organisational Secretariat to facilitate cooperative activity and encourage its further development.

## References

- Rumley, D. (1999), *The Geopolitics of Australia's Regional Relations*, Dordrecht: Kluwer.
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