

INDIAN OCEAN REGIONAL COOPERATION: EXPLORING THE POSSIBILITIES

Keynote Address by Senator the Hon Gareth Evans QC, Minister for Foreign Affairs, to the International Forum on the Indian Ocean Region, Perth, 11 June 1995.

This Forum is a remarkable event. This is not just because it involves a joint venture between the Keating Government nationally and the Court Government in Western Australia, although connoisseurs of Australian federal politics will well understand how momentous an achievement that is! It is of course because this is the first really inclusive conference ever held to consider the possibilities for closer Indian Ocean regional cooperation, bringing together - from no less than over 23 countries around the Indian Ocean rim, 122 highly expert and highly experienced participants from three different sectors - government, business and academic.

The Legacy of the Past

Until very recently, this Forum simply would have been unthinkable. The tensions of the Cold War, and those generated by apartheid in South Africa, complicated political relationships between many of us. And economic relationships were inhibited in all sorts of ways, not least by South Africa's isolation, India's inward-looking policies and Australia's focus on developing its links in East Asia and across the Pacific: with the three major economies of the region thus preoccupied, trade, investment and economic cooperation links between all of us remained thin and sporadic, certainly by comparison with other regions. The level of intra-regional trade around the Indian Ocean is still just 20 per cent; for the Asia Pacific economies around the Pacific Ocean, by contrast, the relevant figure is 66 per cent.

Nor was there much in the way of human and cultural contact between us, except in our various sub-regions. There had been such contact in ancient times: the world's earliest urban civilisations - in the Middle East, the Gulf littoral and South Asia - were linked by seaborne commerce, and for some 4000 years in fact, the Indian Ocean was the scene of a thriving network of trade and people-to-

people links. But with the coming of the Europeans in the 15th Century, this largely self-sustained and tightly interwoven economic, political and cultural world began to unravel. Indian Ocean economies were restructured to meet extra-regional imperatives - most often as peripheral suppliers of raw materials for the industrialised areas of the north. And this erosion of any sense of regional cohesion was maintained even as the European presence fell away in the post Second World War years. Cold War superpower rivalry became a key element, inhibiting the evolution not only of cooperative security arrangements (with the languishing of the Indian Ocean Zone of Peace (IOZOP) proposal being the most obvious example), but of any particular region-wide vision in other contexts as well.

There certainly have been some concrete attempts over recent decades to develop regional cooperative processes, but they have to date been fairly narrowly focused, with no broad, inclusive grouping yet emerging. There are effective bodies embracing sub-regions - the South Asian Association for Regional Cooperation (SAARC), the Gulf Cooperation Council (GCC) and the Southern Africa Development Community (SADC) for example - but these do not reach out more widely. The few attempts at region-wide arrangements have not made much progress. The Indian Ocean Commission (IOC), which was formed in 1982 with the general aim of fostering economic development through regional cooperation, has a membership confined to the island entities of Mauritius, Madagascar, Seychelles, Comoros and Reunion. And the Indian Ocean Marine Affairs Cooperation Council (IOMAC), which was established in 1990 to provide a framework for dealing with marine resource, science and environment issues, and which now has six member countries (Sri Lanka, Pakistan, Mozambique, Kenya, Indonesia and Mauritius), has been slow to gather momentum.

Apart from all the historical considerations I have mentioned, an obvious reason for the slow progress hitherto of any moves to re-establish some sense of cohesion in the larger Indian Ocean region has been its sheer diversity. It contains states as large as India, with over 900 million people, and those like the Seychelles with less than 80,000. Its economies range in size from over (US) \$250 billion for Australia and India, to less than \$400 million for the Maldives and Comoros. Its income levels range from \$15,000 per capital in Australia and the United Arab Emirates to less than \$250 in Mozambique, Tanzania, Madagascar and Bangladesh.

Opportunities for the Future

The legacy of the past, as I have described it so far, hints at what might be possible for Indian Ocean cooperation in the future, but doesn't give us any particular grounds for optimism about our chances of getting there. There are some new forces now at work, however, which have opened up a world of far-reaching new opportunities.

Three developments have been particularly significant. First, the ending of the Cold War and its attendant superpower rivalry has removed a significant obstacle to intra-regional cooperation. Secondly, a number of regional states have embarked on programs of reform and are opening their economies to external competition, with India leading the charge. And thirdly, South Africa has been welcomed back into the international community as a democratic state and an important regional player. Certainly the sense of community among the Indian Ocean littoral and island states is still weak when compared, for example, to the economic and other ties that draw the countries of the Asia Pacific together, and the continuing difficulty of developing a dialogue on economic, security or any other issues in the Indian Ocean region should not therefore be underestimated.

Nevertheless I firmly believe - and am strongly reinforced in that belief by my recent regional travels, which have taken me to eight Indian Ocean countries in the last three weeks - that the prospects are now better than at any time since the end of World War II for developing (particularly in an economic context, but not confined to that) a new era of Indian Ocean cooperation.

The emergence of regionalism in the Indian Ocean would certainly not be before time. Nor would it be in any sense unusual, judged against developments in other regions around the world. Many states have come to recognise how effective regional cooperation can be for advancing a broad range of national interests. They have found new economic complementarities, and ways of expanding trade and investment with their neighbours. They have found mutual advantage in discussing policy problems, like refugee flows, health issues, environmental pollution, terrorism and narcotics trafficking, which cross multiple borders. They have found it useful to discuss ways of achieving and maintaining peace and stability within their regions, against both military and non-military threats to security.

Across the world, the tempo of regionalism has been increasing rapidly since the end of the Cold War. New regional arrangements are emerging, and existing

arrangements are growing stronger as regional interests seek and acquire fuller expression. Europe has the European Union and the Organisation on Security and Cooperation in Europe (OSCE). Africa has the Organisation of African Unity (OAU) and the SADC. The Asia Pacific region has Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum. And, of course, South Asia has SAARC, and South East Asia the Association of South East Asian Nations (ASEAN). Australia itself has its Closer Economic Relations (CER) arrangement with New Zealand. And so on.

These creations, and others as well, have a number of features in common, quite apart from the alphabet soup appearance of their titles. They have usually begun in quite modest ways, and with limited aims: the EU, for example, currently the world's most developed regional grouping, started life in the 1950s as a relatively simple agreement on coal and steel. Beyond such beginnings, habits of cooperation and dialogue have developed as participants have gained confidence in regional processes and in each other. New opportunities for cooperation have suggested themselves and the regional relationships have developed new, diverse, layers of networks.

Evolving regional structures and processes have accelerated the emergence, at a less tangible level, of a sense of community among their respective populations. That sense - a feeling of identification with the region and its constituent cultures and peoples - grows from the increased contact and knowledge that the formal arrangements bring. Tourism, business travel, education, new information technology and the ever-increasing cross-linking of trade and investment all drive this growth along.

Successful regional arrangements tend to be, by nature, inclusive in their approach to membership, within the obvious limits of the strength of the basic adhesive which binds their members together. They tend also, often if not invariably, to be heterogeneous, accommodating wide differences in size, economic strength, religion and culture among their members. They operate to a large degree by consensus, accepting the critical importance of ensuring that development proceeds at a pace, and in directions, that all members are comfortable with. And they are almost invariably multi-tracked, advancing through the efforts not only of governments, but of a range of other players as well, including business associations, and academic and research institutions.

None of this is to suggest that regionalism's growth will be at the expense of

global cooperation - or, worse, will result in the emergence of a world-wide tribalism based on mutually-antagonistic regional groupings. For one thing, different regional groupings are not mutually exclusive: rather they are linked together by the overlapping memberships of their constituent states, in rather the same way that the five Olympic rings overlap. Most nations maintain a multi-dimensional international focus, reflecting such basic factors as history, the nature of the economy, geographic location, and ethnic, religious and linguistic makeup. They are usually engaged with different groups of states simultaneously, allowing them to identify with more than one region or sub-region. The linkages produced in this way should be seen as a source of strength and openness in each respective regional grouping - ensuring that they do not become inward-looking, as each member has regard for the other regional associations of which they are simultaneously members.

Australia is itself a case in point. We strongly identify with the Asia Pacific region, but certainly don't only identify with that grouping. Geographically, we have a strong regional and institutional attachment to the South Pacific group of nations. Within the South Pacific, we are an 'Australasian' country, bound intimately to New Zealand through the comprehensive CER free trade agreement. In the context of the countries to our north, with whom we are becoming ever more strongly integrated, we are coming to see ourselves, and be seen, as a country of the "East Asian hemisphere". And, of course - as I hope this Forum proves beyond doubt - we are increasingly now not just looking north and east in defining our geographical identity, but west as well, to the Indian Ocean region. Australia can give weight and value and commitment to all of these group relationships, old and new, and to others as well, without in any way prejudicing or undermining our sense of identification with any of them. And our experience in this respect should be no different in kind from anyone else's.

This Forum and the Way Ahead

How then can we best set about the task of building regional cooperation in the Indian Ocean region? That is, of course, what this Forum is all about, and that is why you are all here. There is a need for some creative thinking, new ideas and a willingness to look at new ways of doing things, if we are to develop a cooperative approach which is appropriate to the Indian Ocean region. In the process we need to allow a lot of ideas to flourish. Above all, we need to open up

a dialogue and think through concepts and directions - without necessarily making assumptions, at this stage, about what the end product might look like. The need for the moment is not so much for a decision-making process as an exploratory process.

In order to give the greatest possible scope for ideas to flow freely, we have deliberately designed this Forum as a "second track" rather than as a "first track", or inter-governmental, dialogue. The essential nature of "second track" activity is simply that all participants in it attend in their personal - that is, non-official - capacities. This allows for open and frank discussion, without the requirement that participants reflect national positions, and without participants being committed to particular outcomes. One particular virtue of second-track process is that it allows government officials to be exposed to a wide range of business and academic (and other officials' personal) ideas without feeling compelled to stake our firm positions, or resist some looming, binding outcome which is not agreeable. The ideas which emerge can be accepted or rejected or modified by governments later, as they choose. Second track dialogue is now a widely accepted feature of dialogue in many parts of the world, and in particular in the Asia Pacific region. For instance, meetings hosted by the tripartite Pacific Economic Cooperation Committee (PECC), or strategic studies think-tanks, have been able to explore what are sometimes thought to be adventurous options for economic and security policy development: this has been important both in the lead-up to the establishment of new structures (the Asia Pacific Economic Cooperation (APEC) process and the ASEAN Regional Forum (ARF), and in generating new ideas for them to consider.

There is a natural and logical interplay between first and second track processes, which can work just as well here in the Indian Ocean region as it has in the Asia Pacific. We already have had the beginnings of a first track, inter-governmental process established with the meeting in Mauritius in March this year of government representatives (in some cases accompanied by private sector and academic experts as well) from seven Indian Ocean countries - Australia, India, Kenya, Mauritius, Oman, Singapore and South Africa, on the very welcome initiative of the Government of Mauritius. It was a meeting which canvassed many of the issues you will be addressing here in Perth over the next two days, but with a particular focus on economic cooperation. It produced a Joint Statement with a clearly defined set of Principles, Objectives, and future Plan of Action involving the establishment of a Working Group. Australia was a keen participant in the Mauritius meeting; we are committed to the intergovernmental

process initiated there; and we want to make it work. We see this Perth Forum not as in any way competitive with it, but complementary to it. In particular we see this Forum as an important source of ideas for the Mauritius process, not least because it will draw on the expertise and experience of many more people for so many more countries. We do hope that, sooner rather than later, it will prove possible to expand the Mauritius process itself, so that it embraces not just a representative cross-section of governments in this region, but all those who are keen, and have something, to contribute to this evolving process of region building.

Before exploring what directions we might take after this Forum, let me say a few words - from an Australian Government perspective - about our hopes and expectations for the next two days.

As you know, a broad agenda has been developed for the meeting, embracing first, economic issues, including existing trade and investment linkages, existing economic cooperation, obstacles and opportunities for enhancing trade and investment, and ways of moving economic cooperation forward; and secondly, other issues, including education, environment, maritime cooperation and security. While I don't want to in any way pre-empt the Forum's deliberations, let me say just a little more about two of these areas: the central agenda item, economic cooperation, and what seems to be the most sensitive item, security cooperation.

We anticipate that the economic agenda of the Forum will focus on the regional impact of the emergence of the global marketplace, the need to be equipped to compete in it and implications of this for domestic economies. You could usefully discuss the impact of regional countries' Uruguay Round commitments, and the role the World Trade Organisation (WTO) can play in further encouraging trade and stimulating growth in the region. With the quickening pace of growth in key markets around the region, business is placing a high priority on trade and investment liberalisation and facilitation, and on business networking. This Forum, with its broad business representation and inclusive approach to participation, can play a key role in identifying areas where governments need to play an early supportive role.

Your discussions could also help to identify the sectors and areas of government activity where regional business could benefit most from a region-wide cooperative approach and go on to suggest options for productive regional

collaborative activity. The early indications are that the economies of the region could benefit particularly from collaborative effort in the areas of customs cooperation, telecommunications, tourism and human resources development. I am pleased to see that the Indian Ocean Tourism Organisation (IOTO) will meet in Perth immediately after the Forum, with a number of the same participants and an agenda focused on encouraging cooperation in promoting tourism into the region.

Understanding as we do the many sensitivities which exist on security issues, we haven't wished to give security any particular emphasis at the Forum. The primary focus will very definitely be on economic and related issues. It is proposed that security issues will be discussed primarily in the context of exploring the applicability to this region of dialogue structures of a kind which have been, in recent years, evolving elsewhere. Certainly we don't want any divisive debate on currently sensitive bilateral problems. But while security issues will occupy only a small proportion of this Forum's deliberations, we would be pleased to see the opportunity taken here for participants to start thinking about a constructive, forward-looking agenda for the region, beginning perhaps with areas of likely broad agreement as a basis for approaching later, when greater confidence and understanding exist, the more difficult issues. Particular security issues which, in this context, seem appropriate for discussion here include maritime resource protection; the safety of sea lanes and seaborne commerce; anti-piracy measures; the UN Agenda for Peace issues (including peace keeping and preventive diplomacy) as they relate to the Indian Ocean context; and, as I have said, the experience elsewhere in developing patterns of security dialogue at the regional level, including the ASEAN Regional Forum and the Organisation of Security and Cooperation in Europe (OSCE).

Building on the experience of other regions, it may be that the Forum will want to encourage the development of consultative and research linkages among think-tanks, universities and institutes of international affairs and strategic studies in the region. Our experience in the Asia-Pacific region is that second track dialogue, embracing academics and officials in their personal capacities, has contributed to a greater sense of mutual understanding and, ultimately, a greater willingness to discuss and get progress on some of the more difficult security issues of the region. Progress may be very slow - and I fully expect it to be in the Indian Ocean region - but there is benefit to be gained from this approach and no reason why our positive experience in the Asia Pacific cannot be repeated in this part of the world.

After Perth, what? All of us will have, I hope, new food for thought as a result of the contacts made, the discussions pursued and the ideas generated here. Australia has not approached this Forum with any preconceived views about outcomes and future directions, but there are nonetheless some obvious possibilities which suggest themselves, and which have been the subject of some discussion already in the lead-up to this meeting.

It seems likely, for a start, that we will see, before the week is out, the formation of two new institutional arrangements - the Indian Ocean Rim Business Forum and the Indian Ocean Research Network. These concepts have already been explored around the region, with encouraging reactions, over recent months. If established, these new structures will have value in their own right in, respectively, developing business views on regional cooperation in economic matters and providing a network to draw regional researchers together and create a capacity for carrying forward 'second track' policy development: they will be crucial building blocks for broader forms of regional cooperation which might develop in the years ahead.

It may also be that there will be interest in formalising, as an ongoing structure, at least the economic component of this Forum, by establishing an Indian Ocean regional equivalent to the Pacific Economic Cooperation Committee (PECC) - which began in 1980 as a tripartite discussion forum for government, business and academics, and which generated many of the ideas which have now been taken up with the establishment of APEC. An "IOECC" or "Indian Ocean Economic Cooperation Council" - to give it a working name - would take the establishment of formal functional bodies in the business and research streams one step further. Dealing exclusively with economic matters, it would formalise and carry forward the economic agenda of this Forum. It would be inclusive in its country membership, second-track in character, tripartite in its participation and consultative in its style. If it were thought desirable here in Perth or at some later stage to create such a body, it could play an important role in generating and refining ideas which could lay in turn the basis for more formal inter-governmental economic cooperation, perhaps on the APEC model. An IOECC would therefore be complementary to the Mauritius process of inter-governmental cooperation in exactly the same way that I have suggested this Forum will be: feeding unofficial ideas and proposals into an official process.

Another outcome of this conference could always, of course, be a decision to

hold an "IFIOR 2" - a second conference, or indeed a whole series of them - covering the same kind of broad agenda you have before you this week. Personally, I would tend to see this as being of rather less value than establishing a tripartite second-track IOECC to deal specifically with regional economic cooperation; and pursuing other areas of cooperation through other relevant functional streams, in particular the proposed new Business Forum and Research Network, but also through sectoral organisations like IOTO, and possibly existing structures like IOMAC as well.

Australia believes very strongly in the value that not only governments and business, but research institutions, can add to our emerging regional cooperation. For this reason I am pleased to announce tonight the Commonwealth of Australia's support for the establishment of a new Indian Ocean Centre here in Perth. We will provide funding of \$A250,000 for this financial year, and \$A200,000 for each of the next two financial years, for a centre of excellence on research into the Indian Ocean region. Premier Richard Court's State Government will contribute generous accommodation for the Centre in Perth's Central Business District. The Indian Ocean Centre will help the academic community in Australia to advance "second track" regional cooperation by producing high quality work in specialised areas often through collaboration with scholars in the region outside Australia, and by pursuing the agenda of regional dialogue by hosting events such as conferences, seminars and workshops.

With this week's Forum, following as it does hot on the heels of the Mauritian Government's Indian Ocean Rim Initiative, I am convinced we are now launched on the path toward genuine and effective regional cooperation in the Indian Ocean. We must be under no illusions about the magnitude of the task ahead of us, or believe that new arrangements for cooperation can somehow come into being overnight or without a lot of hard work. But this meeting is an important, path breaking, way of taking the process forward. There will be excellent opportunities over the next two days to refine and develop our thinking, to examine new complementarities, to understand each other's views and ideas, and to explore the possible future shape of our shared region. These are big goals, but I know we have between us the goodwill, the expertise and the creative imagination to make them come to pass. I wish you well in your deliberations.

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