Security and Security Building in the Indian Ocean Region

Sandy Gordon

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SECURITY
AND SECURITY BUILDING
IN THE INDIAN OCEAN REGION

Sandy Gordon

with
Desmond Ball, Paul Dibb and Amin Saikal

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ABSTRACT

During the 1970s, the term 'arc of crisis' was introduced to describe the giant sickle of the globe that stretched from the Magreb to Burma. Unfortunately, that description is as apt today as it was then. Much of the territory encompassed by the expression 'arc of crisis' may be found at or near the Indian Ocean rim. Here are located some of the poorest, least developed and least stable countries and some of the most difficult bilateral disputes in the world.

In a climate in which much of the world is attempting to build viable regional economic and security associations, the Indian Ocean region has so far gone against the trend. At first glance, the prospects for regionalism in the Indian Ocean do not appear promising. The region has very little economic critical mass. It does not possess the type of economic complementarity evident in APEC, NAFTA or the European Union. But the Indian Ocean region is in the midst of profound change - change that could potentially bring about more robust regional perspectives.

Recent developments in the region include the admission of South Africa to regional forums for the first time as a result of the ending of Apartheid; the advent of economic liberalisation and higher growth rates in the most populous sub-region of the Indian Ocean, South Asia; the development of new and dynamic linkages between South Asia and Southeast Asia; and the growing awareness among Indian Ocean rim countries that they need to develop closer links in order to gain a voice in a rapidly globalising world. These positive developments have together promoted a tentative regional process.

It is a fundamental tenet of this book, however, that none of these developments will have a lasting positive effect unless the deep-seated problems of territory and nation that beset the region can be ameliorated. While economic regionalism and a focus on 'comprehensive security' can assist in this process, in the final analysis, the protagonists and competitors engaged in these disputes must themselves decide that the time has come at least to downgrade the level of disputation, if not actually to resolve their problems.
Sandy Gordon was, until recently, a Fellow at the Strategic and Defence Studies Centre in the Research School of Pacific and Asian Studies at the Australian National University. He had previously held Australian government appointments in both Canberra and New Delhi, and is a former Executive Director of the Asian Studies Council of Australia. Dr Gordon's major publications include *Businessmen and Politics: Rising Nationalism and a Modernising Economy in Bombay, 1918-1933*, Monographs on South Asia No.3 (Australian National University, Monohar; Canberra, New Delhi; 1978); *The Search for Substance: Australia-India Relations into the Nineties and beyond* (Australian Foreign Policy Publications Programme, Australian National University, Canberra, 1993); and *India's Rise to Power: In the Twentieth Century and beyond* (Macmillan, St Martin's Press; London, New York; 1995). Dr Gordon has now returned to the Australian Public Service.
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<tr>
<td>ADF</td>
<td>Australian Defence Force</td>
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<tr>
<td>AEW</td>
<td>airborne early warning</td>
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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<td>ANU</td>
<td>Australian National University</td>
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<tr>
<td>ANZUS</td>
<td>Australia, New Zealand and the United States, mutual security pact</td>
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<td>APEC</td>
<td>Asia-Pacific Economic Cooperation forum</td>
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<td>ARF</td>
<td>ASEAN Regional Forum</td>
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<tr>
<td>ASARC</td>
<td>Australia South Asia Research Centre</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>ASW</td>
<td>anti-submarine warfare</td>
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<tr>
<td>AWAC</td>
<td>airborne warning and control</td>
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<td>AWB</td>
<td>Afrikaner Weerstandsbeweging</td>
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<tr>
<td>AZAPO</td>
<td>Azanian People's Organisation</td>
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<tr>
<td>BARC</td>
<td>Bhabha Atomic Research Centre</td>
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<tr>
<td>BJP</td>
<td>Bharatiya Janata Party</td>
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<tr>
<td>BWC</td>
<td>Biological Weapons Convention</td>
</tr>
<tr>
<td>C4I</td>
<td>command, control, communications, computation and intelligence</td>
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<tr>
<td>CAD</td>
<td>computer-aided design</td>
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<tr>
<td>CAM</td>
<td>computer-aided manufacturing</td>
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<td>CARs</td>
<td>Central Asian Republics</td>
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<tr>
<td>CENTCOM</td>
<td>Central Command (US)</td>
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<td>CENTO</td>
<td>Central Treaty Organisation</td>
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<tr>
<td>CIA</td>
<td>Central Intelligence Agency (US)</td>
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<tr>
<td>CINCPAC</td>
<td>Commander-in-Chief, Pacific Command (US)</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CSBM</td>
<td>confidence- and security-building measure</td>
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<td>CSCAP</td>
<td>Council for Security and Cooperation in the Asia Pacific</td>
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<td>CTBT</td>
<td>Comprehensive Test Ban Treaty</td>
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<td>CWC</td>
<td>Chemical Weapons Convention</td>
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<td>DEA</td>
<td>Drug Enforcement Agency (US)</td>
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<td>DFAT</td>
<td>Department of Foreign Affairs and Trade (Australia)</td>
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<td>DFI</td>
<td>direct foreign investment</td>
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<tr>
<td>EC</td>
<td>European Community</td>
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<td>ECA</td>
<td>Economic Commission for Africa</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>ECM</td>
<td>electronic countermeasure</td>
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<td>ECO</td>
<td>Economic Cooperation Organisation</td>
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<td>ETM</td>
<td>elaborately transformed manufactures</td>
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<td>EU</td>
<td>European Union</td>
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<td>EW</td>
<td>electronic warfare</td>
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<td>FGA</td>
<td>fighter, ground-attack</td>
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<td>FPDA</td>
<td>Five Power Defence Arrangements</td>
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<td>GCC</td>
<td>Gulf Cooperation Council</td>
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<td>GDP</td>
<td>gross domestic product</td>
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<td>GNP</td>
<td>gross national product</td>
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<td>HDI</td>
<td>human development index</td>
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<tr>
<td>IAEA</td>
<td>International Atomic Energy Association</td>
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<td>ICBM</td>
<td>intercontinental ballistic missile</td>
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<td>IDSA</td>
<td>Institute for Defence Studies and Analysis (India)</td>
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<td>IFIOR</td>
<td>International Forum on the Indian Ocean Region</td>
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<td>IISS</td>
<td>International Institute for Strategic Studies (England)</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IOC</td>
<td>Indian Ocean Commission</td>
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<td>IOMAC</td>
<td>Organisation for Indian Ocean Marine Affairs Cooperation</td>
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<td>IOR</td>
<td>Indian Ocean region</td>
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<td>IORBF</td>
<td>Indian Ocean Rim Business Forum</td>
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<td>IORN</td>
<td>Indian Ocean Regional Network</td>
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<td>IOZOP</td>
<td>Indian Ocean Zone of Peace</td>
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<td>IRBM</td>
<td>intermediate-range ballistic missile</td>
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<td>ISRO</td>
<td>Indian Space Research Organisation</td>
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<tr>
<td>JET</td>
<td>Joint Exercises off Trincomalee</td>
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<tr>
<td>JSTARS</td>
<td>joint surveillance target attack radar system</td>
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<tr>
<td>JWG</td>
<td>Joint Working Group</td>
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<tr>
<td>LST</td>
<td>landing ship, tank</td>
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<td>MFN</td>
<td>most favoured nation</td>
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<td>MIDEASTFOR</td>
<td>Middle East Force (US Navy)</td>
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<td>MIRV</td>
<td>multiple, independently targetable re-entry vehicle</td>
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<tr>
<td>MOU</td>
<td>memorandum of understanding</td>
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<tr>
<td>MR</td>
<td>maritime reconnaissance</td>
</tr>
<tr>
<td>MTCR</td>
<td>missile technology control regime</td>
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<td>MTOPS</td>
<td>million theoretical operations per second</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Association</td>
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<td>NALT</td>
<td>Naval Arms Limitation Talks</td>
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<td>NASA</td>
<td>National Aeronautics and Space Administration (US)</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
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<tr>
<td>NBCs</td>
<td>nuclear, biological and chemical weapons</td>
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<td>NPT</td>
<td>Nuclear Non-proliferation Treaty</td>
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<tr>
<td>OAPEC</td>
<td>Organisation of Arab Petroleum Exporting Countries</td>
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<td>OAU</td>
<td>Organisation of African Unity</td>
</tr>
<tr>
<td>ORC</td>
<td>Organisation of Regional Cooperation</td>
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<tr>
<td>PAC</td>
<td>Pan-Africanist Congress</td>
</tr>
<tr>
<td>PECC</td>
<td>Pacific Economic Cooperation Conference</td>
</tr>
<tr>
<td>PLA</td>
<td>People's Liberation Army (China)</td>
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<tr>
<td>PPP</td>
<td>purchasing power parity</td>
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<tr>
<td>PSLV</td>
<td>polar satellite launch vehicle (India)</td>
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<tr>
<td>RDF</td>
<td>rapid deployment force</td>
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<tr>
<td>SAARCC</td>
<td>South Asian Association for Regional Cooperation</td>
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<td>SADC</td>
<td>Southern Africa Development Community</td>
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<tr>
<td>SADCC</td>
<td>Southern African Development Co-ordination Conference</td>
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<tr>
<td>SADF</td>
<td>South African Defence Force</td>
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<tr>
<td>SANDF</td>
<td>South African National Defence Force</td>
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<td>SANWFZ</td>
<td>South Asian Nuclear Weapons Free Zone</td>
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<td>SAPTA</td>
<td>SAARC Preferential Trading Arrangement</td>
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<tr>
<td>SEANWFZ</td>
<td>Southeast Asian Nuclear Weapons Free Zone</td>
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<td>SEATO</td>
<td>South East Asian Treaty Organisation</td>
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<tr>
<td>SEBI</td>
<td>Securities Exchange Board of India</td>
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<td>SIPRI</td>
<td>Stockholm International Peace Research Institute</td>
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<tr>
<td>SLBM</td>
<td>submarine-launched ballistic missile</td>
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<td>SLCM</td>
<td>submarine-launched cruise missile</td>
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<tr>
<td>SLOCs</td>
<td>sea lines of communication</td>
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<tr>
<td>SLORC</td>
<td>State Law and Order Restoration Council (Myanmar)</td>
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<tr>
<td>SPNWZ</td>
<td>South Pacific Nuclear Weapons Free Zone</td>
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<tr>
<td>SSBN</td>
<td>nuclear-fuelled, ballistic-missile submarine</td>
</tr>
<tr>
<td>TOW</td>
<td>tube-launched, optically-tracked, wire-guided (missiles)</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<tr>
<td>UAV</td>
<td>unmanned aerial vehicle</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNAMIR</td>
<td>UN Assistance Mission in Rwanda</td>
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<td>UNCND</td>
<td>UN Commission on Narcotic Drugs</td>
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<tr>
<td>UNDCP</td>
<td>UN Drug Control Programme</td>
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<td>UNDP</td>
<td>UN Development Programme</td>
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<tr>
<td>UNESCO</td>
<td>UN Educational, Scientific and Cultural Organisation</td>
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<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>UNHCR</td>
<td>UN High Commissioner for Refugees</td>
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<td>ULFA</td>
<td>United Liberation Front of Asom</td>
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<td>UNIKOM</td>
<td>UN Iraq-Kuwait Observation Mission</td>
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<tr>
<td>UNITA</td>
<td>Union for the Total Independence of Angola</td>
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<tr>
<td>UNOSOM</td>
<td>UN Operation in Somalia</td>
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<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>UWSA</td>
<td>United Wa State Army</td>
</tr>
<tr>
<td>VSTOL</td>
<td>vertical-short take-off and landing</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
<tr>
<td>ZOPFAN</td>
<td>Zone of Peace, Freedom and Neutrality</td>
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THE INDIAN OCEAN and Littoral Countries
PREFACE

This book is intended to provide an analysis of contemporary security problems in the Indian Ocean region. As such, it does not survey in detail a number of issues that normally come under the rubric of 'comprehensive security'. We have chosen to focus primarily on security in the more conventional sense because, in that sense, the Indian Ocean is one of the most insecure places in the world today.

We do, however, to some extent cover those aspects of 'comprehensive security' that impact directly upon the security of nations as it is understood in the conventional sense. Low intensity conflict, and those problems that feed into it such as the proliferation of small arms, illicit drugs and transmigration caused by resource and population pressure, are all covered in this context. Environmental issues are also examined, but strictly in the context of their propensity to trigger conventional security problems. While there is certainly scope for a detailed discussion of comprehensive security in the Indian Ocean, such a discussion would require a different type of book.

The book was written by Sandy Gordon in close consultation with Amin Saikal, Paul Dibb and Desmond Ball. This group constituted the original team that prepared a number of papers commissioned by the Australian Department of Foreign Affairs and Trade (DFAT) for a conference on the Indian Ocean that took place in Perth in June 1995. Although the book in its present form covers considerably greater ground than the earlier work prepared on behalf of the Department of Foreign Affairs and Trade, it is based upon some of this original work. Publication of this work was made possible by kind permission of the Department of Foreign Affairs and Trade.

In addition to my fellow contributors to the Perth papers, who have been named above, I would like to thank Robin Nair, Di Johnson, David Ambrose and John Oliver of DFAT, all of whom were most supportive throughout the enterprise. Sam Bateman provided valuable advice on an early draft. All faults are, of course, my own. Helen Hookey provided her usual high standard of editorial assistance and Elza Sullivan assisted ably with word processing and formatting. The figures were prepared by Keith Mitchell and Neville Minch in the
For the purposes of this study, the Indian Ocean will include the ocean itself, the island states it contains (excluding the French territories of Réunion and Mayotte), and all littoral nations excluding those on the Red Sea. The Red Sea nations and the Middle East proper, of which they are a part, tend to relate more closely to the Mediterranean and Europe than they do to the Indian Ocean. While we have not included Red Sea nations in this study, we have included those in the Persian Gulf. The Gulf is closely tied to the Indian Ocean security system, since most of the oil that originates there is required to transit the Indian Ocean in order to reach its destination. The Gulf is also an important factor in the wider Indian Ocean economy. Its oil-rich nations invest heavily in the Indian Ocean region and the region in turn provides guest labour and technology for their economies. Those Indian Ocean hinterland nations that relate closely to the littoral and depend on the littoral for their economic and political well-being have been included where it suits the purposes of the discussion to do so.
PART I

INDIAN OCEAN SECURITY
INTRODUCTION

During the 1970s, the term 'arc of crisis' was introduced to describe the giant sickle of the globe that stretched from the Magreb to Burma. Unfortunately, that description is as apt today as it was then; with the difference that the boundaries of this region of crisis have now been pushed out to include parts of the former Soviet 'near abroad' and sub-Saharan Africa.

Much of the territory encompassed by the expression 'arc of crisis' may be found at or near the Indian Ocean rim. Here are to be found some of the poorest, least developed and least stable countries and some of the most difficult bilateral disputes in the world. Some of these disputes, such as the one between India and Pakistan over Kashmir, have nuclear overtones. Others impact upon the security of oil, which in turn has global ramifications. Still others derive from seemingly intractable ethnic, tribal and religious disputes, such as those which occur in Somalia or Rwanda. Such disputes can have devastating repercussions on well-being that resonate around the globe through the international media. Added to these problems, the region is relatively weak economically. The exception to all of these ills besetting the Indian Ocean is, of course, the prosperous and dynamic sub-region at the northeastern rim containing Southeast Asia and Australia. But this latter region has tended to present its Pacific rather than its Indian Ocean face to the world.

In a climate in which much of the world is attempting to build viable economic and security associations on a regional basis, the Indian Ocean has so far gone against the grain. At first glance, the prospects for regionalism in the Indian Ocean do not appear promising. The region has very little economic critical mass. It does not possess the type of economic complementarity evident in either the North American Free Trade Association (NAFTA) or the European Union (EU). Against these negative trends, however, we should not lose sight of the fact that the Indian Ocean is a region in the midst of profound change - change that could potentially place it solidly into world politics and facilitate the development of much more robust regional perspectives.
One of these changes is the introduction of economic liberalisation in the most populous sub-region of the Indian Ocean, South Asia. South Asia collectively contains more people than China. Its combined GNP is about $360 billion. All major South Asian countries have recently adopted measures to liberalise their economies, and sustainable growth rates in the region promise to be in the order of at least 5-6 per cent, if not higher in some countries. All are now fully-fledged or near fully-fledged democracies. Given this background, investor nations have become far more interested in South Asia than they were in the past and capital flows into the region have increased.

A second factor that promises to affect change in the region is the end of Apartheid in South Africa. This development holds out the potential that one of the larger regional economies will eventually be opened out to world trade and investment. South Africa in turn holds the key to the future prosperity of the whole of Southern Africa, an area in which several nations, including Angola, Namibia and Mozambique, have recently tentatively engaged in democratic politics. The South African economy holds the key because it is the only one that can provide a 'make weight' for the other economies of the region. South Africa's industries are, however, still heavily protected following decades of Apartheid. The country also faces enormous challenges in fully integrating Blacks into the economy while maintaining necessary political stability. Nevertheless, the 'coming out' of South Africa onto the international stage has had the effect of raising outside interest and involvement in the Southwest Indian Ocean region and stimulating regionalism in Southern Africa.

A third development relates to the globalisation of media. Globalisation means that events in parts of the world that were previously regarded as strategic backwaters are now brought into the living rooms of the rest of the world. In the case of the large, Western democracies such as the United States, crises in places such as Somalia, Sudan and Rwanda now take on the aspect of pressure points on Western governments to act. Although the US administration seems determined never again to become actively involved in so-called out of the way places of little apparent strategic concern, it will continue to prove very difficult for the world to ignore major crises once they are

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1 All dollar amounts are expressed in US dollars.
introduced into the mass consciousness and conscience by the power of modern electronic media.

A fourth development at the fringes of the Indian Ocean region has been little noticed by strategic commentators. With the collapse of the Soviet Union and the granting of independence to the Central Asian Republics (CARs), these nations are now looking to lessen their dependence on the Soviet successor state and find new sources of supply and outlets for goods. They are looking to the south - to the Indian Ocean - as the most practical means of accomplishing this goal. Progressively, they are likely to become more closely linked into the Southwest Asian economic and security system, and with it, the Indian Ocean. At the same time, the emergence of the CARs has initiated a vigorous competition between the leading littoral nations through which this 'hinterland' might be expected to gain access to the Indian Ocean, especially between Iran and Pakistan. This competition has even become entangled in the internal politics of Afghanistan, which provides the principal prospective means of access for Pakistan to the CARs.

The fifth important development has also been little noticed globally. This is the increasing tendency for the liberalising economies of South Asia to develop linkages of trade, technology transfer and investment with the vigorous economies of Southeast Asia. While these new linkages are being built on what was previously a low base of activity, they are occurring very rapidly. Initially, the East Asian 'miracle' was regarded as essentially an East Asian phenomenon. Commentators may need to think of 'Asia' as a far more fungible construct than they have done hitherto, however. The implications of this development are as yet unclear, but they are likely to be far-reaching.

Finally, the nations of the Indian Ocean are increasingly feeling themselves to be left out in the economic cold as other regions progressively develop regional trading regimes and constitute formal organisations to accommodate them. Although the World Trade Organisation (WTO) purports to give the poorer developing nations a 'level playing field' for the first time, many of these nations are highly suspicious of the capacity of the new regime to provide them with a fair deal. Indeed, they have come to view the concerns within Western nations about issues such as the conditions of labour and the
environment as a new means of introducing 'non-tariff barriers' in order to counter the growing competitiveness of the developing world. Those developing countries located at the Indian Ocean rim have also begun to regard the provision of the WTO that allows trade blocs to deny most favoured nation (MFN) status to countries outside their respective blocs as highly threatening, even though most blocs, with the exception of the EU, do not in practice deny MFN status. Equally, however, successful regional organisations such as the EU stand as exemplars of what might be achieved, given sufficient willpower and goodwill. Both of these factors have conspired to raise regional consciousness and improve the prospects for regionalism in the Indian Ocean region (IOR).

It is the fundamental tenet of this work, however, that none of these positive trends will count unless the extremely difficult security environment in the IOR can be ameliorated. This view tends to run counter to current thinking, which, according to Ball,

frequently ... [asserts] that a liberal economic order substantially discourages the use of force among states and hence sustains an international security system which avoids major conflict and war...²

In the context of attempts to build an Indian Ocean regime, the view that there is a direct and positive relationship between economic integration and a more benign security environment has been heavily subscribed by scholars and officials alike.³ This is largely because, given the extremely difficult security environment in the region, the development of closer trade seems to be the only viable way to achieve any form of regionalism. Moreover, in developing policy, officials and scholars can look to the long record of peace and stability in two other regions that have developed regional associations - the Asia-Pacific and Western Europe.

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³ The history of these attempts will be explored more fully in the second part of the book. Even a perceptive writer such as Hasyim Djalal states that now that the Cold War is over and that countries are concentrating on economic issues 'it should be relatively easy to forge such a regional cooperation in the Indian Ocean'. See 'Towards Indian Ocean Cooperation', Jakarta Post, 28 February 1995.
The role of economic interdependence in security building is highly complex, however, especially in a region such as the Indian Ocean in which there remain deep-seated, unresolved issues of territory and nation. Moreover, the empirical record on the relationship in history is at best opaque. According to Buzan, 'historical realities have ... done violence to classical liberal assumptions about free trade and international harmony of interest'. Furthermore, as both Dibb and Ball point out, economic interdependence can be either an asset or a cross to bear in terms of security, depending on the form it takes. Interdependence in which one player perceives itself to be disadvantaged, or in the context of over-all decline of all of the players, can be very different in its effects to interdependence in which all ships are perceived to 'rise on the same tide'. But equally, it is possible to demonstrate that economic interdependence can facilitate greater general exchange, and hence understanding, by providing for a more intense level of interaction between leaders and officials and by benefit of analogy.

At the very least, the complexity of the relationship between economic interdependence and security should stand as a warning shot across the bows of those who perceive economic interdependence to be a panacea for the ills that beset a region such as the Indian Ocean. Intractable issues of territory and nation can, and often do, suppress the economic imperative, as they have done in the case of the South Asian Association for Regional Cooperation (SAARC). SAARC would have much to gain and little to lose by developing into an effective regional association. As such, it would be better able to address vexatious cross-border issues that trouble all South Asian nations, such as international drug trafficking and the international trade in arms. A functioning SAARC would not necessarily provide a highly effective trading bloc (it is too small for that), but it would at least give the South Asian nations a far stronger and more coherent voice in key international forums such as the WTO. It would mean that key groupings such as the Asia-Pacific Economic Cooperation forum

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4 These complexities are admirably explored in Ball, 'Economics and Security'.
(APEC) would more readily accept a larger engagement with South Asia - one that did not bring with it the risk of transposing the fratricidal India-Pakistan dispute into the Pacific region. It would also open out the possibility for the nations of South Asia to achieve a far higher degree of synergism with the energy and capital-rich nations of Southwest Asia than they have been able to achieve so far. Yet SAARC has not flourished during the past decade precisely because the key issues of territory and nation that divide the region have not been addressed. As in the Middle East, sooner or later such issues must be dealt with, whether under the auspices of SAARC or by some other means.

Even in the case of the Pacific, which is, on the whole, a more benign security environment than the Indian Ocean, it is now recognised by the ASEAN and APEC powers that an endeavour must be made to ameliorate some of the more difficult regional security issues, even as work progresses on developing APEC. In the Asia-Pacific, there are now a variety of official and non-official mechanisms seeking to address security issues, such as the ASEAN post-ministerial meetings, the ASEAN Regional Forum (ARF), and the non-official Council for Security and Cooperation in the Asia Pacific (CSCAP).

It is important to recognise, however, that at least in the early stages, security discussions should focus on less controversial areas that come under the rubric of 'comprehensive security'. Comprehensive security is now reasonably well understood in the Asia-Pacific, where the term is used to incorporate issues such as environmental degradation and pollution, particularly in the marine context; prevention of smuggling and piracy, maritime safety and search and rescue; and measures designed to prevent the spread of crime, drugs, illegal movement of people and communicable diseases. The very term 'comprehensive' denotes the multilateral nature of the issues to be addressed, just as it indicates that only those issues that will tend to enhance mutual security would be brought onto the agenda.

The term 'comprehensive security' is still widely misinterpreted in the Indian Ocean, however. In that region it is commonly thought to involve destabilising reference to difficult bilateral security disputes. That this is so is evidenced by the sceptical way in which the benign and fruitful comprehensive security
discussions were treated by officials and press alike following the International Forum on the Indian Ocean Region (IFIOR) meeting in Perth in June 1995. That is not to say that a fully mature comprehensive security dialogue might not eventually tackle conventional security issues; but rather that it would only do so once the time were right and with the consent of all parties. Nor is it to assert that comprehensive security discussions need necessarily take place in isolation from other forms of regionalism. They could, for example, ride on the back of discussions about trade issues, since most comprehensive security issues touch upon the free exchange of trade and the viability of trade regimes. Indeed, this type of arrangement would be eminently suited to the early stages of regionalism in the Indian Ocean.

This book is written in two parts. The first describes and analyses past and current security trends in the Indian Ocean. In the second part, we examine various attempts to establish closer regional cooperation in the Indian Ocean and canvass some of the prospective ways in which regionalism might be taken forward. Finally, we examine the prospects of the Indian Ocean as a region.
CHAPTER 1

THE INDIAN OCEAN AS A SECURITY SYSTEM

Characteristics of the Indian Ocean

At 73.5 million square kilometres, the Indian Ocean is the smallest of the world's three great oceans. The Indian Ocean region currently comprises some 36 independent nations, not including those bordering onto the Red Sea or the French possessions of Réunion and Mayotte, but including some land-locked hinterland countries such as Zimbabwe, Afghanistan, Nepal and Bhutan. The total population of these nations is 1.75 billion, or approximately one-third of total global population. The countries that comprise this region vary enormously in size, economic capacity and state of development. At one end of the spectrum they include micro island states like Seychelles, with only 70,000 people, while at the other there are giants like India, with a population of over 900 million. The IOR also contains some of the poorest nations, like Mozambique, with a per capita GNP of only $80, and some of the richest, like the oil-rich United Arab Emirates, with a per capita GNP of over $20,000. But generally, the Indian Ocean littoral is a poor and underdeveloped part of the world - in the words of Buzan, one noted for the fact that it is 'occupied entirely by relatively weak states'. The profile of countries at the Indian Ocean rim may be seen from Table 1:1.

In terms of the proportion of global population in poverty (that is, with an income below $370 at 1985 prices), the situation in and around the Indian Ocean has worsened considerably since 1960 and is expected to continue to deteriorate over the next 30 years. Whereas in 1960 sub-Saharan Africa, the Middle East, North Africa and South Asia contained approximately 30 per cent of the global population in poverty, by 1990 the percentage had grown to about 40 per cent. By 2025, it is expected to grow to just under one-half. Although not all

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2 Alan Thomas et al., Third World Atlas (Open University Press, Buckingham, 2nd edn 1994), estimated from the pie graph on page 73.
**Table 1.1: Population, per capita income, GDP, defence expenditure and area of nations at the Indian Ocean rim**

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (mil.); growth rate % in parentheses</th>
<th>GNP/GDP (mil. US$)</th>
<th>GNP per capita (US$)</th>
<th>Area (sq km)</th>
<th>HDI ranking (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>38.9 (2.5)</td>
<td>86,029</td>
<td>2,560</td>
<td>1,184,825</td>
<td>85</td>
</tr>
<tr>
<td>Mozambique</td>
<td>14.5 (2.6)</td>
<td>1,193</td>
<td>80</td>
<td>784,755</td>
<td>157</td>
</tr>
<tr>
<td>Tanzania</td>
<td>26.9 (3)</td>
<td>3,079</td>
<td>100</td>
<td>939,760</td>
<td>138</td>
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<tr>
<td>Kenya</td>
<td>24.4 (3.8)</td>
<td>8,785</td>
<td>340</td>
<td>582,645</td>
<td>127</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>10.3 (3.4)</td>
<td>6,695</td>
<td>650</td>
<td>390,580</td>
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</tr>
<tr>
<td>Somalia</td>
<td>8.9 (3.1)</td>
<td>1,035</td>
<td>120</td>
<td>630,000</td>
<td>166</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>51.4 (3.1)</td>
<td>5,953</td>
<td>120</td>
<td>1,023,050</td>
<td>151</td>
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<tr>
<td>Djibouti</td>
<td>0.4</td>
<td>(a) 0.4</td>
<td>(a) 1,000</td>
<td>23,000</td>
<td>-</td>
</tr>
<tr>
<td>Eritrea</td>
<td>3.00 (est)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1.1 (1)</td>
<td>2,068</td>
<td>2,410</td>
<td>1,865</td>
<td>56</td>
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<tr>
<td>Seychelles</td>
<td>0.07</td>
<td>0.425</td>
<td>4,100</td>
<td>404</td>
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<tr>
<td>Comoros</td>
<td>0.415</td>
<td>-</td>
<td>-</td>
<td>1,862</td>
<td>139</td>
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<tr>
<td>Madagascar</td>
<td>12.4 (3)</td>
<td>2,543</td>
<td>210</td>
<td>594,180</td>
<td>128</td>
</tr>
<tr>
<td>Yemen</td>
<td>12.1 (3.8)</td>
<td>8,403</td>
<td>520</td>
<td>189,850</td>
<td>143</td>
</tr>
<tr>
<td>Oman</td>
<td>1.6 (4.3)</td>
<td>7,756</td>
<td>6,120</td>
<td>271,950</td>
<td>94</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>15.4 (4.6)</td>
<td>89,986</td>
<td>7,820</td>
<td>2,400,900</td>
<td>84</td>
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<tr>
<td>UAE</td>
<td>1.6 (4.3)</td>
<td>28,449</td>
<td>20,140</td>
<td>75,150</td>
<td>67</td>
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<tr>
<td>Qatar</td>
<td>0.2</td>
<td>4,077</td>
<td>9,920</td>
<td>11,435</td>
<td>55</td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.34</td>
<td>-</td>
<td>-</td>
<td>661</td>
<td>58</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2.1 (4.3)</td>
<td>33,082</td>
<td>15,753</td>
<td>24,240</td>
<td>52</td>
</tr>
<tr>
<td>Country</td>
<td>Population</td>
<td>GNP/GDP</td>
<td>GNP/capita</td>
<td>Area</td>
<td>HDI</td>
</tr>
<tr>
<td>------------</td>
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<td>-----</td>
</tr>
<tr>
<td>Iraq</td>
<td>18.7 (3.6)</td>
<td>35,000</td>
<td>1,872</td>
<td>438,445</td>
<td>96</td>
</tr>
<tr>
<td>Iran</td>
<td>59.6 (3.6)</td>
<td>97,600</td>
<td>2,170</td>
<td>1,648,000</td>
<td>103</td>
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<tr>
<td>India</td>
<td>862.7 (2.1)</td>
<td>287,383</td>
<td>330</td>
<td>3,166,830</td>
<td>134</td>
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<tr>
<td>Pakistan</td>
<td>121.5 (3.1)</td>
<td>40,134</td>
<td>400</td>
<td>803,940</td>
<td>132</td>
</tr>
<tr>
<td>Maldives</td>
<td>0.2</td>
<td>(b) 87</td>
<td>(b) 300</td>
<td>298</td>
<td>112</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>17.4 (1.4)</td>
<td>7,268</td>
<td>500</td>
<td>65,610</td>
<td>86</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>116.4 (2.2)</td>
<td>19,913</td>
<td>220</td>
<td>144,000</td>
<td>147</td>
</tr>
<tr>
<td>Nepal</td>
<td>20.1 (2.6)</td>
<td>3,206</td>
<td>180</td>
<td>141,415</td>
<td>152</td>
</tr>
<tr>
<td>Bhutan</td>
<td>1.6 (2.1)</td>
<td>266</td>
<td>180</td>
<td>46,620</td>
<td>159</td>
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<tr>
<td>Afghanistan</td>
<td>16.45</td>
<td>-</td>
<td>-</td>
<td>649,507</td>
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<tr>
<td>Myanmar</td>
<td>42.7 (2.1)</td>
<td>3,206</td>
<td>659</td>
<td>678,030</td>
<td>123</td>
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<tr>
<td>Thailand</td>
<td>55.4 (1.9)</td>
<td>64,437</td>
<td>1,570</td>
<td>514,000</td>
<td>74</td>
</tr>
<tr>
<td>Malaysia</td>
<td>18.4 (2.6)</td>
<td>37,005</td>
<td>2,520</td>
<td>332,968</td>
<td>57</td>
</tr>
<tr>
<td>Singapore</td>
<td>2.7 (1.7)</td>
<td>28,058</td>
<td>14,210</td>
<td>616</td>
<td>43</td>
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<tr>
<td>Indonesia</td>
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<td>87,936</td>
<td>610</td>
<td>1,919,445</td>
<td>108</td>
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<tr>
<td>Australia</td>
<td>17.3 (1.5)</td>
<td>311,199</td>
<td>17,050</td>
<td>7,682,300</td>
<td>7</td>
</tr>
</tbody>
</table>

(a) Estimate; (b) 1987 data; (c) The HDI ranking is a ranked order, with the best performance at 1 and the worst at 185, of all the world's nations in the area of human development (health, longevity, nutrition, infant mortality, housing, education, etc.).

Please note: Sometimes per capita GNP/GDP does not correspond to a division of GNP/GDP by population due to differing sources.

of the nations included within this particular survey lie on or near the Indian Ocean rim, many do, and the situation is generally true of the IOR. What this underlines is the fact that, increasingly, the IOR is likely to be the leading venue of international efforts in the area of development, poverty alleviation and peacekeeping.

Ironically, while the profile of most Indian Ocean rim countries is one of under-development, the region itself is resource rich. The most important of these resources is oil, which is located principally in the Gulf/Southwest Asia region. The Gulf region alone contains 75 per cent of the world's easily recoverable reserves of oil. Proven global oil reserves grew during the 1980s by about 50 per cent. OPEC reserves, however, came to comprise a higher overall percentage of global reserves, rising from 65 to 86 per cent of the total over the decade. Sixty per cent of this OPEC growth was in the Gulf. Moreover, just five states in the Gulf control over two-thirds of all oil reserves. The importance of Gulf oil is expected to rise still further with the discovery of substantial new reserves in Saudi Arabia and Iraq, and with US, Russian and Chinese reserves running down rapidly.

Additionally, the geological formations in various rim countries that constituted the former super-continent of Gondwana (Australia, India and South Africa), favour mineral resources. These countries contain significant reserves of ferrous and non-ferrous metals, including gold, silver, copper and iron ore. Australia and South Africa are also rich in coal reserves, with Australia being the largest global exporter of coal. Australia, South Africa and Burma are rich in gem stones and Malaysia has the world's largest resources of tin.

The region also contains significant resources of so-called 'strategic' minerals - minerals difficult to obtain elsewhere, but important in highly specialised areas of manufacturing. These include

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The Indian Ocean as a Security System

The Indian Ocean does not function as a true security system. Rather, it is comprised of a number of 'security complexes', to use the term coined by Buzan and Rizvi. Security complexes are defined as regions in which the internal 'amity-enmity' lines are more powerful than the external amity-enmity lines. Although the security complexes of the Indian Ocean have not traditionally been closely linked to each other, in recent years this has been changing and more intense patterns of interaction are starting to emerge.

The most important of the Indian Ocean security complexes are the Southern Africa complex, the East Africa/Horn of Africa complex, the Gulf/Southwest Asia complex, the South Asia complex, and the Southeast Asia/Australasia complex. Although the Indian

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7 Some might argue whether Australasia is really part of the Southeast Asian complex. However, in recent history, the linkages have become increasingly close.

chromite (essential in the manufacture of stainless steel and super alloys in hot sections of jet engines), manganese ore (used in the manufacture of all steels) and the platinum group of metals (used in pollution control devices). The only world suppliers of the platinum group are South Africa and Russia. Unlike chromite, this group is not, however, essential for defence-related industries. Of world reserves of chromium, almost all are to be found in two Indian Ocean countries, Zimbabwe and South Africa. The Indian Ocean itself contains the world's richest potential for seabed mining, particularly of manganese nodules.

As well as great contrasts of wealth and poverty, the Indian Ocean rim contains a highly eclectic range of ethnicities, religions, languages and political systems. All of the world's major religions and an extremely rich collection of local religions and sects are to be found at the rim. It is this eclecticism that makes the region so difficult to categorise as a separate entity, other than one connected by the waters of the Indian Ocean.

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7 Some might argue whether Australasia is really part of the Southeast Asian complex. However, in recent history, the linkages have become increasingly close.
Ocean islands share similar problems and concerns, they are too disbursed to comprise a true security complex. Some of them, such as Mauritius, Seychelles, Comores and Madagascar, relate closely to Southern Africa and the external powers, France, while others, like Maldives and Sri Lanka, relate to South Asia. Still others such as Cocos and Christmas islands are Australian territory, while Réunion and Mayotte are part of metropolitan France. The strategically important Chagos Archipelago, containing the atoll of Diego Garcia, is British territory on lease to the United States.

While the predominant security concerns tend to be found within complexes, complexes are in turn linked with each other with varying degrees of intensity. Thus the linkages between Southwest Asia and South Asia are in many respects quite intense, with Pakistan providing the principal nexus between the two. Islamabad has for many years developed a strategy of attempting to ensure that the Southwest Asian powers have a stake in South Asian security in order to provide a 'make weight' in respect of Indian power. But even India has developed its links into the Gulf region, where it buys oil, provides guest workers, trades and attempts to parry the diplomatic thrust of Pakistan.

Although the linkage between South Asia and Southeast Asia has not traditionally been close, this also is changing in the context of a highly fluid regional situation following the end of the Cold War. In the context of India’s liberalising economy and the collapse of the Soviet Union, New Delhi is starting to establish dynamic new relationships to its east, particularly with some of the ASEAN powers. The most important of these bilateral relationships involve India on the one hand, and Singapore and Malaysia on the other. But even the Thai-Indian and Indonesian-Indian relationships, which have in the past been cool, have recently started to improve.

The links between the Southern Africa complex and South Asia have traditionally been weaker still. But they too are now being developed, particularly in light of new relationships being forged between India and South Africa made possible by the ending of Apartheid. Linkages between the Gulf and East Africa/the Horn of Africa extend back many centuries, during which the dhow trade carrying spices and slaves passed up the East African coast into the
There are also long-established shipping routes across the Red Sea to Yemen.

Although the links between the Southeast Asia/Australasia complex and Africa were traditionally very weak, they have recently been strengthened in the context of the ending of Apartheid and of recent UN activities in Somalia and Rwanda. Australia's development assistance programme in Africa has also increased in recent years. Within the Southeast Asia/Australia complex, the links between Australia and the ASEAN nations, including in security matters, have been growing in intensity. In many respects, the two complexes have now merged.

As well as traditionally having had weak linkages between its security complexes, the Indian Ocean is different in another important respect from most other geopolitical regions. In the northwest Pacific, four large powers - China, Japan, Russia and the United States - vie for influence and to an extent balance each other's power. In Europe there are also a number of relatively powerful states such as Germany, France, Britain and Italy.

In the Indian Ocean, on the other hand, India is a much more substantial power than its neighbours. The Indian economy is five and a half times larger than Pakistan's and its population is over seven times larger. Australia, which has a slightly larger GDP than India when measured in conventional terms, is a distant power and one with a strictly limited potential as a major regional player because of its small population of 19 million. India, moreover, has a far larger economy when measured in terms of purchasing power parity (PPP). Australia's traditional sense of 'distance' from the Indian Ocean is increased by the fact that almost 90 per cent of its population lives on the Pacific seaboard, several thousand kilometres from the Indian Ocean. Although China is contiguous to India, it is difficult for China and India to engage strategically, at least in terms of conventional warfare, because of the natural barrier of the Himalaya mountains. The only other region to exhibit the same degree of asymmetry as the Indian Ocean is the Americas. The respective military capabilities of the major Indian Ocean powers are provided by Table 1.2.
Table 1.2: Defence expenditure, size of total armed forces, numbers of major weapons systems and presence of ballistic missiles and nuclear weapons for the larger Indian Ocean powers, c. 1993

<table>
<thead>
<tr>
<th></th>
<th>Defence spending (US$ bn) (a)</th>
<th>Total armed forces (000s)</th>
<th>Major naval combatants</th>
<th>Combat/FGA aircraft</th>
<th>Main battle tanks</th>
<th>IRBM/ICBM</th>
<th>Nuclear weapons or possible fissile equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>2.93</td>
<td>67.5</td>
<td>3</td>
<td>130</td>
<td>250</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Kenya</td>
<td>0.256</td>
<td>24.4</td>
<td>-</td>
<td>42</td>
<td>80</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>16.46</td>
<td>101</td>
<td>8</td>
<td>201</td>
<td>696</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Iraq</td>
<td>(b) 8.6</td>
<td>382</td>
<td>1</td>
<td>310</td>
<td>2200</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Iran</td>
<td>1.2</td>
<td>473</td>
<td>10</td>
<td>255</td>
<td>700</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3.45</td>
<td>577</td>
<td>21</td>
<td>336</td>
<td>1890</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>India</td>
<td>6.33</td>
<td>1265</td>
<td>42</td>
<td>677</td>
<td>3400 developing</td>
<td>-</td>
<td>25-85?</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.16</td>
<td>295</td>
<td>9</td>
<td>60</td>
<td>203</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2.67</td>
<td>114.5</td>
<td>4</td>
<td>46</td>
<td>-</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1.84</td>
<td>270.9</td>
<td>19</td>
<td>54</td>
<td>-</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Australia</td>
<td>6.89</td>
<td>63.2</td>
<td>18</td>
<td>74</td>
<td>103</td>
<td>-</td>
<td>No</td>
</tr>
</tbody>
</table>

(a) At times refers to defence budget and at times defence expenditure. (b) 1990.

Indian Ocean Trade and Its Relationship to Security

As we discuss in greater detail below, even India does not currently possess a navy capable of substantial power projection. Its two aircraft carriers are capable of taking only vertical-short take-off and landing (VSTOL) aircraft and one of them is now inactive. Its ability to sustain the navy at sea and to uplift large numbers of troops by sea is strictly limited. Its poor logistics does not enable it to project credible military power at any great distance for any sustained period. At the same time, land-based capabilities in the Gulf and in Southeast Asia have grown substantially since the end of the Cold War.

This limited capability of the largest regional nation means that the only powers capable of exercising a true pan-oceanic role have in the past been the external powers - principally the United States and former Soviet Union. Today, this role is confined to the United States. This lack of indigenous force projection capabilities between complexes means that, in practical terms, there is very little interaction between various security complexes in a way that relates directly to security. Indeed, in terms of the role of indigenous Indian Ocean players, most security-type activity is confined either within the boundaries of the respective complexes or else is conducted in conjunction with the large outside powers or the United Nations.

In terms of the trading interests of the larger external players and indigenous powers, however, there is a coherent pan-Indian Ocean security architecture. Indeed, in one important sense the Indian Ocean can be seen to be 'stitched together' by the trade routes that cross it. This is particularly true of the security of the trade routes in oil.

There are three major components to Indian Ocean trade. First, there is what we might call 'trans-oceanic trade', that is, trade passing through the India Ocean, largely between Europe and Asia. This trade passes mostly either through the Suez Canal and thence up through the Southeast Asian straits of Malacca, Sunda or Lombok; or else around the Cape of Good Hope, and thence up to the Asian straits. Alternatively, having passed through Suez or around Africa, the route might branch off to Australia. Trans-oceanic trade forms the vast bulk of the trade carried by the Indian Ocean. Indeed, the Indian Ocean could aptly be termed the international 'transit lounge' of global trade.
Figure 1.1: Major non-oil trans-oceanic trade routes in the Indian Ocean and annual tonnage carried: easterly trade flows, 1990

Note: Trade routes portrayed here are figurative and do not represent actual routes followed. Value of trade refers to value carried from source to destination.
Source: Ross Babbage, 'The Eastern Indian Ocean: Some Geopolitical and Economic Realities', unpublished paper, Figure 9, p.13.
Figure 1.2: Major non-oil trans-oceanic trade routes in the Indian Ocean and annual tonnage carried: westerly trade flows, 1990

Note: Trade routes portrayed here are figurative and do not represent actual routes followed. Value of trade refers to value carried from source to destination.
Figure 1.3: Oil Trade Routes in the Indian Ocean

Figure 1.4: Annual tonnage handled between principal ports in the Indian Ocean.

<table>
<thead>
<tr>
<th>Port</th>
<th>Tonnage (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay</td>
<td>13.5</td>
</tr>
<tr>
<td>Calcutta</td>
<td>2.1</td>
</tr>
<tr>
<td>Colombo</td>
<td>36.0</td>
</tr>
<tr>
<td>Durban</td>
<td>4.9</td>
</tr>
<tr>
<td>Fremantle</td>
<td>7.1</td>
</tr>
<tr>
<td>Gulf (total)</td>
<td>41.5</td>
</tr>
<tr>
<td>Karachi</td>
<td>16.3</td>
</tr>
<tr>
<td>Madras</td>
<td>4.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>52.0</td>
</tr>
</tbody>
</table>

Source: Derived from data provided courtesy Australian Department of Defence.
The second type of Indian Ocean trade is in oil. This trade flows mainly out of the Persian Gulf and thence splits roughly 50:50 between Europe and East/Southeast Asia. Following the closure of the Suez Canal at the time of the 1967 Middle East war, most oil bound for Europe now passes around the Cape of Good Hope. Oil bound for East Asia follows a similar route to other cargo; that is, around the South Asian peninsula and thence through the Asian straits. Oil trade routes are illustrated by Figure 1.3.

A third type of Indian Ocean trade consists of intra-regional trade. This trade reflects patterns that go well back into historical times. According to McPherson:

For millennia, maritime activity operated along a wide arc stretching from southeast Africa and Madagascar to Southeast Asia, enabling people to travel the ocean and leading to an intermingling of cultures, technologies, religions and trading goods.8

This Indian Ocean basin trade is changing in character in recent years, with the emergence of important regional trading 'hubs'. Figure 1.4 provides an insight into the tonnage handled by the principal Indian Ocean ports in terms of intra-Indian Ocean trade. It can be seen from Figure 1.4 that the three most important destinations of intra-Indian Ocean trade are the Gulf ports (reflecting obviously the high level of trade in oil), Colombo and Singapore, with the latter two having emerged as important points of regional re-export and distribution. The emergence of these 'hubs' is indicative of a larger change, one which has seen the rise in the amount of intra-regional trade, particularly as manifest within the Australia/Southeast Asia complex, and between Australia/Southeast Asia and South Asia, South Asia and Southwest/Central Asia, and Southwest/Central Asia and Southeast Asia. Furthermore, recent years have also witnessed a rise in both intra-industry trade within the IOR and in the level of direct foreign investment (DFI). These developments are still on a relatively minor scale, however, in comparison to the development of intra-regional trade and investment in other major global regions such as the Asia-Pacific. They are discussed more fully in the final chapter.

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One noteworthy feature of Indian Ocean trade is that a considerable volume has to pass through straits, some of which constitute 'choke points'. The most important of these are the Straits of Hormuz at the entrance to the Persian Gulf, the Straits of Malacca between Sumatra and the Malay Peninsula, and the Sunda and Lombok Straits between the Indonesian islands of Sumatra/Java and Bali/Lombok respectively. The Suez Canal and Bab al Mandab, which mark the northerly and southerly entrances of the Red Sea respectively, are also important. As mentioned above, however, a good deal of the Indian Ocean trade now passes around the Cape of Good Hope. Table 1.3 provides information on major Indian Ocean straits.

Table 1.3: Length, width, depth and tonnage carried annually of major Indian Ocean straits

<table>
<thead>
<tr>
<th>Strait</th>
<th>Length (narrowest point)</th>
<th>Width</th>
<th>Depth</th>
<th>Tonnage (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hormuz</td>
<td>20 n. mls</td>
<td>235 ft</td>
<td>246,784,638 (W to E)</td>
<td></td>
</tr>
<tr>
<td>Malacca</td>
<td>400 n. mls</td>
<td>8 miles</td>
<td>624,082,054 (W to E)</td>
<td></td>
</tr>
<tr>
<td>Sunda/Lombok</td>
<td>103 miles</td>
<td>179 feet</td>
<td>38 ft</td>
<td>see Bab al Mandab</td>
</tr>
<tr>
<td>Suez</td>
<td>26 km</td>
<td>200 m</td>
<td>375,307,103 (W to E)</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Various, including data provided by the Australian Department of Defence, for tonnages.

Of these straits, by far the most significant from the strategic point of view is the Straits of Hormuz. Unlike all of the other straits, the Straits of Hormuz would be very difficult to bypass should they for any reason be closed to traffic. Although some oil could be piped out
Figure 1.5: Major oil pipelines from the Persian Gulf

of the Gulf to the Red Sea and Mediterranean (see Figure 1.5), these pipelines would not be capable of carrying the requisite volume to meet global requirements.

On the other hand, even should all three major Southeast Asian straits be closed (an unlikely event), the international trading system could cope with the need to re-direct sea lines of communication (SLOCs) around Australia, which would entail an additional 3,000 nautical miles, just as it adapted to the need to re-direct Suez trade around the Cape of Good Hope after the closure of Suez following the 1967 Middle East war, a closure that entailed an additional sea voyage of about 4,500 nautical miles. This basic flexibility of Indian Ocean trade underlines the fact that there is considerable latitude in which to ply trade in the waters to the south of the principal choke points. This degree of latitude would make it very difficult for any littoral nation actually to interdict trade over an extended period in these expanses of water.

In terms of purely strategic considerations, however, any closure of the Southeast Asian straits would be more serious. Such an event could add to steaming time into the Indian Ocean by approximately ten days - a period that could have crucial consequences in the event of a crisis in the Gulf or South Asia. By way of example, had the straits been closed to the Enterprise task force in 1971, the US forces would have arrived too late to influence events in the war that was then in progress between India and Pakistan. However, it needs to be reiterated that it is difficult to envisage circumstances in which all three Southeast Asian straits might be closed.

The Straits of Malacca is not only important from a strategic perspective, but also by virtue of the sheer volume of traffic that passes through it - a situation that has earned it the sobriquet 'iron highway'. The importance of the Straits to Japan, which derives nearly 70 per cent of its crude oil from the Gulf, is evidenced by the fact that Tokyo has long desired to construct an oil pipeline across the Kra Isthmus in Southern Thailand, a move that has hitherto been resisted by Bangkok. It is, however, perhaps an exaggeration to describe the Straits as a 'dagger at the Japanese heart'. In a recent move, Malaysia has also put

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forward a scheme involving oil refineries and pipelines designed to transfer trade across the Malay peninsula. This scheme appears to have more to do with the desire to divert some of Singapore's valuable petrochemical and oil refining business than it has with any purely strategic consideration, however.

The Suez Canal is also vulnerable as a strategic waterway. Besides its undoubted commercial importance, it is significant as a link between US and European Mediterranean forces and the Gulf theatre. For example, at the start of the 1990-91 Gulf crisis, the USS Dwight D. Eisenhower carrier battle group was quickly despatched to the Gulf through the Canal as part of the 'trip wire' force initially interposed by Washington. It is not hard to envisage other circumstances in which Egypt would not allow the waterway to be used in this way, however, particularly should the forces of radical Islam become stronger in that country.

Despite the seeming vulnerability of some of the choke points of the Indian Ocean, the region is not generally considered to be at the 'hub' of global security. Although students of strategic studies are fond of quoting Mahan's dictum to the effect that he who controls the Indian Ocean controls the world, that particular point of view derived from the existence of the great nineteenth-century empires - the British and Tsarist Russian - both of which required transit through the Indian Ocean. Implicit also was a firm belief in the efficacy of the 'gun boat' diplomacy then practised by large navies. Today, the Indian Ocean is distant from the major locations of world power, such that littoral navies have a 3:1 advantage over the major external fleets in terms of the amount of patrolling they can accomplish for an equivalent sailing time. But despite its location away from major centres of power, for a period during the Cold War the Indian Ocean emerged as a venue for intense superpower competition, with generally deleterious results in terms of the influx of arms into the region. The repercussions of this period are still being felt, from Afghanistan to Somalia.

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Evolution of Superpower Competition in the Indian Ocean

Following the end of the Second World War, the Indian Ocean began to assume a new salience in world politics. One important factor in this change was the way in which control of the Middle East and Gulf oil fields had emerged as a key strategic issue during the war. Although most fighting had been focused on the Mediterranean and North Africa, which Germany had sought to control, one of the principal aims of German strategy had been to interdict the flow of oil to Britain.

It was only a matter of time after the end of the war before the global dimension of the Cold War broadened the theatre of competition to incorporate the Persian Gulf and surrounding waters as well as North Africa and the Mediterranean. Even during the Molotov-Ribbentrop talks in 1940, Moscow had evinced an interest in the Persian Gulf and Indian Ocean.12 By the mid-1950s, the Western powers sought to contain Soviet expansionism into the Indian Ocean through pacts such as the South East Asian Treaty Organisation (SEATO) and the Baghdad Pact and its successor, the Central Treaty Organisation (CENTO).

The first quasi-permanent Soviet presence in the Indian Ocean (other than for transiting purposes) was marked by the commencement of oceanographic expeditions in 1955. Subsequent to that, ships from the Black Sea Fleet entered the Indian Ocean in order to support the Soviet space programme. The Soviets also maintained a presence because they regarded the northern waters of the Indian Ocean as potential launch points for US Polaris and Poseidon submarine-launched ballistic missiles (SLBMs). There is little evidence, however, that any deployments of SLBMs ever took place.

Following the British announcement in 1967 of their intention to abandon their policy of dominating the Indian Ocean 'East of Suez', the Soviet presence intensified and became permanent. A typical Soviet deployment in those years was a guided missile destroyer, two destroyer escorts, an attack submarine, minesweepers, and various

support and amphibious vessels, averaging 14 to 18 ships. In order to support these forces, the Soviets established a facility at Berbera in Somalia. This facility gained in importance with the re-opening of the Suez Canal. The Soviet Union also had use of facilities of the former British naval base at Aden and the island of Scotra, both within the People's Democratic Republic of Yemen.

The US strategy in the 1960s and 1970s was to maintain a small presence, but periodically to demonstrate a larger capability. The move by the Organisation of Arab Petroleum Exporting Countries (OAPEC) to raise oil prices in 1973-74 created some alarm in the West about the possibility of Gulf oil actually being cut off. President Carter subsequently responded with Presidential Directive 18 of 1977, which directed the defence chiefs to identify forces that could be deployed into the Gulf should the need arise. Meanwhile, a small permanent presence, consisting of several frigates operating from Bahrain and a support vessel, designated MIDEASTFOR, had been established. The United States also gained control of the atoll of Diego Garcia in 1966, when Britain provided the territory for the use of US forces rent free. In 1971, the United States constructed a communication facility on the atoll. Eventually, facilities were extended to include a dredged anchorage sufficient to accommodate a carrier battle group; 320,000 barrel oil storage facilities with an additional 380,000 storage of aviation fuel; ammunition storage; workshops and general warehousing; long range, high-frequency communications facilities; living quarters for 600 personnel; a 4,000 metre runway; and hangar and servicing areas - in all, a magnificent mid-ocean facility.

At times of crisis or stress, US deployments into the Indian Ocean increased substantially. For example, during the 1971 Indo-Pakistan war the US deployed the Enterprise carrier battle group into the Bay of Bengal, where it remained until January 1972. Another task force entered the Indian Ocean during the 1973 Yom Kippur war. From the perspective of the United States, the 1973 war increased substantially the salience of the Indian Ocean in strategy. During that war, a number of European nations had denied the United States landing rights and staging facilities, making it more difficult for
Washington to support its ally, Israel. In this context, the so-called 'west about route' through the Indian Ocean into the Middle East took on an important dimension.\textsuperscript{15}

During the 1970s, the major external powers also sought to develop networks of facilities and bases to support their Indian Ocean fleets. The French stationed 4,000 troops and \textit{Mirage} combat aircraft in Djibouti in the Red Sea. Djibouti continues to be an important facility, both because of its location near the Bab-al-Mandab Straits and because of its role as a staging post for French forces bound for Réunion and Mayotte.\textsuperscript{16} Britain deployed forces into the Gulf and placed military resources in Oman. The United States already had a key communication facility at Kagnew in Ethiopia (later redundant because of satellite communications). By 1976, however, with the coming to power of the Communist Mengistu government, Ethiopia abrogated its agreements with the United States and admitted the Soviets, who subsequently developed a facility on Dahlak Island in the Red Sea. The United States started to supply arms to Somalia, which promptly invaded Ethiopia, forcing Washington to reverse its decision. The Soviets meanwhile pumped nearly $2 billion worth of arms into Ethiopia and Cuba despatched 17,000 soldiers. The United States resumed its support for Somalia in exchange for use of Berbera but never actually developed substantial facilities there. Effectively, both clients had changed superpower partners by the end of the decade.\textsuperscript{17}

In 1979, two events occurred in rapid succession that further increased the salience of the Indian Ocean in world politics. First, the Shah of Iran fell, ushering in a period during which the West feared that contending forces could leave Iran vulnerable to Soviet influence. Second, as if to reinforce the perception of a Soviet Union poised to seize the vulnerable oil fields of the Gulf, the Soviets invaded Afghanistan in December 1979, thus ending a period of relative \textit{détente} in superpower relations.

\textsuperscript{15} Harrison and Subrahmanyam (eds), \textit{Superpower Rivalry in the Indian Ocean}, pp. 22-3.
President Carter reacted to these events initially by declaring - in what became known as the Carter Doctrine - that the United States would resist, by force if necessary, any Soviet attack or intervention in the Persian Gulf region. He then announced the creation of a Rapid Deployment Joint Task Force (the RDF). Next, he strengthened US naval forces in the Persian Gulf (MIDEASTFOR) from three to five warships and raised the frequency of naval deployments into the Indian Ocean.

By January 1983, the RDF included four and a half army divisions, one and a half Marine amphibious forces, seven tactical fighter wings, two strategic bomber squadrons, three carrier battle groups and a new separate unified headquarters, US Central Command (CENTCOM), which has responsibility covering the Gulf. The Commander-in-Chief, Pacific Forces (CINCPAC) continued to be responsible for the Indian and Pacific oceans. Of course, most of these forces were located well away from the Gulf and Indian Ocean theatres, but were 'earmarked' for deployment into the Gulf should the need arise.

Sealift capability into the Gulf was also increased sharply in the mid-1980s. Eight large container ships were converted into fast sealift support ships, capable of transporting military equipment for an entire division. Some of this equipment was pre-positioned at Diego Garcia. Other forces were pre-positioned on ships nearer the United States. By 1986, 13 ships constituted a permanent Maritime Prepositioned Force at Diego Garcia and Guam, the latter being regarded as a 'swing zone' being able to support deployments throughout the West Pacific, Southeast Asia and the Middle East. By the late 1980s, CENTCOM was further expanded until it had some 300,000 personnel assigned to it. Logistical pre-positioning was integral to the RDF strategy and the Indian Ocean was in turn integral to pre-positioning.

The developments of 1979, which had brought Soviet forces to within only about 600 kilometres of the Gulf, ushered in a period of intensified competition between the superpowers in the Indian Ocean in which each vied with the other in order to gain influence with

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18 Ross Babbage, 'India's Strategic Development: Issues for the Western Powers' in Babbage and Gordon (eds), India's Strategic Future, p.155.
regional states and access to facilities and bases that went along with that influence. New or additional US facilities acquired in this phase of the Cold War were located at Berbera, Mombassa in Kenya and Oman. Other Indian Ocean nations, such as the islands off Southeast Africa, particularly Seychelles, were subject to constant speculation that one or other of the superpowers was about to acquire bases or facilities intended to enable domination of the strategic trade routes around Africa and through the Mozambique Channel.

Although the end of the Cold War has resulted in a general retreat in the role of the external powers in the wider Indian Ocean (as distinct from the Gulf), the Cold War has left a generally pernicious legacy in the region. In particular, it has left a plethora of sophisticated weapons and small arms in the hands of the client states of both sides. As we shall see, this was to have a highly destabilising effect once the discipline imposed by the respective patrons was no longer present.

Today it is estimated that 180,000 Somalis are armed, largely as a legacy of the Cold War. According to one account, an imputed value of $2 billion worth of arms was pumped into Angola by the Soviet Union at the height of the civil war there, while UNITA was also armed heavily by South Africa and the United States. The civil war in Mozambique was fuelled in a similar fashion. The history of arms imports into two extremely poor countries, Ethiopia and Somalia, which would otherwise not have been able to afford them, is illustrated by Figure 1.6.

Over the last few decades, the arsenal of 'light arms' (generally high-powered semi-automatic rifles, sub-machine-guns, rocket-propelled grenades such as the Soviet-made RPG-7, hand grenades, portable anti-tank and surface-to-air missiles such as the US Stinger, anti-personnel mines, etc.) available to terrorists, separatists, guerrillas, drug lords and criminals has expanded dramatically. The power of these weapons is exemplified by the case of the Stinger in the Afghan war, which had a 'kill' rate of 79 per cent when used against Soviet

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Figure 1.6: Arms imports into Ethiopia and Somalia, 1961-88 (in millions of current US$)

aircraft, and which virtually changed the course of the war.\footnote{ibid., p.191.}
According to Karp, the trade in these light arms now matters far more than does the trade in sophisticated weapons systems, since it is small arms that are fuelling the ethnic wars that have become the most prominent form of warfare in the post-Cold War environment.\footnote{Aaron Karp, 'The Arms Trade Revolution: The Major Impact of Small Arms', \textit{The Washington Quarterly}, Vol. 17, No. 4, 1994, p. 65.}

In the aftermath of the Vietnam war, the North Vietnamese reportedly sold off thousands of M-16 rifles on the global open market.\footnote{Dikshit, 'Proliferation of Small Arms and Minor Weapons', p.191.} Even today, small arms are flowing out of Cambodia, via Thailand, and on to fuel the insurgencies of Myanmar and South Asia.\footnote{For example, in April 1996 Bangladesh seized a large shipment of small arms sourced from Thailand at Cox's Bazaar. Reuters News Service, Art. No. 000815290457 of 3 April 1996 and other sources.} For decades, both sides in the Cold War armed their proxies with lethal small arms. The aftermath of the war in Afghanistan, which was itself a product of the Cold War, has also left a pernicious residue in South Asia and even further afield.

During the decade-long Afghan war, the Chinese, Saudis and Americans had channelled a veritable flood of small arms into that unfortunate country through Pakistan. During these operations, an estimated 40 per cent of weapons never reached their destination.\footnote{Dikshit, 'Proliferation of Small Arms and Minor Weapons', p.195.} These weapons would have ended up in the arms markets of South and Southeast Asia. With the end of the war, some of them filtered back into Pakistan, where there are now an estimated one million unlicensed \textit{Kalashnikovs}.\footnote{Dikshit, 'Proliferation of Small Arms and Minor Weapons', p.195.} Even \textit{Stingers} are reportedly sold in the arms bazaars of Pakistan.\footnote{Tara Kartha, 'Pak arms bazaar glut and after ...', \textit{Economic Times}, 5 August 1995.} The markets are now reported to be flooded and the prices of Chinese and Russian \textit{Kalashnikovs} have fallen by 66 per cent. Pakistani arms traders have also started importing arms directly from illegal sources in the former Soviet Union.\footnote{Conversation with senior Indian official, June 1995.} Light arms from the Afghan war have also found their way into Indian Punjab and Kashmir in large quantities. The surface-to-air missiles used to shoot down two Sri Lankan military aircraft by the Tamil Tigers in 1995 were reportedly ex-Soviet Union models sourced from Ukraine.\footnote{Conversation with senior Indian official, June 1995.}
Figure 1.7: India's major arms suppliers, 1951-85 (five-year average percentages)

As well as introducing large numbers of small arms into the Indian Ocean littoral, the Cold War also made possible the large-scale induction of sophisticated weapons systems. By 1991, over 70 per cent of India's major weapons systems were derived from the Soviet Union. These weapons had been acquired on extremely favourable terms. Figure 1.7 demonstrates that the Soviet Union was able largely to supplant the West as India's principal arms supplier during the Cold War. Iraq was another state that relied heavily on Soviet weapons such as the MiG-29 fighter, the Scud surface-to-surface missile and the T-72 tank.

The story was similar in the case of Pakistan and its patron, the United States. In order to stiffen Pakistan's resolve in the aftermath of the Soviet invasion of Afghanistan, the United States offered over $7 billion in military aid to Pakistan in two tranches. The total package was to have included F-16 fighter aircraft, M-1 main battle tanks, AEW systems and a number of other sophisticated weapons. Pakistan's front-line position vis-à-vis Afghanistan caused Washington to waive the provisions of the Pressler Amendment, which would normally have prevented military aid from being proffered to Pakistan, a state believed to be developing or in possession of a nuclear weapons capability. With the Soviet withdrawal from Afghanistan and the end of the Cold War, however, Pakistan's role as a front-line state ceased. In 1990, US military aid was cut off under the same Pressler Amendment that had previously been waived and the second tranche of the military aid package was refused, despite the fact that Pakistan had already paid for F-16 fighters and Orion maritime reconnaissance aircraft.30

Strategic Developments since the End of the Cold War

By 1988, the Soviet policies of glasnost and perestroika and the agreement reached in that year on the Soviet withdrawal from Afghanistan had created a new détente in superpower relations. The US naval presence in the Indian Ocean, which had risen rapidly after the twin crises of 1979 (the fall of the Shah and the Soviet invasion of

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30 Under the recent Brown Amendment, Pakistan is being permitted to purchase a number of weapons from this package, but not the F-16s.
Afghanistan), was halved in the years following 1988. This reduction, however, had more to do with the end of the Iran-Iraq war and of the associated 're-flagging' crisis (in which it was necessary for Western flags to be placed on Kuwaiti vessels to prevent them being attacked by Iran) than it did with the reduction of tension between the superpowers. In fact, as may be seen from Table 1.4, the Soviet naval presence in the Indian Ocean did not fall in line with the US reduction. By this time, therefore, it was clear that factors other than the role of the Soviet Union were dictating US force levels in the Indian Ocean. Following the collapse of the Soviet Union in 1991, the Russian presence in the Indian Ocean became only a transitory one, confined to the occasional exercise with regional nations such as India or the requirement to transit between Europe and the Russian Far East.

Table 1.4: Soviet ship days in the Indian Ocean, 1983-90

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>8600</td>
<td>9000</td>
<td>7100</td>
<td>5100</td>
<td>5500</td>
<td>6100</td>
<td>6200</td>
<td>5700</td>
</tr>
</tbody>
</table>


The ending of the Cold War also removed an important strategic superstructure that had been imposed on the turbulent politics of the region. Festering animosities were able to surface in places like the Horn of Africa and the Gulf, which had previously been recipients of substantial numbers of arms under the Cold War regime. The implications of this development in terms of regional politics will be further explored below.

The drawing down of the superpower presence in the Indian Ocean implies that, with the exception of Gulf security, the wider Indian Ocean region is now considered of second-order importance in terms of global security. Indeed, in order to garner its 'peace dividend' at the conclusion of the Cold War, Washington sought to extricate the

The Indian Ocean as a Security System

United States from the role of 'global policeman' and to define more closely where its vital security interests lay. As we shall see, one implication of this new development was that it was necessary for Washington to pass the policeman's baton to larger regional countries and the United Nations, which would henceforward be required to participate more widely in maintaining regional security. While this passing of the baton was true of wider Indian Ocean security, however, oil security remained very much a special case.

Oil Security and the End of the Cold War

Even before the end of the Cold War and 1991 Gulf war (henceforth the Kuwait war), the strategic impetus in the Indian Ocean had shifted from concern on the part of the West about the intentions of the Soviet Union (and conversely, Soviet concern about the intentions of the West) to concern about oil security as it might be affected by developments within the Gulf itself. The major factor in this shift was the Iran-Iraq war of 1980-88 and the 're-flagging' crisis. The Iran-Iraq war left Iran weakened vis-à-vis Iraq and upset the traditional balance between the two, contributing to the subsequent invasion of Kuwait by Baghdad.32

The war triggered by the Iraqi invasion of Kuwait heightened radically concern about oil security on the part of the industrialised nations. That the Kuwait war was essentially an oil war is illustrated by the fact that had Iraq successfully invaded Kuwait and Saudi Arabia, it would have commanded nearly half of the world's known oil reserves.33 It would thus have been in a position virtually to dictate the price of oil. Despite any rhetoric about protecting Kuwait, this was the reality underlying operations Desert Shield and Desert Storm.

It is not our purpose to enter into a detailed discussion of the Kuwait war itself. Rather, we need to determine the effect of the war on the conduct of strategy in the Indian Ocean region. In this context, the war had a number of outcomes.

It had the effect of re-emphasising the strategic fundamental about the Indian Ocean that oil security was one of the most pressing international issues. Furthermore, it reinforced the lesson of the Iran-

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32 Khalilzad, 'The United States and the Persian Gulf, pp. 111-12.
33 See Table 3.1, below.
Iraq war that the most likely threat to oil security would come from within the Gulf rather than from some external source. The outcomes of the war did little to resolve concern about oil security within the Gulf, however. Iraq, although seriously weakened and licking its wounds, was not finally defeated. More importantly, the fact that the war had weakened Iraq damaged the traditional triangular balance in the Gulf between Iraq, Iran and Saudi Arabia and raised the possibility that Iran might emerge as a more ambitious regional power. Nor were potential internal difficulties relating to the existence of feudal social structures in countries such as Saudi Arabia, or even in Kuwait itself, addressed in any form of 'new order' following the war.

The massive logistical exercise involved in Operation Desert Shield - involving the airlifting of 544,000 tonnes and the surface transport lifting of 208 million tonnes of dry cargo and more than 6.1 million barrels of petroleum products - underlined the importance of the Indian Ocean routes into the Gulf. Although 84 per cent of airlifted cargo came through Europe, all sea-lifted cargo came through the Indian Ocean, either through Suez, or around the Cape of Good Hope, or through the 'west about' route via the Pacific. Security through Suez could never be taken as a foregone conclusion, so it was important to have alternative routes as back-up. In developing the routes into the Gulf, and in the subsequent prosecution of the war, certain US and allied strategic assets in the Pacific and Indian oceans emerged as vital. These included Hawaii, Clark and Subic bases in the Philippines, Singapore, Australia (in terms of communications and early warning), Diego Garcia, Djibouti and, in the Gulf itself, Oman, the United Arab Emirates (UAE) and, of course, Saudi Arabia. The pre-positioned material on Diego Garcia, which was deployed in the battle theatre only 10 days after the commencement of the crisis, was especially useful in the context of the 'trip wire' force that the United States had to put in place in Saudi Arabia early on in the crisis. Of these resources, Clark and Subic are no longer in the possession of the United States, but the relationship with Singapore has been further developed and US resources on Guam have been upgraded in an

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34 Khalilzad, 'The United States and the Persian Gulf', passim.
36 US Department of Defense, Conduct of the Persian Gulf War, p.419.
endeavour to cover the loss of the Philippines bases. In terms of access to the Gulf, the Kuwait war demonstrated the importance of the Indian Ocean routes as a back-up to routes through Europe. In any future crisis, the Indian Ocean might be even more important should the United States not be able to rely on transit points such as Rhein-Main in Germany and Torrejon in Spain. For the United States, then, the Indian and Pacific oceans emerged as a 'strategic continuum'.

The Kuwait war had the effect of focusing the concerns of the West and of the United Nations on the regional proliferation of nuclear, biological and chemical weapons (NBCs) and ballistic missiles. For the duration of the war, both Israel and Saudi Arabia lived in fear of a missile attack that might contain biological or chemical weapons. Although Iraq's nuclear capability had not been developed in time for the war, the aftermath of the war revealed how close Baghdad had come to attaining nuclear status. Indeed, UN-International Atomic Energy Association (IAEA) teams discovered that Iraq could have been in a position to manufacture atomic weapons as early as 1993. The defection of Saddam Hussein's son-in-law in 1995 also revealed the extent of Iraq's chemical and biological weapons programme. As well, it revealed the frightening fact that it was only the threat of a US nuclear counter-strike that prevented use of these weapons against US forces. Had the war been fought only a few years later, it would have been a far more traumatic event, and possibly even catastrophic. These concerns have translated into a subsequent on-going policy concern about NBCs in the Indian Ocean region.

The war also focused the attention of larger regional countries on the capabilities of the Western allied participants in new systems of C4I (command, control, communications, computation and intelligence), in so-called 'smart' weapons, and in the military doctrine of the air-land battle. The war was therefore followed by attempts on the part of those countries that could afford them to acquire at least some of these capabilities. It thus had the effect of forcing an upgrading of the capabilities of weapons in the Indian Ocean region,

38 Australian Broadcasting Commission, 'Background Briefing', 7 October 1995.
and especially in the Gulf, South Asia, Southeast Asia and China. These developments will be detailed in subsequent chapters.

Further, the war marked the demise of Cold War politics within the Indian Ocean region. The failure of the Soviet Union to support its client, Iraq, damaged irreparably its reputation and the reputation of the successor Russian state as a reliable counter to the United States and its allies. This marked a radical departure from the type of international politics that could be conducted by regional powers, according to which they had sided with one superpower or another in order to garner military and economic aid. While the United States might be reviled by some states in the region, it is nevertheless now seen as the sole remaining superpower.

And finally, the war made it clear that in the event of a crisis involving inter-Arab confrontation, Israel, which the United States had previously regarded as a strategic asset, could, in fact, prove a liability, in the sense that it could be used by a power like Iraq in order to draw the Arabs together against the West. Instead of relying on Israel in such circumstances, the United States was subsequently forced to develop closer ties with its Gulf Arab friends in order to remain effective in the Gulf and the Indian Ocean approaches to the Gulf.

Thus the Kuwait war tended to reinforce those elements of Indian Ocean strategy already in evidence following the softening and final collapse of Soviet power. For the large external powers, Indian Ocean security was primarily now about Gulf security and the security of oil. In turn, Gulf security was no longer an aspect of superpower competition, but rather of the emerging internal dynamics of the Gulf nations themselves, particularly the dynamic related to the rise of radical Islam. In the aftermath of the collapse of Soviet power, Gulf security was also increasingly likely to be tied in with the emergent Central Asian Republics, some of which were also important potential sources of oil and gas.

The Emergence of the Central Asian Republics

The emergence of the CARs could potentially result in a profound change in the geopolitics of the Southwest Asian region. The break-up of a large segment of the former Soviet Union with cross-border ethnic and religious ties into Southwest Asia is bound over the
longer term to have an effect on the economics and security of the Gulf and Southwest Asia. For the time being, however, that effect is strictly limited. At present, most of the physical ties of the CARs - whether they be oil pipelines or surface transport infrastructure - remain with Russia. The CARs can also call upon Russia to provide technical know-how, especially given that the infrastructure already in operation there is compatible with Russia's infrastructure. The CARs are, however, looking for alternatives that will make them less dependent on Russia, since they remain wary of Russia's intentions in the area - a wariness that has only been increased as a result of the Russian interventions in Tajikistan and Chechnya and general policies toward the 'near abroad'.

This search for alternatives on the part of the CARs has triggered competition for influence in the region between Pakistan, Iran and Turkey. Iran sees the CARs as presenting it with an opportunity to form an alternative bloc to the Gulf configuration, which Tehran regards as being dominated by Arab interests. Turkey regards the CARs as its natural hinterland, since all of the republics are Turkic-speaking except for Kazakhstan. Pakistan perceives in the emergence of the CARs a means of freeing itself from what it regards as a sterile South Asian security environment in which India dominates.

Each one of these players has problems in their suits in the CARs, however. Pakistan is currently blocked from the region by the on-going conflict in Afghanistan. Although it sees itself as providing technological know-how, it has insufficient capital to back it up. Iran too is capital-poor. It also has problems in wooing the CARs through its Islamic credentials because all of them, except Azerbaijan, are Sunni-dominated. Indeed, except in Tajikistan, Islam is not yet in evidence as a powerful force. Iran is seeking to add weight to its suit by working with India to develop rail links out of the CARs into the Gulf. Even Turkey, which has most in common with the CARs ethnically and linguistically, is constrained by the fact that it does not share a common border with them. Because of these limitations, the effect of the emergence of the CARs on Southwest Asian and wider Indian Ocean security structures will continue to be limited for some time to come. Their presence will, however, increasingly command attention in the conduct of regional strategy. Already this presence is in evidence in terms of the emerging competition between Iran and
Pakistan for influence in Afghanistan, which is an important conduit into the CARs.

Evolving Regional Capabilities, New Technologies and the External Powers

Another phenomenon that characterises the Indian Ocean in the post-Cold War period is the evolving strategic capabilities of the principal Indian Ocean actors. The actual capabilities of the major Indian Ocean powers will be discussed in greater detail in the following chapter. For now it will suffice to examine some of the general features of the changing relativities in the region.

There are a number of elements that are behind the rising capabilities of the regional powers. First, and most obviously, the diminution of the superpower presence referred to earlier has caused a shift in relativities in favour of the leading regional powers, except in the Gulf itself where, as we shall see, the US military presence has actually been strengthened as a result of the Kuwait war.

A second general feature is that in some places - and this is especially true of Southeast Asia - rapid economic growth has assisted the process of military modernisation. Some countries, such as Malaysia, are acquiring modern fighters and naval vessels and considering the purchase of submarines for the first time. Most are acquiring sophisticated tactical missiles. Thailand has even put in a bid to acquire the state-of-the-art AIM-120 air-to-air missile. Should approval be given, which now appears likely, it would be the first regional country to obtain a missile of this sophistication. Southern Asian countries already possess a range of ballistic missiles, including the intermediate-range Chinese-origin SS-20s of Saudi Arabia, Iran's 1000 km range Tondar 68 (a version of the M-18 developed with Chinese assistance), Iraq's 900 km Badr 2 (a Scud clone), Kazakhstan's nuclear-armed SS-18 and 'Model 4' ICBMs (which will, however, eventually be returned to Russia) and Pakistan's crate Chinese M-11 short-range SS missiles.

A third feature of the region is the increasing capability of the larger regional powers to develop indigenously important defence capabilities. We have seen how the success of the allied campaign in the Kuwait war sheeted home to the major Indian Ocean powers the importance of intelligence, communications and precision weapons. In the light of the defeat of the largely Soviet-equipped Iraqi force, nations such as India, that were heavily reliant on weapons and doctrine from the former Soviet Union, have had to re-assess their doctrines and force structures in a fundamental way. At the same time, the larger regional nations have recently become more capable of producing a number of new technologies locally. In this process, they have been assisted by two developments - the increasing tendency for key military and civil technologies to converge, and the development of key linkages with outside powers capable of supplying dual-use technology and transfers of technology.

The key factors in the allied victory were superior intelligence, particularly overhead imaging and the provision of 'real-time' intelligence by means such as the joint surveillance target attack radar system (JSTARS), superior air power and the capacity to coordinate air power with land power (the concept of the air-land battle), the use of 'smart', or highly accurate weapons reliant on micro-electronics and laser technology, and the ability to coordinate all of these factors.

At the same time, the fear of Iraqi ballistic missiles, possibly armed with chemical or biological weapons, played a highly disruptive role and tied up considerable allied resources to hunt down the Iraqi Scud missile launchers. Ballistic missiles also played a significant role in spreading terror in the Iran-Iraq war as part of the so-called 'war of the cities'. These developments have together had the effect of sharpening the regional focus on the role of ballistic and, potentially, cruise missiles.

While no regional power is yet capable of fighting the highly coordinated type of campaign the Americans and their allies fought in the Gulf, several are moving to improve their C^4I capabilities in the aftermath of the war. India has decided to overhaul completely its military intelligence gathering and coordination apparatus and its capabilities in electronic warfare (EW). Intelligence and communications are now to be based primarily on satellite technology. The new system is planned to be integrated into all strike weapons and
to provide 'real-time' intelligence to field commanders by the year 2000.\textsuperscript{41} It is also attempting to develop an indigenous airborne warning and control (AWAC) capability.\textsuperscript{42} Australia plans to have operational an indigenous over-the-horizon radar system known as "Jindalee" in 1997 and to acquire an AWAC capability.

Both India and Pakistan are developing indigenous ballistic missile capabilities. Pakistan is believed to have acquired Chinese technology and components for the M-11 (290 km) short-range surface-to-surface missile. India has indigenously developed a 2,500 km IRBM called "Agni." It is noteworthy that "Agni" is made up of a seemingly illogical mix of solid and liquid fuels. It is basically an amalgamation of the smaller "Prithvi" and a small Indian space launch vehicle known as the SLV-3, which is itself a derivative of the US Scout. This configuration suggests that "Agni" provides little more than a cheap means by which India can master the re-entry and targeting technologies while other technologies that could provide the basis for either a solid-fuelled IRBM or an ICBM are under development.\textsuperscript{43} India is apparently developing terminal guidance for warheads, which could eventually mean much greater accuracy and possibly eventually a multiple, independently targetable re-entry vehicle (MIRV) capability. According to some claims, the successful testing of "Agni" in February 1994 actually included testing of terminal guidance.\textsuperscript{44} India is on the verge of deploying a short-range surface-to-surface missile known as "Prithvi," which will come configured for a range of either 150 or 250 kilometres, depending on the size of the warhead. This missile, to be deployed against Pakistan should it actually be deployed, could potentially carry a nuclear warhead. India is also seeking to acquire a cruise missile capability, probably with Israeli assistance. It has

\textsuperscript{41} Vivek Raghuvanshi, 'India Starts Military Intelligence Overhaul Effort', \textit{Defense News}, 4-10 September 1995, p.6.

\textsuperscript{42} On India's EW capability, see Vivek Raghuvanshi, 'Indian EW Effort Aims for Regional Parity', \textit{Defense News}, 23-29 January 1995, p. 16.

\textsuperscript{43} This line of argument has been developed by Manoj Joshi. See his paper, 'India's Technology Demonstrator Strategy', paper delivered at the Strategic and Defence Studies Centre, Australian National University, November 1992, pp. 2-4. Joshi does not necessarily imply that the testing of guidance and re-entry is being undertaken with the polar satellite launch vehicle (PSLV) in mind, but rather that "Agni" is being used for such testing in a general way.

\textsuperscript{44} 'Missile programme crosses milestone', \textit{Hindu} (International Edition), 26 February 1994. The difficulties involved in such technologies are, however, said to be formidable for a nation such as India. See Tim McCarthy, 'India's Missile Program: Part I', \textit{Asian Defence Review}, September 1993, p. 17.
already designed and built unmanned aerial vehicles (UAVs), which could be transformed into cruise missiles by upgrading precision guidance, navigation and propulsion. Survivable (jam resistant) data links have also been developed. The eventual development of an overhead sensing capability will enable this technology to be effective in terms of guidance and targeting. This later capability will eventuate through the launch in January 1996 of an imaging satellite with a 10 metre resolution. At the same time, India is developing an ambitious programme of indigenously built tactical missiles, including several surface-to-air missiles (one of which is claimed to have 'Patriot-like' features by Indian officials), anti-tank missiles, and air-to-air missiles.

Australia is acquiring six of the most capable conventional submarines in the world, with a highly advanced US-designed combat system, and a German-designed frigate. The major part of both of these purchases is to be sourced locally. Pakistan will build the last of its French Agosta submarines locally and the last two of India's GDW Type 1500 submarines were indigenously produced. India has rolled out an indigenous fly-by-wire fighter and Indonesia has just test flown an indigenous fly-by-wire commercial airliner.

One significant development behind the increasing capacity of indigenous defence industries is the role of the transfer of dual-use technologies. Under the Cold War regime, transfers from the United States to India were restricted as part of the Coordinating Committee on Exports (Cocom) agreement. Even after the end of the Cold War, the United States was reluctant to transfer items that might have assisted India's nuclear weapons and ballistic missile programmes. For example, sale of supercomputers is still restricted on the grounds that they could be used for weapons and ballistic missile development. Transfer of key military technologies, such as aerial refuelling and Harpoon missiles, was also banned.

Washington has recently softened its position somewhat, however, in deference to the new economic relationship with India. In February 1994, the US Commerce Department permitted the export of

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computers in the 260 million theoretical operations per second (MTOPS) range, a substantial rise from the previous ceiling of 12.5 MTOPS. A recent agreement under which the United States will receive and market data from the Indian remote sensing satellite seems to have broken the log-jam that developed between the Indian Space Research Organisation (ISRO) and the National Aeronautics and Space Administration (NASA) as a result of US concerns about Indian breaches of the missile technology control regime (MTCR). The United States is assisting India substantially in the development of its new fighter aircraft, including with computer-aided design and manufacturing (CAD-CAM) capability, engines and airframe design.

Even where restrictions still apply, as in the case of US supercomputers, indigenous industries are increasingly developing local capabilities, especially in key areas such as micro-electronics and computation. Nations such as Singapore now have highly capable electronics industries. Singapore's arms industry has, since the 1960s, had a close relationship with Israel, including, reportedly, the upgrading of Singapore's F-15 aircraft. Even India, when faced with restrictions on importation of supercomputers under Cocom, has managed to develop a considerable capacity in the construction of massive parallel array machines, including within the Bhabha Atomic Research Centre (BARC). Given the sophisticated capability in software design that exists in India, it is possible that, for some tasks at least, these machines will be able to substitute for the machines denied India by the United States.

Finally, the wave of economic liberalisation that is occurring around the Indian Ocean rim is certain to have a profound effect in terms of technology transfer. Under the old, autarkic regimes that existed in countries such as India and Pakistan, state-of-the-art technologies were not transferred into industry because international investors were not willing to make such technology available in circumstances in which they did not have a controlling interest. Now that these economies are opening up, such restraints no longer apply. Disciplines in which front-line technologies are now likely to be

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47 'India can now buy bigger US computers', Strategic Digest, No. 4, April 1994, p. 667.
50 See Gordon, India’s Rise to Power, pp. 34-9.
transferred include the materials sciences, electronics, CAD and CAM, the organisational sciences and management. All of these disciplines are highly relevant in terms of the formation of a defence industrial base. Given the need for such bases to be built on a long-term accumulation of experience, however, it will probably be many years before the new technologies and skills acquired filter through to the respective defence industrial bases. When they do, we are likely to witness a rapid accrual of capabilities built on the accumulation of significant synergisms.

Over time, this accrual of indigenous technology and capability in the Indian Ocean region has the capacity to alter substantially the relationship between the indigenous powers and the external powers. The acquisition by a country such as India of certain types of capability, such as overhead intelligence-gathering facilities and cruise missiles, could inject an element of doubt even into the calculations of the United States that was not previously present. (This is not to suggest that the United States and India are currently opposed to each other in any major respect, but rather to illustrate a point about the importance of technology.) Sophisticated submarines and ballistic missiles also raise the element of doubt for the external powers. Any such developments are only likely to take place over the long term, however. In the short-to-medium term, there is no major challenge to a power like the United States on the horizon.

For the United States itself, the principal difference between the Cold War era and the situation today is that, except in relation to its vital strategic interest in oil, Washington has a diminishing interest in broad engagement in the Indian Ocean region now that it no longer requires to contest each move of the Soviet Union in the developing world. Other than oil, major threats in the Indian Ocean region no longer involve the external powers, but emanate from within the region itself, and particularly from within the various security complexes at the rim. They also increasingly arise from the growing problem of internal insecurity in a number of rim states, especially those in Africa and South Asia.

The various ethnic and religious conflicts that dot the periphery of the Indian Ocean have been a feature of the region for many years. For example, the tribal and ethnic wars of the Horn of
Africa and sub-Saharan Africa stretch back in time well into, and even before, the Cold War, as evidenced by the historical rivalry between Hutus and Tutsis in Rwanda and Burundi or Somalis and Ethiopians on the Horn of Africa. In the Cold War era, however, such conflicts were overshadowed by the larger superpower rivalry and the threat of nuclear catastrophe. It is only now that the Cold War and the threat of nuclear annihilation have receded that the problem of low-intensity conflict has been brought into sharp focus within the wider global community. To this concern about ethno-religious conflict has now been added concern about the threat to security posed by illicit drugs and crime. There is now a plethora of writing pointing out that far more lives are lost today in low-intensity conflict than in major war between nations. These low-intensity challenges to security are being fuelled by the above-mentioned residue of small arms left over from the Cold War era and by new sources of supply as indigenous producers become more effective. As we shall see below, the low-intensity challenge is now regarded by leading external and major Indian Ocean powers as one of the more serious problems confronting the region.

While it would be invidious to select any individual writer from the large number now concerned with low-intensity conflict, it would be equally remiss not to mention the work of Van Creveld in drawing attention to the importance of low-level conflict in modern security.
CHAPTER 2
SECURITY CAPABILITIES,
PERCEPTIONS AND INTERESTS OF
THE MAJOR INDIAN OCEAN ACTORS

The External Powers and Present-day Indian Ocean Security

The shift in the locus of concern of the external powers following the end of the Cold War has entailed a re-focusing of strategic assets from a more general concern about all parts of the Indian Ocean to a highly specific concern about the security of the Gulf and of Gulf oil. The change in emphasis has been further assisted by the peaceful transition from Apartheid to a democratic government in South Africa and by the withdrawal of Soviet-backed Cuban forces from Africa. Although South Asia remains a troubled region, and one which is of concern because of its de facto nuclearisation, the patron-client relationships between South Asian countries and the superpowers that were instrumental in fuelling the regional arms race are no longer present. The changes in the Indian Ocean have been such that in 1995 a major RAND Corporation study prepared for the Commander-in-Chief, US Pacific Command (CINCPAC), noted that the United States would have no 'clear' role to play in the event of a war between India and Pakistan and that the major interest in the Indian Ocean devolved onto the Persian Gulf.¹

Yet even while the ending of the Cold War has lowered the strategic temperature in the wider Indian Ocean, other types of linkages are being developed that raise the salience of the region for the external powers. Economic linkages are becoming increasingly important as South Asian nations open up their economies to the world. Investment in these economies is rising, albeit from a low base. Actual (as distinct from approved) direct foreign investment in India has increased from only $155 million in 1990-91 to an estimated $2 billion up to in 1995-96. Although on a smaller scale, a similar pattern of investment is occurring in Pakistan and other liberalising South Asian nations.

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<td><strong>Non-Resident Indians (NRI)</strong></td>
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<td>290</td>
<td>2001</td>
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<td>(DFI) (actual)</td>
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<td><strong>Total</strong></td>
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(a) Calendar year. (b) To September of calendar year only. (c) Estimates.

This interest in South Asia is developing at the exact time as doubts are emerging about China's capability to maintain stability and the massive levels of growth witnessed in recent years.\(^2\) Indeed, a number of important US companies and bankers are now of the view that long-term prospects in India are better than they are in China.\(^3\) It would be an exaggeration, however, to imply that South Asia will in any way supplant the substantial economic interest now evident in East Asia. But it is increasingly apparent that the two great expanding markets - comprising together 40 per cent of global population - of the early part of the twenty-first century are likely to be India and China. Once a substantial body of Western investment builds up in the liberalising economies of South Asia, the Western interest in the security and good governance of the region will perforce increase. Table 2.1 provides an illustration of the rising level of foreign investment in India.

Another development that has had the effect of drawing the external powers' attention back into the wider Indian Ocean has been the growing role of modern media - the so-called 'CNN factor' - in alerting the populations of the Western democracies to crises in places like Rwanda and Somalia, crises which, as noted earlier, have increased salience in the context of the end of the Cold War. While such places are not strategically significant in the wider global context, it has proved difficult for the governments of the Western democracies to resist public pressure to intervene, sometimes against their better judgment. At the same time, the desire on the part of the external powers to benefit from 'peace dividends' in the aftermath of the Cold War has also persuaded them to seek to foster a more communal approach to security in the region and to rely more on leading regional countries such as India. This has in turn focused the attention of the major powers on relationships in the region. In particular, it has led to a broadening and deepening of the relationship between the largest and by far the most important external power, the United States, and the largest and most important regional power, India.

Indo-US Relations after the Cold War

The end of the Cold War has enabled Washington to act according to its belief that it is India, not Pakistan, that is the power of the future in the Indian Ocean region. While Pakistan is still considered important in the context of Gulf policy, and because of its perceived role as a moderate Islamic nation, it no longer has the status of a front-line state. This shift in the status of Pakistan meant that by 1990 Washington was willing to implement the provisions of the Pressler Amendment and cut off military aid to Pakistan.

Although India is not subject to the provisions of the Pressler Amendment, which relate specifically to military aid to Pakistan, Washington attempted in the early 1990s to adopt an even-handed approach between India and Pakistan on nuclear proliferation. For example, in 1992 India's long-standing relationship with NASA, which had been seminal in the creation of the Indian space programme, was frozen as a result of Washington's concerns about activities it regarded as having formally breached the MTCR. However, evolving US policy on proliferation in South Asia, and in particular the realisation that the larger relationship with India would be in jeopardy should Washington persist with a strategy of vigorously pursued roll-back of India's nuclear capability, has persuaded the Clinton administration to soften its stance on the nuclear question and on other issues such as Kashmir as well.

Despite official pronouncements about the continuing salience of the nuclear 'roll-back' position, the United States has now moved to advocacy of capping of the Indian and Pakistani arsenals rather than vigorously pursued roll-back. Nor have Assistant Secretary of State Raphel's pronouncements about Kashmir being contested territory been repeated following the storm they engendered in India. On the contrary, the incumbent US ambassador in New Delhi, Frank Wisner, seemed to have backed away from that position, suggesting that the ground is being prepared for the United States to look for other

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4 These involved importation of cryogenic rocket technology from Russia that the United States felt could be used to manufacture an Indian ICBM.
solutions in Kashmir outside the 1948-49 UN resolutions, which favour Pakistan by calling for a plebiscite of Kashmiris to decide on their future. The United Kingdom is also now suggesting that the 1948-49 Resolutions may no longer be an appropriate vehicle for resolving the dispute.

The economic imperative is featuring increasingly in Washington's attitude to India. United States' investment now comprises 42 per cent of total foreign investment in India. In early 1995, US Secretary of State for Commerce Brown led a business delegation to India that resulted in the signing of deals worth $7 billion. Although in the latter months of 1995 cancellation of a giant power project with a US major partner in the state of Maharashtra cast a shadow over the future of US investment, by mid-1996 investment had risen to record levels (see Table 2.1, above). Trade between the two countries has also risen substantially, albeit from a low base, and American companies are eyeing off what they see as the potential of India's rapidly growing middle class, now numbering 180 million.

Another factor in Washington's renewed interest in India relates to its broader strategic perceptions about the Indian Ocean. As the United States progressively draws down its forces and reduces its presence in the Indian Ocean in the aftermath of the Cold War, it is important to it to have a large, democratic and essentially status quo power such as India on its side and positively engaged in regional security maintenance. This 'passing of the policeman's baton' was already in evidence as early as 1987 and 1988, when both President Reagan and Prime Minister Thatcher approved of the Indian intervention in Sri Lanka and the Indian action to suppress a coup.

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9 These figures are based on latest National Survey data. They are based on a family income of $80 in the cities and $50 in rural areas. See Narayanan Madhavan, 'Indian middle class market estimated at 180 million', Reuters News Service, Art. No. 000501744791, 14 August 1994. A recent poll of US chief executives revealed that almost half were considering entering the India market or were already entering it. See Aabha Dixit, 'US, India Face Crossroads', Defense News, 23-29 May 1994, p. 32.
Security and Security Building in the Indian Ocean Region

attempt in Maldives. The attitude of the Western powers is well summed up by the comments of Mrs Thatcher concerning the latter intervention:

Thank God for India: President Gayoom's government has been saved. We could not have assembled and despatched a force from here in good time to help him.10

In effect, India has subscribed to the larger role cast for it. Far from decrying the presence of extra-regional navies as it used to during the Cold War, it has conducted exercises with at least 15 separate foreign navies since 1991, a number of them, such as those of the United States, Britain, France and Russia, from outside the Indian Ocean. It has contributed handsomely to the UN efforts in Cambodia, Somalia, Rwanda and Angola. Privately at least, officials in New Delhi recognise that the US presence is desirable in terms of oil security, with India becoming ever more dependent on Gulf oil to fuel its industrialisation.11

It is probably as a result of this general concern about Gulf and Indian Ocean security that CINCPAC, which is responsible both for the Pacific and Indian oceans, actually led Washington's drive to develop closer ties with all three Indian military services, but especially the navy. CINCPAC's concerns about maintaining its Indian Ocean role would doubtless have been heightened by the loss of the US bases in the Philippines, which played an important part in the logistics of operations Desert Shield and Desert Storm. In the context of US troop withdrawal from Europe, the so-called 'west about' route through the Indian Ocean into the Gulf could become more important than ever. According to a CINCPAC study,

India's foreign policy has been steadily converging with US interests as a result [of the end] of the bipolar era. For example, both share similar concerns with respect to ... unrestricted navigation in the Indian Ocean, and the adjoining Persian Gulf region [emphasis added].12

10 Quoted in Admiral R.D. Katari Memorial Lecture by M.K. Rasgotra (at the time Indian High Commissioner in London), 16 October 1991, p. 10.
11 Interviews with senior officials, New Delhi, December 1993.
Despite the far better relations between India and the United States in recent years, however, Washington is still restrained from selling major weapons systems to India. Indeed, it is doubtful that either side wants such sales, or at least not in quantity. India is still too short of funding to enter the expensive Western arms market as a major player. It is still substantially locked in to Russian weapons systems by virtue of the fact that the preponderance of its current arsenal is of former Soviet origin. It is also intent on acquiring highly specific technologies from the United States, technologies that supplement its own indigenous defence industries, rather than purchasing weapons 'off the shelf'. On its part, the United States would not wish to be seen to be unfairly favouring India over Pakistan in circumstances in which both are nuclear aspirants.

In pursuit of its strategy of supplying technologies rather than actual weapons, the United States declared during Indian Prime Minister Rao's 1994 visit to Washington that it would resuscitate the technology memorandum of understanding (MOU), which had been moribund since 1989. The United States is closely involved with the design and verification of India's new Light Combat Aircraft. It is also providing the F404-GE-F2J engines that are to be used in the prototype aircraft. The pace of technology transfer between the two is likely to pick up as the economic relationship deepens. It will be difficult, given a rapidly expanding economic relationship, to continue to deny computer technology to India, especially as India becomes ever more closely entwined with the United States in the area of software engineering.

In recognition of India's new-found status, in January 1995 the two powers signed a comprehensive defence cooperation document which US Defense Secretary Perry described as 'not only significant ... [but] historic'. Importantly, the new arrangement envisaged far more comprehensive naval exercises than had been held in the past and even more comprehensive cooperation in defence production and research. The agreement has opened the way for a series of naval exercises between the two that for the first time will be 'meaningful' in terms of the level of information exchanged and of the participating

vessels. *Malabar II*, an exercise held in June 1995, even involved two US nuclear-powered submarines.\(^{14}\)

While the foregoing indicates a fundamental shift in mutual attitudes since the Cold War, it does not mean the end of difficulties or suspicions in the relationship. Both the United States and India are large and proud powers, and it is unlikely that the relationship will ever evolve into a patron-client model. Current difficulties include ongoing US concerns about India’s nuclear capabilities, including fears triggered by apparent military activity near India’s Pokhara nuclear test site and US frustration about the emergence of economic nationalism in India. The respective interests on both sides are now such, however, that any such concerns are unlikely to derail the overall direction of the relationship, which is a positive one - unless of course, India decides openly to ‘go nuclear’, in which case the relationship would be likely to sour seriously for a considerable period of time.

**The External Powers and the Role of the United Nations**

The ending of the Cold War also presaged a far more active role for the United Nations in attempting to maintain stability in the Indian Ocean region. Although ostensibly a UN operation, the Kuwait war itself was primarily prosecuted by the Western allies, especially the United States, Britain and France. However, the United Nations was more closely involved in the operational sense in the aftermath of the war, when it provided 600 personnel for the UN Iraq-Kuwait Observation Mission (UNIKOM). The fact that the Gulf campaign had been fought in name as a UN operation had, moreover, been important in ensuring support, especially from the Arab states and China. Other regional UN operations, particularly those in Africa, have been more genuinely international and regional, involving significant numbers of Indians, Pakistanis, Bangladeshis, Australians, Africans, Southeast Asians and others. The UN operation in Somalia involved 5,000 UN personnel. In addition, temporary involvement of US and other forces meant that force levels at times swelled as high as 19,000. Operations in Mozambique involved 7-8000 UN personnel and in Rwanda, UNAMIR involved a commitment of 5,500 UN personnel.

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But while the United Nations has played an increasingly important role in the Indian Ocean region, it still does not drive the security agenda. The failure of the UN mission in Somalia and the inability of the United Nations to prevent a savage massacre in Rwanda illustrate the difficulty international operations have had in resolving intransigent regional ethno-religious disputes. Moreover, the basic security architecture of the region is still dictated by the character of regional inter-state relations, especially between the larger powers, and by the role of the large external powers, especially the United States. Although the increasing salience of low-level security problems and internal security issues has serious local repercussions, its effects on broader Indian Ocean security are limited. External powers are driven to intervene in places such as Somalia and Rwanda not so much because of their intrinsic strategic value, but rather by the effect of pervasive media coverage on their own populations. Conversely, media coverage can be a key element in subsequent decisions to withdraw, leading to generally inchoate policies toward UN intervention on the part of the large Western democracies.\(^\text{15}\)

One large Western power, France, has a rather more permanent presence that the others, however. The French have two Indian Ocean territories, Réunion and Mayotte, which are equivalent to their Pacific territories in status - that is, they are considered to be part of metropolitan France. Réunion, with a population of 600,000, lies to the south-west of Mauritius and is the most important of the French possessions. It contains a French naval base numbering 3,500 personnel and two 'patrol boats' (more like corvettes or frigates), one light patrol vessel and a small supply vessel.\(^\text{16}\) This base actively assisted French forces in the Kuwait war. Unlike in the Pacific, where the French presence is contested (especially in New Caledonia), the French connection is welcomed in Réunion and Mayotte because of the funds and opportunities to emigrate it provides.\(^\text{17}\) Other regional islands, such as Mauritius, Seychelles and Madagascar, are also

\(^\text{15}\) For an account of the effect of the media, working on Congress in the context of the Clinton administration's policies towards Somalia see Mats R. Berdal, 'Fateful Encounter: The United States and UN Peacekeeping', *Survival*, Vol. 36, No. 1, Spring 1994, p. 34.

\(^\text{16}\) Stephen Henningham, 'The Southern Indian Ocean: Ripples of Change', undated academic paper, being a report of a conference on Réunion, p. 4.

\(^\text{17}\) ibid., p. 5.
substantially francophone, and the French continue to capitalise on this and provide substantial aid to these countries.\textsuperscript{18}

\textbf{The East Asian Powers and the Indian Ocean}

The rapid economic growth in the East Asian region, the growing dependency of many countries in that region on imported Gulf oil for continuing growth, and the new focus on Gulf oil security that resulted from the Kuwait war have together tended to increase the importance of the strategic linkage between the Indian and Pacific oceans in the perception of the East Asian powers. In this new equation, the roles of the two largest powers, China and Japan, are especially important. The increasing requirement for Gulf oil on the part of the East Asian powers may be seen from the projection in Figure 2.1.

In the case of Japan, the Kuwait war brought to the fore important concerns about oil security and its own role in ensuring the free flow of oil. Despite having made a direct contribution of nearly $13 billion to the war, Japan was still seen in the United States to have been 'free riding' on the issue of oil security. Eventually, Japan despatched a minesweeping flotilla to the Gulf, but only after the war was over. This contribution was generally viewed as 'too little too late'. As a non-nuclear power, Japan has also had a strong interest in checking the spread of nuclear weapons in the Indian Ocean, especially in South Asia. For a period, it attempted to use its development assistance programme in order to influence the nuclear debate in South Asia. Like the United States, it now seems to have concluded that it cannot achieve results by such linkages. In a recent move it has decided to work more closely with India in order to achieve global nuclear roll-back over the longer term.\textsuperscript{19}

\textsuperscript{18} ibid.

\textsuperscript{19} 'India, Japan working ways [sic] to eliminate N-weapons', \textit{Hindu}, 24 August 1995.
Figure 2.1: Percentage of Middle East crude in total East Asian oil imports, 1993, with projections to 2010

In the 1980s and early 1990s, China's Indian Ocean interests seem to have been driven more by the perceived need of the People's Liberation Army (PLA) to sell arms for cash, and by the policy of containing India by assisting its smaller neighbours, than by any oil-derived strategy. China has seemingly indiscriminately sold highly destructive weapons, including ballistic missiles, probably also chemical weapons-related technologies, and possibly nuclear weapons-related technologies into the region. The Silkworm missiles which it sold to Iran were responsible for a number of attacks on Kuwaiti and foreign shipping in the Gulf at the time of the Iran-Iraq war. It even managed to sell highly lethal weapons to both sides in that war. In 1988 it sold IRBMs to Saudi Arabia, and it has allegedly supplied short-range ballistic missile technology and components to Pakistan. It has also provided up to $1.4 million worth of weapons to the State Law and Order Restoration Council (SLORC) government in Myanmar. Its direct activities in the Indian Ocean have, however, been confined to despatching a small flotilla to South Asia in the winter of 1986-87. Contrary to some Indian press reports, there is no evidence that it has ever staged nuclear-fuelled ballistic-missile submarines (SSBNs) into the Indian Ocean. There are also serious doubts about its alleged construction of deep-water naval bases in Myanmar.

It is unlikely that China has any intentions significantly to raise its profile in the Indian Ocean, at least not in the short-to-medium term. It will be many years before the Chinese navy will be sufficiently developed for China to be able regularly to deploy into the Indian Ocean. According to one assessment:

Despite this progress [in modernising the Chinese navy], ... the navy's power projection capabilities over the next decade will be constrained by the modest number of modern,

20 China is accused of having shipped components of the short-range M-11 ballistic missile to Pakistan. These components are reportedly still crated, which makes verification of their presence well-nigh impossible. For the allegations in their most recent form, see 'USA: NYT Says China Shipped Missile Parts to Iran', a report in the New York Times, as referred to in Reuters News Service, Art. No. 000665368095, 22 June 1995.

multipurpose combatants as well as the limited anti-air defense and ASW capabilities of Chinese naval vessels.\textsuperscript{22}

Moreover, Beijing has many other interests to pursue outside the Indian Ocean and closer to home, such as Taiwan and its maritime claims in the South China Sea. Its motives for the sale of arms seem to be mainly pecuniary and, in the case of Pakistan, to proffer support against India, rather than to extend a Chinese 'sphere of influence' into the Indian Ocean. Should it pursue its South China Sea claims aggressively and successfully, however, that would have the effect of bringing Chinese power to within several hundred kilometres of the straits of Singapore and the entrance to the Indian Ocean and would cause India to observe China's Indian Ocean role even more carefully than it does today.

Looking further ahead, China's policies in the Indian Ocean are likely to be shaped by its growing dependence on Gulf oil to fuel its rapid industrialisation. China's primary energy demand for oil is likely to grow by a further 250 per cent by 2015.\textsuperscript{23} As China becomes more dependent on Gulf oil itself, it too is likely to come to view the Indian Ocean largely in terms of oil security. This could mean either that it seeks to gain further influence in the region by additional exports of arms, or else that it decides to work more closely with Western interests and Japan in order to help maintain security in the Gulf and integrity of the SLOCs leading from the Gulf. Since it will not have the means in itself to ensure Gulf security, it would be more likely to want to work with other powers cooperatively than it would to continue the destabilising export of ballistic missiles and other lethal weapons into the region.

The issue of oil security is therefore likely to be one in which the interests of the West and East Asian powers increasingly coalesce. The growing dependency of the East Asian powers will introduce new players into the Indian Ocean, players whose sole concern will be to ensure steady supplies of relatively cheap oil. Oil will continue to be the central issue in terms of the interests of the external powers, just as it is today. But the environment in which oil security will need to be maintained will become more complex and difficult as brittle regimes

\textsuperscript{23} See Rathmell, *The Struggle for Control of Gulf Oil*, p.355.
in the Gulf come under pressure and as regional Indian Ocean nations acquire new capabilities. The major challenges to oil security are discussed in greater detail below.

India's Indian Ocean Role: Continental or Maritime Power?

India is the only Indian Ocean power of potential strategic reach. In the words of Stephen Cohen, it is the only Indian Ocean power that has the potential to be a 'balanced' power; that is, a power with a full range of capabilities in technology, the economy, the defence industries and the military itself. It is also the only Indian Ocean power with the potential ever to play a true pan-Indian Ocean role. At present, however, it does not fill such a role because of its struggle to find for itself a place in its own South Asian region and to develop into a stable polity.

The South Asian region within which India is located is extremely diverse and has suffered from instability since the end of British rule in 1947. India itself is a highly heterogeneous entity. It is comprised of two major ethno-linguistic groups with a cleavage between north and south, and many minor groupings within those groups. Even though India is 83 per cent Hindu, there are nevertheless 120 million Muslims within its borders. Even Hindus are divided by caste, language and regional tradition.

Pakistan is equally diverse, comprising at least five major ethno-linguistic groups. Sri Lanka has two major ethnic groups that are locked into a debilitating civil war. Bangladesh is more homogeneous, but it confronts serious developmental challenges. Millions of its citizens have been forced by economic circumstances and security factors to migrate to India. These transmigrations have upset the ethnic and religious balance in India's northeastern region and damaged relations between the two nations.

These are not easy circumstances in which India can aspire to carve out an Indian Ocean role, let alone a global one. By virtue of its domestic and regional circumstances, India is restrained in the development of effective and committed policies. The instability

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evident in the South Asian region since independence has created of India a country that is essentially inward-looking and regionally focused. India's security posture thus exhibits many of the characteristics of a continental nation. This fact is reflected both in the capacity and deployment of the military forces and, closely related to this, the conduct of foreign relations.

The effect of regional instability on military capability is, however, paradoxical. At the level of aggregate force acquisition, the competition between India and Pakistan has produced a regional arms race. But in terms of force structure, deployment and strategy, the effect of chronic regional instability has been to cause both India and Pakistan to focus on sub-continental defence systems, border defences, and the maintenance of law and order at the expense of the acquisition of forces with significant strategic reach.

Nowhere is the emphasis on continental-type defence doctrine more evident than in terms of the relationship between naval expenditure and expenditure on the other forces. In the case of India, expenditure on the navy has never risen above 14 per cent of total defence expenditure, and for most of the nation's independent existence it has been well below that level. The army, on the other hand, has traditionally commanded the lion's share of the defence budget at about 62 per cent. In Pakistan, the same generally holds true.

In both countries, force structures have closely reflected the requirements of short border wars. For example, the Indian air force relies heavily on tactical fighters. It has no true long-range strike aircraft (the Jaguar does not really fall into that category) and has not yet developed an aerial refuelling capability for the Jaguar. Only eight of India's 88 Jaguars are dedicated to the maritime attack role. The Indian and Pakistani armies contain massive amounts of armour capable of fighting in the plains of Punjab or deserts of Rajasthan: India has over 3,000 main battle tanks. As evidenced by their generally poor performance in the jungles of Sri Lanka when pitted

26 Government of India, Defence Services Estimates 1991-92 (Government of India Press, New Delhi, 1991) (Actuals for 1989-90). Note that these figures do not include items used in common between the services.
against the Tamil Tigers, the training and strategy of the Indian army has until recently reflected the requirement of countering Pakistan in the plains and deserts and China in the mountains.

The activities of smugglers, especially those who introduced the plastic explosives used in the blasts in Bombay in 1993, and the Tamil militants, who previously passed with ease over the Palk Straits between Sri Lanka and India, have also caused a re-assessment of the role and structure of the navy. Contrary to the wishes of the former Chief of Naval Staff, Admiral Ramdas, who wanted to reverse the trend away from small ships and move back to the concept of a blue-water navy, the government has now directed the navy to build more smaller ships in order to patrol the inner, or 'brown' waters. This policy has now been endorsed by the incumbent naval chief, Admiral Shekhawat, who has referred to 'sudden unplanned commitment in internal security duties'.

The increasing reliance on the army for the maintenance of internal security has meant that, despite earlier decisions to modernise equipment and reduce manpower, this has proved extremely difficult to accomplish. The recommendation of the Arun Singh Committee that manpower be traded for modernisation has not been fully implemented. India has also been required to deploy the army in aid of the civil authority for the maintenance of law and order increasingly throughout the decade of the 1980s and early 1990s. There are reportedly now 320,000 army men deployed in Kashmir in addition to 35,000 paramilitary. According to some accounts, 50 per cent of combat-ready army personnel are now deployed in aid of the civil authority. In these circumstances, it will be difficult for India in the short-to-medium term to envisage the kind of Indian Ocean-wide regional role it envisaged during the 1980s.

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28 See 'India needs a strong navy: Shekhawat', Times of India, 2 December 1993.
29 Rahul Bedi says that there are four army divisions posted in Kashmir. See 'Conflict in Kashmir continues', Jane's Defence Weekly, 3 July 1993, p. 21. Other information comes from a non-disclosable source, New Delhi, December 1993. At least some of the troops located in Kashmir would still be deployed in the context of the Sino-Indian border dispute, however.
Indian Naval Power in the Indian Ocean

India's naval build-up of the 1980s provoked considerable speculation both within the nation and in the wider region. Some commentators believed that India was seeking a power-projection capability rather than establishing a defensive posture. This interpretation also gained currency in the context of the diminution of the superpower presence in the Indian Ocean region, a phenomenon that left the role of large regional navies such as India's more exposed to view. One commentator even claimed that continued superpower withdrawal would, 'in extremis, [lead to] a Southeast Asia dominated militarily by China to the east and India to the west'.

The force structure of the current and planned Indian navy lends weight to the view that it is fundamentally still a defensive force, however. India's two aircraft carriers (one of which is virtually useless) are only for VSTOL rather than conventional carrier-based aircraft. They would have considerable difficulty in engaging successfully against more substantial proximate land-based forces, such as those on the Gulf or Straits of Malacca littorals. Unlike Pakistan's submarines, India's submarines do not yet possess submarine-launched cruise missiles (SLCMs). India's amphibious forces are also strictly limited. Currently, India possesses the capability to land about 2,000 troops and approximately 80 armoured vehicles, whereas to constitute a power with a real projection capability against any but the smallest Indian Ocean nation it would need the capability to land at least a division. There were plans to build an additional seven LSTs, which would enhance the amphibious capability to approximately 3,600 but, as with so much Indian naval planning, it is uncertain whether these plans are to be realised, at least in the foreseeable future. India's long-range air-lift capability is, however, somewhat more substantial in comparative terms. According to one source, the Indian air force has the third-heaviest combat lift capability in the world after the United States and Russia.

31 India was eventually able to move over 50,000 troops to Sri Lanka. However, the insertion of troops and equipment was conducted by stages.
Table 2.2: Present and projected numbers of major vessels in the Indian navy

<table>
<thead>
<tr>
<th></th>
<th>Present No.</th>
<th>Projected No.</th>
<th>Number by 2000</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td><em>Vikrant</em> likely retired. India is discussing purchase of a Russian carrier but it is unclear whether the deal will proceed.</td>
</tr>
<tr>
<td>Destroyer</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>3 <em>Delhi</em> class (modified <em>Kashin</em>) under construction</td>
</tr>
<tr>
<td>Frigate</td>
<td>9</td>
<td>3</td>
<td>12</td>
<td>3 modified <em>Godaveri</em> class under construction</td>
</tr>
<tr>
<td>Corvette</td>
<td>18</td>
<td>6</td>
<td>24</td>
<td>5 <em>Petya</em> class and 3 <em>Nanuchka</em> class assumed non-operational by 2000</td>
</tr>
<tr>
<td>Landing ship, tank (LST)</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Landing ship, medium (LSM)</td>
<td>8</td>
<td>-</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Landing craft, utility (LCU)</td>
<td>7</td>
<td>-</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Mine-sweepers</td>
<td>18</td>
<td>-</td>
<td>18</td>
<td>some non-operational not included</td>
</tr>
<tr>
<td>Support</td>
<td>9</td>
<td>1</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Submarines</td>
<td>18</td>
<td>-</td>
<td>18</td>
<td>4 <em>Foxtrots</em> may be retired by 2000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>95</strong></td>
<td><strong>14</strong></td>
<td><strong>108</strong></td>
<td></td>
</tr>
</tbody>
</table>

Security Capabilities, Perceptions and Interests

It also has a significant maritime reconnaissance capability in the form of the Soviet-origin 11,000 kilometre range Bear-F aircraft.

Another area of naval development traditionally used by analysts as a means of assessing power projection capability is the capacity of a fleet to sustain itself at sea. In the case of India, this capacity is still modest. It includes two fleet tankers, a submarine tender and a diving support ship. A dedicated support vessel was launched recently. According to Admiral Tandon, existing capabilities give the navy only a reliable reach of 1400 kilometres, which "no nations should grudge ...". Another analyst maintains that this level of support would only enable the navy to stay at sea for 14 days and that it would require several months' preparation to get to sea in the first place. Table 2.2 projects Indian naval power up to the year 2000. This projection indicates an interest in smaller vessels, particularly corvettes, that does not accord with the intention to gain a true blue-water capability.

So what, then, is the true extent of India's naval power in the Indian Ocean? What are its intentions and how capable is it of realising them? Although there are clear limitations on India's role as an Indian Ocean power when viewed in global terms, it is still a powerful nation in Indian Ocean littoral terms. It could impose its will at sea in its own region of South Asia, should it choose to do so. It would have no difficulty in ranging into the waters off Southern Africa and intervening for a limited period should it be required to do so by events in one of the Indian Ocean island states. It has significant resources in the Bay of Bengal through its facilities in the Andaman and Nicobar islands and on the eastern side of peninsular India. These resources enable it to stage major surface combatants, Jaguars and Bears into the northeastern reaches of the Indian Ocean and to exercise sea denial in those waters except in the case of the sole remaining superpower, the United States. It can engage in maritime reconnaissance in an arc extending for 11,000 kilometres out into the Indian Ocean. It could interdict SLOCs well to the south, should it

34 Ravi Rikhye, 'Nobody asked me, but ...', US Naval Institute Proceedings, March 1990, p. 77.
ever for some reason choose to do so, provided it were not opposed by a superpower.

It could not, however, easily accomplish any of the following tasks. It could not easily sustain a carrier battle group at sea for an extended period in distant waters. Nor could it act independently in the enclosed waters of the Persian Gulf or Straits of Malacca, where its forces would be highly vulnerable to land-based air forces and missiles. It does not yet have a comprehensive range of anti-missile defences, including close-in defences or an anti-missile missile. Although it is thought that it will acquire the powerful Russian SSN-22 Sunburn missile (presumably armed with a conventional warhead) for its new destroyer, it does not yet have an equivalent to the Harpoon or Exocet missile, both in the possession of a number of regional navies.\(^{35}\) It does not yet have a comprehensive system of overhead monitoring in place that would enables it to obtain real-time intelligence relating to the more distant waters surrounding it. In essence, it still remains a South Asian regional power. It is still fundamentally a 'continental' power.

Although seriously constrained by resource issues and by the 'brown-water' requirements of its South Asian circumstances, India still aspires to a wider naval role. In the 1995 budget, spending on the navy was increased markedly in relation to the other forces. In fact, once one uses actual budget figures from year to year and incorporates capital spending as well, expenditure on the navy is budgeted to rise by 15.4 per cent, on the army by 10.9 per cent and, in the case of the air force, it is scheduled to fall by 0.7 per cent.\(^{36}\) While it is too early to interpret these data in the sense that they may simply provide for fixed capital assets such as renewed work on the port of Kawar, rather than for acquisition of new weapons systems, they seem to indicate a determination on the part of New Delhi to retain India's role as the leading indigenous naval power in the Indian Ocean.

35 For the SSN-20 acquisition see Asia-Pacific Defence Reporter, December/January 1995, p. 15.
The Southwest Asian Powers

Pakistan

Now that the Cold War is over and the Soviet threat posed by the intervention in Afghanistan is no longer present, Pakistan's security interests in the Indian Ocean are dominated by its competition with India. Although Pakistan does not have the power-projection potential of India, it nonetheless has a capable naval force in the context of its own environment, which is largely confined to the Arabian Sea. Unlike India, which has developed a strategy of maintaining relatively up-to-date platforms (with the exception of its aircraft carriers), but which sometimes has not been able to equip them with state-of-the-art weapons and defences, Pakistan has often used old platforms but equipped them with some formidable weapons that give them considerable punch, such as Exocet and Harpoon missiles. However, it has been required to return its leased surface fleet because of action by the United States under the Pressler Amendment and to acquire an additional six modernised Amazon-class frigates from Britain in a 50 million pound deal. (These are the same class that caught fire in the Falklands campaign because of extensive use of aluminium.)

It has also decided to replace its ageing Daphne submarines with the French Agosta 90B, in a $950 million purchase. These ships are to be fitted with Exocets, SM 39 missiles and, eventually, an air-independent propulsion system.

In pursuit of its strategy of attempting to link itself to the Southwest Asian strategic milieu in order to provide a check against India, Pakistan has endeavoured to develop its military links with leading Gulf powers, especially Saudi Arabia, and to a lesser extent Iran. According to one observer, a symbiotic relationship has evolved between Pakistan and Saudi Arabia, with Pakistan supplying manpower and expertise and Saudi Arabia supplying money. In 1967, Saudi Arabia and Pakistan signed a defence pact under which Pakistanis were to assist Saudi military modernisation as advisers. In 1976, Pakistani troops comprised part of the Saudi contingent of the Arab League in Lebanon. By 1979, 5,000 Pakistani troops were

37 See Richard Scott, 'Pakistan's Type 21 Modernisation Program', Military Technology, No. 11, 1994, p. 68.
38 See B.A. Robertson, 'South Asia and the Gulf Complex' in Buzan and Rizvi (eds), South Asian Insecurity and the Great Powers, p.159.
stationed in Saudi Arabia. A year later the 1967 agreement was renewed. In the 1980s Pakistan had an un-equipped armoured brigade stationed in Saudi Arabia.\(^{39}\) Pakistan withdrew its troops in 1988, but sent fresh ones during the 1990-91 Gulf crisis. In return for on-going military support, the Saudis reportedly funded Pakistan for the purchase of two squadrons of F-16s. They also provided modest military assistance in both the 1965 and 1971 wars with India.\(^{40}\) In addition to the Saudi link, Pakistan cultivates other linkages in Southwest Asia, most notably with Iran. That relationship is not, however, as close as the one with Saudi Arabia, partly because of the Shia-Sunni factor, but partly also because Iran has larger economic, and even security, agendas that it wishes to cultivate with India.

Pakistan sees China as its most long-standing and loyal ally. The relationship with China has changed in recent years, however. While China is still a willing exporter of arms and defence technologies to Pakistan, including civil and possibly military nuclear technologies, it is not willing to proffer direct strategic backing against India in the way it was in the past. This change in the attitude of China in part relates to the emerging rapprochement with India that commenced with the visit of Rajiv Gandhi to Beijing in December 1988. In part also it relates to Beijing's reluctance to back Pakistan on the Kashmir dispute in circumstances in which its own presence in Tibet and Xinjiang, both contiguous to Kashmir, is under challenge from separatist forces.

Pakistan's strategy of presenting itself as an entrepôt for the CARs has been frustrated by the civil war in Afghanistan. It therefore supports the Pushtoon Islamicist group Talibaan, which successfully thrust northwest and captured the province of Herat. Pakistan reasons that with Afghanistan in Talibaan hands the way north would be open and it could establish firm links with the CARs. This strategy is, however, opposed by Iran, which has for many years backed the non-Pushtoon forces in Afghanistan. It is also opposed by India, which is likely to be providing advice and some non-military supplies to the

\(^{39}\) The foregoing details are all from ibid., pp.171-2; and Business Recorder, 21 September 1990, as in Institute for Defence Studies and Analysis (IDSA), New Delhi, News Review on South Asia/Indian Ocean, Vol.23, No.11, November 1990, p.819.

Rabbani government. Even should Talibaan gain control over Kabul, it is difficult to see an early return to peace in Afghanistan. Meanwhile, Pakistan's support for the Islamicists in Afghanistan could eventually backfire, should the forces that the Talibaan represent ever be unleashed in the Pushtoon North West Frontier Province of Pakistan.

In circumstances in which India is the superior power in terms of conventional forces, Pakistan regards its nuclear weapons capability as a 'equaliser' in the relationship with India. It has consequently clung tenaciously to its chameleon-like nuclear weapons policy of ambiguity and assertion as the occasion demands. Increasingly, it is able to master the costs of the policy in terms of its relationship with Washington as the latter has come to realise that a vigorous application of non-proliferation policies would cause it to lose what influence it still possesses. It is now most unlikely that Pakistan's - or for that matter India's - nuclear programmes will be rolled back, an issue dealt with in detail in a subsequent chapter. In late 1995 Washington decided to make available to Pakistan at least some of the weapons previously denied under the Pressler Amendment (for which Pakistan had already paid). The package is to include Harpoon-equipped Orion maritime reconnaissance (MR) aircraft and artillery radars. The F-16s that were part of the original package have been withheld, however.

The Major Gulf States\(^{41}\)

Iraq was severely weakened as a regional power by the Kuwait war. Its navy was virtually destroyed: it now has only one frigate and several coastal patrol craft. Although it still has about 300 fighter and FGA aircraft, most of these are less capable models. Its ground forces are still formidable by Gulf standards, but without effective air cover their capability is severely compromised, especially were they again to be ranged against a Western force. In recognition of this general weakness, Iraq recently decided to accept the existence of Kuwait as a separate sovereign state. However, while Saddam Hussain remains in power it is unlikely that Iraq will bow entirely to the regime that the Western powers are trying to impose on it.

\(^{41}\) Except where otherwise footnoted, this section draws on discussions between Amin Saikal and the author in the context of work undertaken on behalf of the Australian Department of Foreign Affairs and Trade.
From 1990 on, Iran has been seeking to rebuild its naval power, some of which was destroyed in the Iran-Iraq war and the reflagging crisis. The Iranian navy is now the most powerful indigenous navy in the Gulf, comprising 2 Kilo submarines recently acquired from Russia (Iran is the only Gulf power with submarines), three destroyers, five frigates and ten 70 tonne fast attack craft with HY-1 Styx missiles, recently purchased from China. Iran's submarines are a particular worry because anti-submarine warfare is difficult in the Gulf. However Russia, acting under pressure from the United States, has refused to supply further vessels and the ones already in Iran's possession reportedly have communications difficulties below periscope depth.42 Iran also has a number of surface-to-surface ballistic missiles capable of being fired from land at surface vessels. These reportedly include modern Italian missiles, Silkworms, and Chinese CSS-N-2 HY-2 missiles.43 In 1992, Ukraine reportedly sold Iran eight SS-N-22 supersonic anti-ship missiles, for which the US navy has no electronic countermeasure (ECM) capability.44 Iran's air force of about 115 fighters suffers from the fact that only 30 are relatively modern aircraft, while 60 of the remainder are US-sourced and suffer from lack of spare parts due to the US embargo.45

Iran sees itself as an isolated and beset power, one that is both opposed by the Gulf Arabs and challenged by the West, particularly the United States, which it believes is attempting to freeze it out in world economic forums such as the IMF and World Bank. These perceptions were reinforced by President Clinton's Executive Order of May 1995 banning US companies from trading with Iran. Iran is now vulnerable and weak, with its economy in severe difficulties.46 In these circumstances, Iran is seeking to develop its links with large developing nations such as China and India, which it sees as having a rapidly increasing demand for oil, and with the Central Asian

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Republics. It has also been careful not to alienate Russia, notwithstanding recent developments in Chechnya.

India initially stood aloof from developing any strategic/military relationship with Iran because of fear of US reaction and concern that military information might pass to Pakistan. In the past year, however, the relationship has developed significantly. Not only has there been the above-mentioned Rafsanjani visit to New Delhi, but Iran's naval commander, Rear Admiral Ali Shamkani, visited India for five days in October 1995. India is now considering servicing/maintaining Iran's Kilos and a wide-ranging arms relationship is under discussion based on mutual use of Russian equipment.47

Iran's perceived need to break free from US-imposed international isolation by seeking relations with nations such as China and India has also resulted in a less strident assertion of its Islamicist position. Moreover, although Iran would like to see itself as the protector of Islamic radicalism, in reality the various Islamic radical movements largely derive momentum from their own regional circumstances rather than as a result of the machinations of Tehran. The important radical Islamic movements in Algeria and Egypt are Sunni and largely home grown and Iran's position in Sudan is based on the isolation of the Sudanese government rather than on any natural affinity between the Sunni Sudanese and Shi'ite Iranians. The one place Iran has had some leverage is with the Hezbollah (Party of God) radical Shi'ite Islamic forces in Lebanon. Even in the case of neighbouring Bahrain, where a Shi'ite Islamicist movement has been blamed on Iran, home-grown issues are probably uppermost. Nevertheless, any successful attempt to gain power on the part of the Shi'ites of Bahrain would be perceived by the Gulf Arabs as a direct challenge to their position and would result in rising tension, if not conflict, between Iran and Saudi Arabia. The issue is specially sensitive since many of Saudi Arabia's own Shi'ite population are located in the Eastern province, contiguous to Bahrain. Bahrain also occupies a highly strategic position in the Gulf. It is the headquarters

of the US Navy Middle East Force (MIDEASTFOR) and a British Royal Air Force contingent. 48

On its part, Saudi Arabia finds itself caught between its conservative Arab social and political structure and its basic reliance on the West, and particularly the United States, for its security. It has recently been assisted in confronting this dilemma by the fact that, following the fall of the Shah of Iran, Washington has become far more adept at supporting its Gulf allies without at the same time alienating potential radical forces in their societies. Although militarily stronger in terms of high-technology equipment than Iran, Saudi Arabia is nevertheless fearful of Iran because of its much larger population and the forces of Islamic radicalism it appears to represent. In order to preempt Iran in the CARs, Saudi Arabia is applying itself diplomatically and financially in that area. It also attempts to offset its small population by developing strategic linkages with Pakistan, a more populous and technologically capable nation.

Southern Africa

With the ending of Apartheid and the Cold War, the security challenges faced by South Africa have changed radically. Even under the old order, however, when the Apartheid government was confronted by the front-line states, assisted as they were by Cuban troops and military assistance from the Soviet Union, the essential problem confronting South Africa was not so much fear of a direct military challenge as of the capability of the front-line states to assist the anti-Apartheid forces within South Africa. The relativities between the South African National Defence Force (SANDF - formerly the SADF) and the defence forces of South Africa's neighbours is given in Table 2.3. It should be noted about this table that the quality of South African forces and equipment would certainly make up for numbers in those areas in which numbers are lacking - for example in relation to troop numbers for Angola and fighter aircraft for Tanzania. Furthermore, now that the Cold War is over, South Africa is not seriously challenged by any power outside Southern Africa.

Table 2.3: SANDF compared with neighbouring defence forces

<table>
<thead>
<tr>
<th></th>
<th>MBTs</th>
<th>RECCE</th>
<th>AIFVs</th>
<th>ARTY</th>
<th>APCs</th>
<th>Combat aircraft</th>
<th>Active personnel (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa(a)</td>
<td>250</td>
<td>1600</td>
<td>1500</td>
<td>350</td>
<td>1500</td>
<td>259</td>
<td>72.4</td>
</tr>
<tr>
<td>Angola(b)</td>
<td>500</td>
<td>100</td>
<td>100</td>
<td>500</td>
<td>300</td>
<td>160</td>
<td>96</td>
</tr>
<tr>
<td>Botswana</td>
<td>-</td>
<td>22</td>
<td>-</td>
<td>10</td>
<td>30</td>
<td>13</td>
<td>4.5</td>
</tr>
<tr>
<td>Lesotho</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Malawi</td>
<td>-</td>
<td>34</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>7.2</td>
</tr>
<tr>
<td>Mozambique</td>
<td>80</td>
<td>30</td>
<td>40</td>
<td>268</td>
<td>200</td>
<td>-</td>
<td>58</td>
</tr>
<tr>
<td>Namibia</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Swaziland</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tanzania</td>
<td>60</td>
<td>20</td>
<td>-</td>
<td>395</td>
<td>75</td>
<td>350</td>
<td>46.8</td>
</tr>
<tr>
<td>Zambia</td>
<td>30</td>
<td>88</td>
<td>-</td>
<td>103</td>
<td>13</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>43</td>
<td>118</td>
<td>-</td>
<td>30</td>
<td>100</td>
<td>4</td>
<td>54.6</td>
</tr>
</tbody>
</table>

Key: MBT main battle tank, RECCE reconnaissance, AIFV armoured infantry fighting vehicle, ARTY artillery, APC armoured personnel carrier.

(a) Excludes Homeland forces. (b) The Angolan government and UNITA have agreed to merge their forces into a 50,000 strong force.

The security challenge facing South Africa is thus not so much one of direct military threat from an outside force as of the requirement to integrate a disparate collection of armies, combined with the need to cope with the internal security challenges posed by the ending of the Apartheid regime. The integration problem is a particularly challenging one. During the last days of Apartheid, the SADF was deeply mistrusted within Southern Africa. This problem was compounded by the number and variety of the forces operating in the area. The SADF itself was organised into several distinct services, with Transkei, Bophuthatswana, Venda and Ciskei having homeland forces of their own. Overlaid on the security forces were the political forces of the African National Congress (ANC), the Pan-Africanist Congress (PAC) and the Azanian People's Organisation (AZAPO) armies and guerrilla organisations. As well, there were other paramilitary outfits such as Inkatha and right-wing White supremacist organisations such as the Afrikaner Weerstands beweging (AWB). In all, about 7,000 additional homeland troops were inducted into the SADF, plus a force of about 16,000 ANC cadre. At the time these inductions took place, the permanent cadre of the SADF had been reduced to about 50-60,000, with an army of 47,000, only 4,000 of whom were Black or Coloured. The process of integration was further complicated by the need to ensure a fairer representation of non-Whites in the officer corps: in 1990 there were only 10 Black army officers, the highest ranking being a captain. Eventually, the integrated military will probably be about two-thirds non-White, with a mix of tribal-linguistic groupings dominated by Xhosa-speakers. To date integration, which is being conducted with support from the British military, has been progressing well, notwithstanding some initial 'hiccups' associated with the need to apply military discipline to the former guerrilla forces. After the election, 11 Black generals were appointed in the security forces as a whole, including the police. Additionally, the homeland officer corps has been appointed to the

51 Mills, 'Armed Forces in Post-Apartheid South Africa', p.80. These ten did not include mixed-race people and Indians.
SANDF at their existing ranks, which has helped to provide a higher percentage of Black officers.

The SANDF also confronts serious financial difficulties. The force faced an effective 40 per cent reduction in funding in real terms between 1989 and 1993, reducing spending to 2.6 per cent of GDP. At the same time, it was also forced to accommodate the additional manpower resulting from integration. Of the three arms of the service, the navy has suffered most from the recent cut-backs, falling in size from 15,000 to less than 10,000 civilian and military personnel. Given the tight financial situation and the lack of any credible outside threat, there is debate about whether to transform the navy into a sort of 'super coast guard'. The kinds of roles it will be likely to undertake in future include policing, fisheries protection and diplomacy through ship visits. The air force is also suffering from block obsolescence and it will be difficult financially to replace the ageing inventory.

The security concerns of the new South Africa are thus likely to be dominated by the imperatives of maintaining internal stability and integrating a highly heterogeneous force and by reducing the burden of the military on the economy, rather than by any possible external threat. This, plus the need to accommodate higher manpower levels for a period, indicates that more resources are likely to be spent on manpower and fewer on capital, with a winding down of the productive capability of the South African arms industry unless substantial export markets can be developed. However, the end of Apartheid has also opened out the possibility for some significant new security relationships to evolve, particularly with powers like India, which has already undertaken a naval visit, and Singapore, which is developing links through the defence industries.

**Southeast Asian/Australasian Indian Ocean States**

In general, the ASEAN defence establishments have a fairly benign view of the security environment in the Indian Ocean. Their main concerns are focused on what they see as more credible regional threats such as the Korean peninsula and South China Sea. They are

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52 Mills, 'Armed Forces in Post-Apartheid South Africa', p.87.
53 This section relies heavily on original work undertaken by Desmond Ball in the context of consultancies undertaken for the Australian Department of Foreign Affairs and Trade.
no longer as concerned about the role of India as a major regional power as they were in the 1980s. Their lasting concern is the security of Gulf oil and the SLOCs out of the Gulf and through the Southeast Asian straits. The need eventually to integrate Myanmar fully into their security system is also of concern. In recent years, however, they have been optimistic about the prospects of weening Myanmar away from China and eventually into ASEAN through the policy of 'constructive engagement'.

In terms of their broader 'grand strategies', the ASEAN governments are committed to the achievement of self-reliance - or the capability of dealing with regional contingencies on the basis of their own resources. An example of this commitment can be observed in the Indonesian concept of Tannas or 'regional resilience'. The ASEAN countries are also concerned about the pervasive uncertainty that characterises the post-Cold War security environment in the region, the possibility of further reductions in the US presence in and commitment to the region, and a wide range of maritime issues that require surveillance and defensive capabilities.

Most of the ASEAN countries, in common with those of Northeast Asia, are engaged in vigorous arms acquisition programmes, including multi-purpose fighter aircraft, surface combatants, maritime surveillance systems, anti-ship missiles, and rapid deployment forces. This stems in part from the fact that the ASEAN countries have been engaged over the past decade in a restructuring of their defence forces from counter-insurgency capabilities to modern, high-technology forces, with increased emphasis on maritime (including land-based air) capabilities. There also remains considerable concern about the longer term capabilities, objectives and policies of the major Asian powers - China, Japan and, to a lesser extent, India. There are also significant differences between the ASEAN countries with respect to their perceptions of the particular major powers. China is generally viewed with most concern.

Concerns about India have dissipated over the past several years as India's naval expansion has been stalled by budgetary constraints and as China has emerged as the country of greatest concern. Although India's reach into East Asia will remain very limited, the possibility of active Sino-Indian competition would have some disturbing implications for the region. ASEAN nations are
highly conscious of the implications of any Sino-Indian competition in their region and have been careful not to set up a 'juxtaposition' between the two - a policy they are likely to maintain until such time as China might emerge as an openly hegemonic force in the region. Within these broad parameters, individual countries have adopted a more nuanced approach to India and the Indian Ocean.

**Thailand's Security Interests in the Indian Ocean**

The IOR does not receive much consideration in the Thai strategic community. It is not mentioned directly in the 1994 *White Paper*, but is considered indirectly in the context of India. Thailand’s security concerns with India are centred on the Andaman Sea and, in particular, the Andaman and Nicobar islands. However, India's more subtle regional policies in the 1990s seem to have been received more positively in Bangkok. Alleged incursions into Thai waters by Indian submarines are often cited in support of the Thai navy’s plans to procure both submarines and extensive anti-submarine warfare capability. These incursions are now quite dated and their mention seems related to procurement strategy rather than any real security concerns. There have also been reports of Tamil guerrilla groups procuring small arms from Cambodia at the border town of Aranyaprathet. The Indian Ocean is sometimes referred to by Thai defence planners in relation to the flow of oil from the Middle East to Northeast Asia but again, the focus of concern is on the Andaman Sea.

Thailand’s Andaman Sea coast was long neglected by Thai defence planners, but is now attracting a much higher priority and expanded defence activity. There have been a number of catalysts for Thai interest. The main driving force has probably been the proposed development of the southern seaboard with a trans-shipment facility between west and east coasts. A regional fleet headquarters has been established on the west coast, the naval facilities at Phang Nga have been upgraded and major new facilities at Krabi are to be developed.

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54 Information provided by Lt Col Noel Adams, Strategic and Defence Studies Centre, Australian National University, Canberra, December 1994.
The Thai navy is also considering the basing of all or part of its proposed submarine fleet on the west coast. Air defence radar coverage for the southern Thai provinces has been installed and the second F-16 squadron will be based there.

Impetus for west coast naval development has also been provided by Indian military activities in the Andaman and Nicobar islands, and by Chinese development of port and other infrastructure in Myanmar. Thailand has also recently expanded defence links with Bangladesh, with senior officer visits and exchanges such as attendance at staff colleges.

Fishing represents another reason for expanding interest in the Andaman Sea. The growing crisis in fish stocks attracts little interest outside the region. The Gulf of Thailand is badly depleted of fish by both pollution and overfishing. Thai fishing fleets are increasingly operating further from home with some fishing craft arrested in 1994 in Bangladeshi waters. Thai commercial interests are currently building larger deep-sea fishing boats. It is unclear where these ships plan to operate, but westwards into the Indian Ocean appears more logical than the already crowded South China Sea and Western Pacific. The fishing lobby has powerful political connections and the navy believes it could be tasked to assist with protection of deep-sea fishing fleets in future.

Indonesia

In recent years, Indonesia has begun to articulate the need to transform its defensive posture from the old concerns about internal security to the need for maritime and 'archipelagic' defence, by which it means concern about defence of Indonesia in its maritime as well as its land-based context, with the one being integral to the other. It is a strategy requiring central planning but decentralised implementation, with the compartmentalisation of the different island groupings into quasi-self-sufficient units, and with the development of highly mobile

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and flexible forces. In pursuit of these goals Indonesia has gradually started to acquire new weapons that give it greater maritime and land-based maritime reach, including surveillance capabilities. These include parts of the old East German fleet, 12 F-16 aircraft (with the possibility of 12 more to follow), 44 Hawk 100/200 ground support aircraft (with the goal of acquiring up to 100), three Type 209 GDW submarines on order and three Boeing maritime surveillance aircraft.

The main concerns of Indonesian security are still directed north, rather than west and south into the Indian Ocean. The dispute over the South China Sea has reinforced Indonesia's traditional concern about China. Indonesia is currently trying to obtain from Beijing confirmation of the status of its large natural gas field north of Natuna Island in the context of China's claim to the South China Sea. There is also residual concern over tensions in the northeast corner concerning mutual territorial claims with Malaysia and Philippines. An additional Indonesian concern has been caused by the emerging nuclear capabilities in South Asia, which Indonesia believes call for regional arrangements and confidence-building measures aimed at de-emphasising nuclear armaments.

Malaysia

Malaysia has progressed well down the path of transforming its defence policy from its previous internal orientation to a more outward-looking, maritime posture. In pursuit of this orientation it has recently acquired a mix of FA-18s and MiG-29Ms, both of which have air defence and maritime attack capabilities. It has acquired two British frigates and is about to embark on a major ocean patrol vessel acquisition. It has upgraded coastal surveillance and response capabilities on both sides of the peninsula, with an emphasis on the east coast in terms of the prevalence of exercising. Sabah and Sarawak

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have been included in the area covered by the Five Power Defence Arrangements. It is seeking to acquire two to three submarines.

The Malaysian Minister for Defence, Dato Sri Mohd Najib Tun Razak, has stated that 'there are areas of uncertainty which will continue to be of concern to the region', and primary among these 'is the possibility of new powers emerging'. As already noted, however, concern would now probably be stronger about China than India, with the Chinese claim in the South China Sea featuring strongly.

**Australia**

With the end of the Cold War, Australia's security interests are focused much more on the need for defence self-reliance and the development of a policy of 'strategic partnership' with Southeast Asia than they were under the Cold War regime. Canberra's strategic concerns are now primarily focused on developments to the north in Southeast Asia and, to a lesser extent, Northeast Asia. However, the 1994 Defence White Paper, *Defending Australia*, recognises that India may become a key element of the wider strategic balance in Asia.

For Australia, defence self-reliance does not mean self-sufficiency, but rather the ability to handle credible low-level threats without the assistance of foreign combat forces. Australia's defence force structure is determined by the requirement to predominate in the sea-air gap surrounding the continent. In the Indian Ocean, this means being able to protect Australian territories in the Cocos and Christmas islands - which are about 1,000 nautical miles from the mainland - and the maritime approaches to the west. Because potential threats are perceived as most likely to come from or through Australia's northern and northwestern areas, a decision was made in the 1991 *Force Structure Review* to move the major submarine base and significant elements of the destroyer/frigate force to Western Australia. Other elements of the Australian Defence Force - an army brigade and forward fighter bases - are being moved to the north of Australia, where the Pacific and Indian oceans meet. With the introduction of the new Collins-class submarines, additional numbers of F-111s, and in-

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64 This section relies substantially on work undertaken by Paul Dibb in the context of papers prepared for the Australian Department of Foreign Affairs and Trade.
flight refuelling for its F/A-18s, Australia will improve its ability to project a military presence.

The idea of strategic partnership is also based on the geographic proximity of Southeast Asia and the view that, in a rapidly changing world, Australia will increasingly share strategic concerns with like-minded neighbours, who are also middle powers. Australia's interests in this regard are focused on Indonesia, Singapore and Malaysia, at the eastern end of the Indian Ocean.

At the level of grand strategy, the 1994 Defence White Paper pays considerable attention to the possibility of change in the relationships of the major powers in Asia: China, Japan, India, the United States and Russia. Clearly, a stable strategic balance would be the most advantageous strategic outcome for Australia - with the balance of power preferably being held by the United States. But different outcomes are possible. The future role and power of China in particular is uncertain. Australia believes that Japan and India could have a significant role to play in future by ensuring that no one power emerges as the hegemonic power.

In the Indian Ocean, the strategic outlook is perceived to be more stable than in the Pacific: in the Pacific, major power relativities are changing quite quickly. China and Japan are emerging as more important players and Russia - and arguably the United States - as relatively less important. Most of these major powers either have, or are developing, substantial power-projection forces. In the Indian Ocean, Australia assesses that although India's strong economic growth will allow it to strengthen its already substantial forces and to exert increased influence, it is unlikely over the next decade to develop long-range power projection or the capacity to sustain significant conventional forces at any distance. Eventually, the extension of the Chinese naval activity into the South China Sea, and perhaps the waters of Southeast Asia, could draw India's attention. But any decision by India to become more engaged in Southeast Asia would not necessarily be seen as threatening by Australia.

Australia's security concerns in the Indian Ocean will be focused rather more on the need for stability in key countries in the north-east (Indonesia, Singapore, Malaysia and Thailand) and for secure sea lines of communication from the eastern Indian Ocean through the narrow straits and confined waters of Southeast Asia. In
the north-west of the Indian Ocean, Australia's dependence on the
Gulf area for particular grades of oil imports is of strategic concern.
Even though Australia is currently 75 per cent self-sufficient in oil, its
degree of self-sufficiency is likely to be progressively eroded. Of more
care for the general strategic stability of the region is Japan's heavy
dependence on free transit through the Indian Ocean of its crucial oil
imports, since Japan is Australia's most significant trading partner.

Despite the fact that Australia's major strategic orientation in
terms of the Indian Ocean is Southeast Asia and the waters to the
immediate northwest of Australia, it is an ironic fact that the three of
the last four overseas engagements involving Australian forces - the
Kuwait war and the involvement of Australian forces under the UN
flag in Somalia and Rwanda - all took place in the further reaches of
the Indian Ocean. This fact has not shaped the thinking of policy
makers in Canberra to any significant degree, however, since the UN
role is seen as peripheral to the role of 'defending Australia' in terms of
Australia's current 'grand strategy'.

As we have seen, the security architecture of the Indian Ocean is one in
which the most serious disputes tend to be confined to the members of
respective security complexes. With the end of the Cold War, the
major strategic interests of the external powers have tended to focus on
the security of oil, which is in turn now threatened not so much
through the possibility of outside intervention, but rather as a result of
tensions generated within the Gulf complex itself. With the end of the
Cold War the Soviet successor state, Russia, has come to assume only a
minor role in the region. Commensurately, the roles of the United
Nations and of the major littoral power, India, have become more
important. In time, we are also likely to see a more substantial interest
in the region on the part of the East Asian powers, especially China
and Japan. Although the major external powers do not have
fundamental security interests beyond the security of oil, increasingly
the international media is dragging them into conflicts in far-flung
regions such as Rwanda and Somalia. We now turn to examine some
of these more intractable conventional security threats in the IOR.
CHAPTER 3

CONVENTIONAL THREATS TO SECURITY IN THE INDIAN OCEAN

In terms of both conventional threats to security (ones that include the threat of war between nations using conventional weapons) and non-conventional threats (low-intensity internal conflict, threats involving nuclear, biological or chemical weapons and non-military threats such as environmental or criminal threats), the Indian Ocean region is one of the most fraught in the world today. Within the region, however, the main conventional threats of war are concentrated in two security complexes - South Asia and the Persian Gulf. Of these two regions, the situation in South Asia is possibly the more dangerous. But South Asia is also more isolated in terms of the international impact that any conventional war would have than is the Gulf, which is tightly tied in to the international system through the politics of oil.

Within South Asia, the focus of tension is the relationship between the two largest countries, India and Pakistan. In this chapter we deal with that competition as it affects conventional security. The nuclear aspects will be addressed in the following chapter, while confidence- and security-building measures between the two will be examined in Part II.

The India-Pakistan Competition

One of the key issues that needs to be addressed concerning India and Pakistan is whether the competition between them is a result of the fundamental rift between an Islamic state and a predominantly Hindu one, or whether it derives mainly from the territorial conflict over the status of Kashmir. If the latter is the case, then one would suppose that the level of tension could be significantly lowered by a settlement of the Kashmir dispute. Those who espouse the position that the conflict is fundamental, on the other hand, use the argument that Kashmir is an issue precisely because of the religious divide. In other words, it is merely symptomatic of a deeper rift between the two.
Security and Security Building in the Indian Ocean Region

This latter position is innately more pessimistic about the possibility of the two nations developing a *modus vivendi*.

We do not have scope to provide a full discussion of the place of religion in the context of a book about wider Indian Ocean security. It is our belief, however, that should an agreement be reached about the future of Kashmir, it would go some considerable way to easing tension between India and Pakistan, even though it might not result in a complete *rapprochement* between the two. For our present purposes, the key issue is to determine just how dangerous the dispute is in terms of South Asian and wider Indian Ocean security.

The first point to make in this regard is a positive one. Since the issue flared up as a result of the internal revolt in Indian Kashmir in 1989, there have been a number of incidents that could in themselves have led to conflict, such as serious breaches of human rights by Indian security forces, the siege of the Hazratbal mosque, the arming of Kashmiri rebels by Pakistan, the provision of covering fire by Pakistani forces to border crossers, Indian allegations of Pakistani involvement in the serial bombings in Bombay that took place in 1993, the destruction of the Sufi shrine at Charar-e-Sharif early in 1995 and the rising level of invective on both sides.

Yet through this long period of crisis, the two nations have not gone to war. Indeed, although they are engaged in a number of low-level border conflicts in Kashmir, large-scale conventional war has now been avoided between them for nearly a quarter of a century. This fact tells us something about attitudes on both sides.

It tells us firstly that Pakistan will try to avoid engaging in a war it could not win. Pakistan's traditional military strategy in the context of superior Indian military force was one of 'offensive defence'. The essence of this strategy was for Pakistan to act quickly in any war, perhaps even pre-emptively, in order to seize and retain sufficient territory before India was able to bring to bear its superior resources through a war of attrition, and to use that territory as a bargaining chip in the subsequent peace process. This strategy has clearly not been viable for a number of years (if, indeed, it ever was) because it wrongly supposes that India could be induced to accept such a situation and sue for peace.
Figure 3.1: Indian military spending in current and constant (1980-81) prices, 1986-87 to 1994-95, in crores (tens of millions) of rupees

Source: Jasjit Singh, 'Trends in Defence Expenditure', Asian Strategic Review 1994-95 (IDSA, New Delhi, 1995), Figure 8, p.62. According to our estimate, the official figures understate Indian defence spending by about 20 per cent.
On the other hand, in recent years Pakistan has been able successfully to adopt a strategy in which it assists the Kashmiri separatists, thus causing India to 'bleed' in Kashmir and keep hundreds of thousands of Indian military and paramilitary forces pinned down there. There is evidence that some attempts have been made to downgrade this assistance in recent years under the prime ministership of Benazir Bhutto. At the same time, Pakistan has mounted an international campaign designed to discredit India and draw attention to alleged and actual Indian atrocities in Kashmir. This campaign has been focused especially, but not exclusively, on other Islamic nations such as those in the Gulf, on which India is dependent for oil, trade and guest worker remittances. Pakistan's important underlying objective in its campaign on Kashmir is to avoid pushing India over the threshold into actual war, which it could not win.

This strategy has so far had mixed results. The strategy of assisting the Kashmiri separatists has, by and large, served its objective of keeping India bogged down in the 'quagmire' of Kashmir. The diplomatic offensive, on the other hand, has not been as successful as Pakistan would have liked. The reason is that most large Islamic nations and China - nations that might normally be expected to support Pakistan over India - have their own separatist problems. The last thing they would want is for such problems to be aired in international forums such as the United Nations. Also, nations such as Iran have substantial economic agendas in relation to India that tend to outweigh their pan-Islamic sentiments.

On its part, India is disposed to avoid war with Pakistan on a number of grounds. Even though Indian forces are generally superior, Pakistan is not without its own resources. Since Pakistan's loss of Bangladesh in 1971, it has gained the additional advantage of now having only one theatre to contest, whereas India is forced to retain at least some of its forces on the border with China. As we have seen, India also has substantial numbers of troops tied up in internal duties. Further, it has lost access to cheap state-of-the-art Soviet weapons in circumstances in which over 70 per cent of its weapons systems are Soviet-derived. Added to this, in recent years economic difficulties have forced restraints on military spending resulting in a constant

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1 This was especially the case during Bhutto's first government. See an on-the-spot report by Christopher Thomas in the *Times*, as in the *Australian*, 24 July 1990.
level of spending in real terms (see Figure 3.1). In these circumstances, the defence budget has had difficulty accommodating the substantial fall in the value of the rupee in the decade prior to 1995 and the constant rise in the cost of sophisticated weapons and of manpower. Training and the state of readiness of the forces have slipped badly.

India is also restrained from mounting a full-scale attack on Pakistan because it has no fundamental goals that it would wish to gain from war. Given its current difficulties in holding that part of Kashmir already in its possession, it would hardly want to acquire more of Kashmir, most of which would be far more difficult to hold strategically than the Vale of Kashmir. Nor would it want to occupy other parts of Pakistan, thus adding to its own Muslim population of 120 million. At best, all it could hope for would be to capture Pakistani territory that it would need to return as part of a peace settlement - and this in exchange for a war that would be extremely costly to its exchequer and in terms of loss of life, as well as risky politically.

Although there are grounds for optimism inherent in the situation as outlined above, there are also considerable dangers. Foremost amongst these is the difficulty of controlling what has developed in part into a war of proxies. With each event that occurs between the two, moreover, the religious divide is sharpened, not just between the two nations, but also within each nation. This is especially true of India, which has a far higher percentage of Muslims than Pakistan has of Hindus. Increasingly, religious parties such as the Bharatiya Janata Party (BJP) attempt to characterise Indian Muslims as a kind of fifth column, a strategy that may develop into a self-fulfilling prophecy. Thus the religious divide within the two nations is increasingly conflated with the divide between them, with catastrophic results for both inter-communal and international relations.²

In terms of the Kashmir problem itself, it is difficult to see a solution in the short term, especially since the issue is now so deeply embedded into politics on both sides. However, there is a calculus that will increasingly be evident in the equation. There are a number of grounds for believing that Pakistan will be progressively weakened in relative terms to India as the decade draws on. Since Pakistan is India's principal regional competitor, this process is likely to yield

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important consequences in terms of the overall Indian Ocean power balance: once India no longer feels constrained by a competitive Pakistan on its borders, it is likely to engage more actively throughout the wider Indian Ocean region.

The first reason for expecting Pakistan gradually to lose power in relation to India is that the Sino-Indian rapprochement has resulted in a significant peace dividend for India in relation to its competition with Pakistan. Although the border dispute between India and China is far from settled, the series of agreements to date have allowed India to draw back from the border at least three, and possibly as many as five, of its 11 mountain divisions. This allows it to redeploy these troops to deal with the difficult internal situation. Potentially, these troops could be redeployed onto the border with Pakistan, should internal conditions improve. China has also now adopted a stance of 'careful neutrality' in relation to Kashmir. The rapprochement with China has thus provided India with a very important strategic advantage it did not previously enjoy.

Second, as the larger power with the more developed defence-industrial base, India will be capable over time of replacing many of the cheap weapons supplied by its former patron, the Soviet Union. Pakistan will have considerably greater difficulty in replacing the military aid formerly proffered by the United States, however. India continues to be able to deal with both Russia and the United States and to gain some significant technologies thereby. With the exception of a one-off $380 million package signed in 1995, including several Orion maritime reconnaissance aircraft and Harpoon missiles, Pakistan has had its deals with the United States blocked. Although India has objected to the sale, it does not amount to a major addition to the Pakistani arsenal and it gives India the excuse it has been looking for to deploy its Prithvi missiles. Meanwhile, starved of spare parts for its original 39 F-16s, Pakistan now has only 24 operational. Although the evolving arms relationship with China offers Pakistan some prospects for the future, at the moment China does not have the necessary technology to counter additional arms that India might acquire from Russia, or even those it might eventually build itself, such as the Arjun

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3 Harrison and Kemp, India and America After the Cold War, p.10.
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MBT and the Light Combat Aircraft, India's indigenous fighter aircraft project.\textsuperscript{4}

Given these and other factors, in order to maintain even the perception of parity with India, Pakistan is required to spend massively on the military. Already nearly 70 per cent of Pakistan's government spending is devoted to debt servicing and the military. Economic growth, which needs to be over five per cent given the population growth rate of over three per cent, will be difficult to sustain at anywhere near that level without substantial spending on badly needed infrastructure and on the social sector. Female literacy is very low at 21 per cent; only 14 per cent of couples accept any form of family planning; and the social structure is in many areas of the nation semi-feudal. Increasingly, hard-pressed governments, of whatever persuasion, will need to address these pressing economic and social issues at the expense of military spending.

According to The Economist, inability of the authorities to maintain infrastructure in the face of massive in-migration is an important factor driving Karachi's highly damaging ethnic unrest. The fact that Karachi is Pakistan's industrial heartland makes the problems generated all the more acute.\textsuperscript{5} Moreover, the financial tensions generated by Pakistan's very high debt-servicing requirements and military spending are already starting to surface. In the context of the 1994 budget, Prime Minister Bhutto was forced to declare publicly that Pakistan will not even attempt to keep pace with India's 1994 defence hike of 20 per cent in nominal terms (about 9 per cent real). Bhutto consequently pegged Pakistan's publicly declared defence spending to a rise to 8.6 per cent nominal, which represents a fall of about 4 per cent in real terms.\textsuperscript{6} But even that level of spending may prove difficult to sustain over the longer term.

\textsuperscript{4} Although commentators tend to be sceptical about India's ability to produce a fighter, US officials are now of the view that it is capable of doing so technologically provided that the government can fund the project. See 'LCA's Engine Designed for Extreme Conditions', Aviation Week and Space Technology, 25 July 1994, p. 45. Although this article relates specifically to the engine, given the difficulty of producing an engine it would also presumably apply to the aircraft itself.

\textsuperscript{5} 'Pakistan: Asia's Answer to Beirut', as reported in Reuters News Service, Art. No. 000670040533, 1 July 1995.

\textsuperscript{6} See Defense News, 10 June 1994, p. 13; and Robert Karniol, 'Pakistan budget seeks real-term growth', Jane's Defence Weekly, 16 July 1994. Some have argued that
In these circumstances, Pakistan may eventually be forced to modify its position on Kashmir and accept the status quo division of the state; that is, according to the current line of control. This realisation may come about through a process of smooth transition, or it may be forced upon Pakistan by means of a highly destabilising series of shocks, perhaps involving another war with India. However it may happen, the immediate future is fraught with danger for both nations. But the danger is far greater for Pakistan, which is the weaker power and which, in the final analysis, cannot afford the luxury of maintaining strategic equality with India, given all the other pressing demands on its exchequer.

Tensions in the Gulf and the Politics of Oil

The other security complex in the Indian Ocean in which conventional security threats are an issue is the Gulf. Following the oil crisis of the early 1970s, consumers of oil moved rapidly to reduce their dependence on OAPEC oil. This move was continued into the 1980s, following the second oil shock, to the point where, by 1985, the Gulf supplied only 20 per cent of oil consumed by the non-communist world. From 1985 on, however, this trend was reversed. By 1994, over 33 per cent of the industrialised world's oil was supplied by the Gulf. As already noted in Chapter 1, over the longer term, the Gulf is expected to become even more important in terms of global oil reserves than it was at the time of the Kuwait war in 1991.

Concern about oil security tends to focus on three scenarios. First, following the end of the Kuwait war, the external powers are still concerned that one or other of the larger Gulf states may for some reason seek to gain control over oil or interrupt the flow of oil. Iraq is no longer the prime candidate to act in this way, however. As noted, Iraq was severely weakened as a result of the Kuwait war and is unlikely to recover for many years. But Iran is regarded with increasing concern by the United States.

India's rise was not so high. However, this claim depends on a revised estimate to budget measurement. On a budget-to-budget basis the rise was in fact 20 per cent nominal.

Table 3.1: World oil reserves, January 1992 (billions of barrels)

<table>
<thead>
<tr>
<th>Country</th>
<th>Reserves</th>
<th>Percentage of world total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>260</td>
<td>26</td>
</tr>
<tr>
<td>Iraq</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>UAE</td>
<td>98.1</td>
<td>9.8</td>
</tr>
<tr>
<td>Kuwait</td>
<td>96.5</td>
<td>9.7</td>
</tr>
<tr>
<td>Iran</td>
<td>92.9</td>
<td>9.2</td>
</tr>
<tr>
<td>Venezuela</td>
<td>59.1</td>
<td>5.9</td>
</tr>
<tr>
<td>CIS</td>
<td>57</td>
<td>5.7</td>
</tr>
<tr>
<td>Mexico</td>
<td>56.4</td>
<td>5.6</td>
</tr>
<tr>
<td>USA</td>
<td>33.8</td>
<td>3.4</td>
</tr>
<tr>
<td>China</td>
<td>24</td>
<td>2.4</td>
</tr>
</tbody>
</table>


Washington sees Iran as an ambitious power, one that harbours 'hegemonic' tendencies. According to Iran's naval commander, Admiral Abbas Mohtaj, the stated goal of Iran's naval build-up is to be in a position to exercise control of the Straits of Hormuz. Concern about Iran's role increased in September 1992, when it annexed Abu Musa and two other small islands near the Straits of Hormuz formerly jointly controlled with the United Arab Emirates. According to the US Chairman of the Joint Chiefs of Staff, General Shalikashvili:

What the Iranians are doing and why they are forward-positioning some military systems on some of their islands [near the Straits of Hormuz] and what this is all about bothers us very much.

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9 Kraska, 'Gatekeepers of the Gulf', p. 46.

10 Quoted in 'Pentagon watches Iran arms build-up', the Times, as in the Australian, 2 March 1995.
Despite US concern, Iran is itself highly dependent on the international oil market for its economic well-being. It is difficult to envisage a situation in which Tehran would deliberately seek to disrupt the flow of oil through the Straits of Hormuz, because that would inevitably lead to the cessation or near cessation of its own oil revenue. There are, however, several other scenarios that could lead to disruption of oil supplies.

One of these is the possibility that a domestic problem in one of the major oil-producing countries might affect oil production in that nation. Since Saudi Arabia commands 50 per cent of Persian Gulf oil production,\textsuperscript{11} it has received a good deal of attention in this regard. Gulf oil production capacity at the end of 1992 is given in Table 3.2.

Table 3.2: Gulf oil production capacity at the end of 1992 (millions of barrels per day)

<table>
<thead>
<tr>
<th>Country</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>3.8</td>
</tr>
<tr>
<td>Iraq</td>
<td>2.5</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1.8</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.44</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>8.7</td>
</tr>
<tr>
<td>UAE</td>
<td>2.45</td>
</tr>
</tbody>
</table>


Domestic pressure on the Saudi regime has increased since the end of the Kuwait war.\textsuperscript{12} Two hitherto divided sources of competition to the regime have recently developed common demands for reform. These are the Islamists (sometimes known as the 'new Islamists') on the one hand and the semi-secularist democratic forces on the other. The Islamists do not just represent the forces of the conservative mullahs, but rather a group of young people who are fed up with the corruption and nepotism of the regime and who want to see


\textsuperscript{12} The following is based in part on conversations with Professor Amin Saikal, Director of the Centre for Middle East and Central Asian Studies, Australian National University.
democratic reform - and herein lies the commonality with the secularist democrats. These combined challenges have been given additional impetus by the fact that more and more Saudis are now being educated abroad and thus becoming discontented with the feudal nature of the regime. The level of threat of the Islamists to the regime is illustrated by the arrest of 1,500 from amongst their number in early 1995.

These tensions are exacerbated by some serious economic difficulties through which Saudi Arabia is now passing. Much of the oil wealth of Saudi Arabia, dating from the boom days of the 1970s and 1980s, has been frittered away unproductively on conspicuous consumption by the ruling family and on massive arms purchases from the West. Added to this, Saudi Arabia contributed heavily to the Kuwait war. Although it has increased oil production to compensate for the loss of Iraqi oil, the excess is insufficient to make up for the loss of revenue caused by lower prices. Nor are the Saudis willing to push up the price of oil too far because of the effect this might have on the capacity of Iran to re-arm and on support for the Saudi position in the West. These economic problems are increasingly manifest in growing unemployment amongst educated youth, who resent the continuing importation of highly paid expatriate labour.

Despite these problems, the regime remains in firm control for the present. As already noted, US support is much more carefully applied than it was in the case of the Shah of Iran. The ruling family itself has enormous resources upon which to draw. It consists of 6,000 princes and princesses, occupies most of the top positions, especially in the army, and controls all of the important instruments of state. Unlike Iran, Saudi Arabia consists of a scattered population, with no large cities such as Tehran in which opposition might gather. The Saudi population is thus demographically and strategically easier to control than was the Iranian population. Moreover, since the Kuwait war the Yemenis have been expelled and the number of Palestinians greatly reduced, thus minimising the role of more radical Arab elements.

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A third possible scenario that might result in the disruption of oil supplies is a re-run of the Iran-Iraq war or some other conflict between the larger Gulf powers. Since Iraq is so badly weakened, however, it is difficult to envisage a major conflict between Iraq and one of its larger neighbours for some time; or if such a conflict were to break out, it is difficult to envisage that it would have a major effect on oil supplies. Any conflict between Iran and Saudi Arabia would, however, be potentially far more dangerous. But again, it is likely that Tehran would avoid such a conflict, especially since Saudi Arabia is now backed by a strong US presence. Only in circumstances in which Tehran were to feel severely threatened by continuing opposition from the West, or in which there was widespread breakdown in Saudi Arabia and a break in the Saudi-US relationship, might it initiate a conflict with Saudi Arabia.

**The Western Response**

In the aftermath of the Kuwait war, the Western allies have adopted a three-pronged strategy to provide for oil security. First, they have ensured that there are sufficient pre-positioned allied forces, and especially heavy equipment, in the Gulf to act as a 'trip wire' in the event of a crisis. Second, they have endeavoured to strengthen those local forces that favour the free flow of oil by arming the Gulf Cooperation Council (GCC) powers and endeavouring to build better coordination amongst them. And third, they are attempting to strengthen the lines of communication into the Gulf via the 'west about route' through the Indian Ocean.

As the largest GCC power, Saudi Arabia is a key to the success of the pre-positioning and strengthening aspects of this strategy. In the aftermath of the Kuwait war, the Saudis sought to double the size of their ground forces within five to seven years. In 1991 they took delivery of 150 M60A3 MBTs, rocket launchers, *Tornado* and F-15C/D aircraft. The United States also undertook to sell 150 M-1A2 MBTs, 200 *Bradley* Fighting Vehicles, nine multiple rocket launch systems, tube-launched, optically-tracked, wire-guided anti-tank missiles (TOW), *Patriot* systems, attack helicopters and additional F-15 aircraft. Other GCC powers also undertook substantial purchases from the United
States and Britain.\textsuperscript{15} The Saudi navy was also built up. It now consists of eight frigates and 29 missile/patrol craft. It is, however, still largely a coastal force suitable only for Gulf waters.\textsuperscript{16}

The achievement of GCC coordination has proved difficult. A joint GCC force, known as 'Peninsula Shield', had been established in 1984 consisting of 7-10,000 men. But the force existed 'more on paper than on the ground'. It did little during the Kuwait war, and since then, Qatar has withdrawn. Oman, which has a competent force, is reluctant to accept overall Saudi command. All attempts to expand the force have failed due to conflicts and jealousies.\textsuperscript{17}

At the same time as seeking to build up the GCC indigenous capability, the Americans, French and British maintain their own 'Peninsula Shield Force', consisting of 5,000 troops on the ground and \textit{Mirage} 2000, \textit{Tornado} and various US aircraft (including JSTARS). While the actual number of ground troops is small, the key to US Gulf strategy is pre-positioning of equipment, to enable the rapid deployment of forces should the need arise. To this end, new agreements have now been concluded or old ones refurbished with Saudi Arabia, Oman, Qatar, Kuwait and Bahrain.\textsuperscript{18} The United States has heavy equipment pre-positioned at Camp Doha in Kuwait sufficient for an armoured brigade. There is also a possible agreement to move additional equipment sufficient for an armoured brigade into Qatar. Corps infrastructure packages are also being located on 14 ships off Guam and Diego Garcia.\textsuperscript{19}

These sets of agreements provide the United States with a new position in the Gulf that it has been seeking for decades, but was previously unable to develop because Gulf states were wary of appearing to be under Western influence.\textsuperscript{20} The success of the strategy of pre-positioning was apparent when the United States was able to deploy elements of the 24th Infantry Division within a matter of hours.

\textsuperscript{17} Andrew Rathmell, 'Threats to the Gulf - Part 1', \textit{Jane's Intelligence Review}, Vol. 7, No. 3, 1995, pp. 130-1.
\textsuperscript{18} Simon, 'US Strategy in the Persian Gulf', p. 89.
\textsuperscript{19} John Roos, 'The power of prepo', \textit{Armed Forces Journal}, June 1995, p. 15.
of the commencement of the September 1994 crisis in which Iraq had moved its forces up to the border with Kuwait. Also, as shown in the August 1995 crisis over Kuwait, the Western allies are able to bring up to 22,000 troops and 42 naval ships into the Gulf very quickly.21

Despite these new strategies on the part of the West, there are concerns that at some future time another 'oil war' might be fought. Should this occur, the conjunction of forces might not be so favourable for the United States and its allies. In prosecuting the Kuwait war, the United States deployed 10 army and marine divisions, 11 air force wings and six carrier battle groups, yet still retained a large residual force that could be used in the event of a simultaneous crisis elsewhere. But forces on this scale may not be available in future. The base force after impending US military cuts reflecting the 1993 'bottom up review' will be one-third smaller than it was at the time the Kuwait war was fought.22 Even the force recommended in the 'bottom up review' is, however, severely under-funded in the context of the parallel demand to reduce the budget deficit. One study puts the accumulative shortfall as high as $488 billion by the year 2000. This shortfall places a question mark over the current policy of being in a position to deal with two near-simultaneous 'major regional contingencies' derived from the 'bottom up review', and suggests a further force cut of 20 per cent below the force defined in that review.23 According to another account, a future Gulf intervention on the scale of 1991 would require two-thirds rather than under one-half of available US forces (as defined in the 'bottom up review', let alone a force that had been further reduced), leaving the United States dangerously exposed. Nor would Britain and France have the same level of capability to apply in a future Gulf crisis.24 Additionally, the

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22 The cuts imposed by President Bush in 1990 have resulted in a reduction of army divisions from 28 to 8; a reduction in aircraft carriers from 16 to 13; a 36 per cent reduction in the air force's fighter wings and a cut of ballistic missile submarines by half. Defence spending fell by 23 per cent in real terms between 1990 and 1994. President Clinton has imposed further cuts amounting to a further $20 billion per year as a result of the 'bottom up review'. See The Economist, 14 January 1995, p. 32.
draw-down of the US forces in Europe would make the logistical exercise far more difficult and the United States far more reliant on pre-positioned materiel elsewhere, including in the Indian Ocean and the Gulf. Although Germany and Japan could theoretically do more, both are constrained by their constitutions from despatching combat troops to the Gulf. Finally, it should be noted that the redeployment of troops from the European theatre to the Gulf was dependent on the fortuitous détente that had developed between the United States and the Soviet Union. As a result, the Americans were able to redeploy the entire army VII Corps from Germany. These resources will not be available, pre-positioned, as it were, in the event of any new crisis.

In terms of conventional Indian Ocean security, the major challenges devolve onto two highly troubled sub-regions: South Asia and the Gulf. Of the two, the situation in South Asia is possibly the more volatile at the moment since it entails a deep-seated and long-standing territorial dispute as difficult as any in the world today, with the possible exception of the Arab-Israeli dispute. In terms of the international ramifications, however, the security situation in the Gulf resonates right around the globe because of the growing dependence of the global economy on continuing supplies of cheap oil. Although many commentators regard the Kuwait war as sui generus, given the troubled situation in the Gulf and the fact that the region is home to a number of feudal regimes that will find it increasingly difficult to function effectively in the modern world, the future security of Gulf oil is by no means assured.

In the case of non-conventional threats to security, we also witness in the IOR pervasive problems as difficult as those of any other region in the world today. While these problems do not have the capacity of issues such as the security of oil to affect the interests of outside powers, they do have the capacity to debilitate seriously the integrity of regional states. Moreover, due to the existence of a series of 'conveyor belts' that now operate in the international system, they are gaining increasing salience in terms of the 'international order'.
CHAPTER 4

NON-CONVENTIONAL THREATS TO SECURITY

Non-conventional threats to security in the Indian Ocean fall into two broad categories. First, there are non-conventional weapons of mass destruction such as nuclear, biological and chemical weapons; and second, there are security threats that fall short of actual war between nations, or the threat of it, but that none-the-less have an impact on the security of the region. The latter include issues relating to the environment, population and stability as they impact on security, and the increase in low-level conflict. We shall turn firstly to the threat emanating from nuclear, biological and chemical weapons.

Nuclear, Biological and Chemical Weapons (NBCs)

Nuclear Weapons

Now that South Africa has dis-assembled its nuclear weapons, the problem of the proliferation of nuclear weapons in the Indian Ocean is focused on two sub-regions - South Asia and the Gulf/Middle East. In addressing the problem of nuclear weapons, however, it is important to recognise that the programmes in these places are driven not just by internal regional patterns of enmity, but also by the way in which the wider global nuclear equation is tied in with local programmes in a classic nuclear 'chain reaction'. Thus, for example, China claims that its nuclear programme is driven by the programmes of the two nuclear superpowers; while India claims its programme is driven by China. Although Pakistan's programme is


2 Beijing’s response to the five power conference proposal was that China stood in relationship to the South Asian players in exactly the same relationship as the United States and Russia, and that therefore, while it could act as guarantor for any outcomes, those outcomes would be tied strictly to South Asia and would not apply to China.
increasingly seen in that country as a more general 'strategic equaliser' with India, it was driven initially by the perceived need to counter India's programme. Equally, the Iranian and Iraqi programmes to a significant degree derive their impetus from the Israeli programme, and other Arab nations were initially disinclined to sign the renewal of the Nuclear Non-proliferation Treaty (NPT) unless Israel agreed to the new arrangements. However, both the Iraqi and Iranian programmes also derive their impetus from a growing sense of international isolation, and in particular from the sense that they are 'cornered' by the Gulf policies of the United States. It is this complex pattern of interconnectedness that makes the nuclear issue so problematic and difficult to address.

The most difficult and dangerous of the current nuclear impasses is in South Asia, between India and Pakistan. In this chapter we deal with the extent of and rationale for the respective nuclear programmes; policy options concerning issues such as capping, roll-back and renewal of the NPT will be dealt with in Part II, which covers security and confidence building.

India's strategy of ambiguity depends on the arbitrary definition of what constitutes a nuclear weapons power - that is, one in actual possession of nuclear weapons. In terms of the ultimate size and nature of the nuclear power India might develop into, however, there are two more important - because more time-consuming and difficult - technological processes involved other than the actual production of weapons. These are the production of enough fissionable material for the construction of a significant arsenal and the development of the means to deliver strategic nuclear weapons; that is, by means of IRBMs or ICBMs. It makes little sense for India to emerge as a declared nuclear weapons power until these more difficult tasks have been accomplished, or are close to being accomplished. In this respect, India appears to be pursuing the 'Israel option', which would enable it to enter the 'nuclear club' - should it ever wish to do so - with its position as a more substantial nuclear power accepted as a fait accompli rather than having to confront continuing restraints imposed by the international community in achieving that status.

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3 "Rogue nation" the new nuclear fear', *Sydney Morning Herald*, 10 January 1995 (from the *Los Angeles Times*).
India has reached the stage where it is virtually self-sufficient in almost all aspects of the nuclear sciences associated with both the generation of power and the creation of weapons-grade fissionable material. The Bhabha Atomic Research Centre, located near Bombay, now trains 250 nuclear scientists annually. India’s Department of Atomic Energy currently employs 31,000 people. All stages of the nuclear fuel cycle have now been mastered. India currently operates nine commercial power plants (only four of which are safeguarded) generating 1,720 megawatts; it has a further seven under construction, and firm plans for an additional ten units, none of which will be under safeguards. It has three plants reprocessing spent fuel with plutonium as a by-product and two enrichment facilities.

Although spent fuel from the older safeguarded experimental reactor, Cirus, cannot theoretically be used for reprocessing for weapons purposes, it is possible that spent fuel from the newer unsafeguarded commercial reactors has been substituted for the Cirus fuel for inventory-taking purposes and that the Cirus fuel has been consequently available for manufacture of weapons-grade plutonium over a considerable period (Cirus was commissioned in 1960). Cirus fuel was, in fact, used for India’s 1974 nuclear detonation. On this basis, and including also spent fuel from the larger Dhruva reactor, which is unsafeguarded and which went critical in 1985, Albright, Berkhout and Walker estimated in a 1993 Stockholm International Peace Research Institute (SIPRI) publication that India would have had sufficient weapons-grade plutonium already separated to enable it to produce 58 nuclear weapons by the end of 1991, using a 5 kilogram per weapon breakdown (elsewhere Albright and Hibbs use a 6 kilogram per weapon rate). On the same basis they estimated a production of 425 kilograms of fissile material by the end of 1995, potentially enough for 85 weapons. Should India have chosen to honour the intent of the

6 Cirus was built with Canadian assistance and is governed by a bilateral agreement on use of spent fuel. It is not, however, under IAEA safeguards. Cirus material was used for India’s 1974 so-called peaceful nuclear explosion.
7 David Albright, Frans Berkhout and William Walker, World Inventory of Plutonium and Highly Enriched Uranium 1992 (SIPRI, Oxford University Press, Oxford, 1993), pp. 160-1. For the calculation based on 6 kilograms, see David Albright and Mark
safeguards placed upon it by Canada relating to Cirus, however, SIPRI estimated that in 1991 it would have had only enough fissile material for 20 weapons.\(^8\)

Should India have chosen to use 'commercial' material as a substitute and to have thereby utilised Cirus material, the capacity might well approach 100 weapons by the time of any cut-off agreement. While it is unlikely that the commercial programme would have been diverted on a large scale into the production of fissionable material, such a diversion may already have taken place at a lesser level for inventory purposes.

India's reprocessing capability is also significant. Albright, Berkhout and Walker estimated that PREFRE (one of the reprocessing facilities near Bombay) alone could separate between 500 and 1500 kilograms of reactor-grade plutonium in the remainder of the 1990s, while Kalpakkam, near Madras, is believed to have a capacity of up to 150 tonnes of spent fuel per year, to yield about 525 kilograms of reactor-grade plutonium per year, or a total of 2625 kilograms by the end of the century, more than sufficient in itself for the 2000 kilogram core load needed for the breeder reactor scheduled to go on stream in 2005.\(^9\)

It would also be logical to suppose that New Delhi has moved beyond stockpiling fissionable material and has in place a comprehensive programme to develop nuclear weapons-building capabilities. Given the depth of the nuclear sciences in India and the nation's capabilities in ordnance, it is also reasonable to suppose that the weapons programme is fairly well advanced. India would hardly have invested the considerable amount of time, money and effort that it has in its ballistic missile programme, and at considerable political cost in terms of its relationships with the United States and other Western nations, unless it had a parallel programme intended to develop nuclear weapons for its missiles. Furthermore, it would not be credible to suppose that India has not sought at least to match the

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It should be noted, however, that the yield in terms of fissionable material would be considerably less than it would in terms of reactor grade material.
Non-conventional Threats to Security

capabilities of Pakistan. Indeed, the CIA estimated in 1992 that India could, even then, assemble 25 nuclear weapons 'in a matter of days'.

Nor would India necessarily need to conduct a new nuclear test in order to emerge as a nuclear power. India's skills in computation and software may eventually enable it to 'bench test' or 'cold test' any nuclear device in the same manner as Israel did in order to build up its substantial arsenal. There is some evidence to suggest that India has developed a Prompt Burst reactor that could assist it in weapons design. Albright and Hibbs maintain that data obtained from the 1974 test could also have been used to miniaturise the design, making it easier to deploy on attack aircraft and perhaps on missiles. Testing would, however, be needed for India to develop a comprehensive nuclear arsenal suitable for ballistic missile delivery and to have military confidence in its nuclear force.

As discussed above, India is also approaching obtaining a strategic delivery capability in the form of its prototype IRBM, Agni. For a threshold deterrence capability against China, however, India would need a potential ICBM capability. While China could reach India's heartland using IRBMs, the reverse is not the case. India's polar satellite launch vehicle, which was successfully tested in 1994 and which successfully launched an indigenously built imaging satellite in 1996, already provides the basis for an ICBM, should India decide to adapt the re-entry and targeting technologies developed on Agni for that purpose. The payload of the PSLV, using six solid-fuelled boosters, would be about 850 kilograms, launched into a 900 kilometre polar, sun-synchronous orbit, which is sufficient for an ICBM capability. Should four liquid-fuelled boosters (technology that

11 From discussion with a former senior scientist from Los Alamos, USA. A Prompt Burst reactor enables a reaction to be halted, thus providing valuable data without actually requiring a test.
12 Albright and Hibbs, 'India's Silent Bomb', p.B17.
14 The intended payload was one tonne. However, the vehicle did not perform as specified. I am indebted to Professor Desmond Ball for the point that the PSLV in
India already possesses) be substituted for the current solid-fuelled boosters, the payload could be raised to 1200 kilograms.\textsuperscript{15} There is, however, no evidence that India is actively seeking to adapt re-entry and guidance technologies for use on the PSLV.

Pakistan's programme has been far more dependent on outside assistance than India's. Plans for the centrifuge enrichment plant at Kahuta were substantially developed from blueprints stolen from Holland. Subsequently, a long line of connections developed with European firms (mainly German and Swiss) in order to construct the plant. Other items were also illegally acquired from the United States and Canada. As already noted, China has assisted Pakistan's missile programme. The CIA believes that China provided Pakistan with the design for a nuclear device in the early 1980s.\textsuperscript{16} There is also strong evidence that China recently provided Pakistan with 5,000 ring magnet devices suitable for uranium enrichment.\textsuperscript{17} This need to acquire technology bit by bit, and the fact that Pakistan's nuclear weapons programme is not founded on a substantial commercial programme, has meant that Pakistan's capacity to produce fissionable material is much less than India's. It is estimated that Pakistan can produce only sufficient fissionable material for two to three additional weapons per year and that it currently has sufficient fissionable material for about 20 weapons.\textsuperscript{18}

Pakistan also suffers in relation to India because it has much less 'strategic depth'. Pakistan is on average only about 600 kilometres wide, whereas India has a substantial hinterland to the east and south of its border with Pakistan. This means that India can reach much of

\textsuperscript{15} R. Ramachandran, 'ISRO must now rethink on INSAT-3', \textit{Economic Times}, 20 July 1993.
\textsuperscript{16} Ian Brodie, 'Spies proved China helped Pakistan get nuclear bomb', \textit{Times}, as in Reuters News Service, Art. No. 000814847829, 2 April 1996.
\textsuperscript{17} 'Brown says US weighs "serious" response to China', Reuters News Service, Art. No. 000812729475, 29 March 1996.
\textsuperscript{18} In December 1992 the NBC network, in a highly credible report apparently based on intelligence sources, said that Pakistan had seven nuclear weapons it could assemble in a matter of hours. See 'Pakistan said to have seven nuclear bombs', \textit{Washington Times}, 2 December 1992. The CIA is reported to have believed in 1992 that Pakistan could assemble about 15 weapons. Interview with Oehler by Bill Gertz, 'India, Pakistan cited in spread of nuclear arms', \textit{Washington Times}, 31 October 1992.
Pakistan with its short-range missiles and also develop a 'stand back' capability with any IRBMs it may subsequently deploy. Thus India has a powerful intrinsic advantage over Pakistan as well as a much larger potential nuclear force.

It is argued by some, such as the Indian analyst K. Subrahmanyan, that the nuclear relationship between Pakistan and India has already developed some of the features of a mini Cold War; that is, it already involves an element of deterrence and stability.\(^\text{19}\) Taken to its conclusion, the implications of this argument would be that the element of 'proxy warfare' that has now developed between the two has all the hallmarks of the proxy wars that were fought between the two superpowers during the Cold War.

Unfortunately, the debate about the stability of the South Asian nuclear equation has been caught up in a sterile side-issue about whether Asian polities are inherently too unstable to enjoy the type of 'stability' that supposedly existed between the superpowers in their nuclear relationship. This debate is misleading. If India and Pakistan do not yet have a 'stable' nuclear relationship, it is because it is a relationship in its early stages - one in which no conventions, attitudes, verification means or doctrines are yet in place - rather than because nuclear relationships are intrinsically unstable in the Asian context. The issue of verifiability (and hence stability) is further obscured because of the process of nuclear bluff and counter-bluff that is conducted from time to time between the two, consisting of nuclear hints and boasts, as occurred in 1990, when tension over Kashmir was running high.

In fact, it is doubtful whether Pakistan is yet able to deter India in the usual meaning of the word. The fact that India did not go to war with Pakistan over Kashmir in 1990 probably had more to with contemporaneous revolts in Punjab and Kashmir, the existence of a weak central government, and the simultaneous occurrence of an economic crisis, than it did with fear of nuclear attack. India's inherent strategic superiority in nuclear weapons offers New Delhi a calculus in which it has an area of latitude in its military dealings with Pakistan within which it may act, if sufficiently provoked, with confidence that Pakistan would not react with a nuclear weapon lest it bring on itself.

the destruction of the nation. India could, for example, conduct 'hot pursuit' of Kashmiri militants into Pakistan, or even attack militant training camps, with little prospect of a Pakistani nuclear reaction. It could probably not, however, attack the Pakistani heartland and force Pakistan into a position in which its 'back were to the wall'.

Of the Southwest Asian nuclear weapons programmes, Iraq's has probably been set back so seriously following the Kuwait war that to all intents and purposes it is moribund. Iran's programme has, however, been an increasing subject of concern, particularly amongst Western nations. Iranian television reported in January 1995 that Russia had signed an $800 million deal to complete the Bushehr nuclear power station, originally commenced by the Germans under the Shah. Bushehr has two 1300 megawatt nuclear reactors. Russia also agreed in August 1995 to supply two 400 megawatt reactors to Iran at Neka. An article in the New York Times in January 1995 claimed that Iran has acquired nuclear technology from Russia, Pakistan, China, and former Soviet republics such as Ukraine and Kazakhstan and that it has recruited nuclear scientists from Russia. During his January 1995 visit to Egypt, US Secretary of State for Defense, William Perry, drew attention to US fears that a 'rogue nation' may acquire a nuclear capability. This seems to have been targeted at Arab fears of Iran, in order to persuade Arab League nations to sign the new version of the NPT. While China has cancelled its planned sale of two small reactors to Iran, in 1995 it agreed to provide hexafluoride technology, which could eventually enable Iran to form the basis for an enrichment process. In view of the recent exposé of Chinese sales of enrichment technology to Pakistan, this is a worrying development.

Even should Iran attain a nuclear capability in five years, as predicted by some, it is likely to be only a minimal one. Even such a capability would, however, be sufficient to pose a threat to Arab and US interests in the Gulf and would be likely to be unacceptable to Washington, its Gulf friends, or Israel. Any such development would have dangerous repercussions throughout the South/Southwest Asia region. The region could evolve into a fundamentally unstable one containing four nuclear powers and a number of other aspiring ones.

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20 Chris Hedges, 'Iran will have N-bomb in five years, edgy Israelis fear', as in Sydney Morning Herald, 6 January 1995.
21 "Rogue nation" the new nuclear fear', Sydney Morning Herald, 10 January 1995.
Meanwhile, there is every likelihood that Israel may decide to 'take out' the Bushehr facilities just as it acted to destroy the Iraqi reactor at Tuwaitha in 1981. According to one report, Israel's acquisition of the F-15E fighter-bomber is intended to provide it with the reach to accomplish this task.\textsuperscript{22} Iran would be well aware of this possibility and will probably take measures to ensure that its nuclear facilities will be well defended.

\textbf{Chemical and Biological Weapons}

Chemical and biological weapons continue to proliferate clandestinely in the Indian Ocean region, despite the fact that many regional countries are States Parties to the United Nations' Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC). For example, Iran and Iraq continue to pursue chemical and/or biological weapons capabilities and the means to deliver them. It was revealed in September 1995 by the defection of Saddam Hussein's son-in-law, that Iraq's chemical and biological weapons capacity had been far more extensive than hitherto realised, and that it had only been fear of a US nuclear response that had restrained use of chemical and biological weapons in the Kuwait war. This is one factor that makes Iraq potentially a dangerous element in the Gulf, even though its nuclear facilities are assessed by the United Nations to be moribund and likely to remain so for the foreseeable future. Another problem regionally is that a number of countries, such as Egypt, refuse to sign the BWC and CWC unless Israel signs, which it will not do. The situation within the region is further complicated by the apparent indiscriminate export of technologies and precursors by China.

In South Asia, India and Pakistan probably maintain clandestine programmes to develop chemical and/or biological weapons. One knowledgeable commentator believes that Pakistan may be considering developing chemical warheads for its locally built \textit{Haft} missiles. If that were the case, it is likely that India would wish to develop its own capability, as well as appropriate countermeasures.\textsuperscript{23}

\textsuperscript{22} See Jonathan Power, 'How dangerous is Iran to world nuclear policy?', Reuters News Service, Art. No. 000611329183, 9 March 1995.

\textsuperscript{23} See Brian Cloughley, 'Pakistan's Defence Strategy and the Nuclear Option', \textit{Jane's Intelligence Review Yearbook}, 1994, p. 115. Cloughley is a seasoned observer of Pakistan who was for many years Australian defence adviser in Islamabad.
India is also still seen as an important source of precursor chemicals for chemical weapons. New Delhi has recently introduced more rigorous conditions on chemicals exports, but given the extent of the chemicals industry in India and the desire for it to develop into a major export earner, it is difficult for the authorities to implement policy with complete surety, especially since there is a close nexus between the chemicals used for chemical weapons and those used in the manufacture of pesticides. This difficulty was highlighted in 1995 when accusations were levelled at India that three Indian companies were assisting Iran to acquire chemical weapons, whereas India believed that it was assisting the construction of pesticide plants in contracts it won through international bidding.24

In Southeast Asia, the situation is not nearly as potentially difficult and dangerous as it is in Southwest Asia or South Asia. Although doubts have been expressed about Vietnam and Myanmar, there is no hard evidence of any Southeast Asian country having either chemical or biological weapons programmes. There were suspicions about Myanmar in the early part of the 1980s, but observers believe that Rangoon's tardiness in ratifying the CWC and CWB now relates more to bureaucratic delay than to any basic reluctance on the part of the government to accede to the treaties. One observer is of the view that Myanmar's signing of the CWC would not prevent preparation and use of chemical weapons, should the SLORC government assess that it was militarily beneficial to do so. The same writer is also of the view that Myanmar will be most reluctant to open itself up for inspection under the Convention.25 It is also of some concern, as Southeast Asian nations develop petrochemical, pesticide and health-related industries, that they could inadvertently become exporters of chemical or biological weapons precursors or components.

Low-intensity Conflict

As noted in Chapter 1, the Indian Ocean contains some of the poorest developing countries on earth. The level of state formation is in many cases inadequate to meet challenges posed by rapidly

increasing populations, ethnic or religious rivalry, endemic low-level conflict and the chronic crime that is often associated with these problems. In such cases, a vicious circle is established involving lack of investor confidence, underdevelopment and unemployment, and chronic low-level conflict and crime. These conditions are particularly prevalent in Africa and parts of South Asia. South Asia, for example, contains more poor people living in acute poverty than any other region. In dealing with the equation between resource issues and insecurity, however, it is often difficult to know how the two factors relate to each other.

In the context of the IOR, the issue of resource scarcity, and its relationship to insecurity, has been brought onto the agenda because of the very rapid growth in population in some regional countries. Southwest Asia, Africa and some countries in South Asia have extremely fast growing populations, as illustrated by Figure 4.1.

Scholars are, however, divided on the issue of the relationship between the environmental/resource issue and low-level conflict. The scholarly debate initially took place between those who maintained that the security agenda bore no relationship to environmental and resource issues, and those who maintained that environmental and resource issues are the fundamental security issues that we face in the modern era. More recently, a via media is emerging amongst scholars who are commencing to use regional studies to identify those areas in which environmental/resource issues do intersect with conventional security issues. Although the geographical area of this intersection is presently considered to be a narrow one, it is expected to grow in future, especially in places such as the Middle East, where there are acute problems of scarcity of water and other resources that have


27 There has been a widespread debate amongst scholars on this issue. An important paper advocating a connection between the two was written by Jessica Tuchman Mathews, 'Redefining Security', Dialogue, No. 1, 1990. For a case against the linkage, see Daniel Deudney, 'The Case Against Linking Environmental Degradation and National Security', Millenium: Journal of International Studies, Vol.19, No.3, 1990.
already contributed to tension between states and within them.28 These scholars seeking a *via media* do not hold that issues such as global warming are necessarily security issues *qua* security issues, but rather that resource disputes can in some cases lead directly to intra- or inter-state conflict, or at least increase the risk of such conflict. A subtle addendum to this line of argument holds that, while conflict most often has its roots in factors other than resource or environmental problems, for example ethnic or religious differences, the presence of tension over resources can make such conflict more pernicious and prolonged. In the present work, we have adopted the position of those scholars endeavouring to establish the actual points of intersection between resource problems and security issues, as traditionally defined.

In Africa, the demarcation between resource/environment problems and insecurity is particularly ill-defined. On the one hand, a writer like Kaplan presents an extremely stark picture of African decline into near anarchy based on what he sees as resource and environmental cataclysms as governments fail to grapple with the problems of disease, crime and starvation in cities swollen by those forced from the land by overpopulation.29 According to Kaplan:

West Africa is reverting to the Africa of the Victorian atlas. It consists now of a series of coastal trading posts ... and an interior that ... is again becoming, as Graham Greene once observed, 'blank' and 'unexplored'. However, whereas Greene's vision implies a certain romance ... it is Thomas Malthus ... who is now the prophet of West Africa's future.30

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28 There are a number of examples of this type of study now available. Two area specialists, James A. Winnefeld and Mary Morris, recently conducted one for the RAND Corporation: see *Where Environmental Concerns and Security Strategies Meet: Green Conflict in Asia and the Middle East* (The RAND Corporation, Santa Monica CA, 1994). Probably the best-known academic study on the connection between resources and security is Thomas F. Homer-Dixon's 'On the Threshold: Environmental Changes as Causes of Acute Conflict', *International Security*, Fall 1991.


30 ibid., p.48.
Figure 4.1: Growth rate of world population, 1985-94

Elsewhere, Kaplan observes that East Africa - the area on the Indian Ocean seaboard - is in danger of suffering the same problems as the west of the continent. Indeed, he predicts a situation in which internal borders progressively crumble as governments virtually collapse. Eventually, he argues, the rest of the world will erect a kind of cordon sanitaire around Africa to protect itself from rampant disease such as HIV/AIDS (8 million of 12 million HIV-positive persons world-wide are in Africa), malaria, yellow fever and tuberculosis.31

While Kaplan's pessimism about some parts of Africa might be well founded, there is still insufficient evidence to establish that these problems are solely, or even mainly, a result of resource issues rather than of the failure of governance. Although environmental degradation and overpopulation are certainly present in Africa, for example at the southern borders of the Sahara and in parts of Southern Africa, famine and scarcity mostly seem to be linked with war, particularly war generated by ethnic and/or religious rivalry, as well as with the structure of the international economy, the problem of debt and the failure of governance. According to one writer:

War in Africa has had grossly damaging social, economic and environmental effects which have only recently been fully recognised and evaluated. War is often an important contributor to the decline of food availability ... War, in short, can create famine.32

Amartya Sen made a related point about famine in his classic work about the 1943 famine in Bengal. His point was that it was political decisions about distribution - or issues of governance - that were at the root of the 1943 famine, rather than issues of absolute scarcity.33 Indeed, it might be argued that mismanagement of resources and poor governance is more a factor in the creation of

31 ibid., p.52.
environmental and resource issues than are resource issues factors in the decline of governance.

An additional problem faced by all scholars dealing with the relationship between the environment and security is to determine which elements of a particular conflict are attributable to what - which is cause and which is effect. Does the civil war in Rwanda, for example, result from centuries of tribal hostilities between Hutu and Tutsi, or does it result from pressure of population on the tiny, but fertile nation, which in turn generates competition in order to control scarce resources? Probably in this case the tribal competition is the primary cause, but the resource issue may have exacerbated it. In other African conflicts, such as those in Somalia, Ethiopia and Sudan - all of which have resulted in famines - the ethnic, clan or religious aspects of the conflict also seem to have been the principal determining factors.34

But whatever its cause, the instability evident in Africa in recent years consists mainly of low-level conflict (in terms of the types of weapons used rather than in terms of loss of life) and is largely contained within national borders. So how is it relevant in terms of wider Indian Ocean security?

There are two ways of looking at this question. First, it is axiomatic that the possibility of the breakdown in governance in a continent that will have nearly one-fifth of global population by 2025 matters. Second, as illustrated by events in Somalia and Rwanda in the first half of the present decade, it is becoming increasingly difficult for the rest of the world to ignore such tragedies, even when played out in places not generally assessed to be particularly relevant to global security. The reason is that the 'CNN factor' and other means of mass communication increasingly make the 'global village' a reality.

The events in Somalia and Rwanda relate directly to international security management. To recapitulate briefly: following the ousting of the Barre government, Somalia sank rapidly into anarchy amidst clan fighting. By 1992 this situation had resulted in widespread famine, killing an estimated 300,000 people. In order to address the violence that was the primary cause of the famine, it was necessary for the United Nations to move from a situation of

34 Riley, War and Famine in Africa.
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peacekeeping to 'peacemaking', or 'peace enforcement'. The UN Security Council decided in March 1993 to grant the UN Operation in Somalia (UNOSOM) greatly extended powers to enforce peace, and the means to do it.

By October of the same year, however, the United Nations' strategy was in tatters. US troops that had been used in Somalia had been severely restrained by domestic political factors, such that US commanders decided not to 'take on' and disarm the major gangs causing the problem. Thus the United Nations had its 'hands tied behind its back' and was unable to address the major issue causing the Somalia problem: the presence of warring armed gangs. Despite these precautions, President Clinton was forced, in response to domestic pressure resulting from the deaths in combat of 18 US soldiers, to announce the withdrawal of the US forces that had provided the fighting backbone of the UN effort. By the beginning of 1995, a marginalised UNOSOM II was preparing to withdraw from Somalia, apparently destroyed by the very 'CNN factor' that had created the strategy of 'peace enforcement' in the first place.

It is not our role here to describe these events in detail or to analyse the reasons for the failure of the UN mission. It is important to note, however, that the global interest in peace enforcement has apparently not been lessened as a result of the failure of peace enforcement in Somalia, as events in Bosnia in September 1995 were to make clear. Even in the case of 'far-off' Africa, events in Rwanda were soon to undermine the 'lesson' of the Somalian intervention.

Whereas the United Nations acted and apparently failed in Somalia, the problem in Rwanda was that it did not act, or at least not in a timely manner, with the result that possibly as many as 500,000 people perished in tribal fighting. Because of doubts about active intervention to 'enforce peace' that had emerged following the experience in Somalia, the United Nations dithered and procrastinated as the disaster in Rwanda unfolded. In April 1994, the UN Assistance Mission in Rwanda (UNAMIR) was actually reduced from 2,500 to

\[\text{\cite{35}}\] For a scathing critique of the US position, see Edward Luttwak, 'A new world army', *Australian*, 12 January 1993 (reprinted from *The New Republic*).

In May, numbers were increased again to 5,500 and the mandate was expanded to include responsibility for security of civilians and humanitarian operations. However, given the time lapse involved in securing and equipping troops, by that time it was a case of 'too little, too late'.

There are several lessons that emerge from events in Somalia and Rwanda. The first is that Africa, with its chronic problems of failure of governance and tribal conflict, seems destined to throw up more Somalias and Rwandas. Second, the scale of these problems, combined with the fact that they are now accessible to the living rooms of the developed world via electronic media, probably dictate that they will continue to be on the global security agenda, whether democratic governments in the West like it or not. Third, it is clear that the international community has as yet found no means to meet the challenge of 'peace enforcement' that is raised by such events. This is especially true of the situation in Africa, which tends to involve use of small arms rather than the heavy weapons and full-blown military activity evident in Bosnia, which is much more amenable to intervention using, for example, aerial attack. And finally, these events reinforce yet again the fragility of the well-being of populations in Africa and the close nexus between catastrophic famine and war that can result from the fact that so many of the people of the region live at the margin of existence.

While the relationship between resources and security is somewhat opaque in parts of Africa, there are clear cases in South Asia in which conflict or the threat of conflict are generated by resource issues. For example, the dispute over the sharing of the Godavari waters between the Indian states of Tamil Nadu and Karnataka resulted in considerable dislocation and some loss of life. Although it has not led to actual conflict, the riparian dispute between Bangladesh and India over the sharing of the Ganges waters has damaged relations between those two nations to a considerable degree. The agreement between the two on the sharing of the waters expired in 1977 and has not been renewed since. Under this agreement, India had allowed Bangladesh 34,000 cusecs of water in the dry season. According to Bangladeshi officials, the flow is now a mere 9,000 cusecs, and the sub-

37 Details are from UN Chronicle, Vol. XXXI, No.3, September 1994, pp. 15-20. Estimates of the numbers of the victims of the Rwanda violence vary from the UN
soil water has subsided severely as a result. Up to 40 million people in the north-west of Bangladesh are facing the problem of a 'gradual drying out of the land into desert', allegedly because of India's refusal to let them have enough water for navigation, irrigation and other uses.\(^{38}\)

Such riparian disputes are hard to disentangle from other environmental factors that can impact on the economy. At the root of many of the problems that confront Bangladesh is the one of population. It is true that Bangladesh has done better than Pakistan in reducing its rate of population increase to about 2.4 per cent - which compares with a rate of increase in Pakistan of over 3 per cent. However, even a rate of 2.4 per cent is high given the scarcity of land resources and the vicissitudes of flooding that Bangladesh confronts. Population increase and consequent pressure on the land has forced Bangladesh to reclaim more land and progressively to harness rivers by means of bunding. This allows the increasing population to settle on lands that were previously considered too vulnerable to flooding such as riverine \textit{char} lands (flood plains). When a 'once in a generation' flood does finally occur, however, its effects are far more devastating than would normally have been the case because vast numbers of people are affected. According to B.L.C. Johnson:

Fifty years ago ... people could afford to avoid floods. They settled on the levees and regarded the riverine islands, the char islands, as too risky to cultivate. Now population pressure has pushed people into these high risk areas ... Where will the next generation of Bangladeshis go? To India? To Myanmar perhaps? To the boats?\(^{39}\)

This tendency to settle on vulnerable terrain also applies to low-lying coastal islands such as Sandwip Island. Such islands are often little more than cultivated estuarine mud flats; yet they are home to millions of people.

What is more, there is mounting evidence that the problems of flooding and cyclonic surge that have in the past had a devastating

\(^{38}\) 'Bangladesh asks India to end river dispute', Reuters News Service, Art. No. 000604506153, 26 February 1995.

effect on such communities could themselves become more severe due to greenhouse warming. According to Smith and Greenaway:

Since 1988, the estimates of sea level rise have been drastically reduced. However, the implications of an increase in recurrence interval [of cyclonic surges] ... are horrendous.40

These writers estimate in the context of Australian waters that a one degree change in surface sea temperatures would cause an increase in the frequency of cyclone coastal crossings of 117 per cent. The projected changes to cyclone intensity are thought to be even greater.41 Should greenhouse warming occur - a proposition now widely accepted by science - it is also probable that flooding would increase in frequency and intensity, since warmer air is able to support higher levels of precipitation.42 According to some models, a 1 in 10,000 year event in current conditions could be over 30 times more likely to occur given a doubling of atmospheric carbon dioxide concentration.43

On the other hand, it should be emphasised that such findings relating to greenhouse are based on models. It is difficult to determine how greenhouse warming might translate in actuality. Moreover, it may prove to be the case that additional precipitation and flooding could to an extent be offset by higher agricultural production in the drier northern areas of a country such as Bangladesh. But whatever the future holds, already there are a significant number of Bangladeshis - perhaps numbering many millions - who have been forced into India and Myanmar as 'economic refugees'. The implications of these developments in terms of security are detailed in the section on transmigration, below.

Pakistan is another South Asian country already experiencing dislocation and violence, in part as a result of a combination of very

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40 See D.I. Smith and M.A. Greenaway, Tropical Storm Surge, Damage Assessment and Emergency Planning: A Pilot Study for Mackay, Queensland, Resource and Environmental Studies No.8 (Centre for Resource and Environmental Studies, Australian National University, March 1994), p.15.
41 ibid.
42 In December 1995 the United Nations issued a major report in which the scientific community generally acknowledged not only the threat of greenhouse warming but its actual presence. See 'Science sees Warming', Canberra Times, 6 January 1996.
high rates of population increase with inadequate attention to human resources development and the social sector. With only 14 per cent of couples accepting birth control and with an effective female literacy rate of only 21 per cent, the prognosis for Pakistan is not good. Pakistan is expected to more than double its population in the next 23 years. In these circumstances, Pakistan's internal difficulties, which are already pronounced, might be expected to increase, notwithstanding the considerable progress made recently in reforming the economy. Without an improvement in the social sector, there can be no lasting economic gains. Exactly how these problems might translate into security concerns, however, remains unclear. But according to the Economist Intelligence Unit, the serious unrest in Karachi, which resulted in 1400 deaths between January and September 1995, is in part due to social and economic problems relating to over-rapid urbanisation.

It is in the Middle East/Southwest Asia region, however, that the growth of population has the most alarming implications. By 2025, the population of the entire Middle East is expected to double, as shown by Figure 4.3. With tension over water-sharing in some areas of the Middle East already high, it is difficult to see how these populations can be sustained without generating outright hostility. The problem is likely to be particularly pronounced in the Nile valley and amongst countries sharing the Tigris, Euphrates and Jordan river waters. Even today, the scarcity of water in Israel and Palatine has greatly complicated a peace settlement in the Middle East.

Eventually, many of the issues surrounding population, resource issues and the environment are likely to be manifest in terms of substantial transmigration, which can itself have significant security ramifications. Indeed, as we shall see, this is likely to be the main transmission belt linking resource issues and problems relating to security.

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44 For sources, see the author's *India's Rise to Power*, pp. 167-8.
Figure 4.2: Population projections for South Asia and China (in millions)

Source: Gordon, *India’s Rise to Power*, Figure 2.1, p. 168.
Figure 4.3: Middle East population growth (in millions)

Source: Derived from data in Winnefeld and Morris, Where Environmental Concerns and Security Strategies Meet, Table 3.1, p.37.
Economic Refugees, Illicit Movement of People and Resources

By no means all of those caught up in the web of illegal migration are 'economic' or 'environmental' refugees. Some are not compelled to leave their homes so much because of the problem of sheer survival, but rather because they are seeking to better their lot. Their presence nevertheless sometimes has implications in terms of low-level security, for example in the case of the so-called 'boat people' mentioned below.

It is difficult to garner reliable data on illegal movement of people. According to one estimate, there are now 30 million illegal immigrants world-wide. On a global scale the problem is probably growing. One reason for assuming this growth is that there has been a progressive tightening of avenues of legal migration from the developing to the developed world. The closing of the gates on migration, as it were, is indicated by survey data which show that in 1976 only 6.4 per cent of all nations considered that their immigration levels were too high, but that in 1989 20.6 per cent considered them to be too high.

In the 1970s and 1980s, large numbers of South Asians were smuggled into developed countries, and it is estimated that there are still 80,000 Pakistanis illegally outside the country today. These problems received widespread publicity from the 1960s on, and became tied in with attitudes to race within receiving countries, with the possible result that the extent of the problem became exaggerated. Although some South Asians were smuggled into North America (such as Sikhs into Canada), Europe appears to have been the preferred destination. While the problem of people smuggling into Europe is now less salient than it was in the 1960s and 1970s because fewer people are actually apprehended, it has probably actually increased in its incidence. Smugglers now no longer use mass transportation and networks are better honed. A larger host

48 International Organisation for Migration (IOM), 'Assisted Return of Irregular Pakistani Migrants from Western Europe and North America' (IOM, Geneva, n.d.).
population is willing to engage smuggled people in low-paid illicit employment. Today, however, publicity in Europe is focused mainly on illegal migration from the Maghreb, Eastern Europe and Turkey, rather than from the Indian Ocean littoral.

Australia has not been a major destination for people smuggling from South Asia or the Indian Ocean generally. As ASEAN nations such as Malaysia and Singapore enter the ranks of developed countries, however, they too are starting to experience the problem of illegal migration. Singapore especially is in a difficult situation. The relatively high cost of local labour has led to an increasing reliance on guest workers in industries such as construction and domestic service, and even for factory labour. South Asia has featured prominently as a supplier of this labour, especially in the construction industry. There has been a consequent problem of illegal migrants in the form of overstayers. Singapore finds it needs to tread a narrow line between being too harsh on over-stayers, and thus discouraging the flow of licit guest workers, and preventing illegal migration. At times it has resorted to caning South Asian over-stayers, at one stage causing sensitivities between the Indian and Singapore governments. Malaysia is particularly vulnerable because of its large South Asian population, amongst whom illegal immigrants can 'disappear', and because of its porous border with Thailand.

There is also a pernicious problem of people smuggling within South Asia itself, especially from very low-wage areas such as Bangladesh and Nepal. In Bangladesh, there are a number of instances of people actually being 'sold' to unscrupulous smugglers, mainly for work in brothels and for other extremely low-paid work, which amounts to virtual slave labour. Bangladeshi police claim as many as 15,000 are smuggled out of the country annually. Nepal, another extremely poor country, suffers a similar indignity of having young women (sometimes even girls) 'sold' into the brothels of Bombay and elsewhere in India. Many subsequently contract HIV, are cast out, and return home, often to spread the disease.

Boat people are not always the subjects of 'people smuggling' but can either be genuine refugees or economic refugees proceeding

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49 Australian Department of Immigration and Ethnic Affairs source.
under their 'own steam', as it were. In terms of source countries, the problem of boat people in its most serious manifestation - the outflow of people from China and Vietnam - is not strictly an Indian Ocean one, except where boats pass through the Indian Ocean en route to Australia. Such boats mostly depart from Vietnam rather than China, with boats from China tending to favour routes out of China, down through the Lombok or Sunda straits and thence along the northern coast of Timor and down to Darwin, while those from Vietnam tend to pass from Sumba in Southern Timor, then south-south-east to the environs of Broome in Western Australia.\(^\text{52}\)

There is a long-standing dhow traffic north from East Africa into the Gulf, particularly Oman. Local traffic of a traditional nature also crosses from the Makran coast of Pakistan to Oman. Actual examples of people smuggling into the Gulf are today rare, however, because of the tight social control exercised by most Gulf states, which have set up comprehensive social monitoring systems to protect their societies in the context of the influx of large numbers of guest labourers, particularly from South Asia.

India also has concerns that some of the 300 islands in the Andaman and Nicobar chain might be illegally settled by Chinese or Thai fisher folk, who traditionally spend the season on the islands while they fish. India has established a reasonably comprehensive monitoring system based on aerial reconnaissance to ensure that this will not happen.

Genuine economic refugees are usually involved in transmigration into a neighbouring country and are pushed into such acts by absolute or near-absolute necessity. As such, they fall into a different category than those seeking to better their lot by moving to a higher wage area. The two main areas that are the subject of traffic of genuine economic refugees are Africa and South Asia. Such people may be described as being in 'refugee-like' circumstances, particularly those forced to leave their homes as a result of natural disasters. Economic refugees also differ from officially recognised refugees, who invariably are fleeing war or political/ethnic persecution rather than economic deprivation as such. Nevertheless, we have provided

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52 Australian Department of Immigration and Ethnic Affairs source.
refugee numbers world-wide in order to give some idea of the degree of regional dislocation involved.

Table 4.1: Refugees and asylum seekers in need of protection and assistance, December 1987 and 1991

<table>
<thead>
<tr>
<th>Region</th>
<th>1987</th>
<th>1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>3,574,910</td>
<td>5,340,800</td>
</tr>
<tr>
<td>East Asia/Pacific</td>
<td>560,260</td>
<td>688,500</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>290,090</td>
<td>119,600</td>
</tr>
<tr>
<td>Middle East/South Asia</td>
<td>8,802,000</td>
<td>9,820,950</td>
</tr>
</tbody>
</table>


What stands out from the above table is that the Indian Ocean littoral carries an enormous burden of the world's displaced persons in comparison to other regions. Within the Indian Ocean, the situation of Africa is particularly serious because numbers have risen so sharply. While these problems are not necessarily manifest in the form of illegal migration, they are suggestive of the force of population shifts and dislocations in terms of this problem in years to come. Indeed, as illustrated by the example of the 1.6 million Afghan refugees who have opted to stay in Pakistan or that of Southeast Asian refugees venturing forth as boat people, in some instances there can be a connection between refugee flows and illegal migration.

In the case of Africa, it becomes extremely difficult to distinguish between those escaping from the effects of war and political disorder and those escaping from the effects of famine and economic dislocation since, as noted above, the latter set of problems is so often caused by or related to the former. The situations in Sudan and Ethiopia are cases in point. In situations in which war, chaos and famine are all closely inter-related in a region it becomes especially difficult to distinguish between 'illegal immigrants' and those in refugee or 'refugee-like' situations. The more detailed picture in East
and Southern Africa in terms of displaced persons across borders rather than internally, is as follows:53

Table 4.2: Refugees and those in a refugee-like state in Africa, 1992

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Present Country</th>
<th>Refugee</th>
<th>Non-refugee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>South Africa</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>Burundi (a)</td>
<td>-</td>
<td>187,000</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Uganda (a)</td>
<td>-</td>
<td>120,000</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Saudi Arabia</td>
<td>-</td>
<td>160,000</td>
</tr>
<tr>
<td>Somalia</td>
<td>Saudi Arabia</td>
<td>-</td>
<td>1000</td>
</tr>
<tr>
<td>Lesotho</td>
<td>South Africa</td>
<td>-</td>
<td>4000</td>
</tr>
<tr>
<td>Botswana</td>
<td>South Africa</td>
<td>1000</td>
<td></td>
</tr>
<tr>
<td>Burundi</td>
<td></td>
<td>107,000</td>
<td></td>
</tr>
<tr>
<td>Djibouti</td>
<td></td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Ethiopia/Eritrea</td>
<td></td>
<td>534,000</td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td></td>
<td>107,150</td>
<td></td>
</tr>
<tr>
<td>Lesotho</td>
<td></td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td></td>
<td>950,000</td>
<td></td>
</tr>
<tr>
<td>Mozambique (a)</td>
<td></td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Somalia</td>
<td></td>
<td>35,000</td>
<td></td>
</tr>
<tr>
<td>South Africa (b)</td>
<td></td>
<td>201,000</td>
<td></td>
</tr>
<tr>
<td>Sudan</td>
<td></td>
<td>717,200</td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td>251,100</td>
<td></td>
</tr>
<tr>
<td>Uganda</td>
<td></td>
<td>165,450</td>
<td></td>
</tr>
<tr>
<td>Zaire</td>
<td></td>
<td>482,300</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td></td>
<td>140,500</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td></td>
<td>198,500</td>
<td></td>
</tr>
</tbody>
</table>

(a) Numbers would now be far greater. (b) Many would now have returned.

Source: US Committee for Refugees, World Refugee Survey 1992, as in Ferris, Beyond Borders, Table 2, pp. 94-5 and Table 1, pp. 132-6.

53 The problem of internal displacement is even more serious in terms of numbers affected, but does not fall within the purview of this study.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mozambique</td>
<td>33,446</td>
<td>38,758</td>
<td>43,330</td>
<td>47,074</td>
<td>61,210</td>
</tr>
<tr>
<td>Lesotho</td>
<td>4,400</td>
<td>4,728</td>
<td>3,832</td>
<td>4,440</td>
<td>6,235</td>
</tr>
<tr>
<td>Swaziland</td>
<td>1,839</td>
<td>1,269</td>
<td>1,225</td>
<td>1,828</td>
<td>2,283</td>
</tr>
<tr>
<td>Botswana</td>
<td>757</td>
<td>843</td>
<td>569</td>
<td>604</td>
<td>458</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>3,527</td>
<td>5,817</td>
<td>5,363</td>
<td>7,174</td>
<td>12,033</td>
</tr>
<tr>
<td>Total</td>
<td>44,225</td>
<td>51,550</td>
<td>53,418</td>
<td>61,345</td>
<td>82,575</td>
</tr>
</tbody>
</table>

Non-conventional Threats to Security 131

In terms of illegal migration as more usually understood, the main problems are encountered in richer countries of the region, especially South Africa. The UNHCR recently estimated that there are 300,000 Mozambicans in South Africa, some of whom are there legally as refugees, and some of whom have no legal status. It is difficult to get an accurate picture of the problem because of the indistinct boundaries between the different categories of immigrant. However, the annual level of repatriations from South Africa gives us some indication of the extent of the problem, since those repatriated are considered to be illegal migrants (see Table 4.3).

In South Africa, the situation has been greatly complicated by the use of contract workers who are bought to work in the mines without their families. Many of these families subsequently migrate illegally. These guest workers and their families also tend to overstay illegally once their contracts expire. One of the issues now confronting the Republic is the importation of HIV through illegal migration. By 1992, 2.7 per cent of women attending pre-natal clinics in South Africa were found to be HIV-positive.

It is difficult to underestimate the importance of transmigration in shaping modern South Asia. Weiner estimates that, since 1947, between 35 and 40 million people have moved across national boundaries. The most serious problem relating to illegal movement of people in South Asia is the one between India and Bangladesh. This is a long-standing issue that has its roots in the long, porous border between the two and the extreme poverty in Bangladesh, which has had the effect of pushing possibly millions of trans-migrants into India. (The official Indian figures are seriously understated, with only 100,000 listed in New Delhi and 587,000 in West Bengal, and with no figures available for the other states of the north-east.) Figure 4.4 provides an indication of population increase in border regions. While some of this 'excessive' population growth would be natural, much of it would be due to illegal migration.

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56 There has been a great deal of debate in India about the actual numbers, with some estimates as high as 10-13 million - a figure that would probably be much too high. For the higher figure, see Prasun Sonwalkar, 'North-East: Lebensraum of Bangla?', Times of India, 5 December 1991.
Figure 4.4: Population growth rates for Indian states, 1991

In Tripura and some other of the so-called 'seven sister' states of the north-east, the situation has reportedly reached 'alarming proportions' because the influx of Bangladeshis is pushing the tribals into 'decline' and politics into ferment.\textsuperscript{57} It is in Assam, however, that separatist violence associated with transmigration of Bengalis and Bangladeshis has especially been a feature over the last decade and a half. The situation in Assam offers a good example both of the importance of transmigration in causing unrest and of the complexity we immediately encounter when we try to assess what role resource issues play in triggering transmigration.

The migration of Bengalis into Assam, which has been a feature of the history of Assam over the past century, was caused by a multiplicity of factors. Prominent among these was overpopulation and associated scarcity of land in the source regions, particularly the very poor conditions in the province of Mymensingh in what is now Bangladesh.\textsuperscript{58} But there have also been the pull factors of work on the tea plantations and the opening out of large tracts of agricultural land.

Within Assam, however, the presence of migrants eventually intensified competition for scarce resources such as jobs in the bureaucracy and land.\textsuperscript{59} The great pogrom of 1980 at Kamrup, in which 1,000 died, was basically directed at Muslim settlers from Mymensingh who occupied the char, or riverine lands. These lands had initially not been settled by the Assamese because they were considered too dangerous, but were left for the 'desperate' Bengalis. With growing scarcity of land, however, the Assamese wanted the land back.\textsuperscript{60} Jobs were equally important in the agitation, particularly as it found expression in the student body. One of the central demands of the predominantly student United Liberation Front of

\textsuperscript{59} In the nineteenth century and early twentieth century there was a wave of migration of educated Bengalis moving in to service the growing Assamese bureaucracy in circumstances in which there were insufficient educated Assamese to fill the role.
Asom (ULFA) was for greater access for Assamese for jobs in the bureaucracy, which was dominated by Bengalis.

Other illegal migrants have sought access to higher wage zones in India, and many have turned up in major cities, from Calcutta to Bombay. Their presence has now become a major political issue, particularly in Delhi and Bombay, both strongholds of the Bharatiya Janata Party and other parties of the Hindu 'Right'. From time to time the Indian government has tried to police the border more effectively, and even to erect a fence, but the flow of people persists.

International Crime and Illicit Drugs

The problems of illicit movement of people and drugs in and around the Indian Ocean are manifestations of more deep-seated issues, such as political disorder and the general failure of governance, the classic examples being the two great areas of heroin production in the region, the Golden Triangle and Golden Crescent, both of which are characterised by the existence of seriously eroded central governing authorities.

Annual global drug production has been valued at approximately $300 billion. The drug trade is now the world’s second most lucrative business after the arms trade. Money flows on this scale have the power to suborn national polities and endanger the very existence of some states as independent entities. According to the Secretary General of Interpol, drug money is so substantial that it ‘has the power to corrupt anyone’. Moreover, the problem is a Hydra-headed one: as soon as there is a crackdown in one place, the drug trade quickly finds new outlets and avenues, assisted by the fact that drug syndicates are multinational in character and by the vast volumes of money at their command. The enormous profit margins provide incentives sufficient to counteract even the most rigorous enforcement. According to one estimate, margins are as high as 370 per cent for importers, 135 per cent for wholesalers, 90 per cent for distributors, and so on. As Table 4.4 indicates, the problem is also a growing one.

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61 The figure of $300 million is the CIA’s latest estimate. But see also Jawed Naqvi, 'Drug Trade Touches $400 billion, Interpol Says', Reuters News Service, Art. No. 000566299485, 15 December 1994.
62 Naqvi, 'Drug Trade Touches $400 billion ...'.
Table 4.4: Estimated global opium production, in tonnes, 1989-93

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan (a)</td>
<td>585</td>
<td>415</td>
<td>570</td>
<td>640</td>
<td>685</td>
</tr>
<tr>
<td>Iran</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Pakistan</td>
<td>130</td>
<td>165</td>
<td>180</td>
<td>175</td>
<td>140</td>
</tr>
<tr>
<td>Myanmar</td>
<td>2430</td>
<td>2255</td>
<td>2350</td>
<td>2280</td>
<td>2575</td>
</tr>
<tr>
<td>Laos</td>
<td>380</td>
<td>275</td>
<td>265</td>
<td>230</td>
<td>180</td>
</tr>
<tr>
<td>Thailand</td>
<td>50</td>
<td>40</td>
<td>35</td>
<td>24</td>
<td>42</td>
</tr>
<tr>
<td>Lebanon</td>
<td>45</td>
<td>32</td>
<td>34</td>
<td>n/a</td>
<td>42</td>
</tr>
<tr>
<td>Colombia</td>
<td>-</td>
<td>-</td>
<td>27</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Guatemala</td>
<td>12</td>
<td>13</td>
<td>17</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Mexico</td>
<td>66</td>
<td>62</td>
<td>41</td>
<td>40</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>3698</td>
<td>3257</td>
<td>3519</td>
<td>3409</td>
<td>3699</td>
</tr>
</tbody>
</table>

(a) The estimate given here is probably too low (see p.136).

Heroin commands half of the total global drug trade in terms of value. The Golden Triangle and Golden Crescent, both at the littoral of the Indian Ocean, command 80 per cent of world heroin production. The locations of the Golden Triangle (Myanmar, Thailand, Laos) and Golden Crescent (Afghanistan, Iran, Pakistan and, increasingly, India) may be seen from Figure 4.5.

Afghanistan is the principal source country for opium in the Golden Crescent. The main source provinces in Afghanistan are Nangarhar, Oruzgan, Paktia, Konar, Badakshan and Helmand. In Helmand, growing is so extensive that 90 per cent of peasants are reportedly involved. It is noteworthy that some estimates of production in Afghanistan are higher than the ones given by the US State Department in Table 4.4 - some even being as high as 1200-1500 tonnes.

With the collapse of the Soviet Union, the Golden Crescent itself appears to be extending west into the new Central Asian Republics. The United Nations Commission on Narcotic Drugs (UNCND) in Vienna estimates that 350,000 acres are now under poppy in Kazakhstan and 150,000 acres are being cultivated in Kyrgyzstan. (Each acre could grow roughly 15 kilograms of opium, which could in turn produce about 1.5 kilograms of heroin.) The growing areas are also expanding eastward into India, where the major problem consists of diversion from licit production. In India, farmers officially cultivate 14,900 hectares, with an 'official' yield of 30-34 kilograms per hectare and an official acquisition of 460 tonnes. Since the actual yield may well be higher, it is likely that a substantial balance flows into the black market. Also, according to the US Drug Enforcement Agency (DEA), illicit growing is an increasing problem in states such as Kerala, Kashmir, Manipur, Uttar Pradesh and Madhya Pradesh.

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64 Naqvi, 'Drug Trade Touches $400 billion ...';
Figure 4.5: Major growing areas of heroin and major drug-trafficking routes in and around the Indian Ocean region.
A good deal of the production of opium in the Crescent is consumed in Afghanistan and Pakistan or in other surrounding countries, either as opium or, increasingly, as heroin. There are now an estimated 100,000 addicts in Badakshan province of Afghanistan alone. Estimates of numbers of opium addicts in Pakistan vary upward to 2 million. Haq reported in 1991 an opium addiction rate of 260,000, but estimated that this would rise to about 2 million by 1994. The official estimate is now 1.5 million. India was estimated in 1990 to have 700,000 heroin addicts, and the situation today would be far worse than that. Table 4.5 details annual estimates of numbers of addicts in Pakistan.

Table 4.5: Growth of heroin addiction in Pakistan, 1980-88

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Addicts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>5,000</td>
</tr>
<tr>
<td>1981</td>
<td>20,000</td>
</tr>
<tr>
<td>1982</td>
<td>50,000</td>
</tr>
<tr>
<td>1983</td>
<td>105,000</td>
</tr>
<tr>
<td>1984</td>
<td>225,000</td>
</tr>
<tr>
<td>1985</td>
<td>365,000</td>
</tr>
<tr>
<td>1986</td>
<td>657,392</td>
</tr>
<tr>
<td>1988</td>
<td>1,079,635</td>
</tr>
</tbody>
</table>


Despite this high level of addiction in the region, significant quantities would still be available for export, as evidenced by the high level of seizures of Golden Crescent heroin in Europe. According to Interpol data, seizures in Europe have risen from 850 kilograms in 1991 to 1560 kilograms in the first six months of 1992. The government of Pakistan claims that production in Pakistan itself is falling.

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67 Ikramul Haq, Pakistan: From Hash to Heroin (Anoor, Lahore, 1991), pp.4 and 46. Official estimates of addicts in Pakistan need to be treated with caution since they include all forms of addiction, including alcohol. According to another estimate cited by Haq, Pakistan had 2.5 million addicts in 1990, 1 million of whom were heroin addicts (p. 32). The official estimate is 1.5 million. See Reuters News Agency, Art. No. 000549457345, 13 November 1994.
68 Malik, ‘Drug Menace in South Asia’, p.32.
Government of Pakistan figures for 1993 cite only 12,000 acres under cultivation in North West Frontier Province, a fall from 80,000 acres in 1978. UNDCP figures, however, cite 23,700 acres under cultivation in 1991-92.\(^6^9\)

The dramatic upsurge in production in the Golden Crescent is attributable to the decade-long war in Afghanistan, during which the *Mujahideen* used opium and heroin to finance the purchase of weapons. After the end of the war, continuing lack of control of a central authority, combined with the return of 1.2 million refugees with no means of support, led to even higher levels of production.

While most of the Crescent opium is grown in Afghanistan, much of the heroin production (or the refining of opium) occurs in Pakistan, mostly in the tribal agencies, in which the government’s writ runs thin. There are an estimated 130 refining laboratories throughout this region, many of them mobile ones to avoid detection. These refineries were established with Italian, Thai, German and Iranian technical assistance, indicating the international nature of the trade.\(^7^0\) Precursor chemicals for refining, such as acetic anhydride, are mostly sourced from India and Germany.

The Golden Triangle (see Figure 4.5) consists of parts of Myanmar, Laos and Thailand, with most production now taking place in Myanmar. Table 4.4, above, indicates that production in Myanmar has increased somewhat in recent years. On the other hand, production in Thailand and Laos has recently declined. Opium grown in Thailand is used mostly for local consumption in the form of opium, which is a traditional usage for the hill tribes.

Most Burmese opium is grown in the mountainous areas of the Shan state by separatist armies such as the well-armed, 100,000-strong United Wa State Army (UWSA), which now controls most of the growing areas. The Mong Tai Army, in which Khun Sa’s Shan United Army is dominant, has recently lost some of its control to the UWSA. The other large producer is the Myanmar National Democratic Alliance, which operates in the northern Shan state, where an agreement with the SLORC leaves it free to cultivate. In each of

\(^{6^9}\) UN Drug Control Programme (UNDCP), *'UN System in Pakistan: Cooperative Overview'* (UNDCP, Islamabad, 1993), p.2.

\(^{7^0}\) Haq, *Pakistan*, p. 16; Malik, *Drug Menace in South Asia*, p.33.
these cases, the trade is integral to a separatist movement rather than functioning as a criminal enterprise per se, and in many instances, drugs are swapped directly for arms. One consequence of the lucrative trade is that the separatist forces are well equipped: Khun Sa’s Shan United Army is reportedly armed with SAM-7s and Red Eye AA missiles.\(^7^1\) Trade is also carried out on a smaller scale by remnants of the Kuomintang who fled into Myanmar following the communist victory in China. Most of their profits were in the past repatriated to Taiwan.

Refining is usually carried out on the Thai and Chinese borders, mostly by ethnic Chinese, with the precursor chemicals being supplied from Thailand, China, India, Hong Kong, Singapore and Japan. There are an estimated 22 refining laboratories in these areas, some of them mobile.\(^7^2\)

Figure 4.5, based on work of the CIA and modified to accommodate post-Cold War changes, gives an indication of the major trafficking routes in relation to production areas. According to US estimates, only 20 per cent of heroin consumed in the United States is sourced from the Crescent. Most of the heroin supplied by the Crescent is destined for Europe, which is estimated to receive 80 per cent of its supply from that source. The Golden Triangle, on the other hand, tends to supply the North American, Asian and Australian markets. According to official US estimates, 60 per cent of heroin on US streets originates from the Golden Triangle.\(^7^3\)

Heroin from the Golden Triangle traditionally flowed out through the Southeast Asian nations of Thailand and Malaysia. However, more of this trade - perhaps as much as 50 per cent - is now passing through China and thence out through coastal cities such as Hong Kong. Increasing amounts are also exiting through Vietnam, especially Danang, and possibly also Indonesia. There is also evidence that an increasing amount of the Triangle opium is now exiting the region into India. Indeed, the tribal warfare between the Kuki and

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\(^7^1\) *Far Eastern Economic Review*, 14 April 1994.
\(^7^2\) Malik, ‘Drug Menace in South Asia’, p.33.
Naga tribal groups in the Indian north-east is largely attributable to attempts to control this trade.74

According to the Thai government, the trade through Bangkok has in recent years suffered 'severe suppression', which has forced traffickers to exit Thailand through Phuket and Haad Yai airports.75 Bangkok still appears to be the major regional clearing house, however. Traffic out of Thailand also goes by boat through the heavily islanded region on the western side of the Thai isthmus, down into Malaysia (and, increasingly, Indonesia) or over land across the border into Malaysia. There are also concerns that the trade might be diverted through Bangladesh, which has a generally weak enforcement regime. But so far this does not appear to have happened, at least not on a large scale. Much of the trade is controlled by Chinese-origin gangs, some of which have now taken on the mantle of legitimate business houses.

The traditional route out of the Golden Crescent to Europe was through Iran, Turkey and the Balkans, with Frankfurt as a major destination and clearing point. Following the Islamic revolution in Iran, however, the new Iranian regime cracked down hard on drug trafficking. Over 2000 traffickers were reportedly executed and major engagements were conducted with the smuggling gangs on the Baluchistan border. The route was further compromised by the war in the Balkans.

The blocking of the traditional route back into Europe for a time pushed trade back east into Pakistan and India, principally through Karachi and Delhi. The separatist movement in Indian Punjab also greatly assisted the traffic for a period, with many of the separatist groups obtaining funding and arms by trafficking across what was then a porous border. After border control was tightened in the early 1990s by the Indian military and paramilitary, the trade shifted south to Rajasthan and Gujarat, which are traditional smuggling areas. There was also an offshoot of the trade into Sri Lanka, assisted by the civil war centring on Tamil separatism, with organisations such as the Liberation Tigers of Tamil Eelam (Tamil Tigers) trading in drugs to

75 ASEAN, Thai country report, p.3.
obtain weapons and finance. A significant number of Pakistanis are also involved in smuggling drugs out of Pakistan via Karachi and the Makran coast into Gulf countries, and large numbers of Pakistanis have been executed in a range of Gulf countries, especially Saudi Arabia, for trafficking. Pakistan has recently decided to toughen its stance on drug production and trafficking, however. In January 1995, it conducted a massive raid in the Khyber Tribal Agency, seizing a record haul of 480 kilograms of heroin. It has also introduced the death penalty for trafficking.

With the blocking of traditional routes through Iran and Pakistan, the heroin trade out to the Golden Crescent has exhibited a similar dexterity to the Golden Triangle trade in finding new avenues to avoid suppression. The breakdown of the East bloc presented new opportunities to develop traffic out of Afghanistan, into the Central Asian Republics, through Eastern Europe and on into Western Europe.

One interesting phenomenon is the role of Africans in the heroin trade, both out of the Crescent and out of the Triangle. At first, the most commonly involved nationals were Nigerians, numbers of whom were caught trafficking out of the Crescent into Europe. Many Nigerians have also been caught trafficking out of the Golden Triangle, with ten being arrested for trafficking through Malaysia and 180 through Thailand in 1990 alone. As many as 1800 Nigerians are under detention in the United Kingdom for trafficking offences and 75 per cent of seizures in 1990 in Europe were of West Africans using the Balkan corridor. Recently, other African nationals have also become involved in heroin trafficking, and Kenya is increasingly identified as a transfer point. Mostly the Africans caught trafficking are involved in small amounts. Many of them are poorly educated and probably do not realise the full import of what they are involved in. However, this fact in itself seems to indicate a wider organisation consisting of larger syndicates behind the use of Africans.

Africa is also increasingly a destination for drugs. Ghana, Tanzania (Dar es Salaam) and Mozambique (Beira) are the most

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76 Jamieson, Drug Trafficking After 1992, p.5.
78 ASEAN, Report of the Fourteenth Meeting of ASEAN Senior Officials on Drug Matters, Jakarta, 26-29 August 1991, p.38, Annex B; ASEAN, Thai country report, p. 3.
important entrance routes for traffickers from the Middle East and Southeast Asia. Drug syndicates from South America are also increasingly focusing on Africa, which represents an excellent transit point for cocaine and heroin. Many Colombian drug lords have reportedly moved their operations to Nigeria and other West African countries, where they are assisted by the poor state of enforcement agencies and lack of effective government control. In Southern Africa, Lusaka and Harare are at the centre of a narcotics network. From there, drugs such as Mandrax, cocaine, dagga (marijuana), LSD and heroin are smuggled along well-established networks. Increasingly, African countries are also taking on the role of direct suppliers rather than just transit points, with Mandrax now being manufactured in Zambia and dagga cultivated in Malawi, Zambia and South Africa. South Africa is now a major exporter of cannabis to the rest of the world.

Widespread economic reforms in South Asia and accompanying programmes to free up the financial sector have meant that more drug money is now laundered locally rather than in the traditional centres of Hong Kong, Singapore, Dubai, Amsterdam, Rome and Panama. The fact that many local currencies, such as the Pakistani and Indian rupee, are now virtually convertible has greatly assisted local laundering operations. In this process of localisation, Bombay, which is the financial capital of India, has emerged as the most important venue for laundering, with New Delhi and Karachi also fulfilling important roles. Indeed, Bombay is now one of the most important world-wide laundering venues. One common method of laundering is through havala, or informal capital and investment market networks.

The case of Pakistan illustrates the clear relationship between growing of and trafficking in drugs and the rise in local-level addiction. As already noted, trafficking in heroin only became a serious problem in Pakistan with the start of the war in Afghanistan. Thereafter, the trade grew steadily throughout the 1980s, to an

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81 ibid.
estimated value of $2.5 billion. Table 4.5, above, illustrates the subsequent growth of heroin addiction in Pakistan.

A similar story is to be told in nations such as India, Thailand and Myanmar. The collapse of the East bloc and subsequent channelling of Europe-bound heroin through the CARs, Russia and Poland has also seen the rapid rise in heroin addiction in those places, especially Poland. The lesson is clear.

Moreover, the sheer volume of money available means that it is virtually impossible for affected countries to prevent the very heart of politics being tainted by drugs. As noted above, the UNDCP estimates the value of the trade in Pakistan to be $2.5 billion annually, which is about 5 per cent of GDP. Other estimates are far higher. Given the availability of money of this order of magnitude, and given the low rates of pay of officials in the region, it is all too easy for policing and the legal processes to be corrupted. Indeed, it is probable that all relevant instruments of the state are corrupted and suborned at all but the highest levels. In Pakistan, for example, a previous government reportedly asked the Inter-Services Intelligence Agency (the ISI) to prepare a list of major traffickers and undertook to deal with them. A list of 35 persons was subsequently prepared, but the government of the day reportedly proved unable to make major inroads into apprehending those on the list. The level of involvement is indicated by the so-called 'Norwegian connection', in which persistence on the part of the Norwegian government eventually led to the conviction of zonal chief of the government-owned Habib Bank, who was also President Zia's personal banker and financial adviser. The nexus between drugs and politics is reportedly also pronounced in India. The debilitating and destabilising effect of the drug trade is summed up by one writer thus:

The accumulation of illicit profits is perhaps the most politically and economically destabilising element of the international drugs trade: it gives traffickers the means to buy

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83 As reported in the *Times of India*, 23 March 1994.
85 Haq, *Pakistan*, pp.34-5.
86 See Mitra, 'Narcotics Smuggling', *passim*. 
arms, property, companies, political power, protection and, of course, more drugs.\textsuperscript{87}

There is also a clear connection between the drug trade and rising levels of violence. The nexus between drugs and violence occurs in several ways. First, and most obviously, violence emanates from the gangs themselves and from the attempts on the part of government authorities to suppress them. At times loss of life in battling the syndicates is quite severe, as occurred when Iranian authorities took on the cross-border trade through Baluchistan in 1992, resulting in 32 deaths and the taking of 70 hostages, or when drug gangs machine-gunned road construction gangs in the Tirah valley in Pakistan.\textsuperscript{88}

Violence on an even greater scale occurs when separatist forces or freedom movements use the drug trade to finance their operations, and especially the purchase of sophisticated weapons. With the ending of the Cold War and the loss of finance from superpower patrons, use of drug dealing to finance separatist movements has become common.\textsuperscript{89} In the Golden Crescent, for example, we have noted that drugs have been used to finance the Mujahideen in Afghanistan, Sikh separatism in Punjab and Tamil separatism in Sri Lanka. The Kurdish separatist movement in Turkey also uses drug trafficking to finance the movement, as do some separatist movements in the north-east of India. In the Golden Triangle, growers and dealers have used drugs to finance separatist agendas for many years.

Drugs are also associated with the induction of weapons on a large scale into hitherto peaceful areas, as in Karachi, where the struggle for control of the drug trade has been a factor in the rising level of violence, or in Bombay, where drug smugglers used their networks to arm large numbers of people and eventually perpetrate some of the worst terrorist bombings in history, resulting in hundreds of deaths.

\textsuperscript{89} Naqvi, 'Drug Trade Touches $400 billion ...'.
Religious and Ethnic Factors in Indian Ocean Security

In an article that has acquired some notoriety, Samuel P. Huntington argued that, now that the ideological disputes that characterised the Cold War are spent, the new 'fault lines' in international security are likely to be drawn along religious and cultural divides and that international rivalry will take the form of a 'clash of civilisations'. One particular 'fault line' that he described is between Islam on the one hand, and other religions such as Christianity and Hinduism on the other. Several of these fault lines, Huntington maintained, are to be found in the Indian Ocean region, notably between Islam and Christianity in Africa and Islam and Hinduism in South Asia. The idea of a 'fault line', however, implicitly contains the notion of an 'Islamic bloc'. But how real is the notion of an Islamic bloc, especially as a security challenge, in the Indian Ocean region, and how much weight should we give to Huntington’s thesis of a 'clash of civilisations'?

Certainly, there are inter- and intra-state tensions in the region that seem to take on the hues of religious disputes. The civil war in Sudan and the competition between Islamic Pakistan and predominantly Hindu India are cases in point. There are several difficulties with an interpretation that posits religious differences as the fundamental driving force behind insecurity, however.

The first, and probably the most serious, of these is the notion of an Islamic challenge en bloc. While there are, from time to time, various people within the Islamic world calling for jihad (holy war) against the West, there seems to be no evidence of any kind of Islamic collusion to this end. Indeed, in three areas in which Islamic minorities have recently been in considerable difficulties - Bosnia, Kashmir and Chechnya - what has been noteworthy has been the inaction of the Islamic world and its powerlessness to shape events according to its wishes. An Islamic bloc has not even been able to agree to unite in the United Nations to condemn India’s role in Kashmir, let alone to provide organised military support for anti-Indian forces. In the final analysis, the larger agendas of countries such as Iran, which perceives that it needs the support of India because of its isolation from the West, have precluded any activist approach to

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India on Kashmir. Similarly, Iran's sense of isolation *vis-à-vis* the West has dictated a quiescent role over the Chechnyan crisis in order to retain sound relations with Russia.

What emerges from a closer study of the Islamic world is that Islam is not nearly as powerful a factor in unifying Islamic nations as are the forces that divide them - whether they be ethnic rivalries, such as in the case of Kurds and Turks or Arabs and Iranians; sectarian disputes, such as those between Sunni and Shia in Pakistan, Bahrain and Iraq; regional rivalries that go back generations, like the one between Syria and Iraq; or political differences like the ones between feudal Saudi Arabia and more radical and democratic Yemen. Indeed, in many ways the differences that divide the world of Islam are as pronounced as those that divide the Christian world.

A second problem with the thesis of an Islamic bloc and a 'fault line' between Islam and other religions is that it is difficult in some cases to distinguish between the religious aspects of a particular dispute and its ethnic aspects. While the forces of radical Islam might be used by the governing party in Sudan, the basic rift in that country appears to be along ethnic lines - a situation that is, nevertheless, exacerbated by the religious divide. The same applies to the case of the recent civil war in Ethiopia. Common religion, on the other hand, has not always been able to provide an effective cement to bind together a disparate nation such as Pakistan, as evidenced by the separatist revolt in Baluchistan in the 1970s and the violence in Karachi today centring on the aspirations of the *Mohajirs*, or émigrés from India.

Where religious radicalism has proved to be a problem in relation to security is more *within* nations than between them. Thus the civil war in Algeria, in which Islamic radicals are fighting for their democratic rights, has proved to be particularly bloody, as was the civil war in Iran following the fall of the Shah. The conflict within Egypt between Islamic radicals and moderates is also shaping into a violent and nasty one. Even in Pakistan, a country in which radical Islam has largely been confined to the margins, Islamic radicals are emerging as a powerful national political force that is not averse to use of violence; while in Afghanistan a radical Islamic students group, the Taliban, has fought its way to the outskirts of Kabul and captured Afghanistan's second largest city, Herat.
A third issue devolves onto the nature of Islamic radicalism. Islamic radicalism does not derive its impetus from a proselytising militancy such as the one that saw Islam spread by conquest throughout half the known world in the seventh and eighth centuries - a phenomenon indelibly implanted in the folk memory of Europe. Rather, modern-day Islamic radicalism has the quasi-political purpose of finding a way of life for Islamic society itself, in circumstances in which both Marxism and Western capitalism are believed to be discredited and bankrupt, if not downright inimical to the right conduct of Islam. Radical Islam should thus be seen as a credo that relates much more to the specific circumstances in which some Islamic nations find themselves than to an international campaign on behalf of Islam. It is as much about transforming inadequate domestic societies that are either a pale shadow of the West or else governed by corrupt feudal structures, as it is about international transformation. To the extent that movements in places like Saudi Arabia are anti-Western, it is because of the perceived role of the West in supporting the status quo throughout the Middle East.

Nevertheless, it would be wrong to say that the rise of radical Islam has no effect on international relations within the Indian Ocean region. To a significant degree, the rise of radical Hinduism within India has fed off the rise of radical Islam in surrounding countries, especially Pakistan and Bangladesh. Moreover, in this process, there is even a 'wash-back' effect in which Islam is further radicalised by events within India triggered by the rise of Hindu radicalism. Thus, to take a somewhat extreme case, the destruction of the mosque at Ayodhya in India in December 1992 triggered attacks against Hindu temples in both Bangladesh and Pakistan by Islamic radical forces and temporarily strengthened the position of the Islamic radicals in Bangladesh.

Yet in the final analysis, it is the very set of issues that is driving radical Islam that is also driving radical Hinduism: that is, concern about how to accommodate the pervasive quality of Western civilisation and what is perceived to be its deleterious effects on traditional social structures, particularly as it is purveyed through

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91 This paragraph is based on discussions with Amin Saikal.
more ubiquitous mediums such as Star TV and CNN. This fundamental, yet little recognised, unity of purpose is summed up neatly by a new social phenomenon amongst the middle classes of Bombay that was started by a Muslim but that has now been taken up more generally. This consists of throwing the family television, often acquired at great sacrifice, out of the high-rise window!

As with religious conflict, ethnic conflict is most usually manifest in the form of internal low-level conflict rather than as war between nations. In its intra-state manifestation, it is a powerful factor in generating security problems in the nations around the Indian Ocean rim, whether it be in Myanmar, India, Pakistan, Sri Lanka, Iraq or tribal Africa. It is often a more powerful factor in generating conflict than is religion, as illustrated in the case of the Baluchis of Pakistan or the Kurds of Iraq. Often, however, a religious divide is co-extensive with an ethnic one, such as in Sri Lanka, where Hindu and Christian Tamils are seeking independence from predominantly Buddhist Sinhalas, or in northeastern India, where predominantly Christian, Paleo-Mongoloid tribal populations are in conflict with Muslim and Hindu lowlanders.

Thus while both religious and ethnic conflict are important factors in generating instability in the Indian Ocean region, they seem to have an effect principally within nations and in terms of low-level conflict rather than in terms of major conflict between nations. Even in the case of India and Pakistan, it is debatable whether the basic dispute is about religion, or whether it is now focused more specifically on the issue of Kashmir - in other words a territorial dispute. Conversely, there are many instances in which nations of different religious backgrounds have found common cause - for example, the alliance between the conservative Islamic Gulf states and the West against Iraq.

That is not to say, however, that the problems generated by ethnic and religious differences as they impact on domestic polities are not extremely serious. In many ways, they constitute a far more serious security challenge than do possible conflicts between nations, especially in terms of lives lost, the erosion of governmental capabilities and all the consequences that can flow from lack of good governance in terms of poverty, famine, disease and underdevelopment. It is simply to make the point that it is unusual for such conflict to be manifest as major international conflict.
In the foregoing chapters we have painted a picture of a region that is beset by some of the most difficult security issues of a conventional and non-conventional nature that confront the world today. We have also noted the increasing propensity for the ills that beset the Indian Ocean region to draw in the outside powers, whether they like it or not, through a series of transmission mechanisms such as fear of the threat of NBCs and the growing role of the international media. We have further noted that, above all, the outside powers are engaged in the Indian Ocean because of the need to ensure the security of oil. But at the same time, we have detailed some positive trends in the region that have emerged with the end of the Cold War, with the collapse of Apartheid and with the growing regional force of economic liberalisation. In the second half of the book we examine the prospects for regionalism in the light of these developments.
PART II
TOWARDS AN
INDIAN OCEAN IDENTITY?
CHAPTER 5

THE BACKGROUND TO SECURITY AND CONFIDENCE BUILDING IN THE INDIAN OCEAN REGION

The Post-Cold War Transformation and Security Building

As noted in Part I, the Indian Ocean is a region distant from the major loci of global power. It was, nevertheless, brought increasingly into the structure of the superpower global competition in the years following the Second World War, especially after the British decision to quit the region 'East of Suez', announced in 1967 and completed by 1971.

There were several factors in this transformation of the Indian Ocean into a venue for superpower competition. There was, first, the growing dependence of a number of leading Western nations and Japan on Gulf oil. There were also mutual build-ups of maritime and continental military resources triggered by the fact that the Soviet Union feared that the United States might deploy SLBMs in the Indian Ocean. And finally, there was superpower competition for influence and clients throughout the region, but especially in Africa. This competition intensified in the 1980s following the fall of the Shah of Iran, which made the West nervous about the robustness of Iran in the face of the perceived Soviet threat, and the Soviet invasion of Afghanistan, which brought Soviet power up to the ramparts of South Asia and to within 600 kilometres of the Gulf of Oman.

By 1988, however, the major factor driving Indian Ocean policy in Western capitals was not Soviet power, but rather the security of oil as it might be affected from within the Gulf itself. Moreover, the Western powers were intent on harvesting a 'peace dividend' so that they could refurbish their domestic economies and rehabilitate their troubled societies, in order better to compete with the emerging Asian economies. This tendency on the part of the West to withdraw from engagement in the Indian Ocean except in respect of oil security was reinforced by two events that occurred in 1991 - the Kuwait war and the collapse of the Soviet Union.
In the 1990s, new concerns have come to the fore in addition to the security of oil. In Africa, ethnic and tribal fighting have exacted frightful tolls in Somalia and Rwanda, drawing the attention of the world to these places that are otherwise strategically unimportant, at least according to more traditional definitions of security. Following the breakdown of UN collective security in Somalia and the failure the United Nations to prevent a major massacre in Rwanda, it remains a troubling fact that the international community still has no means of addressing such issues.

Another emerging regional security problem is the proliferation of nuclear, biological and chemical weapons, especially in South and Southwest Asia. Given the advances in indigenous technological capabilities, it is becoming increasingly difficult to address such problems by limiting the spread of technology through regimes such as the MTCR and the NPT. Furthermore, although the fractured quality of international relations under the Cold War is no more, the events of the last 40 years have themselves left a pernicious residue in the form of massive influxes of small arms and more sophisticated weapons into the region. Moreover, with the ending of the Cold War, the 'discipline' imposed by the superpowers on their respective clients is no longer present.

But despite these manifest problems in the Indian Ocean region, there are a number of positive trends that make the climate for collective security more favourable now than it was during the Cold War. With the end of Apartheid, there is now a new spirit of cooperation. This is reinforced by a tentative trend toward democracy evident in Africa. Moreover, Indian Ocean littoral nations fear being left out in the economic cold as a result of the developing regional tendency towards the formation of trade blocs. The gathering pace of economic liberalisation in South Asia could help focus the attention of regional nations away from bilateral disputes onto the needs of cooperation. Regionalism elsewhere, for instance in the Asia-Pacific region and in Europe, is also taking on new meaning and providing new models for the Indian Ocean region. These favourable trends need to be built upon urgently while the climate for regionalism is still relatively favourable. As we shall see, however, unlike the Asia-Pacific in the years leading up to the establishment of APEC, the Indian Ocean has not had a strong tradition of regional exchange, especially at the pan-Indian Ocean level.
The Background to Security and Confidence Building in the Indian Ocean Region

Pan-Indian Ocean Regional Proposals

The major Indian Ocean peace initiative was the Indian Ocean Zone of Peace (IOZOP) proposal, introduced into the UN General Assembly as Resolution 2832 (XXVI) by Sri Lanka in 1977. The proposal had its genesis in the Non-Aligned Movement’s meetings at Cairo in 1964 and Lusaka in 1970. Initially, the proposal called for reduction of all naval forces in the Indian Ocean. However, Sri Lanka was persuaded by corridor lobbying of large littoral nations to tone down the resolution to focus only on the external powers.1 The essential features of the IOZOP proposal as it was ultimately introduced and as it re-appeared in the UN General Assembly as a 'hardy perennial' were exclusion of great-power rivalry, external military bases and external alliances from the Indian Ocean, exclusion of nuclear weapons from the Indian Ocean, and establishment of the principals of freedom of navigation and access and collective responsibility for security.2

From the beginning, the United States failed to support the proposal. The problem was that US power in the Indian Ocean was essentially maritime, whereas the Soviet Union and China could project power by land. Washington considered that the concept of a zone of peace that did not allow for military bases, alliances and nuclear weapons did not meet its basic security needs. These were to counter the presence of the Soviet Union, to protect its allies and friends and to ensure the supply of oil. In particular, the proposal did not cater for Washington’s bilateral relationships, which it claimed were intended to protect littoral states from each other and from land-based great powers such as the Soviet Union and China. In the words of one observer, the proposal 'has never been a viable proposition in real geopolitical terms for either the Indian Ocean states or the external

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2 From the text of the resolution, as in Annex 1, pp.145-6, International Peace Academy, New York, The Indian Ocean as a Zone of Peace (Martinus Nijhoff, New York, 1986).
powers ...'. The Soviet invasion of Afghanistan in 1979 strengthened the resolve of the United States to oppose the IOZOP proposal.

The Soviet Union, on the other hand, supported the proposal. Moscow feared that the United States might use the Arabian Sea as a venue for SLBMs, from where they could strike at the 'vulnerable underbelly' of the Soviet Union. Indeed, Moscow had sought to introduce measures to 'de-nuclearise' the Indian Ocean well before Sri Lanka introduced its proposal. From the Soviet point of view, the proposal had the merit of removing this potential threat. Also, since the Soviet Union was a land-based power proximate to the Indian Ocean, the proposal favoured the Soviet position by calling for the expulsion of external naval forces, except those transiting.

Although some of the friends and allies of the United States in the Indian Ocean region appeared to support the proposal, privately they informed Washington that they did not actually support it but needed to show public support for political reasons. Australia was one country opposed to the proposal in its original form. Australia had an active alliance with the United States - the ANZUS treaty. It hosted important US communications and intelligence-gathering facilities covering the Indian Ocean region. It regarded its security as being dependent on the US presence, a presence that would only be weakened as a result of successful implementation of the resolution. Canberra, however, sought to modify the proposal rather than to dismiss it outright.

Pakistan, which regarded the US presence as insurance against India, was similarly placed, as were a number of Gulf states which relied on the United States for their security. Pakistan attempted to address these difficulties by suggesting a 1979 amendment to the IOZOP proposal that would have had the effect of ensuring that the ambit of an IOZOP would cover the littoral countries themselves as well as the actual ocean rim. This amendment was not considered satisfactory by Canberra, however, because Australia was the only littoral nation that had an active treaty with the United States at the time. Indeed, Australia would have had to abrogate the ANZUS treaty

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3 Walter K. Anderson and Leo Rose, 'Superpowers in the Indian Ocean: The Goals and Objectives' in International Peace Academy, The Indian Ocean as a Zone of Peace, p.35.
4 Ibid., p.11.
in order to ratify any proposal that at once excluded external treaties and covered littoral land forms.\(^5\)

In 1972, a so-called 'Ad Hoc Committee of the UN' was appointed to act as a vehicle in which to negotiate some of the perceived difficulties with the proposal, in the hope that an acceptable version could be framed. The Committee consisted of 20 littoral and hinterland nations plus Greece, China, Japan, as well as the five permanent members of the UN Security Council. It was later to expand to a total of about 44 nations.

From 1977 to 1979, the pressure on the superpowers to agree to an IOZOP was reduced because the United States and Soviet Union were attempting to negotiate naval arms reductions in the Indian Ocean. These negotiations, known as the Naval Arms Limitation Talks (NALT), were given higher priority by Washington after the election of President Carter in 1977. However, they eventually foundered following the fall of the Shah of Iran in early 1979, an event that increased the concerns of the United States about oil security. On its part, Moscow felt that the Soviet Union had been disadvantaged by the loss of its facility at Berbera and was also less willing to progress the talks.\(^6\) By the early 1980s, the continuing presence of the Soviet Union in Afghanistan severely affected the viability of the IOZOP proposal itself.

As outlined in Part I, the superpower (and especially the US) naval presence had actually started to decline with the end of the 'reflagging crisis' in 1988. But this decline did not result in a re-invigoration of the IOZOP proposal. In view of the fact that the proposal had originally acquired its impetus from the perceived threat of the superpower presence, this is at first surprising. There were, however, a number of factors that prevented the major littoral players from revisiting the IOZOP proposal in a serious way.

The most important of these was the Kuwait war of 1991. A number of littoral countries perceived that it was in their interests for the major external powers (Britain, the United States and France) to engage Iraq in order to protect the flow of Gulf oil. Whatever their publicly stated positions, they accepted the US intervention as being

\(^5\) Towle, 'The United Nations Ad Hoc Committee ...', pp.211-12.
\(^6\) ibid., p.209.
essential to their own economic and political well-being. Even India, which had at the time acute difficulties between its own Muslim and Hindu citizens that prevented it from participating directly in the allied effort, for a time assisted the United States by providing staging facilities for Gulf-bound US Starlifter aircraft. By the time of the Kuwait war, India had become far more dependent on Gulf oil than it had been in the mid-1980s. The sensitivity of the Indian economy even to the relatively modest rise in the price of oil that occurred during the war is illustrated by the fact that the crisis resulted in a 22 per cent rise in India's total import bill in rupee terms. Pakistan and most other South Asian countries were also heavily dependent on cheap Gulf oil for their economic well-being, as were Australia, the Southeast Asian countries and the East African seaboard countries. Although the relationship between Pakistan and the United States had cooled considerably after Washington cut off military aid in 1990, Pakistan decided to send troops to Saudi Arabia, even though it meant considerable unpopularity for the government. On its part, Australia sent two naval vessels to assist in the enforcement of sanctions against Iraq. Following the Kuwait war, a number of the littoral countries are now reluctant to see the end of the presence of the external powers, which they see now as a kind of 'regional insurance policy' rather than as a threat.

A second reason why the IOZOP proposal has not been revisited is that the collapse of the Soviet Union and the end of the Cold War has meant that the nature of the presence of the sole remaining superpower - the United States - has changed. Washington is no longer concerned about cultivating clients in the region and countering efforts on the part of the former Soviet Union to cultivate clients. As discussed in Part I, excepting for the US engagement in collective security, as in Somalia, Washington's concern with Indian Ocean security now largely devolves onto the issue of oil. Except in the case of Iran and Iraq, the US presence does not now seem so pervasive or deeply etched on the regional consciousness as it was at the height of the Cold War, when the superpowers vied for influence

8 While Australia was approximately 70 per cent self-sufficient in crude, it did rely on the Gulf for heavy crudes. More importantly, its major trading partner, Japan, was heavily reliant on Gulf oil.
The Background to Security and Confidence Building in the IOR 159 throughout the region and interfered far more frequently in internal affairs.

On the other hand, since the end of the Cold War, a new set of security concerns has started to wash over the Indian Ocean region. As we observed in Part I, the Cold War caused the induction of massive quantities of weapons into the Indian Ocean, but also imposed a certain kind of discipline on the clients of the superpowers. Now that the Cold War is over, the weapons remain but the discipline is gone. This has had a highly deleterious effect in places such as the Horn of Africa and the Gulf. The dislocation and unrest generated in parts of Africa, and the way in which famine can quickly be generated by war given the delicate relationship between populations and their environment, has triggered a whole new set of issues for the region to address.

At the same time, additional concerns have emerged in the form of regional proliferation of NBCs and the means to deliver them. Moreover, even though the superpower presence is no longer felt throughout the region as a pernicious overlay, traditional enmities have persisted, for example between India and Pakistan, Iran and Iraq, Iran and Saudi Arabia and Iraq and Kuwait. In other parts of the region, such as Myanmar, entrenched dictatorships have infringed basic human rights. All of these types of issues require to be addressed.

An additional factor in regional perceptions was the growing realisation of the importance of developing trading blocs in the post-Cold War world. Under the Cold War regime, the basic global architecture had been divided on East-West lines, with nations either oriented toward the capitalist or communist world for trading, as well as for security purposes. Even a purportedly non-aligned nation such as India relied heavily on soft currency and barter trade with the East bloc. After the Cold War, and in the context of the rapid emergence of the East and Southeast Asian nations, geographically based trade groups rather than ideologically based ones started to emerge or grow in importance. The Indian Ocean powers watched with increasing nervousness as the European Community (EC) transformed itself into the EU, the north Americans formed NAFTA and the Asia-Pacific powers moved slowly towards the formation of APEC.
In terms of these new, post-Cold War regional security and trading concerns, the original IOZOP proposal is no longer appropriate. Although the proposal does cover collective security, its central concern is to remove the superpower presence rather than to develop collective security. In such a climate, a number of littoral nations have begun to think in terms of new modes of regional organisation that focus specifically on the collective needs of the region, whether in terms of security, trade or other areas. The nations of the region recognise, however, that the formation of a collective approach in the Indian Ocean region will not be a quick or easy task, especially given the great variety of nations at the Indian Ocean rim and the lack of pan-Indian Ocean collective forums other than the Ad Hoc Committee - which, as noted, was flawed by the pervasiveness of Cold War concerns.

Sub-regional Security-building Proposals and Measures

As well as the IOZOP proposal, which was conceived of as an Indian Ocean-wide arrangement, several sub-regional peace proposals stand out. In particular, there is the proposal by the government of Nepal that Nepal be constituted as a neutral and independent zone, somewhat along the lines of Switzerland. New Delhi was from the first opposed to the Nepalese proposal. India had inherited from the British both attitudes and treaty rights that suggested that the two mountain kingdoms, Nepal and Bhutan, were virtually part of an Indian sphere of influence. Whilst the British attitude originally derived from concern about the intentions of Imperial Russia, after the 1962 Sino-Indian border war, India was concerned that China would gain influence in Nepal, which could, conceivably, lead to a 'breach' of the Himalayan barrier. In these circumstances, the Nepalese proposal never had much chance of success. Since Rajiv Gandhi's visit to Beijing in December 1988, however, there has been a marked change for the better in Sino-Indian relations. Should it continue, this improvement in relations offers some hope that eventually India might cease its opposition to the Nepalese neutrality proposal.

One of the factors pressing New Delhi to continue the process of rapprochement with China is the 'peace dividend' derived by India from the new relationship in relation to its competition with Pakistan. The dividends of this strategy have already become apparent. China
now assumes a position of 'careful neutrality' on Kashmir, claiming that the issue should be settled by bilateral negotiation as specified in the Simla agreement of 1972. Furthermore, as a result of the improved climate on the Sino-Indian border, India has been able to remove possibly as many as five of its 11 mountain divisions from the border. The ability to withdraw these troops has proved invaluable at a time when the Indian military confronts increasing problems maintaining the civil order and heightened tension with Pakistan.

As a measure of the *rapprochement* between the two, in recent years India and China have engaged in a series of useful confidence- and security-building measures (CSBMs) that have contributed to the lowering of tension on the border between them. These have been developed both through ministerial-level meetings, as occurred during Prime Minister Li Peng's New Delhi visit of September 1993, and through the mechanism of the India-China Joint Working Group (JWG). Measures negotiated within the JWG and at ministerial meetings to date include:

- the holding of military-to-military meetings twice a year;
- the installation of military-to-military communication points at key locations, including the establishment of 'hotlines';
- initiation of 'flag meetings' between local-level commanders;
- mutual transparency of respective military positions on the line of control;
- prior notification of military manoeuvres and troop movements on the border;
- an airspace violation prevention agreement;
- exchanges between defence institutions;
- exchanges between high-level defence officials including ministers of defence;
- an agreement to commence work to delineate the line of control;

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9 Harrison and Kemp, *India and America After the Cold War*, p.10.
an agreement to shift back troops from the border, including from the four remaining 'hot spots', where they are located 'eyeball to eyeball';

- mutual draw-down of troops on the border;
- the opening of the border to trade at several points;
- the establishment of joint research and joint ventures in several areas such as space, coal and steel;
- an agreement by China to sell uranium for use in India's Tarapur reactor; and

- visits of respective heads of state.10

But despite the undoubted progress in the relationship, India is still not entirely at ease with China. Commentators such as the noted journalist, Inder Malhotra, question whether India might be returning to the bad old days of Hindi-Chini bhai-bhai attitudes, according to which China could do no wrong and during which India 'let down its guard'.11 Malhotra is not the only one who harbours such doubts. Sumit Ganguly notes that 'Over the longer haul, Chinese and Indian interests are bound to diverge' and that the Sino-Indian relationship is 'inherently competitive'.12 Prem Shankar Jha sees this competition in economic terms. According to him, 'the dark side' of the East Asian success story is that there will inevitably be losers. India could be one of them, and this could have strategic implications.13 This anxiety about China has become an important factor in defining the pace at which India has pursued economic liberalisation. Such uncertainties are lent additional weight by China's involvement in Myanmar, a state with which India shares a long and porous border and an at times troubled relationship.

Yet it is basically too early to judge how Sino-Indian relations might evolve. Given uncertainties surrounding China's attitudes and status in the post-Deng era, and given that New Delhi does not want to

lose the benefits *rapprochement* has already brought, India has adopted a 'watch and wait' attitude to China, one in which it is willing to pick up on any advance in the relationship offered, but in which it will not let down its guard.

While there has been significant progress in Sino-Indian relations, the embryonic attempts on the part of Pakistan and India to cultivate CSBMs at the official level have not fared so well, given the withering climate in which that dispute has been conducted. Since the problems are so deep, both sides recognise that any breakthrough in the relationship will need to be achieved at the political rather than the official level. A series of foreign secretary-level meetings, at which so-called 'non-papers' (including some on Kashmir) were submitted, have stalled.

While a number of CSBMs have been developed between the two nations, they have not fully achieved their intended effect. CSBMs that deal with the possibility of conventional conflict include:

- established 'hotlines' between the Directors General of Military Operations and military commanders on both sides;
- an agreement of prior notification of military exercises and transparency measures, including observation of military exercises;
- an agreement on the non-violation of airspace;
- an official-level consultative process through the Indo-Pakistan Joint Commission (later superseded by periodic foreign secretary-level discussions);
- the 1962 Indus Waters Treaty; and
- the 1971 Simla accord, in which each side agreed to resolve differences through bilateral discussion.\(^{14}\)

At the non-official level, the dialogue between India and Pakistan has progressed further than it has at the official level. In 1994, there was an important non-official-level meeting in Lahore in Pakistan. This was followed by a major meeting consisting of 100 people from each side, held in India in 1995. These meetings are now

\[^{14}\text{Details are from Krepon et al. (eds), } A\text{ Handbook of Confidence-Building Measures for Regional Security.}\]
known as The People's Forum for Peace and Democracy, or informally as the Neemrana process, after the venue of the first meeting. The meetings comprise intellectuals, human rights activists, writers, journalists, and other community leaders.\textsuperscript{15} The momentum of the group initially promised to be quite substantial. At the time of writing, however, the process seems to have lost momentum due to the fact that too many of the participants are too close to their respective governments and have tended to act as little more than government mouthpieces.\textsuperscript{16} Problems with the Neemrana process illustrate the dilemma that most such dialogues confront: if the participants are too close to their governments they end up parroting the government line; if they are too distant, on the other hand, they possess no mandate to create change.

Another proposal that has been floated from time to time but that has not been taken up officially is that the status of Kashmir be settled according to what has become known as the 'Switzerland solution'. According to this model, Indian and Pakistani Kashmir (minus Jammu and Ladakh, which are Hindu and Buddhist majority areas respectively) would become a neutral, independent, unarmed, sovereign state existing under the guarantee of either the United Nations or major powers such as the United States, China and Russia. Should it ever be implemented, this proposal would have the advantages of 'solving' the Kashmir issue as far as Kashmiris were concerned, while being more acceptable to India than would an arrangement under which the entirety of Kashmir would become part of Pakistan. It would also be more acceptable to Pakistan than a continuation of the status quo. Nor would it trigger the same degree of concern about security on the part of India as would a solution that required Kashmir to join Pakistan. In other words, both India and Pakistan would be required to compromise in order to meet the demands of Kashmiris.

To date the idea has not been followed up, however, because India opposes it on a number of grounds. New Delhi is of the view, first, that the solution would challenge the notion of a secular Indian

\textsuperscript{15} 'India, Pakistan people meet to discuss relations', Reuters News Service, Art. No. 000601394973, 20 February 1995.

\textsuperscript{16} Conversation with a senior recently retired Ministry of External Affairs official, Canberra, July 1995.
state because it seems to suppose that a Muslim majority province cannot remain part of India. According to Shekhar Gupta:

Anything that seems like a capitulation to Islamic pressures on Kashmir weakens secular forces in India, provides substance to the BJP propaganda of Muslim disloyalty, and has long-term consequences for Hindu-Muslim relations in the country.17

Second, India would be concerned that such a solution might set an unfortunate precedent for other states demanding independence from New Delhi. Third, it believes that Kashmir is legally Indian, the then Maharaja having acceded to India in 1947. And finally, given India's delicately poised domestic politics and the rise of the Hindu Right as a political force, any government that was seen to have 'given Kashmir away' would probably suffer a severe electoral backlash. Given the existence of this calculus, it is unlikely that the 'Switzerland solution' will be adopted in the foreseeable future. Because of the manifest problem with the 'Switzerland solution', other proposals have been brought forward that have many similar features, but that suggest some form of autonomy for a Kashmiri state rather than sovereign independence. Such proposals, perhaps, have better prospects and could offer a way forward in the future. They are unlikely to be achieved in the short term, however.18

Another feature of the relationship between India and Pakistan will be covered in greater detail below in the context of the discussion of the South Asian Association for Regional Cooperation. Basically, the theory is that as SAARC develops some of the trappings of a true regional trading entity, India and Pakistan will perforce be required to set aside their differences in order to function effectively within the SAARC entity. This theory goes to the very heart of the relationship between economic interdependence and security and confidence building. Unfortunately India and Pakistan have considerable ground to cover before they can be considered

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interdependent, however, and there are many prospective pitfalls along the way.

In Southeast Asia, there have also been a number of peace and neutrality proposals. The most important of these was a Malaysian proposal dating from 1971 for a Zone of Peace, Freedom and Neutrality (ZOPFAN). However this proposal was structurally flawed by the existence of major US military bases in the Philippines and by fears on the part of some ASEAN powers, especially Indonesia, that the imposition of a zone of peace could leave Southeast Asia exposed to China. While the proposal is still officially 'on the books', it has not been followed up.

In Southwest Asia, the process of security and confidence building is generally not well developed. Even though Iran and Iraq fought an eight-year war, they have not developed a process of CSBMs, or at least not one known about publicly. Moreover, there are still problems between the two centring on Iraqi support for the Mujahideen-i-Khalq, which seeks the violent overthrow of the current regime in Iran. In late 1994, Iran mounted an air raid on Khalq bases in Iraq, prompting Baghdad to complain to the United Nations. On its part, Tehran has refused to return the fighter aircraft flown to Iran in order to protect them from allied air attacks at the time of the Kuwait war.

On a more positive note, there have recently been a number of visits of key officials between Iran and the Arab Gulf states. The Iranian Foreign Minister, Mr Valiati, visited Saudi Arabia and other GCC states, and there has also been an exchange of visits between President Rafsanjani of Iran and King Fahad of Saudi Arabia. Iran and Oman have also developed a reasonably well-disposed relationship and Iran acted to reassure Kuwait in the context of the 1991 Kuwait war.

**Nuclear, Biological and Chemical Weapons (NBCs) and CSBMs**

As well as the original IOZOP proposal, there have been a number of other proposals for nuclear-weapons-free zones in the Indian Ocean. As an extension of the ZOPFAN idea in Southeast Asia, there was a proposal in 1972 for the creation of a Southeast Asian Nuclear Weapons Free Zone (SEANWFZ). As with the original
ZOPFAN proposals, that proposal is still 'on the books'. However, it initially suffered from some of the same problems as ZOPFAN - most importantly, the resolute opposition of the United States. Under the Cold War regime, Washington perceived that a SEANWFZ would 'undermine its global deterrence posture'. This is a similar stance to the one adopted by the United States in the case of the South Pacific Nuclear Weapons Free Zone (SPNWFZ) proposal. Now that the Cold War is over and the United States has removed its nuclear weapons from seagoing vessels, Washington has decided it will support the SPNWFZ. The SEANWFZ proposal has also been revisited, and there are now good prospects that it will be successfully implemented. As noted in Part I, however, the United States is increasingly reliant on pre-positioning in Southeast Asia in respect of both its Gulf strategy and its broader strategy in the Asia-Pacific. The problem of seaborne nuclear weapons will thus still have to be overcome in any newly cast SEANWFZ.

Unfortunately, another proposal for the creation of a nuclear-weapons-free zone, this time in South Asia, has an even less favourable prognosis. The South Asian Nuclear Weapons Free Zone (SANWFZ) proposal was first submitted to the United Nations in 1974 by Pakistan, shortly after India detonated a nuclear device. Since then, Pakistan has submitted the proposal with monotonous regularity and India has rejected it with equal regularity.

New Delhi's problem with the Pakistani proposal is that, in its view, China needs to be factored in to the South Asian nuclear equation, since China is perceived by India to constitute a nuclear threat. On its part, China refuses to be equated with the South Asian powers, arguing that its own programme has been built with the programmes of the larger nuclear powers as a reference. Prospects for a SANWFZ are thus severely diminished by the existence of this pernicious 'chain reaction' between the nuclear and aspirant-nuclear powers.

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There has, however, been at least one achievement between India and Pakistan in relation to nuclear weapons. This was the eventual ratification of the Agreement on the Non-attack of Nuclear Facilities, signed in 1988 but not ratified until 1992 or implemented until 1993. The agreement requires an annual exchange of lists detailing the location of all nuclear-related facilities in each country. The measure further pledges both sides not to attack listed facilities. When lists were first exchanged in 1992, however, each side reportedly left off one enrichment facility.22

At the non-official level, progress in addressing the triangular nuclear relationship between India, China and Pakistan has been more encouraging. To date, two second-track meetings have taken place between the three, plus representatives from the United States. The first of these took place at Shanghai in 1994, and the second at Goa in February 1995. According to one report, there was actually a subtle shift in the Chinese position during the second set of talks. While China's official position is that it will not negotiate with India on the nuclear issue because India is not an official nuclear power, the fact of its having agreed to be represented at the talks is itself significant.23

Another global proposal under the auspices of the United Nations is also significant in the context of South Asia. In September 1993, the United States jointly sponsored with India and a number of other nations a United Nations General Assembly resolution calling for negotiation in the Conference on Disarmament of a regime for the non-discriminatory banning of the production of fissionable material for weapons purposes.24 The resolution, which was an amalgamation of Indian and Canadian drafts that had been circulating for some time, abandoned the principle contained within the Canadian draft that verification would imply adherence to the provisions of the NPT. The Canadian draft implied that India would either have had to accede to the NPT or else abandon its large commercial nuclear programme, neither of which it was willing to do. Importantly, the wording of the

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24 UN General Assembly (UNGA) 48, Resolution on the Prohibition of the Production of Fissile Material for Nuclear Weapons or Other Nuclear Explosive Devices.
new draft did not provide for retrospectivity, thus potentially allowing for the existence of capped programmes in threshold regions such as South Asia, either on the basis of weaponisation or near weaponisation.25

India's initial support for the cut-off of fissionable material proposal was probably based on its belief that it would take some years to negotiate any international regime, by which time it would have hoped to have had a significant reserve of fissionable material that could later be weaponised, should it be considered necessary. (The proposal does not exclude subsequent weaponisation of the material or the development of delivery systems.) India's support for the cut-off provision also derived from the fact that, unlike the case of the NPT, any capped regime would be a universal one, applying equally to nuclear and non-nuclear powers. Such a regime would also have the effect of capping China's programme. In the final months of 1995, however, India began to assess that support for both the fissionable cut-off proposal and the Comprehensive Test Ban Treaty (CTBT) might have the effect of locking it in as a low-level nuclear threshold power in circumstances in which both the French and Chinese were continuing to test and modernise their arsenals and in which the NPT renewal of 1995 did not meet India's long-standing demand for in-built, phased reduction and eventual elimination of nuclear weapons. Thus by early 1996 India had withdrawn its support for the CTBT, unless the proposal were linked to a phased draw-down of existing arsenals under a renegotiated NPT.

Pakistan, on the other hand, has been consistent in its opposition to the proposal for the cut-off of fissionable material. It has demanded that existing stockpiles be included in the proposal, probably on the basis that its own stockpiles are far smaller than India's.26 According to some accounts, Pakistan has also already unilaterally ceased the production of fissionable material at its Kahuta enrichment plant in order to ensure a continuing relationship with the United States. The same source, however, also points out that weapons-grade plutonium production could eventually be sustained

25 Manoj Joshi, 'UN resolution on N-material gives leeway to India', *Times of India*, 3 December 1993; interview, Rakesh Sood, Joint Secretary, Ministry of External Affairs, New Delhi, December 1993.
from an unsafeguarded plant being built with Chinese assistance at Khusab. Given the nuclear dynamics in South Asia, it is most unlikely that Pakistan has maintained this self-imposed ban - if, indeed, it was ever a reality.

Regional Organisations in the Indian Ocean

Collective organisations around the Indian Ocean rim may for convenience be divided into those that originated for security reasons and those that focus on subjects other than security. However, a number of organisations, such as ASEAN, were driven together initially by security concerns but later evolved to cover a far wider ambit. Of those organisations concerned primarily with security, many were conceived in the cauldron of the Cold War. Some of these, such as ASEAN, managed to adapt to take in wider issues and to remain relevant after the Cold War. Others have either had a more difficult passage into the post-Cold War world, or not even managed to survive that long.

Security-oriented Arrangements

Two Cold War pacts of note were the South East Asian Treaty Organisation (SEATO - consisting of the United Kingdom, the United States, Pakistan, the Philippines and Thailand) and the Bagdad Pact, later to become the Central Treaty Organisation (CENTO - consisting of the United Kingdom, the United States, Turkey, Iran and Pakistan). Both of these treaties consisted of collections of clients of the United States, designed as part of the US policy of containment. SEATO was designed to check Soviet and communist Chinese expansion into the South/Southeast Asian region. CENTO was intended to protect the northwestern hinterland of the Indian Ocean and the Mediterranean and to provide a strategic link between NATO and SEATO, with Turkey being important both in NATO and CENTO, and Pakistan being a member of SEATO and CENTO. Neither of these agreements constituted a true regional collective security arrangement, since the United States - an external power - was the dominant party and the power that gave the treaties their being. CENTO became largely pro forma as far as Washington was concerned following the 1965 Indo-

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27 See Spector, McDonough and Medeiros, Tracking Nuclear Proliferation, p.97.
Pakistani war. SEATO became redundant as early as the 1960s, but persisted in name until 1977. Even before its final official demise, it had to all intents and purposes been supplanted by ASEAN.

A third treaty, the Australia, New Zealand and United States treaty, was known as ANZUS. ANZUS had its genesis in the Pacific war, but was soon transformed into a Cold War, anti-Soviet alliance. ANZUS fared better than either SEATO or CENTO, since it consisted of like-minded, Western democracies. New Zealand quit the alliance in the 1980s over the nuclear issue, however. Since the end of the Cold War it has become less clear what the purpose of the alliance is, especially in view of new doubts concerning Washington's resolve to maintain its position in Asia and tensions between Australia and the United States over trade. According to Paul Dibb:

America's friends and allies in Asia fear that what they are seeing is a power in decline that is drifting towards domestic preoccupation and which has a foreign policy that merely reacts to events as they unfold.

However, the alliance remains for Australia an important expression of the broader, and long-standing, relationship with the United States - a relationship that is likely to remain central to Australia's security.

Although seemingly somewhat anachronistic, the Five Power Defence Arrangements (FPDA), consisting of the United Kingdom, Singapore, Australia, Malaysia and New Zealand, has also survived. The FPDA was originally intended to reassure Malaysia and Singapore after the end of Confrontation with Indonesia; but it too eventually took on Cold War overtones. The FPDA partners are required under the terms of the agreement to 'consult together' in the event of an attack on Malaysia or Singapore. They also periodically conduct military exercises together and Australia has a forward presence at Butterworth in Malaysia.

In December 1995, Australia and Indonesia

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29 Dibb, Towards a New Balance of Power in Asia, p.36.

entered into a bilateral agreement of a similar nature to the FPDA, in so far as it called upon the parties to consult together.

The Gulf Cooperation Council was established in the context of the Iran-Iraq war. Ironically, in view of subsequent developments, the GCC states supported Iraq during the war, including by the provision of considerable funding towards the Iraqi war effort. Iran therefore threatened the oil lines of Kuwait, which in turn led to the so-called tanker 're-flagging' crisis.

The GCC consists of the conservative states of the Gulf - Saudi Arabia, Oman, the United Arab Emirates, Qatar, Kuwait and Bahrain. Before the Kuwait war, the GCC did not favour an open or obvious arrangement with the United States and its Western allies, because such openness was perceived to be politically difficult in the context of the Arab-Israeli dispute and because of growing levels of concern about pervasive Western influence over Islamic societies. After the Kuwait war, however, the arrangement between the GCC and the United States and United Kingdom became much more obvious, with massive arms transfers and a continuing allied presence on GCC soil. In a first of a kind, in 1991 Washington signed a ten-year agreement with Kuwait and made it clear that similar arrangements with the five other GCC members would be welcome.

On the communist side, in 1971 Moscow entered into two important bilateral agreements, both called Treaties of Peace, Friendship and Cooperation, with India and Iraq. The Indo-Soviet arrangement was sought specifically by India as it moved toward war with Pakistan in 1971. New Delhi was mindful of the role played by China, which in the 1965 war with Pakistan had manoeuvred on their common border in order to pin down Indian troops. On its part, Iraq, which had emerged as the most radical and secular of the Gulf Arab states, felt exposed in the Gulf region, especially in the context of the US relationship with its big neighbour, Iran. Iraq was, moreover, heavily reliant on the Soviet Union for supplies of cheap weapons. There were also a number of other bilateral arrangements with Soviet clients, from Ethiopia to the People's Democratic Republic of Yemen. Such bilateral arrangements do not fall into the bracket of collective security, however, and there was never any Soviet equivalent of SEATO and CENTO.
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Finally, the Joint Exercises off Trincomalee (JET) were informally conducted amongst the Commonwealth of Nations Indian Ocean naval powers from time to time off Trincomalee port, on the island of Sri Lanka. Seen from a modern vantage, they now seem whimsical, even idyllic. They consisted of naval exercises between India, Pakistan, Great Britain, Sri Lanka and Australia, as well as (importantly) friendly cricket matches. They were essentially established by the United Kingdom under its perceived responsibilities for Indian Ocean security, prior to the British withdrawal from 'East of Suez'. Unfortunately, they ceased at the time of the 1965 India-Pakistan war. They remain, however, an intriguing memory of what was once possible in terms of collective maritime security in the Indian Ocean.

Non Security Arrangements

The only constituted Indian Ocean-wide organisation in the Indian Ocean today is the Organisation for Indian Ocean Marine Affairs Cooperation (IOMAC). IOMAC was established in 1985 under the auspices of UNESCO. It now consists of 35 member countries (not all regional) and is concerned specifically with maritime issues, including transport and marine sciences, and marine living and non-living resources. IOMAC has a secretariat based in Colombo. Although most regional countries attend meetings of IOMAC, India and Australia are not members, and it would perhaps be fair to say that IOMAC has not really 'taken root' as the premier pan-Indian Ocean regional organisation.

ASEAN, which was founded in 1967, grew out of the perceived threat of communism following the fall of Sukarno and the end of 'Confrontation'. However, ASEAN is not formally constituted as a security organisation and never conducts joint military exercises or other joint military activities. Initially, the ASEAN nations (Thailand, Malaysia, Singapore, Philippines, Indonesia - and later Brunei and Vietnam) were concerned with internal security in the form of communist-backed insurgencies then running in most regional countries. Eventually ASEAN transcended its Cold War roots and transformed itself into a more general regional forum dealing with a range of problems and issues. Security, however, remains an important focus of discussion of ASEAN leaders, even though it is not
progressed in terms of joint military action. While three of ASEAN's members are Indian Ocean as well as Pacific Ocean powers, the orientation of ASEAN has been north and west into the Asia-Pacific region rather than east into the Indian Ocean region. This orientation has been reinforced by the war in Vietnam and subsequent crisis in Cambodia, the role of the United States in Asian security, the economic dynamism that has flowed out of East Asia in recent years and China's territorial claims in the South China Sea.

SAARC, consisting of India, Pakistan, Nepal, Bangladesh, Bhutan, Sri Lanka and Maldives, was established in 1985, largely as a result of the persistence of Bangladesh and the other smaller regional South Asian nations. The SAARC nations advocating the establishment of the organisation had as a model the success of ASEAN. But unfortunately, SAARC has never managed to emulate the dynamism of that organisation. Even though the founders of SAARC, at the insistence of India, had decided to avoid discussion of difficult political issues within the forum and to concentrate instead on cultural, developmental and trade issues, from the first the organisation was poisoned by two related factors.

First, the overwhelming size of India in relation to other South Asian nations created a level of asymmetry that made the operation of the forum extremely difficult. India feared that the smaller members would use SAARC as a means to 'gang up' on it in order to enforce their views, while the smaller members were concerned that India would dominate the proceedings. In recent years, as SAARC has moved towards establishing a customs union, business in the smaller nations, especially Pakistan, has feared domination by the larger Indian companies, and this too has acted to retard progress in developing economic interdependence. ASEAN too had confronted the problem of asymmetry in relation to Indonesia, although not to the same degree. In that case the problem had been overcome through a deliberate decision on the part of the Suharto government to 'down size' Indonesia for the purposes of the forum in a delicate form of diplomacy that has become the hallmark of the association.

The second factor that cast a pall over the affairs of SAARC was the poisoned relationship between India and Pakistan, the two most powerful members. This relationship constantly permeated the affairs of the forum, as did other bilateral problems, for example
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between India and Sri Lanka, India and Nepal, and India and Bangladesh.

Perhaps in part because of this poisoned atmosphere, but also in part because of a lack of complementarity and 'critical mass' in SAARC economies, intra-SAARC trade has never been great. Indeed, the percentage of intra-SAARC trade in relation to trade of SAARC members with non-SAARC nations actually fell from 3.19 per cent in 1980 to 2.31 per cent by 1987.31 In recent years it has risen again to about 3 per cent. Given this extremely low level of intra-SAARC trade, it is difficult to build up sufficient interest in or 'ownership' of the association to allow it to flourish. In 1995, however, SAARC decided to introduce a preferential tariff arrangement known as SAPTA (SAARC Preferential Trading Arrangement). Although not fully reciprocal, in the sense that SAARC nations declare which imports they will allow in at the preferential rate, the SAPTA arrangement is generally seen as a positive step.

Although the Commonwealth of Nations was neither specifically an Indian Ocean organisation nor one covering all of the littoral countries, the so-called Colombo Plan nations and subsequent Colombo Powers meetings consisted mostly of Indian Ocean nations. The Colombo Plan was conceived as a programme for technical cooperation and exchange amongst Commonwealth nations. It was the product of the Commonwealth Foreign Ministers' conference held in Colombo in January 1950.32 The Colombo Plan was highly successful and ran for a number of years, providing useful training and technical cooperation for the emerging nations of the region. The attempt to give the Colombo Plan political expression through the Colombo Powers forum was, however, less successful. The Colombo Powers met only three times.33

In Africa, the premier collective organisation is the Organisation of African Unity (OAU). The OAU was founded in 1963 and originally comprised 32 members. It recently expanded to 53, with the addition of post-Apartheid South Africa.

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31 See Research and Information Systems for Non-aligned and Developing Countries, Economic Cooperation in the SAARC Region: Potential, Constraints and Policies (Interest Publications, New Delhi, 1990), Table 2.13, p.70.
32 These details are from V.L.B. Mendis, SAARC: Origins, Organisations and Prospects, Monograph No. 3 (Indian Ocean Centre for Peace Studies, Perth, 1991), pp.1-2.
33 ibid., p.2.
The initial focus of the OAU was an activist political one, with the organisation being actively engaged in opposing Apartheid and attempting to broker peace in the continent's many conflicts, the latest being Rwanda. Perennially, the OAU discusses the possibility of an African peacekeeping force. Recently, this has become a more attainable goal. Although they were not formally designated as an OAU force, significant numbers of African troops, including Zimbabweans and Nigerians, were involved in the UN exercise in Rwanda. South Africa is also likely to make its comparatively well-trained troops available for peacekeeping duties in Africa. However, the OAU has until recently been restrained in this goal because of poor logistics. This restraint has been partially removed by a US decision to make six C-130 transport aircraft available to a number of African nations such as Botswana, where the United States has military interests, and South Africa. These aircraft will also be useful in the context of the Southern Africa Development Community (SADC).

In recent years the OAU has also been seeking to broaden its charter to include economic and social issues as well as political ones. The organisation is now engaged in actively promoting intra-regional trade and in social areas such as AIDS education. It is working closely with the UN-sponsored Economic Commission for Africa (ECA) to develop a comprehensive economic agenda. Under the influence of the ECA, the economic emphasis is shifting from economic management, which focused primarily on government policy, including in terms of the widely unsuccessful structural adjustment initiatives, to strategies of 'development management' - that is, strategies that involve society at all of its levels, from the state sector through to social institutions, the non-government sector and the private sector.34

The other African body of relevance to the Indian Ocean is the Southern Africa Development Community. The SADC was established in 1992 as successor to the Southern African Development Co-ordination Conference (SADCC), which was in turn established in 1980 with nine members - Angola, Botswana, Lesotho, Malawi, etc.

Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe - as a means of providing mutual support in the struggle against Apartheid.

The SADC has a small secretariat in Gaborone. The organisation is structured so that each member country is allocated a portfolio covering areas such as energy, food, agriculture, natural resources, industry and trade. As with the OAU, the SADC has now incorporated South Africa. Mauritius has also requested to join and is likely to be accepted. Like the OAU, the SADC has recently decided to take on a role in collective security. As the SADC develops, a degree of competition has emerged between it and COMECA - the latter being an economic arrangement involving most of the East and Southern African countries, with headquarters in Nairobi.

One organisation in the Southwest Asian region that does not have a primary focus on security also bears mention, that is, the Economic Cooperation Organisation (ECO), which was a successor of the Organisation of Regional Cooperation (ORC). The ORC consisted of the Asian former CENTO powers, Turkey, Iran and Pakistan. Following the collapse of the Soviet Union, the ORC was re-named the ECO, and the Central Asian Republics joined. The membership of Afghanistan is also under discussion. The ORC was originally intended as a means through which the Southwest Asian nations could strengthen themselves against both the Soviet Union and the West, particularly by means of independent economic development. The ECO adopts measures to foster trade and commerce and has a secretariat in Tehran. Given its perceived sense of isolation, Iran is looking to upgrade the status of the ECO into a proper trading block, to actively encourage the construction of common oil pipelines and transport links and to link the ECO more closely into other non-Western blocs such as ASEAN. The ECO, however, continues to be limited by the fact that the three most important members, Iran, Pakistan and Turkey, are basically locked in competition for influence.

Details on the SADC are from Gavin Maasdorp, Economic Co-operation in Southern Africa: Prospects for Regional Integration, Conflict Studies No.253 (Research Institute for the Study of Conflict and Terrorism, London, July/August 1992); and Nathan, "With Open Arms" ...'.

within the CARs, as discussed in Part I, and by scarcity of capital and lack of economic 'critical mass' and high technology.

The final collective cooperation organisation in the Indian Ocean region that we shall consider is the Indian Ocean Commission (IOC). Initially consisting of Mauritius, Madagascar and Seychelles, the Commission developed out of a conference in Mauritius in 1982; but it was not until 1984 that an accord was actually signed. By 1986, France and Comoros had joined, reinforcing the francophone character of the IOC. The Commission covers the following areas: economics, diplomacy, agriculture, marine living resources, ecology, science and technology, education and justice. The partners, however, bring differing perspectives on a number of these issues and the level of cooperation has been most satisfactory in areas in which they have well-developed common interests and complementarities, such as fishing. Despite these differing perspectives, the IOC has developed into a useful and relatively active regional organisation in the southwest Indian Ocean region.37

Informal Networks of Amity and Cooperation

Informal networks and relationships have been relatively important in the Indian Ocean context. One reason for this has been the existence of a number of 'pariah' states around the rim, especially Israel and South Africa. These states could not be inducted into formal arrangements, but developed relationships of convenience, for example between India and Israel, Sri Lanka and Israel and South Africa and Israel. Another reason for the development of these informal linkages has been to counter the Apartheid regime in South Africa. Finally, the politics of the Indian Ocean has largely been conducted well away from the international spotlight, allowing for the existence of less formal relationships that were not pressured to formalise. Since these informal links now possibly provide foundations upon which wider organisations could be established, we will describe some of them briefly. Their efficacy in terms of regionalism in the wider Indian Ocean will be assessed later in the book.

India-South Africa-Australia: A Post-Apartheid 'Triangle'?

One idea that has been put forward is that three of the largest economies on the Indian Ocean rim - Australia, India and South Africa - might form the core of a new Indian Ocean grouping. This idea derives its momentum not only because of the size of the respective economies, but also from shared British democratic and Commonwealth traditions, the liberalisation of the Indian economy, and the leading role played by India and Australia in the international struggle against Apartheid. As Australia's former foreign minister, Senator Evans, remarked in 1994:

South Africa's return to the international community and India's shaping of a newly flexible and outward looking economic policy have seen the beginnings of the development of a new sense of regional identity and community of interests.

Of the factors that create a sense of common purpose in respect of the 'triangle', the people-to-people linkages and other non-economic and security linkages are particularly important - perhaps more so than is usual in such relationships. Significant linkages were developed by both Australia and India with the post-Apartheid government of South Africa as a result of the long years of support proffered by both powers, as evidenced by the fact that President Mandela, despite his extremely busy schedule, visited both countries; in the case of Australia, just prior to his election as President and in the case of India, within his first year of office. During Mandela's Indian visit the two sides signed a number of diplomatic and trade agreements and decided to set up a joint commission to progress the relationship. In December 1994, in a first-ever visit, two Indian warships called at Durban. The India-South Africa relationship is given additional weight by the fact that there are nearly a million people of Indian origin in South Africa. Australia, too, continues to lend support to the post-Apartheid process in South Africa. The development assistance programme has been expanded and technical support was provided to enable the South African National Defence

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Force to integrate with the non-White security units. These close links between the three nations are, however, to an extent offset by potential economic difficulties. Australia and South Africa are possible economic competitors in exports such as coal, and South Africa would fear any lowering of its high tariff structure in the context of potential exports of manufactured product from India.40

Pakistan and Southwest Asia

As outlined in Part I, Pakistan has for many years maintained a policy of attempting to draw the leading fellow-Islamic states of Southwest Asia into the South Asian milieu in order to provide a counterweight to India. This strategy has thrown up a number of informal relationships that provide Pakistan with considerable benefits. The strongest of these have been with fellow-Sunni, conservative Gulf states such as Saudi Arabia, Kuwait and Oman. Oman and Saudi Arabia, for example, have traditional links to Pakistan, which lies just across the Gulf of Oman. In the modern era, these links have been further developed through close military relationships, again as outlined in Part I. The oil-rich states of the Gulf are also heavily reliant on cheap, technically competent labour from Pakistan. The overall importance of the remittances from these Pakistani labourers in terms of Pakistan's economy is illustrated by Figure 5.1. As may also be seen from this figure, however, remittances have fallen in recent years along with declining prices of oil.

Because of Shia-Sunni differences in Pakistan and because of the fact that Iran has not required guest labour from Pakistan, the relationship between Pakistan and Iran is not so well developed as it is between Pakistan and the conservative Gulf Arab states. Recent unrest between Shia and Sunni Pakistanis has caused concern in Iran. Iran is also deeply concerned by what it believes to be Pakistani support for the Talibáan in Afghanistan, the group of former religious college students who have now taken a swathe of territory in Western Afghanistan that Pakistan sees as important in its drive to secure land access into the CARs. Nevertheless, there is a history of moderate security collaboration between Pakistan and Iran that goes back to the

Figure 5.1: Remittances from the Gulf as a percentage of Pakistan's GNP, 1980-81 to 1989-90.

Note: Remittances have fallen further since 1989-90.
Source: Pakistan Economic Survey, various issues.
days of the Shah, who supported Pakistan indirectly in its wars with India and in the suppression of Baluch separatism in the 1970s.

India and the Small Indian Ocean Island States

Of the Indian Ocean small island states (Mauritius, Seychelles, Comoros, and Maldives), India's relationship has traditionally been closest with Mauritius. A significant percentage of the Mauritian population is of Indian stock. India provides credit and aid to Mauritius and has established an Indo-Mauritian Joint Commission and a Joint Business Council. It has been provided facilities on the island for its space programme and supports Mauritius' claim for the return of the Chagos Archipelago from Britain. There are credible reports that in the 1980s there were extremely close links between the Indian ambassador in Port Louis and the Prime Minister. Mauritius has been urging India to join the Indian Ocean Commission. As we shall see below, it is also likely that India and Mauritius communicated closely with each other on the so-called 'Mauritius process', which involved a seven-power approach to 'kick-starting' regionalism in the Indian Ocean.

India also has a close relationship with Maldives. Although the archipelago is predominantly Islamic, its population is of Indo-Aryan stock, similar to the Sinhalese. From India's perspective, Maldives is located in a highly strategic position close to the southwest of India. It straddles India's east-west trade route and the major Gulf oil routes. It also has a superb potential strategic facility on Gan Island. The strategic significance of the islands has not been lost on the Chinese, who were one of the first nations to establish diplomatic links with Maldives. The Gayoom government recognises the importance of Maldives' location as far as New Delhi is concerned and has been determined not to 'rock the boat' in its relationship to India. India, in return, has proffered firm support for Gayoom, including by assisting in the suppression of a coup attempt in 1988. India's relationship with Seychelles is less well developed than it is in the case of the other two

41 'India urged to join Indian Ocean panel', Times of India, 18 January 1992.
42 The seven countries involved in the Mauritius process are: Mauritius, India, South Africa, Kenya, Oman, Singapore and Australia. The point about this selection is that not one of those countries involved would be likely to raise the Kashmir issue on behalf of Pakistan. The Mauritius process is further discussed below.
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island republics. However, there was speculation in the 1980s that the Indian navy could have lent its support to the René government had any of the coup attempts of that era looked like succeeding.

India and Southeast Asia: An Evolving Relationship

Although India and the ASEAN nations were basically distant from each other during the Cold War, the links between Southeast and South Asia were not always so weak as they have been in recent years. Southeast Asia lies at the meeting point of the Indian and Islamic influences that emanated from Southern Asia on the one hand, and the predominantly Confucian cultural influence derived from North Asia on the other. But contrary to the commonly held view in the West that 'Asia' is dominated by the Confucian outlook, the nations of Southeast Asia are culturally suffused with influences from Southern Asia, whereas North Asian influences tend to play a lesser role.43

Indians make much of this cultural connection in seeking to forge a closer relationship with Southeast Asia. Indeed, they have a sense - perhaps not shared entirely by the rest of Asia - of 'coming home'. For example, it was the first aspect of the relationship alluded to by Prime Minister Narasimha Rao in his major address during his September 1994 visit to Singapore. Rao declared himself to be 'perplexed' by the title of the address imposed on him, which referred to India's 'new' relationship with Asia.44

India is also geographically proximate to Southeast Asia. It shares a long common border with Myanmar, a nation that might one day be inducted into ASEAN. Its territorial waters around the Andaman and Nicobar islands are contiguous with those of Indonesia and Great Nicobar Island is a mere 130 kilometres from the Indonesian island of Sumatra.

Because it had become reliant on the East bloc for its trade and security, India initially felt isolated in the aftermath of the Cold War. Divested of its favoured treatment in the old East bloc trading regime,

43 For a detailed account of the influence of Indian culture and civilisation on Southeast Asia, see D.P. Singhal, India and World Civilization (in two volumes) (Sidgwick & Jackson, London, 1972).
it also felt shut out of evolving regional trading blocs such as the EC/EU and NAFTA. It therefore adopted a 'look east' strategy involving attempts to become more intensively engaged with various regional forums such as ASEAN, the Asia-Pacific Economic Cooperation forum and various security arrangements such as the ASEAN Regional Forum.

For India, the key to its reception in APEC and other Asia-Pacific forums lay in its reception in ASEAN. The ASEAN powers, however, were themselves grappling with the problems of achieving a measure of unity out of a widely contrasting region and were disinclined to make space for India. Moreover, New Delhi's calling card was seen to be tarnished because of its previous relationship with Moscow and uncertain record on economic liberalisation. India also complicated its reception by at times inept diplomacy.

New Delhi has, however, persisted. It has recognised that the way forward is to cultivate bilateral linkages and to be 'on good behaviour' in its dealings with multilateral forums and more sensitive to regional diplomatic norms. Through these means it is starting to have a little more success. As Table 5.1 attests, India's trade with the Southeast Asia region is rising sharply, albeit from a low base.

There is also economic interest within the ASEAN nations in establishing stronger links with India. The emergence of a large, middle-class market in India presents tempting prospects for these trading nations, just as India's large cohort of technically trained people is attractive to high-technology investors, particularly in fields such as software development. Increasingly, Indians are filling technical and other positions in Southeast Asia, as evidenced by the fact that remittances from that region to India are now of the order of $2.5 billion.45

Of the ASEAN countries, India has had a reasonably close relationship with Malaysia since 1965, when each was opposed to Indonesia, albeit for different reasons. After a set-back following India's recognition of the Vietnamese-backed regime in Cambodia in 1980, the Indo-Malaysian relationship again improved. India and Malaysia signed a broad-ranging defence MOU in 1993. India is to be

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Table 5.1: India's trade with ASEAN nations (ex Brunei) 1989-94 (to October only) in US$ millions

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<td>65</td>
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<td>263</td>
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<td>686</td>
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<td>31</td>
<td>11</td>
<td>7</td>
<td>53</td>
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<tr>
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<td>25</td>
<td>95</td>
<td>88</td>
<td>60</td>
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<tr>
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<td>386</td>
<td>535</td>
<td>700</td>
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<td>697</td>
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<td>Indonesia</td>
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<td>92</td>
<td>145</td>
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<td>2443</td>
<td>2222</td>
<td>1846</td>
<td>2232</td>
<td>2525</td>
<td>3276</td>
</tr>
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(a) To October only.
involved in pilot and maintenance crew training for Malaysia's MiG-29s. Malaysian nuclear scientists were at one time trained at the Bhabha Atomic Research Centre in India. The Indian navy and air force chiefs recently visited Malaysia, and Malaysia supported India when it successfully applied for sectoral (trade) observer status with ASEAN.

The other ASEAN nation with which India is close is Singapore. Singapore is interested in India in the context of maintaining its competitive edge in technical areas, especially software development. According to one senior Singaporean statesman, India is also regarded as a useful 'hedge' in the context of Singapore's heavy commitment in China.\(^{46}\) Singapore has recently decided to invest substantially in high technology in India and the two recently conducted a sophisticated four-day anti-submarine warfare (ASW) naval exercise.\(^{47}\) India's trade with the Southeast Asia region has risen by 34 per cent between 1990 and 1994 (see Table 5.1).

Even those ASEAN nations not traditionally close to India have been more accommodating to New Delhi in recent years. Bangkok was once suspicious of India because of Thailand's closeness to China, which it saw as a counter-weight to Vietnam. Thailand, like India, is increasingly concerned about the growing Chinese influence in Burma. In 1994, a Thai government study team suggested that India, Sri Lanka and Bangladesh should be drawn into a wider Southeast Asian investment zone,\(^{48}\) and a Thai military delegation visited India and expressed an interest in purchasing military equipment.\(^{49}\) Indonesia and India have also been upgrading their relationship in recent years. The two have established a joint ministerial council, conducted naval exercises and exchanged high-

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\(^{46}\) Conversation with senior Singaporean official, December 1993.


\(^{48}\) Alan Boyd, 'Thailand: A New Regional Grouping in the Works?', Reuters News Service, Art. No. 000500704957, 12 August 1994; and Richard Valladares, 'Rao visit to minimise "threat" of PRC presence in Burma', Bangkok Post, 10 April 1993. The Thai choices of India and Sri Lanka are perhaps interesting in the context of its relations with other Islamic ASEAN powers such as Malaysia and Indonesia.

\(^{49}\) Satish, 'Military ties with Asean nations improving'.

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level military visits. In 1994, President Suharto visited New Delhi with Prime Minister Mahathir of Malaysia for the G-15 summit.

At the more general level of ASEAN itself, the factors shaping the growing interest in India include an unease about the imminent emergence of China as the major regional nation - an unease given a measure of urgency by Chinese claims to the South China Sea. While any desire ever to balance China with India would never be openly expressed for fear of creating unnecessary rivalry and of alienating China, which will always be more powerful than India, it would probably also be the case that ASEAN would wish to see an emerging, status quo power such as India eventually exercising a healthy level of engagement in Southeast Asia in order to ensure the continuation of a multipolar balance in the East/Southeast Asian region. Another factor that is increasingly relevant as a driving force behind ASEAN interest in India is the emergence of a large middle-class market. Such a market presents tempting prospects for these trading nations, just as India's large cohort of technically trained manpower is attractive to high-technology investors, particularly in fields such as software development. In view of these interests, India has been upgraded to full dialogue partner status with ASEAN and is almost certain to be accorded full dialogue partner status within the ASEAN Regional Forum.

On India's part, New Delhi would favour the emergence of a wider ASEAN grouping, one that now includes Vietnam and that one day might include Burma. Such a grouping would provide a robust barrier to any greater assertiveness on the part of China in the Southeast Asian region. A Burma that was tightly bound into an economically secure ASEAN would be an excellent outcome, from India's point of view.

In short, despite the facts of recent history, there are evolving interests in closer sets of relations on the part of both the East/Southeast Asian powers and of India. This is manifest in a hectic round of naval exercising, evolving defence-industrial arrangements (albeit at a low level), a build-up in the extent and level of bilateral visits and expanding trading and investment relationships. This evolution is likely eventually to have a profound effect on the geopolitical map of Asia and the Indian Ocean region.
Australia and ASEAN

Defence cooperation between Australia and the ASEAN countries has burgeoned over the past decade, and especially since 1989. This has reflected the acceptance throughout the region of the need for enhanced CSBMs, involving both the strengthening and expansion of existing bilateral cooperative channels and the development of new multilateral mechanisms. It also reflects Australia's decision to become 'comprehensively engaged' in Southeast Asia, first articulated in Senator Gareth Evans' Ministerial Statement on *Australia's Regional Security* in December 1989, and paralleled in the concept of 'strategic partnership' with Southeast Asia developed within the Department of Defence in the early 1990s (and described in the *Strategic Review* 1993, December 1993).

Generally, the evolving sets of relationships involve a number of mechanisms. These include reciprocal visits by senior officers, which provide for increasing 'openness', closer personal relationships, and enhanced mutual understanding and trust. High-level visits by Australian defence officials (the Minister for Defence, the Secretary of the Department of Defence, and Chiefs of Staff of the Defence Forces) now take place at a rate of about one per month. They are complemented by visits involving senior officers and officials at the working levels at two or three times this rate. Efforts are also made to enhance 'transparency' in relation to strategic assessments, strategic objectives and major defence acquisition programmes and activities. Activities that enhance transparency include exchanges of intelligence assessments and regular discussions among senior intelligence officials, preparation of White Papers and strategic assessments, assistance with assessment processes, briefings on Australian drafts; and transparency concerning operational concepts and doctrines. Training programmes also provide a useful means of imparting much-appreciated staff and technical skills, sharing operational concepts and doctrines, creating networks of personal friendships and professional contacts, reducing the likelihood of misunderstandings and misinterpretations, and building trust. In 1994, more than 300 Indonesian army personnel visited Australia for exercises, intelligence exchanges, courses and other training purposes (compared with just 17 personnel in 1971). It is likely that the number of ASEAN personnel visiting Australia now exceeds 1,000. Joint exercises are also used to build closer defence relations. Australia and the ASEAN countries are
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now involved in more frequent and a much broader range of joint exercises than ever before. In the early 1980s, the Australian Defence Force (ADF) was involved in an average of five exercises per year with one or other of its ASEAN partners. By the early 1990s, this had increased to an average of about 18 per year, together with another dozen or so lesser exercises such as passage exercises. Trust is further enhanced by allowing observers to be placed at exercises. Although there are serious resource factors which inevitably limit the conduct and scope of joint exercises, official invitations to observe a neighbour's exercises are still a very important CSBM, especially in terms of assuaging concerns about intentions. Since 1989, invitations have regularly been issued to various ASEAN defence forces to observe Australia's major exercises.

Regionalism in the Asia-Pacific - Lessons to be Learned?

Since both the Indian and Pacific Ocean regions are highly heterogeneous and far-flung regions, an exploration of the factors that have contributed to regionalism in the Asia-Pacific is likely to be a useful guide to prospects and strategies for the Indian Ocean region. In this regard, a number of features stand out in the Asia-Pacific.

First, as noted in Part I, the strategic architecture of the Asia-Pacific region is fundamentally different from that of the Indian Ocean region. The Asia-Pacific is the venue of a dynamic interaction between four of the most prominent global powers (the United States, China, Japan and Russia), whereas the Indian Ocean is surrounded by relatively weak states. India is the only Indian Ocean country with potential 'strategic reach'. Consequently, unlike the Pacific, where there has been a long history of interaction between security complexes extending back well before the First World War, the Indian Ocean security complexes have been relatively isolated from each other because they have not, by and large, had the physical means to interact.

Moreover, the US role in the Indian Ocean is far more circumscribed than it is in the Pacific, particularly now that the Cold War is over. In the Pacific, the United States can, and does, attempt to act as a constraining factor by inserting itself into the strategic milieu, as it did in the Korean peninsula in the 1950s, or in the Vietnam war, or more recently in order to restrain North Korea's drive to gain a nuclear
capability. Except in relation to the security of oil, it is unlikely that the United States would act in this way in the Indian Ocean. Indeed, as argued in Part I, Washington has virtually backed away from resolute efforts to achieve nuclear roll-back in South Asia and it would be most reluctant to intercede in any regional dispute unless it were to ensure the security of oil. Although Pacific powers are increasingly less certain about the US commitment to Asian stability, it is nevertheless the case that this US presence in the Pacific Ocean has provided a sense of strategic continuity lacking in the Indian Ocean. For example, long-lived and highly institutionalised bilateral alliances between the United States and various regional nations such as Japan, South Korea, the Philippines, New Zealand and Australia, along with the fact that a number of other regional nations such as Thailand, Singapore, Malaysia and Taiwan have been to a greater or lesser extent dependent upon the United States for their security and have consequently been required to deal with the United States, has helped to inculcate a common strategic language and a common set of assumptions about security on the part of a number of important Pacific actors.

A second difference in the circumstances of the two oceans is that the impact of the Second World War was more severe in the case of the Pacific than it was in the Indian Ocean. Although the Indian Ocean was important for logistical purposes, it was never a venue of major fighting or a subject of conquest by the Japanese, except in relation to the Southeast Asian powers, which have tended to be Asia-Pacific focused subsequently, and the Andaman and Nicobar islands. Arguably, the Cold War was also more severe in the Pacific, and actually erupted into a 'hot war' there in Korea. The awareness inculcated in the Pacific of the penalties of total war has thus assisted the formation of the basic perception that the serious problems of the region need to be addressed in ways that avoid war, whereas the Indian Ocean has not had such a salutary lesson so readily available.

A third feature of the Pacific that differentiates it from the Indian Ocean is the existence of what Kahler refers to as an 'epistemic community' - a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to
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policyrelevant knowledge within that domain.50 The existence of this epistemic community was reinforced during the 1980s by the formation of economic groupings such as the nonofficiallevel Pacific Economic Cooperation Conference (PECC), which was a predecessor of the AsiaPacific Economic Cooperation forum. It was in forums such as PECC that the habit of dialogue was developed and the contacts upon which dialogue depends initiated. Equally, the development of APEC was in turn dependent on the informal and nonofficial contacts made in PECC. Although PECC consisted of people meeting in a nonofficial capacity, its membership also consisted of many officials. These people were subsequently able to put on their official 'hats' in the context of APEC. In turn, the development of the security dialogue through the ARF (which was itself a direct development from the security dialogue that accompanied the ASEAN PostMinisterial Conferences) and CSCAP was supported by the prior existence of PECC/APEC, since many of the official and nonofficial contacts were common between the security and nonsecurity forums.51 Thus regionalism in the Pacific has been fostered by a connective web of officials meeting in a variety of regional venues.

A fourth important condition that prevailed in the Pacific was the existence of a successful 'core' subregional organisation, in the form of ASEAN, upon which regionalism could be built. It is difficult to envisage regionalism in the AsiaPacific having progressed as far as it has done without the existence of this core. Moreover, ASEAN was structured so as to use the core to maximum utility in terms of assisting wider regionalism. The association provided for nonmember observers and 'dialogue partners' to be present at important functions such as PostMinisterial Conferences, for example. Through this mechanism, and building on the basic viability of the institution, we have witnessed in recent years the extraordinary spectacle of a collection of relatively weak states (in global terms) playing host to some of the world's major powers such as China, the United States and Japan. ASEAN also made skilful use of nonofficial networks by


51 Members of the ARF include the six ASEANs; plus the United States, Japan, Australia, Canada, South Korea, New Zealand, and the EC; plus five 'guests' and 'observers', Russia, China, Vietnam, Laos, Papua New Guinea.
developing a symbiotic relationship between the non-official body (CSCAP) and the official body (ARF), with CSCAP working groups developing solutions to problems at the 'request' of ARF. Serious disputes, such as the South China Sea dispute, which have the capacity to 'derail' the security- and confidence-building process, have been to an extent insulated from CSCAP by the creation of sub-structures such as workshop groups, which are essentially 'talk shops'. According to Kahler, there have been three principal ingredients to ASEAN's success: the initial goals of the association were far more modest than those it subsequently achieved; the organisation attempted to resist all but the most modest levels of bureaucratisation and formalisation (it has a relatively modest secretariat) and preferred to operate through well-developed informal networks; and decisions are taken on the basis of consensus rather than formal rules or voting procedures.52

A fifth factor in the creation of regionalism in the Pacific was the existence of economic and trading relationships that have tended to 'stitch the region together' as an economic entity. Internal trading patterns were high, and increasingly so through the 1980s, such that today nearly 70 per cent of all exports generated within APEC are directed to other APEC countries.53 Regional trade was in turn assisted by high levels of intra-regional investment, leading to a circular, and mutually supportive process of investment and trade within the region. Since 1985, levels of investment from within the region have increased markedly. By 1990, 76 per cent of the capital of the major regional foreign investor, Japan, was invested within the APEC region.54 In turn, intra-regional investment reinforced further growth in intra-regional trade.55 Significantly, this trade and investment was not just within the regional security complexes, but flowed between them, for example from Japan to Southeast Asia and North America, or from the United States to Southeast and East Asia.

While there is no evidence that trade and investment interdependency necessarily leads to greater security in itself, it may well have had the effect of improving people-to-people and inter-

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53 The figure was 66 per cent in 1990. See East Asia Analytical Unit, Department of Foreign Affairs and Trade, Australia and North-East Asia in the 1990s: Accelerating Change (Australian Government Publishing Service, Canberra, 1992), p.179.
54 ibid., Chart A5.4, p.201.
55 For the growth of intra-industry trade (globalisation) see ibid., p.28.
governmental contacts. Moreover, in recent years there are signs that the development of infrastructure is starting to take place in a way that does not so much reflect direct national needs, but rather the needs of burgeoning intra-regional trade, especially in so-called 'growth triangles' (sometimes referred to as 'mini-lateral economic zones'), such as South China, Hong Kong and Taiwan. These growth triangles are characterised by their symbiotic character - in which capital- and technology-rich powers interact with proximate labour-rich powers. The Japan-Southeast Asia connection provides a classic example of this type of interaction. What this highlights is the fact that the Pacific economies contain a high degree of complementarity in terms of the capital, technology, labour and resources mix. Another factor that tends to lead to interdependency is the growing phenomenon of intra-industry trade due to globalisation. Where large multinationals such as the Japanese car makers become locked in to regional trade, for example in the case of component sourcing, the entire Japanese economy is effectively 'locked in'. These developments are bound to have at least some effect in terms of consolidating the interdependency that is emerging in the region. Finally, the regional economy has also developed significant 'critical mass', with the Asia-Pacific's share of world trade having risen from 30 to 40 per cent over the last decade.56

But Also Some Problems

While there are many factors in the Asia-Pacific supporting regionalism, there are also a number of significant problems that have cut across the process.

As economies such as those of Japan and China have gathered momentum in world trade, they have cut deeply into established trading interests in the United States, precipitating serious divisions over issues such as non-tariff barriers, reciprocity, patent laws and copyright. These problems have been a factor in the spiralling trade deficits the United States has suffered with China and Japan - or at least so the US government maintains. While the United States has in recent times had significant bargaining power in rectifying these alleged inequities, the conditions that provide Washington with

leverage are rapidly eroding as intra-Asian trade increases to the point where it is now larger than extra-regional trade. The efforts on the part of the United States to rectify the perceived imbalance have generated considerable tension, even in the Japan-US relationship, which is built on powerful strategic linkages that are still useful to Japan, as was illustrated by the US-North Korea stand-off over nuclear weapons.

The region also suffers from its fair share of traditional enmities and antipathies, for example between Japan and China, Japan and Korea and Vietnam and China, to name only a few. Additionally, there are pronounced cultural and religious differences throughout the region, even within Asia, let alone between Asia and Western-oriented nations. These have been transposed into more concrete forms as the Asian powers have developed their own brand of democracy and their own perspective on issues such as human rights and labour laws. The existence of a number of intransigent and brutal dictatorships, such as the military regime in Myanmar, has also contributed to regional tension.

**Conditions in the Indian Ocean**

The Indian Ocean is different in its structure than the Pacific Ocean in a number of respects, some of which do not so readily favour the forces of regionalism. Most importantly, the patterns of trade and the economic base are still very different. As we saw from Part I, most Indian Ocean trade, in fact $405 billion worth per annum, actually passes through the Indian Ocean rather than being generated at the littoral. The exception to this pattern of trade occurs in relation to oil, with nearly $60 billion being generated from within the Gulf alone.57 However, even most of this trade passes out of the Indian Ocean.

Another important difference is that, unlike in the Pacific, there is no Indian Ocean nation capable of imparting state-of-the-art technology to its neighbours. Consequently, it is necessary for Indian Ocean nations to import such technology from Europe, Japan or the United States. This means that it is difficult to attain the kinds of economic complementarities that have existed in terms of the investment relationship between Japan and the ASEAN nations - a

57 See Figure 1.3, p.22.
The Background to Security and Confidence Building in the IOR

A relationship in which there has been a close nexus between the flows of investment and technology. As already noted, in the case of East Asia, this substantial circular flow of investment, technology and trade has been an important factor in bringing about the economic complementarities that have been so marked a feature of the Asia-Pacific region in recent years and in creating the basis of the so-called 'epistemic community' upon which regionalism was built.

Yet a further difference between the two regions is that there is no core organisation equivalent to ASEAN capable of providing 'ballast' to regionalism in the Indian Ocean. As we have seen, SAARC has generally not been able to provide a robust basis for developing sound relations in South Asia, let alone the wider Indian Ocean. It is also a relatively young organisation, when compared with ASEAN. The OAU is older and more mature; but its potential role is limited by the fact that a significant percentage of its membership is located away from the Indian Ocean littoral. Many African nations, particularly the francophone ones and those in the North and West, tend to focus on Europe for their security and economic needs rather than on the Indian Ocean. The Southwest Asian region is fractured between the Arab states and Iran, with Iran attempting to use the CARs as a 'make weight' against the Arabs and the latter being focused heavily on the United States and Europe. ASEAN itself is an Asia-Pacific-oriented organisation that has paid little regard to the Indian Ocean. While the IOC, which is at least framed around the terminology of the Indian Ocean, could form the basis of regionalism, it is somewhat hampered by the fact that, with the exception of France (which many Indian Ocean states would regard as an 'outside' power), it consists of relatively weak small island states. It does, however, merit further consideration. Finally, IOMAC is confined by its charter strictly to scientifically oriented maritime issues and has been weakened by the fact that a number of the more important Indian Ocean countries are not members.

Related to this problem of lack of general cohesion is the fact that the Indian Ocean region is burdened by some of the most intractable disputes in the world today. Prominent amongst these are the dispute between India and Pakistan over Kashmir and the various disputes within the Gulf. Indeed, it is no accident that the two most important wars since the US withdrawal from Vietnam in 1975 - the Iran-Iraq war and the Kuwait war - have both been fought in the so-
called 'arc of crisis'. Lesser order regional 'flash points' include the tension between Saudi Arabia and Yemen (which recently erupted into a 'hot war'), and the on-going conflicts in Afghanistan and Myanmar. Tension also exists between Iran and Iraq, Iran and Saudi Arabia, and Somalia (during those times when it forms a viable entity) and Ethiopia. Although the relationships between India and Myanmar and India and Bangladesh are not of a kind that would be likely to lead to conflict, there are some deep-seated unresolved issues in both relationships.

Ironically in view of regional perceptions concerning the largely negative roles of the superpowers during the Cold War, the climate in which relations in the Indian Ocean has in recent years been conducted has suffered from the lack of a substantial external balance in the form of the United States, except in the case of the Gulf, which remains a first-order security concern for Washington. Because of its long-standing sets of relationships and engagement in East/Southeast Asia and its greater proximity, since the end of the Cold War the United States has been far more engaged in ensuring stability in East/Southeast Asia than it has in the Indian Ocean region. Indeed, as many Asia-Pacific countries now recognise, the continuing role of the United States as a 'balance' is emerging as important to overall regional security in circumstances in which regional concern about the rise of a power like China might otherwise undermine regional security efforts. Japan, with its substantial aid and investment programmes, has also been well placed to play a positive regional role. In the Indian Ocean, however, there is no regional power of equivalent status to Japan or the United States.

A further negative factor in assessing the potential for regionalism in the Indian Ocean is the current lack of a strong sense of common threat that would transcend existing bilateral tensions and unite otherwise disparate security complexes. As noted, ASEAN was born out of the perceived threat of communist-backed insurgencies at the time of the Cold War. Throughout its vital formative years, it thus had a powerful common enemy with which to contend, and that, in turn, had the effect of over-riding regional differences and disputes. For a number of years now, however, there has been no such concept of a common enemy in any Indian Ocean regional organisation, except the SADC under Apartheid (a situation now resolved) and the GCC. Certainly, SAARC was not motivated by Cold War concerns; if
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anything, such concerns cut across the interests of the organisation because India was perceived by some SAARC states to have been in the Soviet camp. Now that the Cold War is over, there is nothing to replace it, at least not in the sphere of conventional security.

Finally, the India Ocean has not had an 'epistemic community' equivalent to the one that evolved over many years in the Pacific. Regional organisations such as the IOMAC and the IOC are either too small or too confined in their agendas to provide for the necessary interchange of ideas. And as we have seen, the one effort towards regionalism that did bring a critical mass of the nations of the region together, the ad hoc committee on the IOZOP, was not a constructive experience as far as most of the participants were concerned.

Despite the manifest difficulties along the path to regionalism in the Indian Ocean, recent developments around the Indian Ocean rim go some way to overcoming such obstacles. Although vast quantities of arms are still being purchased by the Gulf states, the end of the Cold War has meant an end to arms sales on a concessional basis elsewhere. This has meant that the flow of arms into the Indian Ocean region has been reduced dramatically from its high point in the 1980s. The end of Apartheid will also for the first time allow the major nations of Africa to draw together into viable regional and sub-regional organisations. This latter development is in turn assisted by the fact that a number of African countries are now moving to adopt more democratic regimes. Although there is still a great deal of ground to cover, there are also promising developments in the Middle East peace process.

Furthermore, regionalism in the Indian Ocean is stimulated by the evolution of regionalism in the Asia-Pacific region. This example of the Asia-Pacific works both as a carrot and stick: it not only provides a positive example, but also represents the threat of increasing global marginalisation for Indian Ocean nations in the context of ever more salient regional trading groupings elsewhere. This threat should in turn have the salutary effect of drawing Indian Ocean nations together more coherently.

And finally, although the Indian Ocean is still basically a disconnected region in terms of economic linkages, this is changing, as
illustrated by recent work by the Australia South Asia Research Centre (ASARC). Part of this change is the maturation of economic linkages between several of the sub-regions within the Indian Ocean. We have already noted the developing trading and investment links between South and Southeast Asia. It is also noteworthy that new arrangements are starting to be set in place between South and Southwest Asia. Pakistan is increasingly tied into the economies of the Southwest Asian region, a nexus evident in the guest labour relationship mentioned above, the significant investment of powers such as Saudi Arabia and Oman in Pakistan and, importantly, the recent decision to build oil and gas pipelines from Iran and Oman to Pakistan. In time, it is possible that these gas pipelines could be extended from Pakistan through to India, thus linking one of the great energy-rich areas of the globe with one of the great labour-rich ones.

In this regard, there is a strong economic incentive for India and Pakistan to establish at least a modus vivendi between them - one in which regional trade would be permitted to find its own level. Moreover, as we saw in Part I, even though India is a basically Hindu nation that is juxtaposed to a Muslim Southwest Asian region, India is not without its own developing economic links and resources in the Gulf.

In order to build upon these positive developments in a timely manner, it will be necessary for advocates of Indian Ocean regionalism to define carefully what form of regionalism will best overcome the negative factors that pervade the region. In the following chapter, we examine some strategies that might be adopted to overcome these difficulties and the various moves towards regionalism that are currently in play.

The ASARC paper argues that there are prospects for growth of intra-industry trade in the Indian Ocean region in circumstances in which many of the larger economies of the region are undergoing economic reform. Development of intra-industry trade would entail less severe adjustments to current economic settings and would be less disruptive than would development of other forms of trade. By the same token, because of its nature, intra-industry trade seems to favour the development of regionalism more than inter-industry trade, as evidenced by the case of the Asia-Pacific. See R. Shand and K.P. Kalirajan, 'Indian Ocean Trade and Investment: Analysis and Potential', unpublished paper, ASARC, Australian National University, 1995, Executive Summary, pp. ii-iii.
CHAPTER 6

BUILDING REGIONALISM IN THE INDIAN OCEAN

Recent Regional Initiatives in the IOR

Although zone of peace negotiations proceeded sporadically throughout the 1970s and 1980s, it was not until the visit of the then South African Foreign Minister, Pic Botha, to New Delhi in September 1993 that a proposal for an Indian Ocean regional organisation was made. The idea was developed during the following year by Australia's Foreign Minister, Senator Gareth Evans. Two distinct processes were eventually to evolve.

The first of these, known as the Mauritius process, was developed by Mauritius under the guiding hand of India. It was based on a 'core' of seven countries (Mauritius, India, South Africa, Kenya, Oman, Singapore and Australia). This core group met for the first time in Mauritius in March 1995.¹ As noted earlier, the significance of this particular choice of countries is that none of them would be likely to raise the issue of Kashmir, or any other uncomfortable bilateral issue. The only Islamic nation represented, Oman, is a small country and is close to India - the two have even conducted joint naval exercises.²

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¹ The objectives of the Indian Ocean Rim Initiative, as defined at the first meeting at Mauritius, include: to promote the welfare of the peoples of the participating countries; to promote sustained growth and balanced development in the region; to formulate and implement programmes for economic cooperation such as the expansion of trade, tourism, direct investment, scientific and technological exchanges and human resources development; to reduce impediments and lower barriers towards freer and enhanced flow of goods, services, investment and technology; to encourage close interaction of trade and industry, academics, scholars and citizens of the region; to strengthen cooperation and dialogue among member countries in international forums on global economic issues; and to promote cooperation in development of human resources through closer linkages among training institutions and universities.

² Perhaps one of the reasons for this seemingly unusual relationship is that Oman’s large neighbour, Saudi Arabia, is close to Pakistan. Oman and India also have strong economic interests in common.
The Mauritius process is a 'tripartite' one consisting of officials, academics and business representatives. Essentially, however, it is a 'first-track' process, since officials are present in their official capacities.

In initiating the Mauritius process, India and Mauritius argued that in view of the large number of countries in the Indian Ocean a highly selective grouping was necessary to commence a regional dialogue. In supporting its 'evolutionary' approach, Indian government commentators likened it to the process that was used to initiate regionalism in the Asia-Pacific. The precursor to APEC was, however, PECC, which was an inclusive second-track process rather than an exclusive first-track one. PECC was in existence for a decade before the creation of APEC. Mauritius also defended the selective approach by pointing out that the selected countries 'represent' their respective sub-regions. It is doubtful, however, whether Oman could be deemed to represent Iran, or Singapore to represent Indonesia.

The fact that Mauritius is a first-track process limits the ground it is able to cover because participants are constrained by national positions. Given the delicate status of Indian Ocean security and confidence building outlined in the foregoing chapters, it is probably premature to commence a first-track process at this stage. Moreover, because it is a first-track process, expansion will be more difficult, since Pakistan and its supporters may feel constrained to raise issues such as Kashmir, should they be included in a first-track grouping.

Failure to expand membership of the Mauritius group into a comprehensive arrangement, on the other hand, risks irrelevancy. Important Indian Ocean countries such as Iran, Saudi Arabia, Pakistan, Indonesia and Malaysia will not accept a process from which they are excluded. Indeed, the feeling against the exclusive Mauritius process on the part of those Indian Ocean nations omitted from it at the time of the Perth conference was palpable. According to the chair of the Perth conference:

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3 Conversations with senior Indian officials, Perth and Canberra, May-June 1995; statement of Mauritian delegate at Ad Hoc Committee of the UN in New York, as reported in keynote address by Vinod Grover, Secretary West, Ministry of External Affairs, at a Seminar on Indian Ocean Rim Cooperation held by 'World Focus' Journal in New Delhi, paragraph 9.
4 ibid.
there was a very strong consensus [at Perth] ... that the core group could not be confined to seven and really would have to be broadened out fairly quickly ... You can't have the 'ins' and the 'outs' as far as the region is concerned and expect it to work.5

Although India is of the view that the core should eventually be expanded to incorporate all Indian Ocean countries (indeed the first Mauritius meeting declared that all IOR nations would eventually be eligible), it has described the process as 'evolutionary' and one for consideration only at the first meeting scheduled for 1996.6 But it is not clear whether, even then, any expansion would be further limited, for example to omit Pakistan, or whether it would be all-inclusive. Probably it will be limited to the appointment of a further seven countries. Indeed, this was the position adopted at the August 1995 Working Group Meeting.7 Such a limited approach would mean that important Indian Ocean countries, such as Saudi Arabia, Pakistan, Iran and Bangladesh, would be likely still to be omitted, again on no clear ground except that India and Mauritius do not want them. Such a process is bound to leave a residue of ill-will that will be difficult for any subsequent Indian Ocean regime to overcome. It will also raise the issue of the legitimacy of the charter of the association, which would have been framed without any reference to those countries originally omitted.

A second regional process was initiated by Australia and inaugurated at a meeting involving 23 nations that took place in Perth in June 1995. This meeting was designated the International Forum on the Indian Ocean Region. Although it involved officials, they were not present in their official capacities and it was regarded as a second-track process. As in the case of the Mauritius meetings, business and academic representatives were also present at Perth.

The Perth meeting resulted in the creation of a number of additional second-track processes. An academic network was established located in a new Indian Ocean centre in Perth that is to be

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5 John Dawkins, quoted in the Canberra Times, 11 July 1995. These observations are borne out by the author, who was present at Perth.
6 Grover, keynote address, paragraph 11; see also Principle IV of the principles of membership as adumbrated at the 29 March 1995 meeting.
funded by the Australian government. An Indian Ocean Rim Business Forum (IORBF) was established consisting of about 30 leading regional business associations. The charter of the Business Forum is to promote free and open trade and investment, along the lines of the APEC charter. To achieve this objective the Forum has established a number of working groups. These cover information technology and telecommunications, customs and trade documentation, non-tariff barriers to trade and investment, maritime transport and environment and energy. And finally, a number of workshops were set up to examine issues relating to 'comprehensive security' and economic integration in the region.

From the first, the Australian initiative created some discomfort on the part of India, which saw it as a challenge to the Mauritius process. The August 1995 meeting of the Mauritius Working Group, however, reaffirmed the primacy of the 'inter-governmental process' (that is, the Mauritius process) and a *modus vivendi* was reached according to which the second-track processes, including the IFIOR meeting at Perth, were seen to 'support and complement' the inter-governmental process, on the model of the Asia-Pacific forums. Nevertheless, at the same meeting, the business representatives urged that the Mauritius process be made inclusive as quickly as possible, as they did again at the time of the meeting of the Indian Ocean Rim Business Forum that took place in New Delhi in December of the same year.

Tensions between the two processes were also exacerbated by the inclusion of a discussion on comprehensive security at the Perth meeting. The inclusion of security at Perth had been hotly contested both prior to the meeting and in the course of it. A number of leading regional countries, especially South Africa and India, argued strongly that it was premature to introduce security issues. They were of the view that security issues would detract from the economic goals of regionalism and could even derail the regional process.

The issue of security was introduced into the IFIOR agenda at the insistence of Australia. Most other countries opposed the move, with the consensus being summed up by a senior Indian official thus:

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9 Comments on the December meetings in New Delhi are made on the basis of the author's personal observations, unless otherwise attributed.
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... We want [it] to concentrate on economic cooperation ... It is best to work together on something that unites us rather than on that which separates us. It is our firm belief that economic cooperation and the resultant growth and development of our Indian Ocean world will itself have a beneficent leavening influence on the political and security climate of the region.\(^\text{10}\)

Australia, however, made it clear that security would only be discussed in the form of 'comprehensive security' (including non-controversial issues such as the environment, maritime security, international crime, disease, natural disasters, etc.). Canberra was also explicit that discussion of sensitive bilateral issues would not be tolerated.

Despite regional concern, the security discussions at Perth actually proceeded in a positive and constructive manner. No difficult bilateral issue was raised. It was agreed to establish through the academic research network a number of regional workshops on subjects such as comprehensive security, education, maritime disasters, natural disasters, health and women. Nevertheless, the Australian government metaphorically mopped its brow at the end of the conference and decided that its position would be to de-link security from the economic aspects of regionalism.\(^\text{11}\)

The second-track process initiated at Perth was taken forward in the form of parallel meetings of the academic network, the Indian Ocean Regional Network (IORN), and the Indian Ocean Rim Business Forum in New Delhi in December 1995. A significant number of proposals for future research were canvassed in the academic network meeting, some of them falling vaguely within the ambit of 'comprehensive security', such as an oceanography and natural disaster study and a study touching upon the environmental implications of the cotton industry. The meeting of the Indian Ocean

\(^\text{10}\) Grover, keynote address.

\(^\text{11}\) Observations of the author. It is also relevant to note here the response of the Australian Foreign Minister, Senator Evans. When questioned by the press on the security dialogue immediately following the Perth conference, Senator Evans replied that, in the overall context of the conference, the security dialogue was no more than a 'ripple in an eggcup', implying both that the dialogue had failed and that its failure was insignificant.
Rim Business Forum was not generally well attended by rim country business associations (about 80 non-Indians attended, along with 300 Indians). Nevertheless, those present took the agenda forward with considerable enthusiasm, deciding to meet again in South Africa in 1996 and Sri Lanka the following year. It would be fair to say that the second-track process is still very much alive but 'treading water' rather than breaking significant new ground. The problem for the second-track process is essentially that the major proponents of the first-track Mauritius process will not fully support the second-track process for fear that it would undermine the status of the Mauritius meetings.

The tentative nature of the efforts to date to establish regionalism in the IOR, and the debates that those efforts have triggered over the role of security, suggest that it would be useful in the remaining pages of this chapter to examine the issue of the role of security and the future prospects of regionalism in the heterogeneous and far-flung region that constitutes the Indian Ocean.

Regionalism and Security

A central argument used by the Indian official quoted above and by many others is that economic inter-relationships will in themselves ameliorate adverse security circumstances. According to this argument, it is better to pursue economic activities on the basis that they at least achieve some form of regionalism than it is to introduce uncomfortable bilateral security problems. Given the prevailing circumstances in the Indian Ocean region, probably the decision to de-link security and economic regionalism was a wise one, at least if security is taken to mean security in the traditional sense of the word. Not all security issues, however, fall into the category of difficult bilateral issues. In order to illustrate how this might be so, let us distinguish further between those activities that are necessary in order to facilitate regionalism and those that must take place for regionalism to happen at all - or enabling-type activities.

A facilitating area of cooperation will be one that encourages further regional interaction by improving conditions under which regionalism is required to develop and operate. Many of the activities that fall within the rubric of 'comprehensive security' are, in fact,

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12 The author was present at these meetings in the capacity of observer.
facilitating activities. In rejecting any discussion focused on security, IOR countries have misunderstood what constitutes comprehensive security. By failing to pick up on the good progress made at Perth in the area of comprehensive security they are in danger of 'throwing the baby out with the bathwater'.

Issues such as maritime security, marine pollution and other environmental problems, the spread of diseases such as HIV/AIDS and tuberculosis, illegal migration, illicit drug smuggling and other forms of smuggling - all of which can be regarded as part of comprehensive security - are themselves often the product of rising levels of economic interaction and of economic development. They need to be addressed early on in order to 'oil the wheels' of regional trade. Other facilitating-type activities might include easier visa acquisition for regional business people of established reputation, harmonisation of customs procedures, or improved regional communications. By and large, these areas of activity have informed the type of regionalism evident in APEC.

Of the above areas, the issue of maritime security emerges as especially important, both because of its key role as a facilitator and because of its potential as a CSBM. In the words of Bruce, 'the first point [in deriving a new model for Indian Ocean security] is to separate the issues at sea from those of land'. In the case of the Indian Ocean, such an approach has a number of advantages. It removes the focus of CSBMs from the major continental sources of conflict and competition, which are particularly pronounced around the Indian Ocean rim. Conversely, maritime territorial disputes are relatively minor in the Indian Ocean context. There is no dispute on an equivalent scale to the South China Sea dispute, for example. As we have endeavoured to demonstrate in Part I, for the external powers, and indeed for most littoral nations as well, oil security is one of the most important aspects of Indian Ocean security. Oil security is as much about maritime security as it is about other forms of security. Oil security viewed in the context of maritime security need not necessarily be confrontational, since exporting as well as importing nations are equally dependent on the free flow of oil. To the extent

that the Indian Ocean powers have anything in common, it is the Indian Ocean itself. Maritime security therefore needs to be at the heart of any security-oriented forum.

As well as these facilitating areas of cooperation, however, effective regionalism is also dependent on what we might call enabling areas of cooperation. These deal with problems that must be addressed in order to achieve any form of regionalism at all. For example, in the sphere of conventional security, if two important regional powers, or two regional power blocs, cannot even sit down in a common venue for discussions because the feeling between them is so highly charged, then it is pointless to undertake the considerable work demanded for the development of facilitating activities. Thus, regionalism involving Southern Africa was always going to be well-nigh impossible under the Apartheid regime in South Africa. It is only now that Apartheid is no more that South Africa can be inducted into the SADC and true Southern African regionalism can begin to evolve. Or in the case of the Middle East, it is only now that an Arab-Israeli settlement is on the horizon that we can sensibly contemplate the economic outcomes that might result from a Middle East that is not fractured by this dispute.

In practical terms, however, the distinction between facilitating and enabling activities is usually not as sharp as suggested above. For example, although the relationship between India and Pakistan is a highly charged one, SAARC has existed in a kind of limbo for a decade, and within SAARC, a number of facilitating-type activities have been undertaken. In this case, however, the existence of SAARC has not, in itself, appeared to have facilitated better relations between India and Pakistan or to have provided a venue in which they can resolve the more important differences between them. On the contrary, evidence suggests that at times SAARC may have even exacerbated tensions between regional nations by providing a theatre in which those tensions could be played out. For example, India’s effective scuttling of the 1991 SAARC summit, scheduled to take place in Colombo, was widely interpreted as an expression of Indian anger against Sri Lanka for having provided arms for the Tamil Tigers at the very time Indian peacekeeping forces were active in Sri Lanka.

Just recently, however, SAARC has moved towards establishing a preferential tariff regime. But this seems to have little to
do with any obvious improvement in India-Pakistan relations, which in recent years have been as difficult as at any time since the early 1970s, suggesting that some other process must be in train. Exactly what that process might be is difficult to determine; but it may have something to do with the enormous strides towards globalisation that have taken place in recent years and the challenge this poses to developing countries locked into relatively isolated parts of the world such as South Asia. Economic reform and trade liberalisation have become widely accepted as one means to meet this challenge. Thus, in a non-security sense, the SAARC nations are attempting to meet an important outside challenge similar to the security challenge that confronted ASEAN during the Cold War.

Drawing from the above analysis, it seems that the mere existence of regional mechanisms such as SAARC does not necessarily ameliorate conventional security issues between member states. Provided that the incentive is strong enough in terms of an outside push factor, however, states are capable of setting aside their differences sufficiently to allow for the existence of regional organisations capable of addressing those specific issues, without that process necessarily having any beneficial effect in terms of bilateral security problems, or at least not in the short term. Ultimately, it seems that difficult bilateral security issues have to be resolved by means of bilateral political commitment on the part of the main protagonists.

Moreover, in the case of SAARC, there is no guarantee that the arrangement will work to the perceived mutual benefit of the players. Indeed, the opposite might actually be the outcome, should the smaller economies come to believe that the preferential tariff regime to be introduced under SAARC has permitted exploitation by a dominant India rather than created mutual benefit. In this regard, it is significant that Pakistan currently denies MFN status to India on the grounds of India's alleged subsidies to its industry and its alleged failure to provide a 'level playing field'. The matter is further complicated by the fact that, within any polity, there will always be losers from such arrangements. Irrespective of whether an arrangement is for the general

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good, these losers are always willing to mount a political challenge to convince the populace otherwise.

This closer look at the dynamics of SAARC can provide valuable insights to the tensions and pitfalls that might accompany any attempt to achieve closer economic integration in the Indian Ocean region as a whole. While the Indian Ocean has probably reached the stage in which facilitating activities may usefully be introduced (indeed, the very existence of current mechanisms suggests that it has), one need not be too sanguine that a dynamic regionalism will emerge until further enabling activities occur, especially in the Gulf and South Asian regions. It is this basic tension between facilitating activities and enabling activities that informs Indian attempts to push a limited form of regionalism - one that seeks to exclude Pakistan and its friends - and that produces the negative effects on regionalism that flow from these attempts. In this, India is correct in its basic assumption that a regional forum such as the Indian Ocean can do nothing to encourage successful outcomes in the area of enabling activities; but it is incorrect in assuming that destructive bilateral issues would necessarily be raised in a universal Indian Ocean forum, or that no facilitating activities in the area of comprehensive security may be undertaken.

Ultimately, enabling-type activities must be continued by other means if a dynamic Indian Ocean regionalism is to emerge. Paradoxically, in the Indian Ocean the very security issues that are now seen as 'too difficult' themselves tend to prevent the formation of dynamic trading regionalism. The adverse relationship between insecurity and poor economic performance is all too evident in Africa, where wars and internal insecurity have contributed to a devastating series of economic calamities, such as those in Sudan, Ethiopia and Somalia. As also noted in earlier chapters, the negative effect of insecurity on economic performance is evident in the way in which South and Southwest Asia interact - or at least fail to do so - largely because of security concerns.

In the Asia-Pacific, which also confronts difficult security problems on the Korean peninsula and between China and Taiwan, discussion of sensitive security issues has largely been abjured in favour of discussion of less sensitive topics in second-track forums, in which ideas can be explored without the discussants being locked in to intractable national positions. But even the agenda of CSCAP (which
is a second-track mechanism) probably goes well beyond any agenda that could currently be discussed in the IOR. The CSCAP agenda has to date been established through the scope of its four working groups, which include maritime cooperation; cooperative and comprehensive security (to date this workshop has tended to explore the shifting nature of security beyond 'traditional' security concerns and whether cooperative security is, in fact, possible in an environment such as the Asia-Pacific); CSBMs, including transparency; and the enhancement of security cooperation in the North Pacific/Northeast Asia. It is noteworthy, however, that two key players, China and North Korea, have refused to be represented in such discussions, thus limiting the scope of participation to those countries that do not have bilateral disputes of an intractable nature. Similarly in the case of the ASEAN Post-Ministerial discussions, China has simply been immovable on the sensitive issue of the South China Sea and no real dialogue on the issue has been forthcoming. Nevertheless, CSCAP and the PMC meetings at least provide a venue of contacts that can be utilised should a crisis be precipitated over the South China Sea.

Despite the existence of long-standing security problems in the Asia-Pacific, economic regionalism has developed its own momentum - a momentum that has shown sufficient returns to cause regional nations to set aside their security-related differences, such that they do not undermine the economic momentum. But is such momentum possible in the more backward Indian Ocean region, which has been dubbed a 'club of beggars and losers', and is the economic motive likely to be powerful enough to bind together a disparate region, beset by intractable disputes, which mostly looks outward for its trade?

Economic Regionalism in the IOR

As noted above, Indian Ocean nations perceive the major incentive to regionalise almost wholly in terms of economic outcomes. While both facilitating and enabling activities will be necessary for the Indian Ocean to achieve its goals, the principal goal of regionalism remains the economic development of the region and the formation of a regional voice capable of being heard in a world that is both globalising and, paradoxically, regionalising.

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Figure 6.1: Indian Ocean regional concentration of trade, 1970-93

The Indian Ocean, however, is known more for its role as a vital supplier of oil to meet global demand and as a transit point for trade between Europe and East Asia than it is as a dynamic node of intra-regional trade. In part this may relate to the structures of regional economies, but in part it also reflects the fact that the region has not made any significant effort to develop its trading links or formulate common trading protocols. Although recent years have seen the EC transformed into the EU, the idea of NAFTA turned into a reality and the emergence of a potentially dynamic new trading bloc in APEC, the Indian Ocean is the one major region of the globe not yet organised to foster trade on a regional basis.

Figure 6.1 illustrates the intra- and inter-regional trading patterns in the Indian Ocean. Although we can see from Figure 6.1 that trade within the IOR is generally low, it is also apparent that the situation is changing. Between 1970 and 1993, the percentage of intra-to inter-regional trade rose from 14.5 to 20.9. While the rise of intra-regional trade slowed in percentage terms during the last three years, this slow-down was not reflected in absolute levels of intra-regional trade, which rose from $128,900 million in 1990 to $172,356 million in 1993. Moreover, it is likely that a dynamic process of economic liberalisation in South Asia, which has only been evident in terms of new growth after 1993, will result in a still higher percentage of regional trade in future.

Recent work by Shand and Kalirajan of the Australia South Asia Research Centre at the Australian National University shows that the rising level of IOR exports to North Asia has emerged as an especially important component in the overall rise in exports from the region. Contrary to expectation, however, the rise in exports is not made up predominantly of oil and gas, which are described in the ASARC study as 'important but not dominant'. Imports into the region have also risen markedly, and generally the region is in approximate trade balance (which explains the flatness of intra-Indian Ocean trade in percentage terms in recent years). Within the region, important emerging nodes of trade are between the Southeast Asian nations themselves, between Australia and Southeast Asia, and between South Asia (especially India) and Southeast Asia/Australia. To a lesser extent, the Southwest Asian IOR nations have shared rising trade, principally with South Asia, Australia and Southeast Asia. Overall, the role of Africa has not been so pronounced. Trade between
India and South Africa has, however, risen very rapidly in recent years, albeit from an extremely low base. Importantly in terms of the prospects of regionalism, Shand and Kalirajan also found that in recent years intra-industry trade - which was historically low both within the IOR and between the Indian Ocean countries and other countries - has been rising. This rise in intra-industry trade, however, has been particularly pronounced between Australia and other IOR countries, especially those in Southeast Asia. A parallel phenomenon has been the rise in the proportion of elaborately transformed manufactures (ETMs) within total trade of the region (both internal and external). The major source of direct foreign investment (DFI) in the region is the multinational corporations of the large developed nations. DFI therefore tends to come predominantly from outside the region. Most DFI has been in Southeast Asia and Australia. The amount of intra-regional investment, especially from Australia, Southeast Asia and India, has, however, recently been increasing, with flows to India picking up only in 1992-93, after the economic reforms had time to take effect.16 Shand and Kalirajan conclude from their analysis that there are:

strong grounds for optimism as to the growth potential both of trade and direct foreign investment in the Indian Ocean region for countries within and outside the region, though these opportunities will vary considerably for individual countries and sub-regions.17

In reaching this conclusion they particularly emphasise the role of intra-industry trade, which has the propensity to add to the attraction of the development of regional mechanisms.18

At the time of the IIFOR meeting, however, this optimism about the prospects of IOR trade was widely challenged in the Australian press. Critics argued that the lack of critical mass in trade in the IOR did not justify the government effort needed to kick-start


17 ibid., p.iiv.

18 ibid., p.iii.
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regionalism, especially given the demands of APEC in the far more dynamic Asia-Pacific region. The Indian Ocean was characterised by failed attempts at regionalism and as beset by intractable bilateral differences. It was pointed out that, when APEC was formed in 1989, 55 per cent of Asia-Pacific trade was intra-regional and that, for Australia, Indian Ocean regionalism had little to offer since most regional trade is with Southeast Asia, which is already part of the Asia-Pacific grouping. If this grouping were to be excluded from the statistics, it was claimed, only 5.7 per cent of Australia's exports would have been to the IOR; if the Middle East (meaning presumably Southwest Asia) were to be excluded, only 2.8 per cent would have gone to the IOR.19 It is difficult to see the logic of some of these arguments, however. On what grounds, for example, should Southeast and Southwest Asia be excluded from the Indian Ocean region? It could equally be argued that North America should be taken out of the APEC statistics because North American countries are members of NAFTA. Although it is true that intra-Asia-Pacific trade is currently far higher than intra-Indian Ocean trade, one needs to look at the potential of intra-Indian Ocean trade in, say, ten years' time - keeping in mind that PECC was in existence for nearly a decade before APEC was formed.

This issue of the potential of IOR trade is also relevant in terms of arguments concerning the 'opportunity cost' of applying too much effort to the IOR in terms of lost benefits in Asia-Pacific trade. The implication is that the costs of attempted regionalism are likely to outweigh the likely benefits. But to address the issue properly, it is necessary to have a more complete assessment of what the actual benefits are likely to be than has been provided by critics of the regional process. Into that equation one would also have to add the potential benefits of 'bringing on' the African seaboard and Southern African countries, which are currently heavy recipients of Western aid.

In order to conduct such an analysis we need to look beyond existing levels of economic activity. We also need as well a clear understanding both of where the Indian Ocean fits in terms of

19 The arguments against the grouping were exemplified by a piece in Australia's leading financial journal by Janelle Bonner, 'Indian Ocean region unlikely to embrace co-operative spirit', Australian Financial Review, 13 June 1995, p.18.
international trade and where it might fit in future, given a more benign environment. For if the IOR has the capacity significantly to augment Asia-Pacific trade, then regionalism is worth pursuing from that point of view alone. Conversely, if extreme problems in the IOR have the capacity adversely to affect Asia-Pacific or other global trade, particularly through their effect on the trade in oil, then that should be incorporated into our 'cost benefit analysis' also.

Should it prove possible to establish a successful cooperative regime in the Indian Ocean Region, what would be the likely outcomes? What are the assets of the region that would be developed as a result of closer regional trade? What linkages would be likely to evolve between the region and other regions and between sub-regions within the IOR?

There are two such benefits that immediately come to mind. First, the IOR is rapidly emerging as the great global repository of easily accessible energy. A factor in increased demand for Gulf oil will also be the emerging energy needs of East Asia, as detailed in Part I. According to Richard W. Baker, 'This level of dependency inevitably creates a degree of uncertainty and insecurity' given the degree of volatility in the Gulf region. Gulf security, moreover, is dependent in turn on wider Indian Ocean security. For example, access through the Suez Canal was crucial for the Western allies in 1990, when they were forced rapidly to establish a 'trip wire' force to check a possible advance by Iraqi forces into Saudi Arabia. The US forces pre-positioned on the mid-ocean atoll of Diego Garcia were also important in establishing this force. The deployment of forces and materiel through the 'west about route' through the Indian Ocean was a vital factor in the conduct of the Gulf war itself. Because of the way in which Gulf security and Indian Ocean security are 'stitched together', it behaves regional and outside nations to nurture and assist the embryonic IOR process.

A second feature of the region is that it contains in South Asia an important cohort of cheap labour and, potentially, an important

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21 In an interview between former President George Bush and David Frost aired in Australia in January 1996, Bush maintained that, had it not been for US intervention, Iraq would have invaded Saudi Arabia.
global market. It is also a region that has considerable potential for significant economic growth and development. Despite having relatively closed economies in the 1980s, the underlying economic growth rate for the South Asian region in that decade was over 5 per cent. Now that all regional countries are in the process of liberalising their economies, the possibilities for economic growth are higher still. In 1994-95, the growth rate in India was 6.2 per cent. In 1995-96, it is likely again to be over 6 per cent, despite an extremely tight credit regime that is likely to contribute to a highly creditable yearly inflation rate of about 5 per cent. A recent report by Barings Bank assesses regional South Asian growth between 1996 and 2000 at 5.9 per cent.22

South Asia is, however, relatively energy-poor. The problem is exacerbated by the fact that oil consumption in the largest regional country, India, is growing at 9 per cent per annum. Siddiqi has pointed out in a recent article in Asian Survey that this energy poverty in South Asia, combined with the fact that the region is adjacent to an enormous source of natural gas in Southwest Asia (Iran for example, has reserves of 700 trillion cubic feet, compared with India's reserves of only 26 trillion cubic feet), offers considerable potential. Natural gas provides a relatively clean source of energy, which is important in the context of the likely enormous emissions of greenhouse gasses involved in the development of the two mega-population powers, India and China.23

The potential synergism between South and Southwest Asia is unlikely to be realised, however, unless India and Pakistan develop a modus vivendi. At present there are plans to build a gas pipeline from Iran to Pakistan and possibly on to India, but these plans cannot be finalised until India considers that it has adequate protection against its supplies being threatened or actually cut off by Pakistan. India is currently negotiating to ensure control of the last control point prior to the line entering Pakistan (presumably so that it can ensure that any cut-off would be mutual). India is also negotiating to build an alternative route from Oman under the Arabian Sea, but the economic viability of this route is in doubt given the high costs and significant technical problems involved. Should the potential synergism between

22 As in Fred Brenchley, 'Emerging countries tipped to upstage G7', Australian Financial Review, 24 January 1996.
South and Southwest Asia ever be realised, the north-west of the Indian Ocean could emerge quite rapidly as a dynamic new global focus of consumption and manufacturing. Already India is emerging as a cost-effective global locale for petro-chemical industries based on its own market requirement and its location near the Gulf.

Moreover, links between South/Southwest Asia and Southeast Asia would be likely to intensify rapidly should the synergisms evident between South and Southwest Asia ever be realised. This 'lateral Asian trade' would be greatly facilitated should an embryonic IOR organisation decide to adopt the trading protocols and agreements currently in use in APEC. Such a move would also make sense in terms of the cross-membership of important APEC countries (such as Indonesia, Thailand, Malaysia, Singapore and Australia) between APEC and the IOR. In the longer term, a regional organisation could help 'bring along' Eastern and Southern Africa, by linking those regions to the growth patterns further north.

Outlook

According to the former Indian Commerce Minister, P. Chidambaram:

It [the establishment of a regional organisation] will not be an easy exercise. While I am extremely optimistic, I must caution that, given the diversity of countries, we should proceed with care and only after deliberations. Controversial bilateral issues should be excluded from the deliberations.24

Yet despite the fact that the Indian Ocean is largely made up of poor and weak states and despite the manifest security problems that have carved deep fissures into the region, the idea of regionalism in the Indian Ocean has germinated. Within the broad ambit of that idea, there are a variety of views as to what should constitute regionalism in the Indian Ocean. The eventual form regionalism might take is as yet unclear. It might simply consist of an on-going process of ad hoc meetings that never achieves significant outcomes, or it might go much further than that and evolve into the type of process evident in APEC - that is, an emerging pattern of trade-facilitating mechanisms that falls

24 From a speech at the inauguration of the IORBF at New Delhi, December 1995.
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short of a customs union but that is underwritten by a growing habit of regional consultation.

Given the disparate nature of the region alluded to by Chidambaram, regionalism will require a significant driving force if it is to succeed. At present, the principal factor driving regionalism is the feeling on the part of many regional countries that they are losing out in a world increasingly being divided into wealthy and powerful trading blocs. Paradoxically, the smaller and weaker regional states also fear that they will lose out in a world rapidly globalising under the auspices of the WTO - an organisation in which they do not believe they have an effective voice. These driving forces behind regionalism in the IOR could prove to be far more powerful than most commentators have credited.

The question still remains, however, whether the more significant regional countries will have an interest in fostering regionalism in the Indian Ocean, or whether they will attempt to exercise other options elsewhere, for example in APEC. There will probably be different answers to this question for different parts of the Indian Ocean.

The Gulf region will in most matters be firmly bonded into the global trading system through the economics of oil. To the extent that the Indian Ocean will be important to these countries, it will be so in terms of the continuing security of the oil routes out of the region and the requirement for labour and technical skills from the South Asian region. While most Gulf countries might give grudging support to the Indian Ocean idea they would never want that idea to develop at the expense of the involvement of the outside powers in the security and economy of their region. Iran's case, however, is somewhat different. Iran currently feels isolated internationally and at loggerheads with the dominant Western powers. An Indian Ocean regional organisation would give Iran an ideal non-Western venue through which it could enter world forums and play a more meaningful international role.

Many African and Indian Ocean island countries, on the other hand, will adopt the view that a viable Indian Ocean organisation has much to offer in terms of providing a voice for them in global and regional affairs. This is particularly true of the island states; less so of continental Africa, where alternative regionalisms will tend to compete with Indian Ocean regionalism.
The view of the IOR from South Asia will be mixed. For India, the name of the game will be APEC and, to a lesser extent, Europe and North America. The role of regionalism in India will depend on the success of its bid to be part of the Asia-Pacific. Should it succeed - and there is a growing body of support for its membership on the part of the APEC powers - the IOR will probably remain of secondary importance to New Delhi. India, on the other hand, will be the key to the success or failure of the IOR in the sense that, without a strong Indian commitment there can be no viable regional organisation. While the economic energies of India are likely to be more focused on the Asia-Pacific than on the IOR, it will have an on-going interest in ensuring that the IOR remains viable as a region, if only because it constitutes India's own back yard - in much the same way as the United States has an on-going interest in Latin America, but more powerful economic links elsewhere.

The ASEAN IOR powers are likely to watch and wait to see what type of organisation the IOR evolves into and what opportunities it might provide. For them, the main game will clearly remain in the Asia-Pacific, with the exception of oil security. For Australia, however, there will be a continuing interest in Indian Ocean regionalism driven by a variety of concerns, including strategic concerns (mainly associated with oil security, but also wider maritime security issues), humanitarian concerns and economic considerations motivated by the search for markets in emerging countries.

But in the final analysis, none of the positive factors driving regionalism will succeed in bringing the process forward significantly unless some of the more difficult regional security concerns can be addressed. This is especially the case in South Asia, where the India-Pakistan conflict has poisoned the chances of SAARC and caused India to propagate a highly selective regional process. But in the Gulf also, leading Gulf nations such as Saudi Arabia will be reluctant to lend strong support to a regional process that could potentially be used by Iran to break out of its regional isolation and that precludes a strong role for Pakistan. Economic regionalism might assist in the process of easing these tensions, but only to the extent of producing over time the habit of consultation. In the end there will need to be a political commitment on the part of the nations involved to settle their differences in order to open up the full possibilities that the region has to offer.
CONCLUSION

In terms of its security architecture, the Indian Ocean does not constitute a true security system. Rather, it is comprised of a series of highly diverse sub-systems, or 'security complexes'. In recent years, however, these complexes have become less isolated from each other. For example, South Asia is becoming more closely linked to Southwest Asia as Pakistan seeks to develop its Islamic assets in the Gulf region in order to develop a 'make weight' to India. On its part, India has sought to develop its own links into Southwest Asia in order to counter Pakistan. The end of Apartheid in South Africa also opens out the prospect of closer linkages developing between India and the Southern African nations. Economic liberalisation has also opened up the prospect of new linkages between the South Asian complex and Southeast Asia. India, in particular, has been able to develop better relations with ASEAN nations such as Malaysia and Singapore, and latterly Thailand and Indonesia. Over time, these developments could affect the fundamental security architecture not only of the Indian Ocean, but also of the Asia-Pacific region.

Now that the Cold War is over, the major security concern for the external powers is oil security. Oil security is now primarily challenged from within the Persian Gulf itself. The most likely sources of threat to oil security now derive from the possibility of regime problems in Saudi Arabia or from war between Gulf nations, rather than from a deliberate attempt on the part of a Gulf state to interdict the flow of oil or seize another country's oil supplies. Although Washington regards Iran as an ambitious power in the Gulf, the latter is now extremely dependent on continued access to international oil markets for its economic well-being. Tehran would be unlikely to embark on any adventure that might jeopardise its access to that market unless it were to feel that its position were to be seriously challenged by the West.

Since the Kuwait war, the position of the United States and its Western allies has in some respects improved and in others become more difficult. It has improved in the sense that the conservative oil states have now agreed to allow US and other allied troops and equipment to be pre-positioned in the Gulf. The United States has also increased the level of its pre-positioning of equipment and other assets
in Southeast Asia (which in turn increases the salience of the Indian Ocean in Gulf strategy). And Saddam Hussein's Iraq remains a severely weakened country. On the other hand, all of the major Western protagonists in the Kuwait war have since sustained military cuts that would make the fighting of another war on the scale of the Kuwait war more difficult. Nor would there necessarily be US forces 'pre-positioned' in Europe, as it were, in the event of another crisis. This latter development is likely to make the 'west about route' into the Gulf through the Indian Ocean more important in any future crisis than it was in the 1991 war.

In the Gulf itself, some important regimes, especially the House of Saud in Saudi Arabia and to a lesser extent the Kuwaiti government, have failed to become more flexible and liberal as a result of the Kuwait war. They remain brittle and potentially vulnerable to violent change; and such change could itself threaten the oil security regime.

For the non-Gulf powers at the littoral of the Indian Ocean, oil security is as important as it is for the West. These powers have, however, been less willing for political reasons to articulate their concerns about oil security than have the Western powers, or to give them concrete expression in the form of an active contribution to ensuring oil security. With a few exceptions, they have been content to let the Western powers make the running on oil security. Following the end of the Cold War and the Kuwait war, they are, however, no longer actively opposed to the Western presence in the Indian Ocean, as some of them once were.

The Kuwait war and the growing dependence of the emerging economies of East Asia on Gulf oil have also served to focus the attention of the East Asian powers on the security of Gulf oil and of the oil trade routes out of the Gulf. By the end of the present decade, China is likely to emerge as a major consumer of Gulf oil. This should change China's attitude to Indian Ocean security by introducing a degree of commonality between Beijing and Western capitals that did not previously exist. It is to be hoped in these circumstances that China will be less willing to engage in the kind of irresponsible arms transfers that it has undertaken in the past.
One important potential development in the hinterland of the Indian Ocean rim has been the emergence of the Central Asian Republics. The CARs may, in time, start to interact much more with rim countries such as Iran, Pakistan and India than they have in the past. With their enormous potential resources they could thus add significantly to the already considerable resource base of the IOR. For the present, however, they are still fundamentally locked in to their economic relationship with Russia. All of them except Kazakhstan, moreover, have strong ethnic links with Turkey.

From the perspective of trading interests and the security of trade, the importance of the Indian Ocean still lies in its role as a 'transit lounge' between Europe and East Asia and as the major transportation route for most of the world's oil. In terms of the threat to SLOCs and so-called 'choke points', the most serious concern remains the Straits of Hormuz, which are impossible to bypass in the event of a crisis. All of the other straits could be bypassed, albeit at some additional cost. Except in the context of a local-level conflict, no Indian Ocean power has the capability to interdict SLOCs in open ocean areas without facing an insurmountable challenge from US naval forces.

The emphasis in terms of trade security is, however, likely progressively to shift as more trade and investment are generated by the liberalising economies of the region, particularly those of South Asia. Once this occurs, the issue of investment stability and security will come more to the fore in the calculations of the external powers than it has in the past. The interests of the external powers in Indian Ocean security are thus likely to become more diffuse.

Other than in terms of oil security, the littoral powers remain focused on their near neighbours as their major security concerns rather than on any threat from a more distant power. No Indian Ocean power, not even India, has a true Indian Ocean-wide reach that would enable it genuinely to threaten or coerce any larger Indian Ocean power outside its own security complex, even should it desire to do so, which is unlikely. The Western external powers are no longer seen as threatening by most littoral powers (the exceptions being Iran and Iraq). India remains wary concerning the activities of China but recognises that any direct involvement by China in the Indian Ocean is a very long-term prospect.
India is the only Indian Ocean power with potential significant power-projection capability. In time, India could even play a more prominent role in the Asian balance of power. But India has, since the 1980s, emerged as a more internationalist, opportunistic and flexible power in order to cater for its emerging economic needs. Importantly, it is intent upon developing its internationalist credentials through collective security, especially under the auspices of the United Nations. Moreover, India's naval ambitions have been put on hold because of the post-1990 economic crisis, the loss of Soviet support, and the pressing need to cater for the 'continental' requirements of security.

An important emerging security concern in the Indian Ocean is the problem of low-intensity conflict and its links to issues such as population and resources. Although low-intensity conflict has always been present, it seems to have increased in prevalence in places like South Asia and Africa in recent years. Moreover, those engaged in such conflict are now armed with weapons that are far more lethal than in the past. Many of these weapons were introduced into the region under the Cold War regime. The Cold War in turn provided a certain overlay of discipline on the client states on both sides. Now that the Cold War is over, there is no longer any such restraint. The weapons, however, remain.

Problems in nations such as Rwanda and Somalia are, moreover, increasingly being thrust onto the global stage by modern media. To date, the international community has not been able to develop the means to address such crises collectively. This is a major issue confronting the international community and the Indian Ocean region.

The other major issue confronting the Indian Ocean nations relates to nuclear, biological and chemical weapons and the means to deliver them. Proliferation of all of these weapons continues, especially in South and Southwest Asia, notwithstanding the existence of international regimes such as the NPT, the CWC and the BWC. Indeed, the programmes of the littoral nations engaged in these activities have been substantially assisted by the provision of technologies from outside the region. They have also been driven by linkages to outside programmes, such as the linkage between the Indian and Chinese nuclear programmes.
Conclusion 223

Despite the many security problems around the littoral, the Indian Ocean is probably now more secure from large-scale conflict than it has been for many years. The end of the Cold War and the end of Apartheid in South Africa have had the effect of lowering the 'strategic temperature' in the region. The Kuwait war demonstrated the difficulty that any regional nation would immediately encounter should it seek to exercise control over supplies of oil. However, the dangers of sub-regional-level conflict (for example between India and Pakistan) and of low-level conflict and resultant large-scale loss of life, remain real and troubling challenges to be confronted by the region. The parallel existence of opportunity and challenge posed by recent events, combined with the increasing international tendency toward regional solutions in both security and trade, have served to focus the attention of IOR nations for the first time on the possibilities of regionalism in this far-flung, diverse and generally poor part of the world.

It will not be easy to introduce a viable process of regionalism into the IOR, however. But it is precisely because the region is poor and weak that the effort is worthwhile. Critics of the process have failed to recognise the way in which stability in the IOR is vital to well-being elsewhere, especially in the Asia-Pacific, and especially in the context of the security of oil supplies. Australian is one important country that has tended to draw an 'invisible line' around its own version of Asia (now the 'East Asian Hemisphere') - a line that lies somewhere just west of Rangoon. To an extent, Southeast Asian nations have shared this view.

It is already proving to be the case, however, that the functional definition of 'Asia' (that is, the Asia that trades and talks about security together) is proving far more 'fungible' than hitherto credited. This phenomenon of an 'expanding Asia' is in the interests of both Australia and the ASEAN countries. It should suit them to have a multipolar balance in Asia, one that involves a large, basically status quo power such as India, as well as China, Japan and the United States. It should suit them to have a wider Asian trading network, one that also embraces the giant energy reserves of Southwest Asia and the increasingly important centres of labour, technology and market access provided by South Asia. All developed countries should also support the kind of regionalism in the IOR that can assist in addressing the growing crisis of Africa by stimulating trade, especially given a world
in which it will be increasingly difficult to let any single region of the globe drift to its separate fate.
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This is the leading academic body in Australia specialising in these studies. Centre members give frequent lectures and seminars for other departments within the ANU and other universities, as well as to various government departments. Regular seminars and conferences on topics of current importance to the Centre's research are held, and the major defence training institutions, the Joint Services Staff College and the Navy, Army and RAAF Staff Colleges, are heavily dependent upon SDSC assistance with the strategic studies sections of their courses. Members of the Centre provide advice and training courses in strategic affairs to the Department of Defence and the Department of Foreign Affairs and Trade.

Since its inception in 1966, the Centre has supported a number of Visiting and Research Fellows, who have undertaken a wide variety of investigations. Recently the emphasis of the Centre's work has been on problems of security and confidence building in Australia's neighbourhood; the defence of Australia; arms proliferation and arms control; policy advice to the higher levels of the Australian Defence Department; and the strategic implications of developments in Southeast Asia, the Indian Ocean and the Southwest Pacific.

The Centre runs a Graduate Programme in Strategic Studies, which includes both Graduate Diploma and Masters programmes. It maintains a comprehensive collection of reference materials on strategic issues, particularly from the press, learned journals and government publications. Its Publications Programme, which includes the Canberra Papers on Strategy and Defence and SDSC
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URING the 1970s, the term ‘arc of crisis’ was introduced to describe the giant sickle of the globe that stretched from the Magreb to Burma. Unfortunately, that description is as apt today as it was then. Much of the territory encompassed by the expression ‘arc of crisis’ may be found at or near the Indian Ocean rim. Here are located some of the poorest, least developed and least stable countries and some of the most difficult bilateral disputes in the world.

In a climate in which much of the world is attempting to build viable regional economic and security associations, the Indian Ocean region has so far gone against the trend. At first glance, the prospects for regionalism in the Indian Ocean do not appear promising. The region has very little economic critical mass. It does not possess the type of economic complementarity evident in APEC, NAFTA or the European Union. But the Indian Ocean region is in the midst of profound change – change that could potentially bring about more robust regional perspectives.

Recent developments in the region include the admission of South Africa to regional forums for the first time as a result of the ending of Apartheid; the advent of economic liberalisation and higher growth rates in the most populous sub-region of the Indian Ocean, South Asia; the development of new and dynamic linkages between South Asia and Southeast Asia; and the growing awareness among Indian Ocean rim countries that they need to develop closer links in order to gain a voice in a rapidly globalising world. These positive developments have together promoted a tentative regional process.

It is a fundamental tenet of this book, however, that none of these developments will have a lasting positive effect unless the deep-seated problems of territory and nation that beset the region can be ameliorated. While economic regionalism and a focus on ‘comprehensive security’ can assist in this process, in the final analysis, the protagonists and competitors engaged in these disputes must themselves decide that the time has come at least to downgrade the level of disputation, if not actually to resolve their problems.