

RULE-BASED REGIONALISM IN THE INDIAN OCEAN

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Aim and objectives of presentation

- **Overview: background on IORA**
- **What norms and principles guide the Indian Ocean Rim Association?**
- **What are the international and regional maritime regimes in the Indian Ocean?**
- **Is Rule-based Regionalism the best way forward for IORA?**
- **How to progress Indian Ocean Cooperation in the next 20 years**



Overview: IORA

- **Established in 1995 upon a REALIZATION that:**
 - **the countries washed by the Indian Ocean in their diversity, offer vast opportunities to enhance economic interaction and co-operation over a wide spectrum to mutual benefit and in a spirit of equality; and**
- **CONVINCED that:**
 - **the Indian Ocean Rim, by virtue of past shared experience and geo-economic linkages among Member States, is poised for the creation of an effective Association and practical modalities of economic co-operation**

Economic Cooperation in the Indian Ocean Rim Association

- **IORA Charter:**

- **The Association seeks to build and expand understanding and mutually beneficial co-operation through a consensus-based, evolutionary and non-intrusive approach.**

- **Principles of Charter :**

- (c) Decisions on all matters and issues and at all levels will be taken on the basis of consensus;**

- (e) Co-operation within the Association is without prejudice to rights and obligations entered into by Member States within the framework of other economic and trade co-operation arrangements ...**



Key Principles of IORA

- **Founded on voluntarism, no legally binding instrument/s**
- **Facilitate and Enhance economic cooperation and development in 6 priority areas**
- **Economies of Member States are integrated in various regional arrangements and global regimes**
- **Maritime Strategies aligned to international and regional regimes eg. SADC / AU**
- **IORA Charter aligned with the United Nations**
 - **United Nations Convention on the Law of the Sea (UNCLOS)**
 - **Continental Shelves**



Key Priority Areas for Cooperation

Over the years IORA has adopted the 6 Key Priority Areas to guide programmes for cooperation:

- Maritime Safety and Security
- Trade and Investment Facilitation
- Fisheries Management
- Disaster Risk Reduction
- Academic Science and Technology Cooperation
- Tourism Promotion and Cultural Exchanges
- + *Women Empowerment and gender equity is a cross-cutting issues in all priority areas*
- + *Blue Economy*
- Members states contribute their expertise and resources voluntarily to develop capacities within the region.

Economic Growth and Development in IORA

NO trade regime:

- integration
- Free Trade Area or Preferential Trade Area
- Regional Trade Arrangement

DESPITE no formal framework

- **Intra regional trade signifies considerable economic expansion in the region, “better than many Regional Trade Arrangements”**
 - 1997 - 21.3 %
 - 2008 - 27.2 %
 - 2010 - 35.9 %
 - **Sound Macro-economic Fundamentals and signs of effective management**

Maritime Safety and Security Challenges

Geo-strategic importance of the Indian Ocean Region is gaining prominence and presents threats in 'choke points' to peace and security including:

- **Maritime terrorism**
- **Piracy and Armed Robberies**
- **Human smuggling**
- **Arm and Drug trafficking**
- **Illegal, unreported and unregulated (IUU) fishing, and**
- **Natural disasters**

Choke Points:Mozambique Channel,Bab-el-Mandeb,Strait of Hormuz; Malaca and Singapore Straits;Lombok Strait

Institutions and Mitigation Strategies

- **IORA has no legal Structure to deal with threats to Peace and Security but recognises the importance of maintaining peace and security in the Region.**
- **IORA Charter promotes:**
 - **Adherence to the UN Charter on matters of Peace and Security**
 - **Intervention by the regional arrangements to which Member States belong and capable of enforcing the maintenance of peace and security: e.g. AU, APEC, SADC, ASEAN etc**



IORA and Rule-based Regionalism

“To explore all possibilities and avenues for trade liberalisation, to remove impediments to, and lower barriers towards, freer and enhanced flow of goods, services, investment, and technology within the region”

- **No agreement has been reached on integration, which is generally considered to be incompatible with the flexible, consensus based approach of IORA that focuses on strengthened cooperation without legal force**
- **There has been no success in integration towards rules-based regionalism**
 - **No preferential trade area**
 - **No agreement reached to establish FTA due to the nature of IORA and its stated purpose in the Charter namely regional economic cooperation for development**

Recommendations

- **Uphold the sanctity of the IORA Charter founded on consensus decision making and co-operation for mutual benefit**
- **Set new path for cooperation founded on realistic objectives guided by Member States.**
 - Is IORA really ready for trade liberalisation? Do we want an ASEAN-like structure?
- **Determine clear institutional and operational design of the new path for cooperation eg establishment of more working groups eg Blue Economy and Maritime Safety and Security**
- **Increase cooperation? - with clear deliverables supported by a Programme of Action:**
 - Increased cooperation for trade and investment facilitation; and capacity building through:
 - Harmonization of standards and policies
 - Increased sectoral cooperation
 - Strengthen working groups
- **Declare the Indian Ocean Region as a Zone of Peace and Revitalise UN Resolution (1972).**



Thank You

