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THE INDIAN OCEAN RIM INITIATIVE: BANGLADESH'S INTERESTS AND ROLE

INTRODUCTION

The end of the Cold War has heralded the beginning of a new era. It is a new world order, but it is in a state of flux as it is still evolving. The great powers have not yet succeeded in restructuring a new world order either under a single-power hegemony or under collective hegemony, *a la* the Westphalian world order, or the one under the League of Nations, or the post-World War II bipolar global order. One of the three most important features of this evolving order relates to the international power structure. The "unipolar moment" of Charles Krauthammer¹ appears to have vanished not long after the Gulf War. Although the post-War bipolar paradigms and parameters of international relations have given way to a slowly-emerging multipolar international system, strictly speaking, the post-Cold War world is neither completely unipolar nor multipolar, a situation that gave rise to an enigmatic concept called the "multipolar unipolarity".² Indeed, the evolving world order may be said to be militarily unipolar and economically multipolar.

1. See his "The Unipolar Moment", *Foreign Affairs*, Vol. 70, No. 1, 1990-91, pp. 23-33.
2. This concept was used by Iftekharuzzaman in his "International Security in the post-Cold War Era: Challenges Facing the United Nations", paper presented at a seminar organized by BIISS on 7 July 1993, Dhaka.

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The second feature of the new world order relates to the currency of international power. Geo-politics seems to have been overtaken, temporarily though, by geo-economics as a major determining factor in the nature and conduct of international politics. Recognition by the world community of the power of Germany and Japan bears ample testimony to this. Conversely, the overwhelming emphasis by the United States and Russia, and by many other states including the 'regional influentials', on the efforts to reinvigorate their economies likewise leads to the same point.

The third feature relates to the new problems and new types of conflicts which have come in place of the East-West conflict and its local variations. These are ethnic and religious strife within nations, disputes among new states emerging from old dictatorships and authoritarian regimes, and humanitarian crises of horrifying proportions, which have become commonplace in many parts of the world.

It is the apparent primacy of the *Economic* that appears to be the main driving force behind the foreign policies of most of the countries. In parallel with the process of political disintegration in some parts of the world, there has set in motion a process of deepening and proliferation of economic integration in several other parts. Indeed, while the post-War world order was characterized, *inter alia*, by several politico-security and economic cooperation organizations, one witnesses in the post-Cold War period a trend towards 'mega-regionalization' of the world. The European Union has expanded eastward and northward. The North American Free Trade Agreement (NAFTA) groups the United States, Canada and Mexico. And eventually NAFTA may expand into a free trade zone running from Arctic Canada through near-Antarctic Chile. The 'Atlanticists' on both sides of the Atlantic are working for the creation of a North Atlantic Free

Trade Area, covering both Europe and North America. The Asia Pacific Economic Cooperation (APEC) includes 18 countries of the Pacific Rim. Notably, the United States is the principal power in all these mega-regions. It is not clear whether this new regionalization is assuming the form of an asterisk that offers a future shape in which world regions would intersect as spokes around the hub of the sole remaining superpower. Arguably, Japan and Western Europe may have their own aspirations for emerging as hubs.

There has been no such organization or forum as yet for economic cooperation in another mega-region like the Indian Ocean rim. However, over the last few years some developments in this respect have taken place. Apparently, taking the cue from the concept of the Pacific Rim, some major countries, namely, Australia, India and South Africa, broached the idea of the Indian Ocean Rim (IOR) in 1993.

The paper seeks to understand what this IOR is all about, what are the challenges facing it and what are the opportunities it may offer to the member-countries? However, the main concern of the paper is to make an attempt to identify the interests of Bangladesh in the emerging organization and examine the ways and means through which she could contribute to the shaping of its policies and programmes right from the beginning, in a manner that is beneficial to the country. The paper will also raise some of the concerns of Bangladesh pertaining to any strategic orientation of the IOR initiative and the attitudes of the great powers towards it.

Strictly speaking, the paper is not an economic or politico-strategic study on the viability of IOR, nor is it a statistical exposition of the whole gamut of the expected economic gains from it. As the proposed initiative is still in an embryonic stage, the paper, instead, will raise some of the most pertinent general

issues that initially appear most obvious. This is only intended to generate awareness and interest among the opinion-formers and policy-makers in undertaking further in-depth studies on the subject and initiating serious debate and comprehensive discussion in appropriate national forums.

The paper is split into five sections. The first section traces the evolution of the idea of regional cooperation in the region covering the vast area of the Indian Ocean rim. The second section highlights the possible challenges and opportunities before the IOR. Bangladesh's interests and concerns in the emerging mega-regional organization are discussed in the third and fourth sections. In lieu of a conclusion, some suggestions by way of which Bangladesh could contribute to the development of the new forum are made in the last section.

I. EVOLUTION OF THE INITIATIVE FOR COOPERATION IN THE INDIAN OCEAN RIM

Although there was no rim-wide institutional arrangement for cooperation in the Indian Ocean area, there have been a number of regional organizations in several parts of it. These are the Association of the South-east Asian Nations (ASEAN) of 1967, the Gulf Cooperation Council (GCC) of 1981, the Indian Ocean Commission (ICO) of 1982³, the South Asian Association for Regional Cooperation (SAARC) of 1985, the Southern African Development Community (SADC), and the Indian Ocean Marine Affairs Cooperation Council (IOMAC) of 1990 which includes Sri Lanka, Pakistan, Mozambique, Kenya, Indonesia and Mauritius.

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3. ICO has been the result of a conference in Mauritius with the aim of fostering regional economic cooperation. Membership has been confined to the island states of Mauritius, Madagascar, Seychelles, Comoros and Reunion.

In June 1995, a five-nation Andaman Pact (including India, Indonesia, Malaysia, Thailand and Myanmar) has been mooted to promote development of an area rich in both resources and tourism potential, as well as a means to promote economic and political change in Burma.⁴ Of late, Bangladesh has also shown interest in developing a "growth triangle" around the Bay of Bengal.

Since the end of 1993 there have been some talks going on bilaterally between India and South Africa, South Africa and Australia, and India and Australia on economic cooperation among the Indian Ocean rim countries. Such an idea was first mooted in November 1993 when then South African Foreign Minister, Pik Botha, visited India.⁵ President Nelson Mandela of South Africa is also reported to have discussed about it with the Indian Prime Minister, Narasimha Rao, when the former visited India in the last week of January 1995.⁶

South Africa's Deputy President, F.W. de Klerk, mooted the same idea when he visited Australia in the first week of February 1995. As Australia was already toying with such an idea, it welcomed de Klerk's proposals for a trade-oriented grouping comprising the major countries of the region and announced a conference in June 1995 to discuss them. The Australian Foreign Minister, Gareth Evans, gave his country's perspective on this in

4. *The Bangladesh Observer*, Dhaka, 28 June 1995.

5. *ibid.*, 1 July 1995.

6. President Mandela declared in New Delhi that "the natural urge of the facts of history and geography... should broaden itself to include the concept of an Indian Ocean rim of socio-economic cooperation and other peaceful endeavours a special relationship that should improve the lot of developing nations in multilateral institutions, such as the United Nations, Commonwealth and Non-aligned Movement". Collected from a Bangladesh Foreign Ministry source, Dhaka.

his address at the New Delhi-based India International Centre on 19 May 1995.⁷

All this culminated in an inter-governmental meeting that was held on 29-31 March 1995 in Port Louis, Mauritius. The Mauritius meeting came out with an initiative in a joint statement which sought to establish a regional forum called the Indian Ocean Rim (IOR) for promoting economic cooperation and also wanted to build an "extended cooperation", without elaborating the nature of such cooperation. The meeting formed a working group which would submit a report in March 1996 on the formation of IOR.⁸

Three things relating to the meeting are significant. The first is that the IOR was purported to emerge as an exclusive club. The Mauritius meeting was attended by Australia, India, Kenya, Mauritius, Oman, Singapore and South Africa, which designated themselves as the seven "core countries" of the IOR. They took a decision that while all sovereign states along the Indian Ocean rim would be eligible for membership of the forum in principle, its expansion beyond the seven participants would "necessarily have to be consensus-based". The second remarkable point concerns the countries which were left out of the proposed forum. Major countries like Pakistan, Iran, Indonesia and Malaysia were not invited. Bangladesh, the third largest country in the Indian Ocean rim, was not invited. An important island-nation like Sri Lanka was not invited. And the third point is that sub-regional organizations like the SAARC, ASEAN and GCC were not consulted about the IOR, nor were they invited.

A three-day "second track" meeting was held in Perth, Australia, on 11-13 June 1995 under the banner of International

7. See details in *Lanka Guardian*, 1 June 1995, Colombo, pp. 11- 13.

8. See *JOINT STATEMENT*, Indian Ocean Rim Initiative, International Meeting of Experts, Port Louis, Mauritius, 31 March 1995.

Forum on Indian Ocean Rim (IFIOR). Unlike the Mauritius meeting, the Perth meeting was not an inter-governmental one. And the Perth meeting, with greater participation than the first one, created an atmosphere of confidence for launching a larger trade bloc, to the mutual benefit of the nations in the rim. More than 100 government officials in their individual capacities, business leaders and academics from 23 nations attended the Perth meeting. Most of the countries which were conspicuous by their absence in Port Louis, such as Pakistan, Indonesia and Malaysia, were present in Perth. A senior Bangladesh diplomat from the Canberra Mission attended as an observer, while Salman Rahman, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), attended as a private sector leader. The Perth meeting was also attended by representatives or observers from sub-regional groupings like SAARC, ASEAN and OAU (Organisation of African Unity).⁹

The host country, Australia, wanted the informal and wide-ranging meeting to consider the possibility of establishing a body similar to that of the Asia-Pacific Economic Cooperation (APEC) forum. The meeting set up two working groups to frame strategies of cooperation among the 47 countries in the Indian Ocean region. The economic working group would deal with two broad-based agenda---facilitating communication network as well as exchange and transfer of technology. The other working group will find out ways of establishing cooperation in the fields of education and research, combating natural disaster, maritime sectors, legal rights and economic opportunities for women. A consultative network committee, formed in the meeting, will hold a session in New Delhi in December 1995.¹⁰

9. See *CHAIRMAN'S STATEMENT*, IFIOR Meeting, Perth, Australia, 13 June 1995.

10. *Ibid.*; *Daily Star*, Dhaka, 18 June 1995.

II CHALLENGES AND OPPORTUNITIES OF IOR

There are both challenges facing the embryonic forum, and opportunities that it may offer to the peoples of the Indian Ocean rim countries. The first challenge is inherent in the geography of the Indian Ocean region. The horse-shoe-like rim extends from Australia through South-east, South and West Asia, and the Horn of Africa to South Africa. The rim is very diffuse in terms of size, and economically, socially, politically and strategically. It contains a wide variety of countries and sub-regions. There are some 47 countries in the Indian Ocean region, some of which are land-locked and island-nations. Its ethnic, cultural and religious diversity is extraordinary, as is its economic disparity. It includes sovereign states ranging in size from India with over 900 million people, to Seychelles with fewer than 80,000 people. Economies range in size from over \$US 250 billion for India and Australia, to less than \$US 400 million for the Maldives and Comoros. Income levels range from \$ US 15,000 per capita in Australia and the United Arab Emirates to less than \$US 250 in Mozambique, Tanzania and Madagascar.¹¹

Three problems are likely to stem from this challenge: (i) the physical shape of the rim makes it hard to organize into an effective institutional framework for cooperation; (ii) the sheer diversity in the Indian Ocean rim promises to slow progress towards free trade; and (iii) there may be reluctance from the more protected and less productive economies to expose themselves fully to the goods and services of the bigger and stronger ones.

The second challenge may come from some of the existing sub-regional groupings if they are not convinced of the benefits

11. The Address of Gareth Evans, Australia's Foreign Minister, in New Delhi on 19 May 1995, *op. cit.*, p. 11.

likely to accrue from the much-larger emerging cooperative framework. It is as yet not fully known what their views are and how they are going to go about it. They are also not yet certain what the implications of the IOR for them will be.

The third challenge may stem from the clashing agendas of various IOR countries. Empirical evidence suggests that for a successful regional grouping the constituent members are to share four critical concerns: (i) Common and similar (though not necessarily identical) threats either from internal or external sources, or both which provide a congruence in their security perceptions; (ii) Similar political systems which provide a congruence in their ideological political perceptions; (iii) Common foreign policy orientations regarding major issues related to the global balance of power and its regional ramifications which provide a congruence in their strategic perceptions; and (iv) A consensus regarding the role of the pivotal power within the regional grouping, a consensus shared by the pivotal power itself. The last factor provides the basis for internal cohesiveness within the grouping and sets the limits beyond which neither the pivotal power nor its partners may stray in inter-regional and intra-group relations.¹²

It is, of course, arguable whether these four conditions are still valid in the context of the post-Cold War realities where politico-security factors appear to be secondary to the economic imperatives for cooperation. Nonetheless, the imperatives of foreign policies and the foreign policy objectives of the major powers of a diffuse region are usually not similar and they tend to

12. Mohammed Ayoob, "The Primacy of the Political: The SARC in Comparative Perspective" in M. Abdul Hafiz and Iftekhharuzzaman (eds.), *South Asian Regional Cooperation: A Socio-economic Approach to Peace and Stability*, Bangladesh Institute of International and Strategic Studies, Dhaka, 1985, p. 67.

have separate agendas. Even in the case of IOR, Australia, India and South Africa seem to pursue conflicting agendas. India wants to keep the IOR exclusive to the 'like-minded member-countries' to promote economic cooperation, while Australia intends to enlist as many members as possible and include security issues in the agenda of the emerging regional body. South Africa's position seems to veer towards that of a gradualist.¹³ It is unlikely that the IOR members would accept the dominance of a political or economic power or that of a group of powers.

However, despite the above inhibiting factors, there seem to exist some compelling economic considerations for regional cooperation in the Indian Ocean area. There may be economic cooperation in several areas that are to be identified. Measures may be taken to increase the volume of trade between and among the constituting member-states. The IOR may open up markets to some countries and investment opportunities to others. The scope for building linkages extends well beyond trade and investment. The new perspectives brought by the end of the Cold War have produced an environment in which a more balanced, multi-stranded and mature relationship seems to be emerging. There is more frequent dialogue between the countries on international issues, a broader understanding of each other's viewpoints and a rapid increase in people-to-people contact, including through tourism, education, and academic and cultural exchanges. Indeed, the cultural diversity of the region may be put to good use if there is an honest effort to enrich each other's cultures by their mutual transfusion.

III. BANGLADESH'S INTERESTS

The very first interest of Bangladesh is to be a part of the process of the development of IOR as one of its constituent

13. See *The Morning Sun*, Dhaka, 15 June 1995.

members. Bangladesh cannot afford to be, or it should not be, left out of the emerging organization. It is an important Indian Ocean rim country, population size-wise and diplomatic clout-wise, and so cannot be ignored and just be left out of any rim-wide framework for cooperation. At the same time, Bangladesh is too vulnerable to the consequences of being left out. As a matter of fact, Bangladesh, by virtue of being right on the Indian Ocean rim, *is* and *not to be* considered to be a member of IOR. It is her right borne *ipso facto*; it is preposterous that she has to be granted membership of IOR by any particular country or any combination of them. The only question is how best Bangladesh could contribute to the development of IOR and benefit from it.

In addition, Bangladesh may have three other categories of interests: economic, political and security related. Notwithstanding some uncongenial factors internally and competitors externally, Bangladesh could and should be a good destination for the foreign investors from the Indian Ocean rim. Cheap labour in Bangladesh and her comparatively big domestic market are some of the most obvious incentives to the investors, people's low purchasing power notwithstanding. Taking advantage of the complementarity in the economies of the rim countries, Bangladesh could increase the volume of its trade. It could get an ensured market for its export items, including its huge manpower resource.

Bangladesh could also offer a lot to the other members, including developed ones, as the former boasts of a good number of professionals like doctors, engineers, economists, agriculturists, accountants, banking experts and few others with managerial and technical expertise. Similarly, Bangladesh could get its imports from its partners of cooperation more easily and conceivably without any strings attached.

One of the objectives of IOR is to facilitate communication network between and among its member states. Bangladesh could take advantage of the fruits of the information revolution through this. As Bangladesh is a resource-poor country, exploitation of the marine resources, both mineral and living, in the Bay of Bengal is a promising way to pull the country out of its current economic health. Exchange and transfer of technology would, of course, be beneficial to Bangladesh for fairly obvious reasons.

Bangladesh experiences a bizarre twin problem of shortage of water and excess of it. And this has a determining and difficult external dimension. The experiences in water resources management in some parts of the Indian Ocean rim, such as the Mekong River Basin involving Vietnam, Laos and Thailand and the Indus River Basin Treaty between India and Pakistan, may work as reference cases to the water resources management problems facing Bangladesh. Similarly, Bangladesh, as a disaster-prone country, could immensely benefit from the expertise and/or assistance from some other member-countries. Combating natural disasters of serious magnitude requires collective efforts. The IOR could serve the purpose.

Despite expansion of the Bangladesh middle class, there is pervasive poverty prevailing in the country. A considerable chunk of its population lives under the poverty line. Poverty alleviation is on the top of the priority list of the Government of Bangladesh. This could also be one of the objectives of IOR and eventually put on its programme of action. Indeed, Bangladesh could help replicate its Grameen Bank model in many other interested countries in their efforts to eradicate poverty. The assumption here is that the IOR would go beyond mere trade and investment, and some other networking agenda. Under the overall umbrella of IOR, various sub-regional groupings could develop mutually

beneficial economic relations. Bangladesh, as a member of SAARC, could benefit from this.

Bangladesh may promote its political interests through a large regional body like IOR. The forum would offer venues for initiating, maintaining and deepening bilateral political relations with the member countries. Bangladesh's image abroad is not so inspiring, not least for the stereotyped negative coverage by the world media. The establishment of IOR would open up opportunities before Bangladesh for its image-boosting.

Bangladesh's security interests may be enhanced through participation in a large regional forum like IOR. The influence and pressures that Bangladesh's adversaries often bring to bear on it may be minimized and muted in the vast canvas of IOR. Bangladesh's cultivation of close and cordial relations and friendships with many countries of the organization, particularly with the like-minded strong powers, may work as an insurance and deterrent policy vis-a-vis her perceived adversaries in the region and beyond.

IV. BANGLADESH'S CONCERNS

While Bangladesh has some genuine interests in the IOR, its enthusiasm becomes dampened due to several concerns. First, Bangladesh is concerned about the controversy over the membership of IOR. It is still not transparent whether the membership has been made open to all the countries dotting the Indian Ocean rim; India seems to have stuck to her position that only the so-called seven core countries would have the right to nominate one country each. As a matter of fact, one is at a loss to understand what is up India's sleeve when she hit upon the concepts of "core countries" and "exclusive membership"!

Secondly, it is similarly not exactly clear what the thrust of the emerging forum would be, economic or security or both. While

India seems to be more inclined for economic cooperation, Australia appears to favour discussing matters of regional security also as it indeed did include such issues in the Perth meeting's wide-ranging agenda. South Africa seems to adopt a cautious approach in this regard, as she doubts that differences over regional security will derail the push for greater regional cooperation. It maintains that it could slow down and complicate the process and that it is not necessary at this stage; concentration should rather be focused on a few issues which would bind the rim countries together and where progress could be made.

Thirdly, Bangladesh, the initiator of regional cooperation in South Asia, should be legitimately concerned about the impact of IOR on SAARC. Her natural concerns would be: how is IOR going to affect SAARC? Is IOR likely to overtake SAARC? Will attention of the South Asian countries be diverted from the region which may not only stymie but also atrophy SAARC? It is usually maintained that IOR would not diminish SAARC's role. And indeed the SAARC Charter does not prevent any of its member-states or the organization itself from forging bilateral or inter-regional relationships.

But one is concerned in the context of SAARC's slow progress as a whole, progress on SAPTA notwithstanding. Pakistan is accused by India for diverting her energies away from South Asia to Central and South-west Asia in the framework of ECO (Economic Cooperation Organization). On the other hand, there is a stream of opinion in India that as SAARC has so far "failed" to be an effective body and could continue to be dogged by the smaller nations' insecurities about India, the latter has been denied a regional stage. And for this, New Delhi, as it were, has been exploring other trading blocs. And it is also well-known that India has an urge and tendency to play in the 'big leagues', for which she is at times seen cultivating relations with countries and blocs

further afield. It is only too well-known that India is striving hard to join NAFTA and APEC.

Fourthly, one is not exactly sure about the strategic orientation of the emerging IOR. It agitates one's mind in Bangladesh as to whether this latest attempt to establish a trade liberalization regime in the Indian Ocean rim was aimed at containing a particular great power, with which Bangladesh has immensely significant relations. One might discern a particular direction in a probable linkage between the strategic convergence among the United States, Australia, South Africa and India, and America's establishment of diplomatic relations with Communist Vietnam and the latter's joining the ASEAN as its seventh member.

Fifthly, another related concern is about the attitudes of the great powers towards IOR. Much would depend on this as far as Bangladesh's position on it is concerned. But not much is not yet known about the positions of the United States, Russia, China and Japan.

Sixthly, similarly not much is known about the attitudes of the sub-regional groupings in the Indian Ocean area towards IOR, particularly of the ASEAN. This is important for Bangladesh, individually as well as collectively for SAARC.

And lastly, it is legitimate for Bangladesh with its small size and weak economy to be concerned about the possibility of being at a disadvantageous position in a large regional forum where there are much larger countries with much bigger and stronger economies.

V. POSSIBLE BANGLADESH'S CONTRIBUTION

If and when the above-mentioned concerns of Bangladesh are allayed, she should and could be an enthusiastic and active

member of the emerging regional forum in the Indian Ocean area by making substantive contributions towards shaping its policies and activities in a manner that would accrue benefits to the country.

(1) Bangladesh could meaningfully contribute to IOR if her efforts were geared to universalize its membership. Membership should be open to all, including land-locked countries.

(2) Bangladesh should strive to prevent the IOR from assuming a strategic orientation which is aimed at a particular great power.

(3) Bangladesh should not participate in, nor should it tolerate, a forum that appears to entertain bias against any religion of the world. Bangladesh could coordinate its position in this regard with that of the other like-minded countries.

(4) Bangladesh should work for such institutional mechanism for IOR that would safeguard her specific economic interests as in the SAPTA Agreement.

(5) Within the context of IOR, Bangladesh could assume the leadership of the LDCs and small states.

(6) Bangladesh should be for a loose, and not a tightly-institutionalized, organization. And in this regard, Bangladesh, with its own corpus of fine diplomats and their vast expertise and rich experience, could substantively contribute to devising appropriate institutional mechanism for IOR.

(7) The IOR should not supplant the existing regional cooperation arrangements, rather it should be a complementary forum for enhancing the economic well-being of the peoples of the member-nations. Membership of IOR should not affect bilateral or multi-lateral relations of individual countries of the other regional groupings or those of the groupings themselves.

(8) Adequate deliberations should be made by and in Bangladesh before it takes a position on the basis of the decision-making, consensus or unanimity.

(9) The thrust of IOR should be towards economic cooperation. Bangladesh efforts should be channelized to ensure that. And these efforts should be to include forging bilateral and multi-lateral cooperation in areas such as international water resources management, sea resources management, disaster management, poverty alleviation, communication network, manpower exports and migration, transfer of technology, and trade and investment.

(10) The Bangladesh Foreign Secretary or his representative may make extensive visits to the capitals of a good number of IOR countries, with a view to assessing their ideas and attitudes towards the proposed forum and adjusting Bangladesh's own towards the same.

The Government of Bangladesh may commission a task force to undertake in-depth studies on the whole gamut of subjects relating to IOR, which would come out with concrete proposals/ action programmes and recommendations for the Government to pursue a proactive, and not passive, policy.