

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

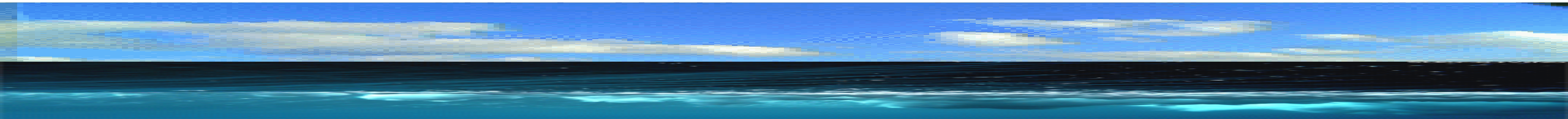


Overview: IORA

- 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

Guided by the Charter:

- 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

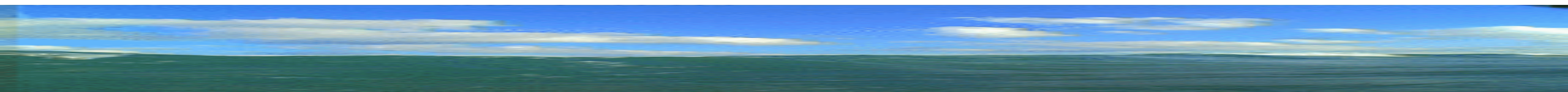
Maritime Safety and Security Challenges

- 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

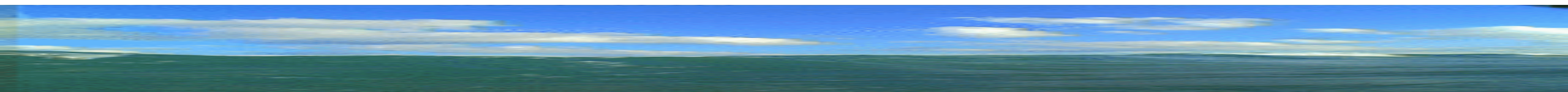
- Objective:

“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

