



South Africa and **Security Building**

in the
Indian Ocean Rim

Greg Mills



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**SOUTH AFRICA AND
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INDIAN OCEAN RIM**

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ABSTRACT

Through an examination of the nature of the security agenda in Indian Ocean rim (IOR) states and in the light of ongoing diplomatic initiatives in the region, this study provides a number of policy guidelines both for assessing the likely success of the various IOR initiatives, and, specifically, for addressing regional security difficulties.

The IOR remains a diverse and geographically nebulous region in which there is no common view of security. There is also a danger that the embryonic IOR trade facilitation process may be undermined if security issues are handled within the first-track IOR Association for Regional Cooperation (IOR-ARC). Although the second-track diplomatic process may be a less contentious forum for dealing with these issues, the political will and the funding necessary for this to progress are currently lacking.

Against a backdrop of the increasing importance of maritime issues in developing countries, naval cooperation could significantly enhance and improve regional confidence, and act also as a confidence-building measure. An IOR Naval Symposium, based on the template provided by the Western Pacific Naval Symposium, could be a most appropriate format for addressing IOR maritime issues.

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Last but certainly not least my wife, Janet Wilson, provided both great companionship and intellectual stimulus during our stay in Canberra.

Greg Mills
April 1998

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ACRONYMS AND ABBREVIATIONS

ACRI	African Crisis Response Initiative
ADF	Australian Defence Force
ANC	African National Congress
ANZUS	Australia, New Zealand and the United States (mutual security pact)
APEC	Asia-Pacific Economic Cooperation forum
APLA	Azanian People's Liberation Army
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
CBM	confidence-building measure
CENTO	Central Treaty Organisation
CIA	(US) Central Intelligence Agency
COCPMR	(OAU) Central Organ for Conflict Prevention, Management and Resolution
COMESA	Common Market for Eastern and Southern Africa
CSBM	confidence- and security-building measure
CSCAP	Council for Security Cooperation in the Asia Pacific
C/OSCE	Conference/Organisation on Security and Cooperation in Europe
CW	chemical weapons
DF	(South African) Department of Foreign Affairs
DFAT	(Australian) Department of Foreign Affairs and Trade
EAC	East African Community
ECO	Economic Cooperation Organisation
EEZ	Exclusive Economic Zone
EU	European Union
FLS	frontline states
FPDA	Five Power Defence Arrangements
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	gross domestic product
GNP	gross national product
GNU	Government of National Unity (South Africa)
HDI	human development index
ICCIM	Iran Chamber of Commerce, Industries and Mines
IFIOR	International Forum on the Indian Ocean Region

IN	Indian Navy
IOC	Indian Ocean Commission
IOMAC	Organisation for Indian Ocean Marine Affairs Cooperation
IOR	Indian Ocean rim
IORAG	IOR Academic Group
IOR-ARC	IOR Association for Regional Cooperation
IORBF	IOR Business Forum
IORCBN	IOR Consultative Business Network
IORN	IOR Research Network
IORNS	IOR Naval Symposium
IOTC	Indian Ocean Tuna Commission
IOZOP	Indian Ocean Zone of Peace
IPIS	(Iranian) Institute for Political and International Studies
ISDSC	Inter-State Defence and Security Committee
ISS	International Seapower Symposium
JSCD	Joint Standing Committee on Defence (South Africa)
JET	Joint Exercises off Tricomalee
JMC	Joint Ministerial Commission
JPV	joint patrol vessel
JWG	Joint Working Group
KZSPF	KwaZulu Self Protection Force
MIED	Maritime Information Exchange Directory
MOU	memorandum of understanding
MTEF	medium-term expenditure framework
NAFTA	North American Free Trade Association
NCACC	National Conventional Arms Control Committee
NGO	non-governmental organisation
OAU	Organisation of African Unity
ORC	Organisation of Regional Cooperation
PAC	Pan-Africanist Congress
PECC	Pacific Economic Cooperation Conference
PMC	(ASEAN) Post-Ministerial Conference
PSC	port state control
PTA	Preferential Trade Area (for Eastern and Southern Africa)
RFI	request for information
RMN	Royal Malaysian Navy

SAAF	South African Air Force
SAIIA	South African Institute of International Affairs
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SADF	South African Defence Force
SAFTA	South Asian Free Trade Area
SANDF	South African National Defence Force
SAN	South African Navy
SANWFZ	South Asian Nuclear Weapons Free Zone
SAPS	South African Police Services
SAPTA	SAARC Preferential Trade Area
SDSC	Strategic and Defence Studies Centre
SEANWFZ	Southeast Asian Nuclear Weapons Free Zone
SEATO	Southeast Asian Treaty Organisation
SIPRI	Stockholm International Peace Research Institute
SLOCs	sea lines of communication
SOM	senior officials' meeting
TBVC	Transkei, Bophuthatswana, Venda, Ciskei
UAE	United Arab Emirates
UN	United Nations
UNCLOS	UN Convention on the Law of the Sea
UNCTAD	UN Conference on Trade and Development
UNDP	UN Development Programme
UNFAO	UN Food and Agriculture Organisation
UNHCR	UN High Commissioner for Refugees
UNSS & HMS	UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Species
US	United States
WHO	World Health Organisation
WMD	weapons of mass destruction
WPNS	Western Pacific Naval Symposium
WTO	World Trade Organisation
ZOPFAN	Zone of Peace, Freedom and Neutrality

CHAPTER 1

INTRODUCTION: DEFINING THE IOR 'REGION'

The post-Cold War world has been characterised by the emergence of global and regional interdependencies. But in contrast to the Cold War emphasis on regionalism in the form of collective security arrangements, there is today a stress on regionalism in the form of economic groupings. Some old entities (such as the European Union) have taken on new forms, while the 1990s have seen the development of a new set of institutions, such as the North American Free Trade Association (NAFTA), the Asia-Pacific Economic Cooperation (APEC) forum, and the Southern African Development Community (SADC). A shift from bipolar international politics has enabled regions to rediscover and strengthen linkages, particularly since it is broadly acknowledged today that the development of national economies cannot occur in isolation.

A combination of events has spurred on the process of regionalism in the Indian Ocean rim. The introduction of economic liberalisation in many African states and through South Asia has opened up a potential market of some 1.77 billion people and a combined GNP of US\$1.436,1 billion, or 31 per cent and 5.5 per cent of world totals respectively.¹ Greater contact and the development of linkages of trade, technology transfer and investment has also been facilitated through the end of apartheid in South Africa, along with a globalisation of standards and expectations through the international media. The collapse of the Soviet Union and the emergence of the newly independent Central Asian republics in the IOR's hinterland has also strengthened the region's economic potential.

But a number of fundamental uncertainties go with the world-wide development of regional linkages and identity: for example, will regionalism lead to the development of protectionist economic blocs? will economic rivalries fuel military competition and exacerbate political and ideological divisions? or, will the pace and pattern of

¹ See J. Du Toit, *South Africa within the Indian Ocean Rim* (ABSA/Southern, Gauteng, 1997), p.4.

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economic growth amplify tensions arising from environmental and natural resource issues?² For example, in the IOR, the creation of positive trade and investment links may well be undermined by pre-existing and ongoing security difficulties. As a result, security issues have until now been kept artificially off the agenda of the various IOR initiatives, principally through strict limitation of membership. However, inevitably regionalism will demand the expansion of members, which in turn will necessitate the amelioration of the security environment. For as the US secretary for defense, William Cohen, observed in the face of the Southeast Asian economic crisis in 1998, the relationship between economic prosperity and stability on the one hand, and security on the other, remains as critical as ever.³

With these questions in mind, this study examines issues of Indian Ocean rim security in the light of ongoing diplomatic initiatives in the region. Through an assessment of the role of current organisations and the nature of insecurities facing IOR states as well as a consideration of South African foreign policy priorities, this study concludes with a number of specific policy recommendations for the IOR process.

A number of inter-related areas were identified as crucial to the analysis:

- What are the key characteristics of the IOR 'region'?
- What is the nature of the security situation facing developing countries in the 1990s?
- What are the recent initiatives used to foster cooperation in the IOR?
- What are the value and objectives of these initiatives?
- What are the impediments to security cooperation in the IOR?

2 The development of new tree arising from regionalism was the theme of a talk given at the South African Institute of International Affairs, Jan Smuts House, Johannesburg by Ambassador Pedro Vidal, executive secretary of the Montevideo-based African-Latin American Institute (ALAI), 4 September 1997.

3 Quoted on Canberra ABC Radio 6662CN, 18 January 1998. For a discussion on the relationship between security and economic growth in Asia, see Gerald Segal, 'How Insecure Is Pacific Asia?', *International Affairs*, Vol.73, No.2, 1997, pp.235-49; and Ralph J. Cossa and Jane Khanna, 'East Asia: Economic Interdependence and Regional Security', *International Affairs*, Vol.73, No.2, 1997, pp.219-34.

- How does the IOR fit in with current South African foreign policy concerns?
- How might security cooperation best proceed in the IOR?

The first problem for any study concerned with the Indian Ocean rim is to define what is understood by such a region, which has no common characteristic between states except for their association with an ocean that stretches over 7,000 km from the southern coast of Africa to the western part of Australia, 9,500 km north to south, and covers an estimated 75 million km². Indeed, probably the fundamental problematic facing the IOR is 'the nature of its own existence'.⁴ The difficulties in defining the IOR (and consequently the membership of any associated institution) relate to: first, the geographic spread and nebulous nature of the region and its composition; second, the lack of a clear focal point and of leaders within the region; third, the comparative dearth of positive political, security and economic interaction among regional participants; fourth, a scarcity of successful, inclusive subregional organisations; and, fifth, the confusing and potentially conflicting extent of regional diversity.

The extent of the regional vicissitudes and, by implication, the utility of the IOR concept, is tied therefore to the definition and delimitation of the region itself. As Singh has observed:

The most notable problem in the Indian Ocean region is its own diversity and the absence of a common world view or threat perceptions. Gross asymmetries in size, political systems and economies, developmental levels, and military power exist in the region.⁵

Already the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) has within its fold large and small nations which are exceptionally diverse in ethnic, cultural, political, religious and economic terms: from India's population of over 900 million to tiny Mauritius with just 1.2 million people; from Singapore, one of the Asian tigers, to one of the world's poorest countries, Mozambique; and from the most populous Muslim country in the world, Indonesia, with

4 See Gordon Freer, 'Problems in Defining the Indian Ocean Region', *East Asia Project Working Paper Series*, No.8, September 1995, p.3.

5 Jasjit Singh, 'Towards Durable Peace and Security in the Indian Ocean Region', *South African Journal of International Affairs*, Vol.2, No.2, Winter 1995, p.77.

Table 1.1: IOR-ARC Political Indicators*

	Date of Independence	Political Status	Head of State	Freedom House Ranking
Australia	1 January 1901	Federal parliamentary state	British monarch	PR, 1; CL, 1. Free
India	15 August 1947	Republic	President	PR, 2; CL, 4. Partly free.
Indonesia	17 August 1945	Republic	President	PR, 7; CL, 5. Not free
Kenya	12 December 1963	Republic	President	PR, 7; CL, 6. Not free
Madagascar	26 June 1960	Republic	President	PR, 2; CL, 5. Partly free
Malaysia	31 August 1957	Monarchy	Paramount ruler	PR, 4; CL, 5. Partly free
Mauritius	12 March 1968	Republic	President	PR, 1; CL, 2.
Mozambique	25 June 1975	Republic	President	PR, 3; CL, 4. Partly free
Oman	20 December 1951	Monarchy	Sultan	PR, 6; CL, 6. Not free
Singapore	9 August 1965	Republic	President	PR, 4; CL, 5. Partly free
South Africa	31 May 1910	Republic	President	PR, 1; CL, 2.
Sri Lanka	4 February 1948	Republic	President	PR, 3; CL, 5. Partly free
Tanzania	9 December 1961	Republic	President	PR, 3; CL, 3. Partly free
Yemen	December 1980	Republic	President	PR, 5; CL, 6. Not free

* Information for Tables 1.1 and 1.2 was obtained from Du Toit, *South Africa within the Indian Ocean Rim*. The Freedom House information may be obtained at <<http://www.freedomhouse.org>>. See also, United Nations Development Programme, *Human Development Report* (Oxford University Press, Oxford, 1997). I am grateful for the help given by Talitha Bertelsmann, the SALLA Standard Bank EU researcher, in compiling this information.

** These refer to: PR, political rights; CL, civil liberties. The lowest possible score is 7, the highest 1.

Table 1.2: IOR-ARC Economic and Social Indicators

	Population 1995 millions	Real GDP/ capita PPP\$ (1993)	Real GDP Growth Rates % (1960-94)	Human Development Index
Australia	18,025	18,530	2.1	14
India	935,744	1,240	2.0	138
Indonesia	195,283	3,270	3.8	99
Kenya	28,626	1,400	1.6	134
Madagascar	14,763	700	1.5	152
Malaysia	19,948	8,360	4.2	60
Mauritius	1,128	12,510	3.2	61
Mozambique	17,389	640	0.2	166
Oman	2,163	10,420	6.1	88
Singapore	2,989	19,350	6.4	26
South Africa	41,465	3,127	0.5	90
Sri Lanka	18,090	3,030	2.8	91
Tanzania	28,072	630	0.6	149
Yemen	13,058	1,600	no data	148

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around 180 million adherents, to India's predominantly Hindu character, and Christian-dominant countries such as South Africa and Australia.⁶

Tables 1.1 and 1.2 provide an indication of the political and economic diversity of the members of the current core group of IOR cooperation - the IOR-ARC, which was formally constituted in March 1997. This group excludes at least ten potential member-states which are washed by the Indian Ocean.

This diversity is exaggerated if an inclusive approach (that is, including at least those nations littoral to the Indian Ocean) to IOR regional membership is taken, presenting even greater economic and political differences. To the above would be added: Bangladesh, Comoros, Djibouti, Iran, Maldives, Myanmar, Pakistan, Seychelles, Somalia and Thailand, making a total of 24 states. If landlocked states are also included (which is the membership preference of South Africa), then this opens up additional problems of focus, with the number of members reaching potentially as high as 60, or one-third of the size of the United Nations. Even if this were managed in a controlled (and staged) fashion, additional problems could arise: should Red Sea and all Gulf states qualify as part of the IOR? This could allow membership to Egypt and Israel, with their attendant political and religious complications. Also, should powers with colonial dependencies in the region, namely France and Britain, also be included, or not?⁷

This problem of definition is, however, examined in greater detail elsewhere in this paper. For the purposes of an examination of regional security issues within the IOR, the region is broadly defined to include littoral IOR states (excluding those on the Red Sea), and to include the island states (but excluding the French territories).

⁶ Ian Porter (Australian high commissioner to South Africa), *Integrating the African East Coast into the Wider Community - Indian Ocean Rim Realities*. Paper presented at a conference on The South African Navy and African Renaissance, Simon's Town, 23 October 1997.

⁷ France holds Réunion as a *Département* and Mayotte as an overseas territory.

CHAPTER 2

SECURITY OR DEFENCE IN THE 1990s?

The late twentieth century has seen a rise in prominence of so-called non-traditional security issues which impact on both the nature of current institutions and the manner in which policy makers, academics, soldiers and the general public alike view the issue. The challenge is not just to identify but also to begin to address security problems, both actual and potential, at the appropriate levels.

In the past, the notion of security was seen to mean different things for developed and developing nations, the key differentiating factor being the role and capacity of the state itself. In developed states, the state was seen as the major source of security and threat: the military strength of the state guarded its people against outside threats (yet such capability was often a source of insecurity for other nations); states' social security programmes protected their populations against ill-health, unemployment and extreme hardship; and their police forces protected citizens internally. In contrast, developing or underdeveloped states did not have the means or capacity to provide this comprehensive protection; and worse still, the state was itself often seen as a source of insecurity - for its citizens at least - through corruption, oppression, and other forms of weak, inept or distant government.

This dichotomy has now narrowed, with implications for defence forces and their operating strategies. No longer is security focused on containment of the enemy, but has shifted towards an understanding that there are common fears and issues that cannot be tackled through military means, which transgress state as well as ideological, political and religious borders. In a contradictory fashion, security issues are becoming both personalised and globalised. Personal security fears - particularly poverty, drugs, health matters, terrorism and environmental issues - are being elevated beyond local and national levels to global prominence. This convergence between developed and developing states has also occurred as a result of increasing questioning of the role of the state within developed nations themselves. The reasons behind this reside in the retreat of the notion

of the welfare state and the contemplated privatisation of functions historically seen as part of the core of the nation-state, and the depreciation in the value of the external security role of the state that accompanied the end of the Cold War. It is, however, pertinent to challenge whether national security policies are aimed at addressing new global security challenges, particularly in the developing world, where domestic rather than external threats arguably pose the greatest challenges.

Paradoxically, in this 'new' world, there has been an increasing divergence between the most advanced and most underdeveloped economies. This is exacerbated by the advent of new technologies, as well as by political instability in many of the poorer areas, especially in Africa. In some states there is an increasing gap between state capacity on paper - for example, in Russia, with its nuclear arsenal and military might - and the reality of managing this capacity in terms, for example, of disposal of nuclear waste and preventing the proliferation of weapon technologies. Indeed, new challenges posed by globalisation reflect the need for new, improved and more complete styles of governance - where new agencies (non-governmental organisations, business, social movements and other elements of civil society) interact more closely with states. As a result, diplomacy can no longer be confined to sovereigns, ministers and professional diplomats.

Related to this, greater international interdependency and the rise of non-state actors has run parallel to a reduction and, in some areas, collapse of state functions. This is particularly true for a number of African nations, where functions normally associated with the state, such as the provision of basic services, security and tax collection, have been left to individuals within those countries. In this way, the wave of post-1945 decolonisation has ultimately led to one of the great paradoxes of the nation-state system and international relations in the twentieth century. Decolonisation and self-determination logically (and rightly) led to an extension of democracy and autonomy, particularly in the Third World. Yet the accession to statehood was not accompanied by the capacity to ensure self-defence and economic survival without outside help.¹

¹ See Peter Marshall, *Positive Diplomacy* (Macmillan, London, 1997), p.14.

It is not so much that the nature of security demands facing developing nations has changed noticeably. It is rather that a combination of the end of superpower competition and peripheral involvement, and increasing global awareness through, in particular, the media revolution, has served to redefine the focus of concerns. The concept of security has shifted towards addressing the full spectrum of political, social, military, economic and technological factors that can bring about instability and hinder, or, if handled correctly, promote development. Conflict, migration, disease, terrorism and unemployment are all examples of such factors.

But while this redefinition de-emphasises the role of the state, the traditional (and, indeed, only available) methods of reconciling many of these issues rest with states or inter-state organisations such as the United Nations. The proliferation of regional bodies suggests, too, that the resolution of individual security demands is still sought through state-based organisations. Globalisation has not signalled the end of the nation-state. Indeed, there will not just be a role for a 'smart' state in the modern world, but a strong demand for one. In the future, too, there will have to be an approach balanced between the demands of peace and security for the individual, the community, the region, and the globe. As the former UN Secretary-General Boutros Boutros-Ghali put it in *An Agenda for Peace* in June 1992, 'It is the task of leaders of states today to understand this and to find a balance between the needs of good internal governance and the requirements of an ever more interdependent world'.²

² Boutros Boutros-Ghali, *An Agenda for Peace* (United Nations, New York, 1992), p.9.

CHAPTER 3

ASSESSING INSECURITY IN THE INDIAN OCEAN RIM

Given the vast geographic spread of the region, there are not surprisingly a host of widely differing and often exclusively localised (that is, bilateral as opposed to IOR-wide) security challenges in the region. It is possible, however, to identify the emergence of a number of mostly non-military security issues which particularly affect developing countries (which make up the bulk of the IOR), as a result of which the post-Cold War world has arguably become more unstable and dangerous than the world of the past 50 years.¹

Non-Traditional Security Issues

As Jasjit Singh has noted:

... countries of the Indian Ocean region do not have a common framework of threat perceptions, which vary a great deal from sub-region to sub-region. However, since nearly all states of the region are developing countries, they face a common set of issues and problems ranging from those of nation-state building to human development and national security.²

This new security agenda can be broadly clustered around four issues: resource security, transnational crime, global economic challenges and global political unipolarism.

Resource Security

This area includes concern over the environment, population growth, and migration.

¹ See Jakkie Cilliers, Notes on Setting a Security Agenda for the South. Paper presented at a conference on Looking Sideways: The Specifics of South-South Cooperation, South African Institute of International Affairs, 11-12 November 1997.

² Singh, 'Towards Durable Peace and Security in the Indian Ocean Region', p.67.

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In 1995, the world's population was nearly 5.7 billion; by 2020 it will grow 36 per cent to 7.7 billion, and it will double by the year 2100.³ The United States' population will climb 20 per cent to 315 million; India's 40 per cent to 1.3 billion; Indonesia's 32 per cent to 255 million; and China's by 200 million to 1.4 billion. By 2025, the populations of China, India, Indonesia and Brazil together will account for 45 per cent of the global total. The South African population is expected to increase by over 50 per cent, from around 38 million to 58 million by 2026. But, as can be discerned from the above, little of the projected population growth will take place in the developed world. Countries with annual growth rates in excess of 3.6 per cent will double their populations within 20 years, creating attendant problems of transportation, water supply, education, housing, welfare, crime/policing and employment, particularly in urban areas.

These factors are tied in with patterns of migration world-wide. It has been suggested that there may be as many as 20 million internally displaced people on the planet, and as many as 30 million refugees. Civil wars, economic decline, political unrest, social upheaval, and environmental factors have all played a role in hastening such movements while, conversely, such flows in themselves may give rise to these conditions, and in so doing threaten domestic, inter-state and international security.⁴

Africa has almost six million refugees, with nearly half of this number in the Great Lakes-East African region.⁵ It is estimated that there were between 2.5 million and 4.1 million illegal immigrants living and working in South Africa in 1997, costing the state some US\$600 million annually in terms of health service provision, education, electricity and water supply and housing.⁶ In South Asia, there are an estimated 8.5 million displaced persons. Ghosh notes that the (largely political) origins and extent of these movements have left behind difficult legacies, including mercenary activity, covert inter-

³ See 'The World's New Century: 2000', *Newsweek*, 27 January 1997.

⁴ The UNHCR puts the number of refugees at 2.5 million in 1970, 8.2 million in 1980, and 19 million in 1994. See <<http://www.ndu.edu/ndu/inss/sa95/sach1401.html>>.

⁵ Cilliers, Notes on Setting a Security Agenda for the South.

⁶ *The Citizen* (South Africa), 5 January 1997.

state activities, a multi-million-dollar trade nexus between drugs and arms, and inflamed inter-ethnic rivalries and conflict.⁷

Health factors are also, particularly in Africa, entwined with the flow of economic and political refugees. As one illustration of this, it has been argued that one of the most severe effects on South Africa of a continuation of warfare in Central Africa (the two Congos and Angola in particular) would be the possible flow of large numbers of people, among whom the rate of HIV infection may be as high as 40 per cent, into South and Southern Africa.⁸ Already the Southern African region has become a focal point for the world's AIDS crisis, with an estimated 2.4 million people infected. According to the World Health Organisation (WHO), the number of infections increased by 30 per cent in 1997 over 1996. An additional 3.4 million infections (of the world total of 5.8 million) among adults were estimated to have occurred in sub-Saharan Africa alone in 1997. About two-thirds of the 30 million people world-wide living with the HIV virus are believed to reside in sub-Saharan Africa.⁹ The effects of higher than average rates of HIV infection amongst African and Asian militaries are also a cause for concern, and may prove to be a destabilising factor in the future.¹⁰

Related to the above is the issue of ageing populations, which particularly affects the developed world. Between now and 2030, the ratio of the working population (those from 20 to 64) to the elderly (over 65) will drop from 5:1 in the United States to 3:1, from 5:1 in Japan to 2:1, and from 4:1 in Germany to 2:1. Public pension and health costs could skyrocket against an increase in taxes and budget deficits and a reduction in the rate of economic growth and finances available for infrastructure and capital investment. It is estimated that entitlement benefits in the year 2002 will consume 50 per cent of all

⁷ See Partha S. Ghosh, *Cross-Border Population Movements and Regional Security in South Asia* (Research Institute for the Study of Conflict and Terrorism, London, October 1997).

⁸ Conversation with South African government official, October 1997.

⁹ *Sunday Independent* (South Africa), 30 November 1997.

¹⁰ For details on the rates of HIV infection in Africa generally, see *Business Day* (South Africa), 4 and 11 November 1997. Both reports pinpoint soldiers as a high-risk group. According to one report, some 50 per cent of Angolan and Zimbabwean troops are infected with HIV, compared to 10 per cent of the civilian population in those countries. Soldiers are estimated to be two-and-a-half times more likely to contract HIV than civilians. See 'Soldiers at a greater risk of contracting AIDS than others', *Business Day*, 20 November 1997.

non-interest expenditures of the US federal budget, compared to 40 per cent in 1997 and 17 per cent in 1965.¹¹

The waning of military threats with the passing of the Cold War has coincided with the rise of environmental problems that threaten international security, such as the greenhouse effect, deforestation, and deterioration in water and energy supplies and agricultural conditions. These have been well documented elsewhere. As Gareth Porter has noted:

The Asia-Pacific region is now paying the price for decades of rapid economic growth that has seen little or no concern for the environment. Countries throughout the region face severe environmental problems: land degradation, declining groundwater levels, pesticide contamination of water and soil, depletion of marine fish stocks, urban air pollution, and water pollution by industrial and residential wastes.¹²

This has occurred alongside a need for high rates of economic growth, particularly in developing countries, to satisfy increasing population numbers. Concerns over environmental issues may become a major source of ongoing tension between developed and developing nations.

In this regard, the big question raised by globalisation is whether it is unstable. Can interdependence be maintained in the face of different cultures? and, can the environment sustain high growth and the demand for raw materials without risking fallout or decay, as in the greenhouse effect? During the 1990s, China's annual use of coal is expected to increase by roughly 40 per cent, around one-third of annual world-wide production. Within 15 years, China's imports of oil are expected to increase by over 400 per cent. As a result, around the year 2015, China is expected to overtake the United States as the

¹¹ Jeffrey Garten, *The Big Ten* (Basic Books, New York, 1997), p.16.

¹² For details of environmental concerns in Asia, see Gareth Porter, 'The Environmental Hazards of Asia Pacific Development: The Southeast Asian Rainforests', *Current History*, Vol.93, No.587, 1994, pp.430-4. See also, for example, Stephen P. Riley, *War and Famine in Africa*, Paper No.268 (Research Institute for the Study of Conflict and Terrorism, London, 1994). Also, Commission on Global Governance, *Our Global Neighbourhood* (Oxford University Press, Oxford, 1995), esp. pp.144-6 and 208-17.

world's biggest producer of greenhouse gases.¹³ Currently the total carbon-dioxide emissions of China are about half those of the United States. The effects of deforestation and pollution in areas such as Brazil and the former eastern bloc are also well documented.

In the developing world, the issues of water and maritime security present two immediate challenges.

The conflict over scarce water resources remains high in Africa, given the semi-arid nature of large parts of the continent. In Southern Africa, for example, according to one African Development Bank consultant:

By 2000, even industry and urban dwellers in South Africa will confront severe water shortages. At that point South Africa will be acutely water-stressed, while Malawi will have moved into absolute water scarcity. By 2025, Mozambique, Tanzania and Zimbabwe will be water-stressed, while Lesotho and South Africa will face absolute water scarcity and Malawi will have gone beyond the critical water barrier ...¹⁴

As a result, competition for scarce water resources can only intensify.

In the face of current developments, maritime issues are undoubtedly at the forefront of regional resource security concerns, particularly for developing nations. First, the effects of population growth and internal migration will result in an increase in the number of people living within 25 miles of the sea-coast from 50 per cent to 70 per cent by the year 2025, exacerbating pressures on marine resources.¹⁵ Second, the 1982 UN Convention on the Law of the Sea (UNCLOS III) has introduced a number of uncertainties in connection

13 See *ibid.*; also 'China Urges Developed World to Clean Up First', *Sunday Times* (Canberra), 7 December 1997.

14 Percy Mistry, 'Building Infrastructure in Southern Africa and the New South Africa', *South African Journal of International Affairs*, Vol.4, No.1, Summer 1996, p.67. For an excellent analysis of the relationship between water management and potential instability, see Natasha Beschoner, *Water and Instability in the Middle East*, Adelphi Paper No.273 (Brassey's for the International Institute for Strategic Studies, London, 1992).

15 See Martin Edmonds, *Defence and Security in the 21st Century*. Paper presented at the South African Navy conference on The Utility of Naval Power, Cape Town, 17 October 1997.

with the upholding of Exclusive Economic Zones (EEZs),¹⁶ particularly for states with little or no ability to police these interests. As Mark Valencia has argued, 'some provisions of the treaty may lead to disagreements and even conflict', given that 'these provisions have raised enormous expectations among developing nations regarding the resources and lebensraum to be gained'.¹⁷ This will inevitably raise the need to address maritime security issues in the future. Indeed, Desmond Ball notes accurately:

Many emerging regional security concerns, such as piracy, pollution from oil spills, safety of sea lines of communication (SLOCs), illegal fishing and exploitation of other offshore resources, and other important elements of economic security, are essentially maritime.¹⁸

This is particularly the case in those developing nations where there is a heavy dependency on maritime resources as a means of income. Of the littoral states in sub-Saharan Africa, Benin, Cameroon, Congo, Ivory Coast, Gabon, Ghana, Madagascar, Mozambique, Namibia, Nigeria, Senegal, Sierra Leone and South Africa all have sizeable fish catches. In South Africa, the fishing industry earns over US\$300 million annually, and directly employs some 25,000 people.¹⁹ But as Geoffrey Till has observed:

Pressure on marine living resources is very much a global problem with nine of the world's 17 main fishing grounds depleted and four completely fished out. The total collapse of the fishing industry appears possible in places as far apart as the Gulf of Thailand, the Grand Banks and the North Sea.

16 For comment on the implications of UNCLOS, see, for example, Vivian Forbes, 'Implementation and Ratification of UNCLOS: A Regional Commentary', *Maritime Studies*, Vol.62, January-February 1992, pp.10-17, which covers the effects on the Indian Ocean rim; and Kevin Olsen, 'EEZ Policing: The Role of Surface Vessel', *Maritime Studies*, Vol.63, March-April 1992, pp.9-11.

17 Mark J. Valencia, 'Asia, the Law of the Sea and International Relations', *International Affairs*, Vol.73, No.2, 1997, p.263.

18 Desmond Ball, *The Joint Patrol Vessel (JPV): A Regional Concept for Regional Cooperation*, Working Paper No.303 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1996).

19 Greg Mills, 'Insecurity and Developing Nations: The Maritime Dimension' in Greg Mills (ed.), *Maritime Policy for Developing Nations* (South African Institute of International Affairs, Johannesburg, 1995), p.25; and 'South Africa as a Maritime

There are also the problems associated with the fact that fish stocks do not recognise newly created national boundaries and of issues associated with the over exploitation of fish on the high seas.²⁰

A combination of better controls and over-fishing in EEZs has led to a concomitant increase in fishing on the high seas, currently responsible for 10-20 per cent of the world fish catch. With few incentives to reduce fishing on the high seas by national companies (and indeed with continuing subsidies for many), varying standards of state flag control, and greater numbers of stateless vessels, piscatorial piracy has been increasing steadily.

Currently the Law of the Sea establishes the fundamental obligation of states to cooperate so as to conserve and manage fish stocks, while a variety of regional fisheries regimes operate with some success. Indeed, the United Nations Agreement on Straddling Fish Stocks and Highly Migratory Fish Species (UNSS & HMS) evolved out of the need both to prescribe the manner in which coastal and fishing states are to cooperate and to limit the freedom to fish the high seas. This originated partly in response to the concerns of those with straddling stock interests, but also as a result of specific incidents in the 1990s: the Grand Banks crisis involving Canada and the European Union (EU); the confrontation between Russia and Poland in the Sea of Okhotsk over the fishing of pollock; and tensions between the United States and 'the rest' in the Bering Sea, also over the pollock.²¹

Illegal fishing prejudices the economic rights and the physical well-being of populations, though apparently there is little that most littoral nations can do to prevent this from occurring in the current

Nation', [South African] *Navy 75: Official Souvenir Catalogue* (Jane's Navy International, London, 1997), p.34.

20 Geoffrey Till, 'Coastal Focus for Maritime Security', *Jane's Navy International*, May 1996, p.11. Cited in Commander Dick Sherwood RAN, *A Role for Maritime Cooperation*. Paper presented at a conference on Looking Sideways: The Specifics of South-South Cooperation, South African Institute of International Affairs, 11-12 November 1997.

21 Mary Harwood, *Evolution of Fisheries Regimes: Institutionalisation in the Indian and South Pacific Oceans*. Paper presented at a conference on Management of Regional Seas - Cooperation and Dialogue, Centre for Maritime Policy, University of Wollongong and Northeast Asia Program, Australian National University, 12 December 1997.

environment. As Awie Badenhorst of South Africa's Department of Sea Fisheries has put it:

There is no easy way to police fishing. It is such a vast ocean that the illegal boats simply cut their lines and leave if they see someone coming. Boats have also painted over their vessel names and partially obliterated the name. Britain and France have sent warships to seize poachers' boats and to defend the economic zones surrounding their territory in the Southern Ocean. South Africa has threatened to do the same.²²

The need to police these resources is, indeed, one area where developing and developed nations may share interests. Already, early attempts at cooperation in the Southern Ocean have reaped some rewards against illegal fishing around the Australian and French territories of McDonald and Kerguelen islands.²³ There remains an acknowledged need to manage the Southern Ocean regime 'in a better manner', through international cooperation and the procurement of 'specialised, purpose-built vessels capable of operating at a deep latitude'.²⁴

Many of these states are also heavily dependent on offshore mining (oil and diamonds) as a source of income. On Africa's east coast, for example, there have been sizeable gas discoveries in Mozambique. Currently oil is produced in eleven countries in sub-Saharan Africa, with present output levels totalling 3.65 million barrels per day. Estimates forecast production reaching 7.5 million barrels per day by 2000.²⁵ However, a combination of weak states, large oil and

22 Awie Badenhorst, *Fishing in the Southern Ocean*. Paper presented at a conference on *Looking Sideways: The Specifics of South-South Cooperation*, South African Institute of International Affairs, 11-12 November 1997.

23 In October 1997, the Royal Australian Navy arrested two vessels in the Southern Ocean for illegal fishing around the Heard and McDonald island group, the Belize-registered *Salvoe* and the Panama-registered *Alicia Glacial*, and escorted them to Fremantle. The *Salvoe*, bailed for \$A1.577 million, was fitted with a vessel monitoring system and allowed to leave port on 21 November 1997 with a reduced crew. As of December 1997, the *Alicia Glacial* remained in Perth. The vessels were apparently crewed, for the most part, by South Africans. The 36 South Africans arrested along with the vessel were eventually flown back to their homeland by the owners.

24 Interview, Vice-Admiral Chris Barrie, Vice Chief, Australian Defence Force, Canberra, 16 January 1998.

25 See 'Oil and Gas Production Spark "African Renaissance"', *Business Day*, 4 November 1997.

gas discoveries, and huge financial rewards may have politically volatile results.

Elsewhere in the IOR, the dependence of Western countries on oil supplies from the Gulf and Iran, coupled with the development of new fields in Central Asia, highlight the strategic importance of these regions globally. Given the need to secure such sources and SLOCs, the level of extra-regional involvement - which may be viewed by some as threatening - will remain high. And as the ongoing dispute around the Spratly Islands grouping in the South China Sea illustrates, even the potential of new oil strikes may cause tensions between states.²⁶

Transnational Crime and Policing

The end of the Cold War has seen a rise in the importance of transnational policing issues, which include drugs, narco-terrorism and light weapons proliferation.

Resource management as well as political and social interaction is critically complicated by the legacy of war. In Southern Africa, as in South Asia, this has surfaced in the surfeit of small arms and the tragic toll taken by landmines. The issue of small arms - or 'micro' proliferation - is one of great concern to developing countries as they seek to establish the conditions of social stability necessary for prosperity to flourish. Years of inter- and intra-state conflict in Southern Africa have left behind a legacy of weaponry which, if not controlled, could undermine the progress made to foster peace and democracy.

Small arms, particularly automatic weapons, threaten to alter fundamentally the balance of power between the state and sub-state groups, including insurgents, narco-traffickers and other criminal elements.²⁷ Few police forces are equipped to deal with the firepower

²⁶ See 'No Plain Sailing in Desert Island Dispute', *Independent*, 20 May 1997. For details on the regional flows of oil supplies, see Sandy Gordon, *Security and Security Building in the Indian Ocean Region*, Canberra Papers on Strategy and Defence No.116 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1996), esp. pp.94-8.

²⁷ See Glenn Oosthuysen, *Small Arms Proliferation and Control in Southern Africa* (South African Institute of International Affairs, Johannesburg, 1996).

20 South Africa and Security Building in the Indian Ocean Rim

offered by such weaponry. And given that most wars (with the obvious exception of the Gulf conflict of 1990-91) have, since the end of the Cold War, been fought with small arms, these weapons still provide the means to perpetuate armed conflict where political differences and causes as well as criminal intentions exist. Indeed, in June 1996 the South African minister of safety and security, Sydney Mufamadi, informed parliament that there were 481 known crime syndicates operating in South Africa, of which 112 were involved in vehicle and weapons smuggling.²⁸ According to the South African National Defence Force (SANDF), 'the proliferation of illegal weapons is probably the most significant contributing factor to crime in the country'.²⁹

The extent of the proliferation of small arms in South and Southern Africa has been well documented. This involves the continued growth in legal (licensed) weapons as well as illegal weapons. The latter include stolen (formerly legal) weapons, as well as smuggled firearms. In South Africa at the end of 1995 there were more than four million licensed weapons in the hands of nearly two million owners. Figures on the number of illegal small arms in South Africa vary from 400,000 to four million. However, the extent of the problem may be gauged from the fact that between April 1993 and June 1995 a reported 169,783 firearms entered the illegal market. The South African Police Services (SAPS) estimate that they recover only 10 per cent of weapons entering the country.³⁰ In 1996, 41 per cent of all murders and 76 per cent of all robberies in South Africa were committed with firearms. During the period from January 1996 to November 1997, a total of 50,585 legally registered firearms were stolen, some 12,218 (roughly 25 per cent) from members of the SAPS.³¹

In South Asia,

The worst affected area [in terms of small arms proliferation] next to Bosnia-Herzegovina is the region of Pakistan-Afghanistan, and Tajikistan where over three million Kalashnikov assault rifles and over 1,000 shoulder-fired surface-to-air missiles ... typify the proliferation. One of the

28 *Sowetan* (South Africa), 20 June 1996.

29 As stated in the 1996 SANDF Defence Review position paper.

30 Oosthuysen, *Small Arms Proliferation and Control in Southern Africa*, p.22.

31 *The Citizen* (South Africa), 5 December 1997.

small districts of Pakistan called Dira near the capital Islamabad has a population of 1.2 million, and is believed to possess over two million weapons.³²

A month-long crackdown on illegal weapons in southwest China netted some 120,000 guns, a quantity described as the 'tip of the iceberg'.³³ According to one expert:

The state of the arms market in Pakistan's Frontier Province is a telling indicator of the glut of weapons within the region. Prices have bottomed out, with an old AK-47 quoted at US\$200-220 compared to its earlier reported price around US\$900-1,000 per piece. Arms dumps are unearthed often, especially where refugees continue to live. While the weapons bazaars owe their commodities to the Afghan war and local production, they owe their profits to the fact that insurgent groups of all colours regularly shop here. The Tamil Tigers, Sikh separatists, Tajik Ethnic groups, Sudanese, Egyptian terrorists, Algerians and even Chinese Ethnic groups are reported to be shopping in these arms bazaars.³⁴

Landmines pose an even more insidious threat. Over 100 million mines are strewn across past and present battlegrounds, affecting particularly six countries: Afghanistan, Angola, Bosnia, Cambodia, Mozambique and Somalia. In Afghanistan, for example, some 800 km² of farming land is affected, with an estimated 1-10 million mines. Mozambique has an estimated two million landmines, while an estimated 20 million landmines have been planted in Angola, with between 9 and 15 million remaining undetonated. It is estimated

32 Singh, 'Towards Durable Peace and Security in the Indian Ocean Region', p.71. See also Chris Smith, 'The Impact of Light Weapons on Security: A Case Study of South Asia' in *SIPRI Yearbook 1995* (Oxford University Press, New York, 1995), pp.583-97. The number of US *Stinger* shoulder-launched surface-to-air missiles supplied to the region has been put at 900. Of these, 560 are still unaccounted for. See 'Islamic Terrorists Attack on APEC Foiled: Report', *Age* (Australia), 20 December 1997.

33 Anthony Davis, 'Law and Order: A Growing Torrent of Guns and Narcotics Overwhelms China', *Asiaweek*, 25 August 1995.

34 Private correspondence, Dr Swaran Singh, Institute for Defence Studies and Analyses, New Delhi, December 1997. See also Rahul Roy-Chaudhury, 'Maritime Cooperation in the Indian Ocean', *Journal of Indian Ocean Studies*, Vol.4, No.2, March 1997, esp. p.120.

that one in every 400 Angolans is a surviving amputee.³⁵ With the removal of landmines in Mozambique, agricultural production has the potential to increase by an estimated 3.6 per cent.³⁶

The proliferation of small arms is tied in with other aspects of transnational crime, especially drug trafficking.³⁷ The value of drugs traded world-wide may be as high as US\$500 billion per annum. In Southern Africa, South Africa is being targeted both as a major end-user of narcotics as well as a trans-shipment point. Although the Ministry of Justice in South Africa estimates that it seizes only 10-15 per cent of all drugs smuggled into South Africa,³⁸ US\$10 million worth of drugs was confiscated in the first six months of 1997.³⁹ The Australian Institute of Criminology has estimated the cost of drug-related crime in Australia as approximately US\$1.2 billion annually.⁴⁰

The Indian Ocean region is affected also by two narcotics-producing regions, the Golden Crescent (Pakistan, Afghanistan, Iran) and the Golden Triangle (Myanmar, Thailand and Laos). In Southern Asia, the trade out of Myanmar, Afghanistan and Pakistan is estimated to be worth US\$200 billion.⁴¹ However, the cost of such trafficking must be measured in terms of both domestic and inter-state costs. Regarding the former, this includes economic costs through a loss of productivity and diversion of resources to police the inevitable acceleration in drug-related crimes, and through soaring health costs,

35 International Committee of the Red Cross (ICRC), *Landmines Must Be Stopped* (ICRC, Geneva, 1994), p.34.

36 See 'Social Cost of Landmines in Four Countries: Afghanistan, Bosnia, Cambodia and Mozambique', *British Medical Journal*, Vol.311, September 1995, p.721.

37 Known to regional analysts as the grey-area phenomena, or GAP.

38 Dullah Omar (South African minister of justice), The Drug Trade in Southern Africa. Address given at a conference on The Illegal Drug Trade in Southern Africa, South African Institute of International Affairs, 5-6 June 1997.

39 Ministry of Safety and Security (South Africa), 'The Incidence of Serious Crime Quarterly Report 3/97', *South African Journal of International Affairs*, Vol.5, No.1, Summer 1997, p.168.

40 'Crime and Drugs Link', *Daily Telegraph*, 5 January 1998.

41 These figures were supplied by Dr Swaran Singh, Institute for Defence Studies and Analyses, New Delhi, December 1997. See also, Peter Carey, *From Burma to Myanmar: Military Rule and the Struggle for Democracy*, Conflict Studies No.304 (Research Group for the Study of Conflict and Terrorism, London, November/December 1997). It is estimated that in 1993, 88 per cent of the world's opium production originated from Burma and Afghanistan. See <<http://www.ndu.edu/ndu/inss/sa95/sach1401.html>>.

which also include the effects of AIDS transmission. In South Africa, for example,

In terms of organised drug trafficking, crime is evident in the involvement of gangs in conflict and violence, intimidation, vehicle hijacking and theft, and corruption ... Drug syndicates also breed corruption in all sectors of society, since infiltrating the higher echelons of government and the criminal justice system is generally the most effective method of securing their survival ... In terms of drug abuse, crime manifests itself in prostitution, crimes to finance drug habits and crimes committed whilst under the influence of drugs. The fragile social fabric of South Africa lends itself to a situation where people who suffer from poverty and other socio-economic hardships, resort to prostitution and related immoral crimes, in which drug abuse is a major factor.⁴²

Or as a senior member of the South African police's anti-drug police squad argued in 1997:

With the emerging freedoms of democracy and the opening up of our borders we noted a proliferation of international drug syndicates, a plethora of new drugs and experienced an overall metamorphosis with the drug problem. It is evident that South Africa has emerged as a haven for opportunistic international narco-traffickers, because of the strongly defensive and sometimes offensive measures taken by the industrialised nations and partly because of the narco-traffickers' desire to create and exploit new markets ... There is a definite connection between drugs and crime. The nature of criminal activities related to drugs are unlimited. The types of crime stemming from drug related activities can range from petty crimes, violent crime, organised crime, immoral and economic crimes. I cannot imagine a criminal activity that is directly or indirectly not related to drugs.⁴³

42 See Glenn Oosthuysen, *The Illegal Drug Trade in Southern Africa*, SAIIA Report No. Three (South African Institute of International Affairs, Johannesburg, 1997), p.24.

43 Superintendent J.J. van Aarde, *The Extent of Drug Trafficking in South Africa and the Nexus between Drugs and Crime*. Paper presented at a conference on *The Illegal Drug Trade in Southern Africa*, South African Institute of International Affairs, 5-6 June 1997.

But drug trafficking also has wider political and security implications. In Latin America, for example, there is 'an intimate relationship' between the narcotraficantes and insurgency movements such as Shining Path in Peru and Colombia's M-19.⁴⁴ The same applies to areas of South/Central Asia as well as Southeast Asia. In the latter regard, the Shan guerrillas have maintained an ongoing war with the Myanmar authorities since the 1950s.⁴⁵ Drug trafficking may also affect relations between states if not addressed. The United States' relationship with several Latin and Central American countries bears testimony to this.

In the maritime realm, piracy - involving boardings, hijackings, detentions and robberies at port or anchorage - remains an acute problem, particularly in the developing world. Piracy attacks on ships rose from 92 in 1994 to 170 in 1995 and 175 in 1997. The waters of Indonesia, Brazil, Thailand, Sri Lanka and the Hong Kong-Macau-China region are the worst hit. Some acts of piracy have a quasi-official quality, with apparent state connivance. Estimates of the cost of piracy and maritime fraud range as high as US\$16 billion annually. As the Regional Piracy Centre of the International Maritime Bureau (IMB) noted in its 1996 annual report:

There is no doubt that attacks on vessels have become more audacious, more violent and an issue of serious concern to shipping and seamen. Overall there has been a considerable rise in the number and ferocity of attacks. Most worrying is the increase in the number of vessels fired upon and vessels hijacked, where there has been a prolonged threat with firearms to crew members.⁴⁶

44 Cilliers, Notes on Setting a Security Agenda for the South.

45 Since the State Law and Order Restoration Council (SLORC) concluded its first cease-fire agreement with the ethnic insurgent and drug barons on the Thai-Burma and China-Burma borders (in March-April 1989), opium production in the so-called Golden Triangle has roughly quadrupled to 2,650 tonnes (equivalent to 195 tonnes of pure refined heroin), worth between US\$700 million and US\$1 billion. The SLORC is said to be close to bankruptcy and cannot forego the profit made or the foreign exchange obtained via the drug trade. See Carey, *From Burma to Myanmar*.

46 See 'Piracy - The Continuing Plague', <<http://www.usnews.com/usnews/issue/970623/23pira.htm>>. See also, <<http://www.vantage-security.com/piracya.htm>>; 'Piracy on the Wane in Southeast Asia', *Jane's Pointer*, November 1997, p.9.

Global Economic Challenges

Poverty remains the major problem facing developing countries. In the developing world, around 1.2 billion people live in absolute poverty, many of them in Africa and South Asia. According to the 1994 *Human Development Report*, there were, on average, 498 million people living in poverty in South Asia between the years 1980 and 1990.⁴⁷ The number of people falling into the World Bank's category of 'absolute poor' climbed to 1.3 billion in 1993. Today, Sub-Saharan Africa and South Asia stand out as the poorest regions world-wide, where about 800 million people do not have 'sufficient or regular supplies of food'.⁴⁸ These stark living conditions threaten the most vulnerable: the feminisation of poverty and the effects on children are particularly striking. In low-income developing countries, 73 out of every 1,000 babies do not live until their first birthday. Only 40 per cent of eligible children attend secondary school. One-third of adults in the developing world are illiterate; and of these two-thirds are women.⁴⁹ A 1997 UNCTAD study on globalisation showed that the differences in income per head between the seven richest and seven poorest countries world-wide have nearly doubled between 1965 and 1995, rising from 20 to 39 times as much.⁵⁰

But there would appear to be tangible, if contradictory, evidence that the pendulum of global economic activity is swinging towards developing economies. The 1997 World Bank annual report noted that developing countries will double their share of global GDP to account for nearly one-third of global output by 2020. The global share of the exports of the big five developing countries - China, India, Brazil, Indonesia and Russia - is expected, according to this report, to rise from 9 per cent (in 1992) to 22 per cent in 2020.⁵¹

Developing countries have, indeed, been among the foremost profiteers of the uncontrollable surge in global trade and capital flows, where the image of growth and sensible policies is almost as important as growth itself.

47 United Nations Development Programme (UNDP), *Human Development Report 1994* (Oxford University Press, Oxford, 1994), pp.164-5.

48 Commission on Global Governance, *Our Global Neighbourhood*, pp.21-2.

49 *ibid.*, p.22.

50 *Economist*, 20 September 1997.

51 *Economist*, 13 September 1997.

Globalisation may be seen as the rapid acceleration of economic activity across national borders, applying not only to goods, but also to services. Knowledge has become increasingly mobile, as geographic, location and time constraints no longer prove obstacles. Today about 800 million people world-wide use the telephone to communicate and exchange information. The rapid development of technology offers emerging countries great opportunities to leapfrog the previously defined stages of technical development, but it has also placed a premium on skills rather than resources as a key national developmental asset. At every turn, economic factors have concentrated attention on governments.

Globalisation has thus manifested itself in:⁵²

- Increasing capital mobility: over US\$1 trillion is traded on a typical day.
- Increasing trade. In 1963, world exports stood at US\$154 billion. This has grown to over US\$2.5 trillion today, and looks set to expand further as the 132-member World Trade Organisation (WTO)'s tariff reductions kick in.
- The increasing importance of stockmarkets world-wide in the search for higher returns. Today about 14 per cent of American holdings of foreign equities (some US\$50 billion) is invested in emerging markets. Estimates show that around US\$300-350 billion from the United States alone could move into foreign stocks by the year 2000, with 25 per cent going to emerging markets.
- The increasing use of a common language (English) and international media sources.
- A growing consensus in economic policy, particularly in emerging markets.

However, given the largely immature nature of political systems in the developing world, globalisation may pose a unique set of political (and hence, potentially, security) challenges.

⁵² See Antoinette Handley and Greg Mills (eds), *South Africa and Southern Africa: Emerging Markets and Regional Integration* (South African Institute of International Affairs, Johannesburg, 1998).

The fall in Southeast Asian currency values in the second half of 1997 illustrates this phenomenon. As several Asian currencies plunged to record lows, questions were raised about the negative effects of globalisation. Prime minister Mahathir bin Mohamad of Malaysia attempted to shift the blame for the crash of Malaysia's ringgit, to its lowest levels since 1973, onto currency speculators. His attack on the conventional wisdom of capital exchangeability and globalisation may well have struck a chord with many emerging markets, as they battled to balance the requirements of thriving consumer societies with the need to maintain fiscal austerity and, in the broader picture, the wish to recognise environmental concerns. Globalisation is viewed both as a challenge and also through a haze of uncertainty in many of these markets, not least in Africa. And the developments in Asia in 1997 might have served only to fuel doubts.

Although globalisation is constantly entering uncharted waters, the Mexican peso crash of 1994 and the 1997 crash of Thailand's baht, Indonesia's rupiah as well as the ringgit, illustrates, too, that there are danger signs to look out for, of economic imbalances that will be punished by the markets. Containing lessons for emerging economies everywhere, these include:

- a mismatch between short-term debt and foreign reserves;
- an unsustainable current account deficit;
- increased consumption rather than productive investment;
- a high budget deficit;
- flighty, short-term portfolio capital inflows;
- an overvalued exchange rate;
- the volatility of currencies after the removal of fixed exchange rate regimes; and
- rapid monetary growth.

It may be significant that political stability in some developing countries looks less secure in the face of these economic challenges. As one example, against a backdrop of potential leadership succession in a number of states (notably Malaysia and Indonesia), the current economic crisis could have wider political (and even security)

implications. Reform of the predominant one-party style of Asian governance might be one way to instil investor confidence and policy pragmatism, demonstrating that these governments can be more open and responsible to their people, markets and the global economy. Such political ripples may ultimately prove an unstoppable flood, sweeping away the Southeast Asian practice of patronage politics (or so-called 'crony capitalism'), which links commercial favours with political power and indirectly encourages incompetence, inefficiency and over-centralisation. This system may already have been mortally wounded, as the huge financial losses from the currency fall are distributed among political followers. It may also be argued that these political ramifications are proof that greatly different political systems and standards of governance cannot survive together in the face of globalisation. The accompanying expectation is that all countries will share political styles and ethical systems.

In Africa, in the face of increasing global consensus on the nature of economic policy, the key challenge for states remains the difficult balancing act between populist appeal (and consumption), and the need for good, effective (though not necessarily unambiguously democratic) governance. Here firm leadership is essential. Indeed, of those African states currently characterised as performers (such as Ghana, Ethiopia, Uganda, Botswana and some of the francophone countries), the elements of good governance and an ideology of practical leadership are paramount.

Poor policies are not always at the root of Africa's problems. The core problem is that the state *per se* in sub-Saharan Africa is weak. The absence of an overarching national identity, along with a weak indigenous civil service and the need to satisfy high expectations through patronage, mean a lack of those structures of organisation that are central to good governance. The (re)building process today has, according to the World Bank, to include the liberalising of trade and privatisation of industry; the creation of a professional, well-paid public service; the control of corruption; the creation of checks and balances on executive power; and the facilitation of a public (consumer) voice.⁵³ Institution building is now seen as necessary, and

⁵³ See David Christianson, 'Economic Reform in Africa' in *The South African Yearbook of International Affairs*, 1997 (South African Institute of International Affairs, Johannesburg, 1997), p.274-81. Also World Bank, *World Development Report: The*

complementary, to structural adjustment. In some cases, African IOR states (such as Somalia) will have to start virtually from scratch to rebuild themselves, both politically and economically.

In this regard, the World Bank's 1997 *World Development Report: The State in a Changing World* contains three important messages: first, that an effective state is vital for economic performance and development; second, that there is a need to match up the role of the state with its capacities, where the fundamentals and core tasks necessary for a state to function (such as a legal framework, education system and primary health care) are in place; and, third, that current capability is not necessarily destiny - through the 'reinvigoration of public institutions' countries can build capacity which does not exist in isolation from society, but provides a framework granting individuals incentives to act in the public interest, and also mechanisms for restraint.⁵⁴

Global Political Unipolarism

For developing nations, global political unipolarism, particularly as manifested in the structure and role of the United Nations, is of primary importance. Unless the world is to turn its back on 'the riskier manoeuvres of a multipower system',⁵⁵ the United Nations of the future must be empowered to act more effectively.

Given the United Nations' role in peace-support operations and, more generally, in fostering global peace and security, reform of the organisation has to address the twin concerns of regional representation and veto powers. Political will and financial reorganisation lie at the heart of UN reform,⁵⁶ but, as Cilliers has

State in a Changing World (Oxford University Press, New York, 1997). A briefing on this report was presented by Brian Levy of the World Bank at the SAILA, Jan Smuts House, 20 June 1997. See also 'An African Success Story', *The Economist*, 14 June 1997; and Jeffrey Herbst, Developing Nations and Global Integration: Between Bilateralism, Regionalism and Globalism. Paper given at a conference on South Africa and Southern Africa: Lessons from Emerging Markets, South African Institute of International Affairs, 16-17 July 1997.

54 Christianson, 'Economic Reform in Africa', p.275.

55 'The International Order: Situation, Mission, Execution', *The Economist*, 24 December 1994-6 January 1995, p.17.

56 See Trevor Findlay, 'Reform of the United Nations', *SIPRI Yearbook 1996* (Oxford University Press, New York, 1996), pp.117-33.

noted, reform is largely held hostage by the United States as the last remaining superpower. Getting the United States to subscribe fully to multilateral politics, and to the United Nations especially, as opposed to focusing on national issues to the exclusion of global concerns, is, he notes, 'the nub of the problem'.⁵⁷

This feature of the global system is, it is true, being undermined by the steady growth of a global civil society (and extra-governmental consensus), as was evidenced in the global ban on anti-personnel landmines that was sealed in 1997 in spite of Washington's resistance. However, even as this treaty was concluded, the gulf in political perceptions between First and Third Worlds was exemplified by the wrangling during the Kyoto greenhouse gases summit in December 1997.

A Conventional Security Agenda

In addition to the above, 'new', security agenda, there exist a number of traditional security concerns in the IOR. These revolve around the issues of disarmament (particularly nuclear disarmament); the unresolved Kashmir situation; tensions over the growing rise in Chinese military power and the involvement of other external (non-IOR) powers; security of oil supplies; religious tensions; and border disputes.

At the heart of virtually every one of these issues lies the potential trigger of Indo-Pakistan relations. The religious dimension to this (potential) conflict draws in the Gulf states, along with Islamic communities, throughout the region. In the 1980s and 1990s, in contrast with earlier decades, these tensions have manifested themselves in acts of terrorism, support for insurgency and counter-insurgency proxies, the continuation of relatively high levels of military spending, and the development of nuclear, biological and chemical weapons programmes. Pakistani and Indian military spending continues to mirror these tensions. However, while India's relative economic boom during the 1990s has placed it in a different spending league to Pakistan, this factor, too, may exacerbate these insecurities, given that Islamabad is already forced to spend a

⁵⁷ Cilliers, Notes on Setting a Security Agenda for the South.

relatively high percentage of its GDP (5.8) on defence, but is far from able to match India's conventional capability improvements.⁵⁸

Table 3.1: IOR Defence Spending and Personnel

	Full-Time Personnel	Defence Budget (US\$)	Defence Spending (%GDP)
Australia	57,400	8.6 billion (1996)	2.2
Bangladesh	121,000	528 million (1996)	1.7
Comoros	n/a		
Djibouti	9,600	21 million (1996)	5.2
India	1,145,000	9.9 billion (1997)	2.8
Indonesia	461,000	3.3 billion (1997)	2.1
Iran	518,000	3.4 billion (1996)	5.1
Kenya	24,200	212 million (1996)	2.2
Madagascar	21,000	37 million (1996)	0.8
Malaysia	111,500	3.6 billion (1996)	4.2
Maldives	n/a		
Mauritius	1,800	61 million (1996)	2.3
Mozambique	6,100	72 million (1996)	3.6
Myanmar	429,000	2.0 billion (1996)	7.7
Oman	43,500	1.9 billion (1996)	15.4
Pakistan	587,000	3.7 billion (1996)	5.8
Seychelles	400	11 million (1996)	3.2
Somalia	nil	est. 40 million (1996)	est. 4.8
Singapore	70,000	4.0 billion (1997)	5.4
South Africa	79,440	2.13 billion (1997)	1.6
Sri Lanka	117,000	886 million (1996)	6.5
Tanzania	34,600	89 million (1996)	2.5
Thailand	266,000	4.3 billion (1996)	2.5
Yemen	66,300	362 million (1996)	3.7

Source: *The Military Balance, 1997/98*.

⁵⁸ *The Military Balance 1997/98* (Oxford University Press for the International Institute for Strategic Studies, London, 1997), p.159.

Tensions created by defence purchases and procurements within the IOR may well be exacerbated by purchases from IOR states by IOR states,⁵⁹ or through joint procurement programmes.⁶⁰ In this sense, defence-military matters are already intrinsically part of the IOR's agenda.

The development of weapons of mass destruction in the region has been extensively covered elsewhere.⁶¹ Whether these

59 For example, from a South African-IOR perspective, prospective and actual arms purchases by IOR states during 1996-98 have included: ongoing negotiations with India to supply 155 mm turrets for its T-72 M1 tank chassis fleet in a US\$450 million deal; the confirmed purchase of *Rooivalk* attack helicopters by Malaysia in a US\$500 million agreement concluded in 1997; and the mooted purchase in 1996 of US\$135 million worth of anti-tank missiles by Pakistan. See, respectively, *Business Day*, 10 October 1997; *Business Day*, 10 March 1997; and Reuters, 13 February 1996. See also the *Asian Age*, 14 February 1996, for details of both the mooted Pakistani deal and the supply of South African guns to India. Oman already operates 24 South African G-6 155 mm guns. See 'South Africans Work on Artillery Super-System', *Jane's Defence Weekly*, 10 December 1997. Denel officials have admitted privately that they 'find problems' in trying to do business with both India and Pakistan, 'which [by early 1998] we are doing'. Pakistani officials see further potential defence business between South Africa and Pakistan over the refurbishment of Pakistan's fleet of *Mirage* fighter aircraft.

60 Embryonic defence technology cooperation ties with Australia include the Australian Specialised Vehicle Systems (ASVS) vehicle project (known as the Taipan), in which the South African company Reumech is a 49 per cent shareholder. This is derived from Reumech's Mamba vehicle, and was conceived as a submission to the Australian Army's Project Bushranger Phase 2/3 search for an Infantry Mobility Vehicle (IMV). See <<http://www.Sofcom.com.au/4WD/Mil/ASVSTaipan.html>>. Future bilateral collaboration might include, for example, purchase of South African artillery and fire-support helicopter (*Rooivalk*) in exchange for technological and production cooperation. Other Australian-South African defence ties could also potentially involve mine-clearance systems and peace-support training.

61 See, for example, Gordon, *Security and Security Building in the Indian Ocean Region*, pp.103-12. On the development of India's military technology, see Eric Arnett, 'Military technology: the case of India' in *SIPRI Yearbook 1994* (Oxford University Press, New York, 1994), pp.343-65. On the regional nuclear weapons programme, see: 'India, Pakistan and the United States: The Zero-Sum Game', *World Policy*, Vol.XIII, No.2, Summer 1996, at <<http://www.wajanes.org/zerosum.html>>; 'Current and Projected National Security Threats to the United States and its Near Abroad', *Hearing before the Select Committee on Intelligence of the United States Senate, 104th Congress*, 22 February 1996, at <http://www.fas.org/irp/congress/1996_hr/s960222d.htm>; Robert D. Oakley and Ned C. Snyder, 'Escalating Tensions in South Asia', *National Defense University Strategic Forum*, No.71, April 1996, at <<http://www.ndu.edu/ndu/inss/strforum71.html>>. On the regional chemical and biological weapons programme, see Baker Spring, 'India's Admission on Chemical Weapons Casts Doubt on Treaty', *The Heritage Foundation Backgrounder Update*, No.286, 31 July 1997, at <<http://www.>

developments might take on the characteristic Cold War effects, of deterrence and stability, is moot. It may be argued that a 'stable' nuclear-based system in the IOR is impossible because of the nature of both South Asian and Middle Eastern/Central Asian politics. However, any future stability will have to be founded on the same basis as that 'enjoyed' by the superpowers in the Cold War: it will require a formalised relationship with systems of verification and conventions designed to inspire mutual confidence. This applies not only to the Indo-Pakistan relationship but also to other states in the (broadly defined) IOR region, including Iran on the west and Myanmar on the east, both of which may be developing weapons of mass destruction.⁶²

Related to the development of missile systems, space technology might be one area of potential inter-state IOR cooperation.⁶³ Yet, given the security dimensions to this technology, it is unlikely that regional trust will extend this far in the multilateral domain.⁶⁴

Notwithstanding the pace of globalisation, the conventional security perceptions of those countries within the IOR remain

savers.org/heritage/library/categories/natsec/bu286.html>; Deepak Singh, 'US Piqued over Chemical Arms in S. Asia', *News India Times*, at <<http://www.newsindia-times.com/2908ml03.htm>>; 'Defining Trends' in *Strategic Assessment 1995* (National Defense University, Washington DC, 1995), and at <<http://www.ndu.edu/ndu/inss/sa95/sach0501.html>>.

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In 1997, CIA director George Tenet warned the Senate Armed Services Committee that the threat posed by weapons of mass destruction (WMD) remains at an all-time high. Tenet said that 'materials and technologies for other weapons of mass destruction are more accessible now than at any other time in history'. According to the same report, over the last few years Iran has embarked on what the CIA calls an 'unrelenting' programme to acquire nuclear, biological and chemical weapons technology. The US intelligence community is watching closely to determine Iranian acquisition methods, which range from outright purchases on the world market to developing technology programmes domestically, the majority of which are thought to have come from China and India. Iran is also believed to be conducting wide-ranging research on toxins and organisms with a biological warfare capability, and has purchased dual-use biotechnology equipment from Europe and Asia. See 'Contemporary Weapons of Mass Destruction', *Jane's Defence Weekly-Headlines*, 12 November 1997, at <<http://www.janes.com/defence/onlineproducts/jdw/s121197weap.html>>.

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This view has been expressed privately by both Indian and South African officials. For details on India's missile capability, see 'India Eager for Further Development of Agni Missile Program', *Jane's International Defence Review: IDR*, Vol.30, November 1997, p.5

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primarily regionally focused. This applies equally to Australia (in the Asia-Pacific), as it does to Oman (the Gulf), India (South Asia), and South Africa and Mozambique (Southern Africa). With the exception of South Asia, none would, however, argue that they currently face a plausible conventional military threat.⁶⁵

⁶⁵ See, for example, the Australian strategic policy review (December 1997), which states: 'We are confident that no country currently has either the intention or motivation to attack Australia. But circumstance could arise in future which would reduce our security from armed attack, threaten our vital interests, or directly imperil our peace and security. We do not judge those circumstances as being likely to occur, but they are not implausible. Strategic policy must take such possibilities seriously, to ensure both that we do all we can to prevent them and that we are prepared should they nonetheless occur'. *Australia's Strategic Policy* (Department of Defence, Canberra, 1997), p.4.

CHAPTER 4

SOUTH AFRICA'S DEFENCE STRUCTURES AND INTERESTS

The defence interests and structures of South Africa have changed dramatically as the country has moved, on the one hand, from a domestic system of apartheid which was inherently predicated on a repressive government apparatus to support white rule to a non-racial democracy and, on the other, from a relationship with the Southern African region that was characterised previously by tension and hostilities.

Yet in spite of this history, the successful creation of the South African National Defence Force (SANDF) since the advent of South Africa's non-racial democracy in 1994, has arguably been one of the most successful incidences in the transformation of the republic's civil service. However, on the cusp of the third millennium, critical questions about the SANDF's budget allocations, its personnel levels, and equipment raise concerns about its future abilities and roles which may impact on the nature of security interaction in the IOR region.

The Background to the Formation of the SANDF

Significant progress has been made in South Africa in, first, the integration of a large number of statutory and non-statutory forces in an effort to build a single, cohesive defence force; and, second, the institution of systems of civilian control over the defence force. The latter was not, of course, a feature of the apartheid regime, particularly in the 1980s, when the old South African Defence Force (SADF) played such a pivotal political role in shaping its own destiny.

In the wake of the formulation of South Africa's interim constitution, the ensuing democratic elections and the formation of the new government, therefore, the immediate task undertaken was to address 'the imperatives of transformation, namely, integration and rationalisation'.¹ This also had to take into account both the future

¹ South African Ministry of Defence (SAMOD), *The National Defence Force in Transition: Annual Report Financial Year 1994-1995* (1st Military Printing Regiment,

structure of the central organisation of defence and its relationship to the democratically elected government and parliament, and a 'continued and drastically reduced defence budget with the concomitant attenuation of its force structure'.²

Following the successful conclusion of negotiations between, principally, the ruling National Party government and Nelson Mandela's African National Congress (ANC), the process of military integration was established even before the watershed 1994 elections. The SADF was merged with the forces of Transkei, Bophuthatswana, Venda and Ciskei (the so-called 'homeland', 'Bantustan', or TBVC states - the nominally independent homelands) and the armed wings of the ANC (known as *Umkhonto we Sizwe* or *Spear of the Nation*) and the Pan-Africanist Congress (PAC - the forces of which were known as the Azanian People's Liberation Army). The KwaZulu Self Protection Force (KZSPF) were also accommodated as a result of a last-minute deal to include the Inkatha Freedom Party of Dr Mangosuthu Buthelezi in the 1994 elections.

The numbers involved were:

Table 4.1: SANDF Integration Numbers*

Force	Numbers of Personnel
SADF	110,000
TBVC States	6,000
MK (ANC)	26,000
APLA (PAC)	6,000
KZSPF	2,000

* It should be noted that only around 14,000 of the non-statutory forces of the ANC and PAC presented themselves for integration.

Johannesburg, 1995). Foreword by the Minister of Defence, Mr J. Modise, p.i. This section of the monograph is based partly on the research done while producing (with Martin Edmonds), *Uncharted Waters: A Review of South Africa's Naval Options* (SAIIA/CDISS, Johannesburg, 1996).

2 *ibid.*, Foreword by Chief of the National Defence Force, General G.L. Meiring, p.1.

One focus of the structural changes was the central organisation of defence - that is, the Ministry of Defence and the SANDF. The outcome of these changes was categorised as a 'balanced' structure. It was to be headed by the minister of defence, assisted by a deputy minister, who would exercise overall responsibility for the ministry. The ministry itself was designed to encompass both the SANDF and the new civilian Defence Secretariat, with Armscor acting as the ministry's procurement executive.

The 'balanced model' marked a radical departure from the past, when a civilian minister (often with prior military experience) had headed a ministry which was totally dominated by the military, had no civilian representation or involvement of any consequence, and was subject to virtually no effective system of financial or policy accountability. The new structure, therefore, clearly accommodated the need for a strengthened civilian input and checks on untrammelled military influence. This was the objective and thinking behind the creation of a new post of a civilian defence secretary.³ The person holding this position would also serve as: the Ministry of Defence's accounting officer; the principal adviser to the minister on matters of defence policy; the executive responsible for a 650-strong Ministry of Defence civilian bureaucracy and administration; and was also charged with the efficient management of the ministry as a whole. Four years after the democratic elections of April 1994, the introduction of this balanced model is considered a success, though many defence force members apparently share the sentiment that there is a lack of understanding in the secretariat of military matters, given that the policy posts are filled by civilians.⁴

³ The establishment of a civilian defence secretariat is provided for in the constitution, chapter 11, article 204.

⁴ The defence secretary, Pierre Steyn, noted in mid-1997 that defence, in his opinion, was not yet under the control of civilians, as the White Paper and Defence Review had not been translated into a manageable defence plan, programme and budget for strategic decision making, performance, control and accountability. Moreover, General Steyn noted that his dependence on military staff and the weakness of his civilian staff capability undermined the performance of the civilian defence secretariat. He argued that civilian control would only become a reality when the boundary between the defence secretariat and the SANDF was clearly drawn, leaving a balanced distribution of functions between the secretary and the chief of the SANDF; the line and staff capacities of the secretariat and the SANDF were respectively constituted with predominantly civilian and military capacities; and separate career, management and development systems for civilian and military

On professional matters of doctrine and strategy, the chief of the SANDF served as the chief of the National Defence Headquarters within a Department of Defence. The responsibility of the chief of the SANDF was to exercise overall command of the nation's forces, tender advice to the minister on matters of strategy and doctrine, resource allocation, programmes and commitments, and also to plan, direct and conduct military operations. Of particular significance was the chief's role in respect of the four branches of the South African armed services - army, air force, navy and medical service - and their collective need to prioritise future equipment and resource requirements to fulfil the policies and functions defined by the ministry and the strategies and doctrines formulated by the military. The third element of the new central defence structure, Armscor (the government armaments procurement agency), was to continue to serve as the procurement executive for the armed services, but under the control of the minister and deputy minister of defence.

In parallel with, but seemingly independent of, these inter- and intra-departmental and ministry discussions and structural alterations, a second process was in train. The political requirement of the Government of National Unity (GNU) - in existence for a maximum life of five years from the time of the 1994 elections - and its parliamentary representatives was to ensure greater transparency and accountability in all matters pertaining to defence and security. This was not merely a matter of democratic principle. It was an essential requirement for those who in the past had been subjected to a defence and security system that had been summary in its dealings with the population, largely unaccountable for its actions, and had regularly asked for, and received, significant sums of public money. In a manner of speaking, the SANDF, even in a time of transition, was not trusted in the absence of strong checks and balances.

Democratic accountability and transparency in defence has been facilitated through the enhancement of parliamentary oversight. Two parliamentary committees concerned with legislative oversight of defence were established in 1994: the Senate Select Committee on Defence, Safety and Correctional Services and the National Assembly Portfolio Committee on Defence. Both have customary powers in that

functionaries under the respective controls of the secretariat and the SANDF had been commissioned. See the *Citizen*, 16 April 1997.

they were created from within each chamber, there being no provision within the constitution for their existence. They are 'portfolio' committees in that they consider legislation governing defence issues and the defence budget, and pilot them through their respective chambers.

These restrictions do not apply, however, to the larger Parliamentary Joint Standing Committee on Defence (JSCD), which has extensive powers to 'investigate and make recommendations regarding the budget, functioning, organisation, armaments, policy, morale and state of preparedness of the SANDF and to perform such functions relating to parliamentary supervision of the Force as may be prescribed by law'.⁵ This is retained in the final South African constitution (which was signed into law in May 1997).

A further committee of potential importance in the context of both transparency and legislative oversight of defence, is the National Conventional Arms Control Committee (NCACC). It is a committee of the cabinet, and its terms of reference are: first, to take over the role of processing arms export licences to ensure compliance with government guidelines and international treaty obligations; and second, to propose policy on the acquisition of weapons and military equipment for the South African armed services and the arms trade in general. Any major acquisition of weapons from an overseas supplier would be referred to this committee for approval.

Future Roles, Funding and New Equipment Purchases

Constitutional Obligations

In terms of the final constitution, the 'primary objective of the defence force is to defend and protect the Republic, its territorial integrity and its people in accordance with the Constitution and the principles of international law regulating the use of force'.⁶ The constitution sets out six functions for the defence force:

⁵ Republic of South Africa, *Government Gazette*, 343, 15466, Cape Town, 28 January 1994, p.150.

⁶ Article 200 (2), chapter 11.

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1. For service in the defence of the Republic, for the protection of its sovereignty and territorial integrity;
2. For service in compliance with the international obligations of the Republic with regard to international bodies and other states;
3. For service in the preservation of life, health and property;
4. For service in the provision or maintenance of essential services;
5. For service in the upholding of law and order in the Republic in co-operation with the South African Police Services under circumstances set out in a law where the said Police Service is unable to maintain law and order on its own; and,
6. For service in support of any department of state for the purpose of socio-economic upliftment.⁷

The 1996 Defence White Paper, *Defence in a Democracy*,⁸ fleshes out, *inter alia*, the challenges of transformation, the role of the defence forces, the nature of the strategic environment facing South Africa, human resource issues, policy relating to arms control and the defence industry, and the organisation of civil-military relations in the new South Africa. The White Paper notes that:

The ending of apartheid and the establishment of democracy have given rise to the dramatic changes in the external strategic environment from the perspective of South Africa. The country is no longer isolated internationally. It has been welcomed into many international organisations, most importantly the United Nations (UN), the Organisation of African Unity (OAU) and the Southern African Development Community (SADC). South Africa is in fact expected to play an active role in these forums, especially with regard to peace

⁷ Article 227(1), Interim Constitution.

⁸ See Ministry of Defence (MoD), *Defence in a Democracy: White Paper on National Defence for the Republic of South Africa* (MoD, Pretoria, May 1996). The White Paper was the result of a lengthy process of consultation which began in June 1995 with the publication of a draft document which was subject to comments and input from political parties, defence industry, analysts, members of the public, parliament, and the JSCD, and concluded with the presentation of the final document to cabinet on 8 May 1996.

and security in Africa and in Southern Africa in particular. There are expectations that South Africa will become involved in peace-support operations on the continent. South Africa does not now, and will not in the future, have aggressive intentions towards any state. It is not confronted by an immediate conventional military threat, and does not anticipate external military aggression in the short to medium term (+/-5 years).

It goes on:

The absence of a foreseeable conventional military threat provides considerable space to rationalise, redesign and 'rightsize' the SANDF. The details of this process will be spelt out in the Defence Review.⁹

The White Paper notes that 'the size, design, structure and budget of the SANDF will therefore be determined mainly by its primary function', although provision will have also 'to be made for the special requirements of internal deployment and international peace operations'.¹⁰ As a result, the SANDF is to maintain a core defence capability, with the ability both to deal with small-scale contingencies and to expand in size should the situation warrant it. This includes the maintenance and, where appropriate, the adequate upgrading or replacement of military equipment. Indeed, the constitution notes that the SANDF 'should be established in a manner that it will provide a balanced, modern and technologically advanced military force ...'.¹¹

In the absence of a conventional military threat, the SANDF is thus to comprise a relatively small regular force and a 'sufficiently' large part-time force known as the 'core' force. The White Paper also notes that employment of the SANDF in support of the police is likely to persist 'because of ongoing public violence and the relative shortage of police personnel'.¹²

For the defence force, in the absence of a conventional threat scenario, the lack of clarity and consistency in South Africa's foreign

9 See chapter four, *ibid.*

10 See chapter five, *ibid.*

11 Interim Constitution, article 226.

12 *Defence in a Democracy.*

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policy goals has made planning difficult. In a regional environment sensitive to domination by South Africa's military and economic power, foreign policy pronouncements have preferred to favour a 'softly-softly' approach. In Africa, however, the SANDF sees its role as one of 'stability projection' both in peace and in war. This could be facilitated, *inter alia*, through training, personal inter-military relationships, disaster-relief operations and peace-support missions.¹³

These secondary functions, including collateral support for internal agencies, were incorporated in the SANDF's 'core force' design process and closely linked to the principles of balance, flexibility and growth. With this in mind, the Defence Review (as approved by Parliament), proposed the SANDF force design set out in Table 4.2.¹⁴

Table 4.2: SANDF Force Design

Personnel	
Full-time Force (FTF)	22,000
Part-time Force (PTF)	69,400
SA Army	
Mobile Division	1
Mechanised Brigade (RDF)	1
Parachute Brigade	1
Special Forces Brigade	1
Group HQ	27
Light Infantry Battalions	14
Territorial/Motorised Infantry Batts.	12
Area Protection Units	183
SA Air Force	
Light Fighters	16
Medium Fighters	32

13 These views were expressed by General Georg Meiring, chief of the SANDF, in an interview at SANDF HQ, Pretoria, South Africa, 9 April 1998.

14 This proposal was accepted by the South African parliament from four options in August 1997. Fighter, helicopter and transport numbers do not include aircraft at flying schools which are part of (and are costed with) the support structure. The long-range maritime patrol aircraft will, for reasons of cost, not be equipped with full surface and sub-surface weapons systems, although they will be fitted to accommodate such systems. This will enable upgrading of combat capabilities when required.

Light Reconnaissance Aircraft	16
Medium Sigint Aircraft	-
Long-Range Maritime Patrol Aircraft	6
Medium-Range Maritime Patrol Aircraft	-
Short-Range Maritime Patrol Aircraft	10
Remotely Piloted Squadrons	1
Combat Support Helicopters	12
Maritime Helicopters	5
Transport Helicopters	96
Transport Aircraft	44
VIP	9
Voluntary Squadrons	9
In-flight Refuelling/Electronic Warfare Aircraft	5
Radar Squadrons	3.5
Point Defence Squadrons	-
Mobile Ground Sigint Team	3
SA Navy	
Submarines	4
Corvettes	4
Strike Craft	6
Combat Support Ships	1
Minesweeper/Hunter	8
Inshore Patrol Vessels	2
Harbour Patrol	39
SA Medical Services	
CB Defensive Programmes	1
Medical Battalion Groups (FTF)	1
Medical Battalion Groups (PTF)	1.5

Internal Security Functions

It is generally expected that any government's most fundamental duty is to provide for the security needs of its citizens. So-called 'winning' nations are expected to display incremental improvements in meeting these basic needs, including economic prosperity, welfare, and the provision of individual security. In turn, the state should maintain the monopoly of coercive power in that society.

However, for South Africa, the provision of internal security, stability, and individual security is some way off. Indeed, the media, both within South Africa and without, paint a picture of a worsening rather than an improving internal security situation, but with regard to political violence, not criminal violence, and, related to this, the government's ability to police effectively.

South Africa now leads the field in comparative international measures of citizens murdered: in 1996, there were 61.1 murders per 100,000 of the population (about seven times the rate in the United States), and 119.5 rapes. Although the rates of most categories of crime went down between 1995 and 1997, there is also evidence deriving from victim studies of a decrease in reportage of non-insurance crimes.

Table 4.3: National Crime Statistics (per 100,000 population)

	1995	1996
Fraud	147.9	147.3
Rape	115.2	119.5
Serious Assault	535.8	545.6
Robbery	99.1	122.0
Illegal Firearm Possn.	28.8	30.5
Murder	64.6	61.1
Vehicle Theft	245.0	229.0
Drug-related Crime	98.9	92.9
Attempted Murder	64.3	67.5

Source: *Star* (South Africa), 10 March 1997.

One response to this upsurge in crime has been calls for the involvement of the SANDF in combating crime, particularly in the absence of a conventional military threat. Unsurprisingly, the issue of military involvement in crime prevention has been a contested one. Many senior officers are unhappy with such a role, arguing that pulling the armed services into an internal policing role would blunt their military effectiveness and warfighting capabilities. Public perceptions of the internal deployment of the military are, however, generally positive.

Major-General F. du Toit has argued in this regard that if South Africa is to achieve a condition of internal security and stability, a two-pronged approach is required:¹⁵

- first, there is a need to demonstrate delivery of social upliftment in pursuance of social justice, economic development and democracy; and
- second, there is a need to employ all the means at the disposal of the government (and not simply the military on its own) and the private sector to combat the threats that are destabilising South African society.

The South African Army has approximately 8,000 soldiers deployed countrywide on tasks which include vehicle and foot patrols along vulnerable border areas, and in township flash points; the protection of remote farms; operating vehicle checkpoints; and joint actions with the South African Police Services. During 1996, the South African Air Force (SAAF) flew 1,737 operations to combat crime, and 3,339 hours additionally to patrol the country's borders, and 564 hours which entailed assisting the South African Navy (SAN) in patrolling the coastline. The SAN spent 939 hours patrolling the coast, during which it assisted in the inspection of 73 ships.¹⁶ This cost an estimated R1 billion of the defence budget.

¹⁵ For a detailed discussion of these issues, see Greg Mills and Mark Shaw, 'Crime and Policing in Post-Apartheid South Africa', *South African Yearbook of International Affairs* 1997 (South African Institute of International Affairs, Johannesburg, 1997), pp.214-24.

¹⁶ See 'CSANDF Internal Communication Bulletin 3/97', 17 January 1997. Also, Major-General F. du Toit, *The Role of the South African National Defence Force in*

46 *South Africa and Security Building in the Indian Ocean Rim*

As noted, the constitution makes provision for the employment of the SANDF in maintaining law and order in cooperation with the SAPS when the latter is unable to maintain the situation on its own. Problems with this include lack of adequate training and equipment for the armed forces in this role; the potential undermining of the image and legitimacy of the SANDF; and the burden that this places on an already stretched defence budget.

The SANDF will inevitably have to prioritise those areas of criminal policing in which it becomes involved and which, as General du Toit puts it, constitute a threat to the constitutional dispensation of the state, concentrating on:

- serious crime, particularly the proliferation of illegal weapons and those crimes requiring air support (such as car hijackings);
- border security, including the influx of illegal immigrants across South Africa's borders, stock thefts and attacks on farms, the protection of airspace, and all forms of smuggling, including drugs and weapons;
- combating the expansion of paramilitary forces;
- combating political unrest; and
- the protection of marine resources.

Defence Funding

In South Africa, the defence budget has dropped from 4.5 per cent of GDP in 1989/90 (US\$4.9 billion in 1997 values) to 1.6 per cent in 1997/98 (US\$2 billion) and 1.4 per cent of GDP in 1998/99. As defence budgets shrink world-wide, much of the brunt of this reduction has fallen on equipment procurement rather than personnel and operational costs (P&O). In the same period, the capital project share of the SANDF's budget relative to P&O costs has fallen from 43 per cent in 1989/90 to 14 per cent in 1997/98.

**Table 4.4: SA Defence Budget Comparison 1989/90-1997/98
(Nominal Terms-US\$m)**

1989/90		1997/98
391 (18%)	Personnel	889 (45%)
837 (39%)	Operating	825 (41%)
910 (43%)	Capital	282 (14%)
2138.3	TOTAL	1995.6

**Table 4.5: SA Defence Budget Comparison 1989/90-1997/98
(Real Terms-US\$m)**

1989/90		1997/98
891 (18%)	Personnel	889 (45%)
1905.6 (39%)	Operating	825 (41%)
2071.2 (43%)	Capital	282 (14%)
4868.1	TOTAL	1995.6

The medium-term expenditure framework of the government (MTEF) for 1998-2001 offers little relief in this regard. This projects that defence spending will decline from 7.4 per cent of non-interest spending in 1997/98 to 6.8 per cent in 2000/01, remaining pegged at 1.6 per cent of GDP.

Table 4.6: Medium-Term Expenditure Framework for Defence (US\$m)*

	1998/99	1999/00	2000/01
Administration	91	95	95
Landward Defence	794	807	818
Air Defence	384	391	392
Maritime Defence	169	179	181
Medical Support	184	193	195
General Support	127	126	124
Special Defence Account	242	307	393
TOTAL	1,992	2,097	2,197

* These figures were calculated using a 1998 Rand-US\$ value of ZAR5,00=US\$1,00.

There are inevitably longer term equipment and personnel costs attached to this cost-cutting strategy. The South African Navy is a graphic example of what might happen if further finances are not allocated to equipment purchases.¹⁷ It is also, within the IOR context, the most important and obvious vehicle for intra-regional security cooperation.

As the 'Cinderella' of the four services of the SANDF, the SAN has long received the short end of the budget stick. During the mid-1970s, the navy received nearly 20 per cent of the defence allocation. But with the focus on the land and air 'border war' during the late 1970s and 1980s, the SAN's slice slipped to just 6 per cent of the overall vote, although this gradually rose again to represent 8.5 per cent in 1991 and 10.1 per cent in 1998. Although this is planned to increase to 13 per cent by 2002 under the MTEF, as noted above, the army and air force will continue to receive a lion's share of the budget allocation.

The SAN's current efforts to acquire four corvettes and four submarines have to be viewed against this backdrop. They represent the culmination of a long-standing requirement going back to the early 1960s. This was not fulfilled during the apartheid years due partly to

¹⁷ This issue is discussed fully in Martin Edmonds and Greg Mills, *Beyond the Horizon: Defence, Diplomacy and South Africa's Maritime Opportunities* (SAILA/CDISS, Johannesburg, 1998).

the arms embargo and, given that moratorium's porosity, especially because of the stress on land and air capabilities.

Figure 4.7: SADF/SANDF Cumulative Capital Allocation, 1978-97

	%
Army	46
Air Force	45
Navy	9
Medical Services	0.7

Despite the absence of a conventional land or air threat to South Africa, this anomaly in the apportioning of defence expenditure looks set to continue, with the navy's slice just 13 per cent in 2002. The proposals for dividing up the operational budget replicate previous inequities. Not only does this fly in the face of international benchmarks, but it also places questions around the future role and structure of the SANDF. If this plan goes ahead, the SAN might conceivably have to close the operational side of its Durban base, leaving just one main base in Simon's Town. This could seriously impede the SAN's operational integrity in the Indian Ocean and in Southern Africa.

The manner in which the allocations are apportioned within the services, too, has had an effect on capabilities. As noted earlier, the ratio of capital expenditure to personnel and operating costs has declined from 1.2:1.7:1 in 1989/90 to 1:5.2:5.1 in 1997. In nominal terms, the SAN's expenditure breakdown from 1989/90 to 1996/97 altered as follows:

Table 4.8: Comparative SAN Expenditure Breakdown (US\$m)*

	Personnel	Operating	Capital
1989/90	55	31	37 (20%)
1996/97	93	90	18 (9%)

* These figures were calculated using a 1998 Rand-US\$ value of ZAR5,00=US\$1,00.

It is unclear how the equipment required under the Defence Review detailed above can be funded in this environment.¹⁸ It is believed that the accepted force design will cost close to US\$2.6 billion as opposed to the 1998/99 budget of US\$1.8 billion. It would appear that the procurements (see below) will have to be funded outside of the budget. Indeed, Armscor have based their repayment plan for the packages, if they were to cost a total of US\$2 billion, on an amount of US\$700 million annually to be repaid over 15 years from 2001 onwards at current interest and exchange rates. A package of US\$3.8 billion could be met with annual repayments of US\$560 million over the same period.¹⁹

As the SANDF reduces its forces from the aforementioned current strength of 95,545 (including 21,119 civilians) to 70,000 (including a roughly 25 per cent civilian component) by 2001, there will be a need to carefully and critically examine force structures and size in order both to afford new equipment and to free up more money from personnel costs for the operational budget.

According to the MTEF, the SAN will receive US\$260 million in 2002, less US\$90 million for joint expenditures, personnel costs and acquisitions. This will leave just US\$174 million (in 1998 values). The SANDF is working towards a division of expenditure between Personnel:Operational:Capital costs on a percentage breakdown of 40:30:30.²⁰ To enable this to happen, the navy will need to spend around US\$100 million on personnel and US\$74 million on operational

18 For a clear explanation of the funding dilemmas, see Jakkie Cilliers, *Defence Acquisitions: Unpacking the Package Deals*, ISS Paper No.29, March 1998, esp. p.2.

19 Interview, Kevin Hanafey, Armscor, Pretoria, South Africa, 7 April 1998.

20 A model that was developed by the consultants Deloitte and Touche.

costs. As a result, the SAN has developed a 'transformation' project designed to streamline costs through the centralisation of the operational and logistics/support functions under one command to be known as 'the fleet'. The chief of naval operations and chief of naval support will be subsumed into this one operation which is 'to prepare and provide combat ready warships ready and supported for all intended roles on an output driven basis'.²¹

This reorganisation is aimed at increasing the number of navy personnel deployed at sea from 850 (of 9,200) currently to 1,450 plus a 500 reserve (of 8,200) by 2002. It might in the future also involve the privatisation of dockyard functions, which currently account for US\$18 million of the budget, yet have been beset by problems which have negatively affected productivity.²²

New Purchases

Following parliamentary approval in 1997 of recommendations regarding force structure and equipment requirements contained in the then recently completed Defence Review, a request for information (RFI) was issued in September 1997 for US\$3 billion worth of equipment for the SANDF. It had become clear that if the SANDF was to be able to undertake its constitutional obligations, then additional equipment had to be acquired. It is notable, however, that in contrast with the past, when defence procurements were largely the outcome of bargaining between service chiefs, these requirements have, for the first time, been the product of a process overseen by parliamentary control and open to public scrutiny.

²¹ Interview, Rear-Admiral (Junior Grade) Jack Nel, Simon's Town, South Africa, 14 April 1998.

²² The Simon's Town dockyard currently employs 670 people. Productivity is hampered by a number of factors, including: ongoing industrial problems (including a labour go-slow); a lack of railway access to the Cape's industries; a lack of clarity in the relationship with the civilian sector (although over 100 civilian vessels docked in Simon's Town in 1997 and the work brought in US\$900 million, all this money did not go to the navy but to the so-called B-7 account); listed buildings which prevent modern reorganisation; and an inhospitable working environment, where the town's inhabitants are not sympathetic to the needs of a naval dockyard (and often reputedly complain about dockyard activities).

The items required in terms of the Defence Review are: four new corvettes and four submarines for the navy (plus helicopters for the corvettes); 60 light-utility helicopters (to replace the *Alouette* IIIs in service); between 50 and 154 main battle tanks; and 48 jet trainers/fighters (to replace the *Mirages/Cheetahs*).

An important aspect of these packages to sell equipment to South Africa has been the need for industrial participation or offset (which is separated into defence industrial participation managed by the defence industry and non-military participation managed by the Department of Trade and Industry), as well as soft financing arrangements. South Africa is seeking up to 100 per cent (and beyond) offsets including technology transfer and socio-economic projects, as well as grace periods for repayment (to start only in 2001) and favourable loan terms.²³

Following a process in which the Department of Defence ranks each of the items according to its military value, the Department of Trade and Industry ranks each item according to the offset content, and the Department of Finance ranks each according to the financing aspects, the cabinet is expected to give its answer in the second half of 1998. This decision may well include a proviso that the procurement be staggered over a number of years, or that only certain types of equipment with a high priority be purchased now, and that non-essential items (such as the tanks and the submarines) be delayed.²⁴

23 The South African government tender proposal reportedly modifies standard international military acquisition practices, where the purchasing country makes a 30 per cent downpayment on signing the contract and then makes *pro rata* payments as the systems are developed, manufactured and delivered. The minimum counter-trade requirements have been increased from 55 per cent to 80 per cent of the value of the contract. See 'No shortage of countries eager for SA's R10bn arms deal, despite onerous terms', *Sunday Independent*, 2 November 1997. See also, 'Offset is the name of this bidding game', *Business Day*, 28 November 1997. Interestingly, the British bidders have proposed that South Africa pay for the equipment in gold. See *Business Day*, 25 June 1997.

24 For details of the nature of industrial and military participation offsets, see 'New weapons coming into SA's sights', *Sunday Independent*, 18 December 1997. Also, 'S. Africa to weigh up balance of packages', *Jane's Defence Contracts*, October 1997. As an example, the Swedish offer involves the supply of heavy rolling stock worth up to US\$85 million to the South African parastatal, Transnet, to account for more than half of the civilian offset requirement. See *Business Day*, 9 January 1998.

A Future for Denel?

The procurement and budget issues raise in turn the question as to what might happen in the near future to the South African armaments industry - perhaps better known in the form of the procurement body, Armscor (the Armaments Corporation of South Africa), and the state's industrial wing, Denel - given that the SANDF has until now been its largest client. (Denel was created out of Armscor on 1 April 1992.) Its future is also entwined with both its past history (as a sanctions-busting outfit at the sharp end of upholding apartheid) and current government policy, which has to balance a moral foreign policy commitment to upholding human rights and thus vetting arms clients carefully with the need to ensure economic growth and employment. Involving an estimated 800 corporations, the South African arms industry accounts for 1.2 per cent of GDP and about 5 per cent of national manufacturing output, employing some 50,000 people (down from 160,000 in the late 1980s).

In the latter regard, the government has established a review committee for foreign arms sales in the form of the National Conventional Arms Control Committee (NCACC), which operates according to a multi-step review process involving, first, the review of an application to market the weapon(s) and, second, the review of an application to export the weapon(s). Despite the controversy surrounding South Africa's consideration of arms sales to Syria and Saudi Arabia, since the NCACC was established in 1995 only two arms export permits have apparently been approved: the US\$460 million sale to Malaysia of *Rooivalk* attack helicopters (which may now well be cancelled or postponed, given Malaysia's current economic woes);²⁵

²⁵ In 1996, the minister in charge of the NCACC, Professor Kadar Asmal, said that trade with Iran, Kenya and the Koreas was under review, while Afghanistan, Iraq, Libya, Nigeria, Sudan and Zaire were blacklisted. Algeria and Malaysia are on the list of approved buyers. The deal for selling tank-firing guidance systems to Syria worth an estimated US\$650 million in 1997 came to naught after the United States expressed its anger. The vetting process has come under considerable criticism in South Africa. For example, critics have argued that the refusal to agree to sell howitzers and helicopters to Turkey was more on account of Ankara's record against the PKK (an ANC ally) than its human rights record. The on-off-on again sale of weapons to Rwanda at the time of the war in eastern Zaire was also criticised, as was the (pre-1994) sale of small arms to that country. After his visit to Indonesia in mid-1997, President Mandela said that in spite of the East Timor controversy, Indonesia was on the approved list of client countries, though for 'defensive' weapons only. See *Business Day*, 14 November 1997. As a result,

and the US\$20 million contract for the supply of remotely controlled pilotless drones to Algeria announced in January 1998.²⁶

Despite increasing commercialisation, Denel's future survival hinges increasingly on its ability to export, and its best sales lie in offensive weapons. South Africa's international isolation effectively created an indigenous capability to produce weapons which in some cases - such as the *Rooivalk* and the G-5/G-6 howitzers - are leaders in their class.²⁷ In 1992/93, Denel's sales to the South African security forces (including the SAPS) amounted to 63 per cent of income, with 17 per cent from exports (despite international sanctions), and 11 per cent from commercial operations. In 1995/96, this had shifted to 45 per cent to the South African security forces, 30 per cent to exports, and 17 per cent to commercial operations.²⁸ Sales to the security forces were worth US\$320 million in 1995/96, as against sales of US\$800 million in 1989.²⁹ Exports were worth US\$250 million in 1996 (South Africa's second-largest source of export earnings), up from US\$130 million in 1992. Exports were mainly artillery, avionics, fuses and anti-mine technology.³⁰

As a result of the continuing fall in the South African defence budget and the consequent change in ratio of personnel and operating expenditure to capital costs, Denel has signalled its intention to increase its global market share from its current level of under one per cent to two per cent, raising its value to roughly US\$500 million and

parliamentary opponents have described South Africa's arms sales policy as a 'drunken zig-zag'. See 'Arms sales can hit SA's moral stature', *Business Day*, 24 October 1997.

26 See 'Algerian army chief visits SA after deal with Denel', *Business Day*, 16 February 1998.

27 The G-5/G-6 family of 155 mm artillery systems have been widely exported. The South African Army has 72 G-5 and 43 G-6 systems. Of the six members of the Gulf Cooperation Council, three use Denel artillery: Oman operates 24 G-6s, Qatar 12 G-5s, and the UAE 78 G-6s. Denel is currently competing to meet requirements in Kuwait (for 48 G-5s) and Saudi Arabia (80 G-6s). The same technology is also being marketed as a 155 mm tank turret, which India has tested on a T-72M1 chassis. See *Jane's Defence Weekly*, 10 December 1997.

28 See *F&T Weekly*, 9 May 1997.

29 Information supplied by the South African High Commission, Canberra, December 1997. For a detailed summary of the South African armaments industry, see Ravinder Pal Singh and Pieter D. Wezeman, 'South Africa's arms production and exports' in *SIPRI Yearbook 1995* (Oxford University Press, New York, 1995), pp.569-83.

30 See *Business Day*, 14 January 1997.

creating 50,000 new jobs in the process. The corporation has opened offices in Paris, Abu Dhabi, Tel Aviv, Moscow, Kuala Lumpur, Beijing and New York. The government will face continued pressure from human rights lobbyists, though this is expected to be offset by the support of the populace in view of the resultant economic benefits.³¹ In a recent South African foreign policy survey, 52 per cent of respondents were of the opinion that South Africa should sell arms under strict conditions, 38 per cent were against the country selling arms at all, and 9 per cent agreed that South Africa should sell arms to anyone who could afford to pay.³² Interestingly, 83 per cent polled in this survey were in favour of South Africa being seen as helping the United Nations in its peacekeeping activities.

Peace-Support Operations

As noted, South Africa's armed services face a future in which they might be expected to increase the scale and scope of their internal security role. And although there are currently no external conventional military threats to South Africa, it may be expected that the republic will increasingly be willing to participate in peace-support operations, particularly in Africa. This is acknowledged in the Defence White Paper, which notes that 'as a fully fledged member of the international community, South Africa will fulfil its responsibility to participate in international peace-support operations'.³³

South Africa's willingness to take up this role has been emphasised by the trend in African states to take a more active role in determining their own fate - what South Africa's deputy president

31 For a highlighting of the moral dilemmas of the South African arms trade, see 'The moral dilemma of Frankenstein', *Business Report*, 3 September 1997.

32 See *Pretoria News*, 3 December 1997.

33 *Defence in a Democracy*, chapter five. The White Paper notes that 'operations in Southern Africa should be sanctioned by SADC and should be undertaken together with other SADC states rather than conducted on a unilateral basis. Similarly, operations in Africa should be sanctioned by the Organisation of African Unity'. It also notes that: 'South Africa's consideration of involvement in specific peace-support operations will not be limited to the possible deployment of troops. The involvement could also take the form of providing equipment, logistical support, engineering services, communications systems and medical personnel and facilities'.

Thabo Mbeki has described as an 'African renaissance'³⁴ - and a decreasing interest on the part of the Western community (post-Somalia) in becoming involved in peacekeeping in Africa.

As a result, the idea of a pan-African force has become increasingly necessary. At one level, this has found expression in the American-led proposals for an African Crisis Response Initiative (ACRI), in terms of which a 10,000-strong eight-battalion force is envisaged.³⁵ Despite French suspicions, the G-7 nations agreed at the Denver summit in June 1997 to support the ACRI. Although South Africa has responded coolly to the US proposal, given concerns over leadership and control of the force as well as the political implications of leaving African peacekeeping to Africans in defiance of the spirit of multilateralism, some seven African states (Ethiopia, Ghana, Senegal, Uganda, Malawi, Mali, and Tunisia) have volunteered troops to the ACRI.

South Africa (like Nigeria) is not expected to participate in the ACRI. However, the SANDF has allocated two battalions as peacekeepers, signalling a willingness to end the country's isolation in this regard. Also, in May 1997, 300 South African soldiers participated in a ground-breaking exercise organised by the United Kingdom and Zimbabwe in eastern Zimbabwe. Codenamed Exercise Blue Hungwe, this was the first time that South African troops had participated in a military exercise with other African states, all fellow-members of the 14-strong Southern African Development Community. This will be repeated during Exercise Blue Crane in 1998.

There are, however, both resource and political limitations on South (and Southern) Africa's ability to engage with every continental conflict situation. The need for South Africa to pick its time and place carefully before involving itself in peace-support operations (whether these be at the level of humanitarian assistance or through the full spectrum of peace-support operations) is highlighted by sensitivity over what may be perceived as South African hegemony in Africa, a high-profile diplomatic role that is not always backed up by results - as

³⁴ This term was first used in his speech at the US Corporate Council on Africa, Chantilly, Virginia, USA, April 1997.

³⁵ This concept was articulated during the US secretary of state Warren Christopher's address to the South African Institute of International Affairs, Johannesburg, 12 October 1996.

in President Mandela's largely unsuccessful attempt to engineer a solution to the Zairian impasse aboard the SAN vessel, SAS *Outeniqua*, off the coast of Congo-Brazzaville in April 1997.

South Africa, like most of the developing world, thus faces an environment dominated by non-conventional (non-military) security challenges as outlined earlier. These include the need to provide economic growth and socio-economic upliftment; to curtail poverty and crime; to deal with the environmental fallout of rapid economic and population growth as well as uncontrollable urbanisation; to arrest the flow of drugs, illegal migration, small arms and the operation of illegal crime syndicates.

Not surprisingly, then, question marks still exist around the role of the SANDF in a new South Africa. Is it to be principally a low-tech source of employment and training mainly involved in internal security issues, or a high-tech deterrent against outside threat, as the constitution demands? How will it use the equipment currently destined for its branches, and will it have the skilled manpower to do so? Finally, without suggesting that the two are mutually incompatible, what will be its relationship with its established partners in the developed world to the north, on the one hand, and its newer allies in the Southern African region and elsewhere to its geographic left and right, on the other?

CHAPTER 5

CONSIDERING THE IOR INITIATIVES

The IOR process is the product of a coincidence of international, regional and domestic events. It has been underpinned by a number of significant political and economic shifts, including a growing global trend towards regionalism; the emergence of a liberal international trading environment with the conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) and the establishment of the World Trade Organisation; the adoption of market-based economic policies by an increasing number of countries including, importantly, the 920 million people of India; the end of apartheid and of South Africa's international isolation; the end of the Cold War and the collapse of socialism in the Soviet bloc; and the emergence of a range of new security concerns, centred around the environment and transnational criminal issues.

The concept of an IOR initiative was first publicly mooted by then South African foreign minister, Pik Botha, in November 1993, when he identified the area as being of great mutual importance to both South Africa and India.¹ In January 1995, President Mandela rekindled the prospect of such an initiative during a visit to India. The South African president stated that:

The natural urge of the facts of history and geography that Nehru spoke of should broaden itself to include exploring the concept of an Indian Ocean Rim for socio-economic cooperation and to improve the lot of the developing nations in multilateral institutions such as the United Nations, Commonwealth and the Non-Aligned Movement.²

He also noted that:

Recent changes in the international system demanded that the countries of the Indian Ocean Rim shall come on a single platform. The natural urge of the facts of history and

¹ *Business Day*, 23 November 1993.

² Vice-Admiral Mihir Roy, 'Confrontation and Cooperation in the Indian Ocean', *South African Journal of International Affairs*, Vol.2, No.2, Winter 1995, p.54.

geography should broaden itself to include exploring the concept of Indian Ocean rim and socio-economic cooperation and other peaceful endeavours.³

This proposal was enthusiastically received by both the Indian and Australian governments. For Canberra, this was in line with the 'Look West' strategy announced by the minister for foreign affairs and trade on 9 August 1994, which had been developed in close consultation with the Western Australian government, and was broadly an attempt to counterbalance the country's foreign policy preoccupation with Asia.⁴ For New Delhi, this was seen as a culmination of the visit of India's first post-independence prime minister, Jawaharlal Nehru, who had encouraged unity among Indian Ocean states. Hence India's support of previous regional initiatives such as the Indian Ocean Zone of Peace and Neutrality (IZOP) and the Indian Ocean Commission (IOC). As Burrows has argued:

The importance of the fact that it is the Indian Ocean should not be overlooked. Since the departure of the British, India has long considered the Indian Ocean as a sphere of influence and was thus irritated by the presence of foreign navies in the Ocean during the Cold War.⁵

The Inter-Governmental Process

The IOR process is currently split between an inter-governmental initiative and so-called second-track diplomacy. The 14-nation Indian Ocean Rim Association for Regional Cooperation, which was established on 6 March 1997 in Mauritius, represents the formal inter-governmental group. This initiative, led by South Africa, Australia and India, was the result of dialogue begun in 1995.

3 Cited in 'Economic Cooperation: The Indian Ocean Rim Concept', *India Digest*, Vol.2/96, February/March 1996, p.7.

4 David Burrows, 'South Africa's Role in the Indian Ocean Rim Initiative', *South African Yearbook of International Affairs* 1997 (South African Institute of International Affairs, Johannesburg, 1997), p.170. See also Parliament of the Commonwealth of Australia, Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with South Africa* (Australian Government Publishing Service, Canberra, November 1996), p.21.

5 Burrows, 'South Africa's Role in the Indian Ocean Rim Initiative'.

On 29-31 March 1995, the Mauritius government convened a meeting to discuss the possibility of enhancing economic cooperation among countries of the Indian Ocean rim. In a tripartite endeavour, representatives of seven countries - Australia, India, Kenya, Mauritius, Oman, Singapore and South Africa, subsequently known as the core group states or 'M-7' - attended, along with members of the business sector and academia. A joint statement, issued at the conclusion of the meeting, declared that the participants had agreed on:

principles of open regionalism and inclusivity of membership, with the objectives of trade liberalisation and promoting trade cooperation. Activities would focus on trade facilitation, promotion and liberalisation, investment promotion and economic cooperation.⁶

At that time, stress was placed on the desire to form a regional trading bloc. As former Mauritian finance minister, Ramakrishnan Sithanen, argued:

the world is being divided into three major trading blocs ... centred in Europe [the EU], Japan [the Asia-Pacific], and the United States [NAFTA]. The Indian Ocean is becoming conspicuous as the only region without an official organisation to promote economic cooperation.

He contended that market-based reforms in countries bordering the Indian Ocean and the readmission of South Africa to the world community made prospects for economic cooperation promising.⁷

This meeting established a tripartite working group (involving government officials, the private sector and academics) to formulate proposals. The first meeting of this working group was held, again in Mauritius, on 15-17 August 1995. This meeting supported, *inter alia*, the establishment of a wider, non-governmental second-track process as complementary to the inter-governmental movement, and comprising business and academic networks. A further meeting in Mauritius in September 1996 finalised a charter to underpin the

⁶ Parliament of the Commonwealth of Australia, Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with South Africa*, p.23.

⁷ Agence France Presse, 12 April 1995. Cited in Denis Venter, *The Indian Ocean Rim Initiative: A Vehicle for South-South Cooperation*. Paper presented at the meeting of the Indian Ocean Research Network, Durban, 10-11 March 1997.

creation of the IOR-ARC, and also saw a doubling of membership to include Indonesia, Malaysia, Sri Lanka, Yemen, Tanzania, Madagascar and Mozambique - now known as the 'M-14'. The membership was increased in this manner so as to achieve the critical mass for launching the organisation.

According to the charter, the IOR-ARC is foremost an outward-looking forum for economic dialogue and cooperation, with the following key objectives: improved market access through trade liberalisation, and the facilitation of freer and enhanced flows of goods, services and investment throughout the region.⁸ It contains no reference to preferential trading areas, to which sectors of the South African government, for one, were strongly opposed.⁹ Aside from its role as a forum for strengthening trade liberalisation along WTO lines, the IOR-ARC 'is designed to set directions for the economic and trade policy in the Indian Ocean region'.¹⁰ The IOR-ARC is thus to be firmly based on the principle of 'open regionalism', as encouraged by the WTO.

Two primary issues were on the agenda throughout the working group sessions: namely, whether security matters should be included within the IOR-ARC ambit, and what criteria were appropriate to establish the scope, numbers and criteria for membership.

Despite the formalisation of the charter, the problem of the scope and speed of membership accession remains problematic. Depending on the definition used, as noted, the region could consist of between 24 and 60 countries, with the potential inclusion of entire subregions pushing this up even higher. In the debate, representatives from Australia, Singapore, Indonesia and South Africa favour a fast-track approach to membership expansion, while India takes the opposite view. India, no doubt fearful of the inclusion of Pakistan, would like to see the process moving ahead slowly, though Canberra,

⁸ Porter, *Integrating the African East Coast into the Wider Community*.

⁹ See Mfundo Nkhulu's comments in David Burrows, *South Africa and the Indian Ocean Rim*, SALLA International Update No.17/96. Mr Nkhulu, then a director in the South African Department of Trade and Industry, noted that regionalism in the Indian Ocean rim 'may in fact be globalism masquerading under the banner of regionalism'.

¹⁰ See Porter, *Integrating the African East Coast into the Wider Community*.

for example, would like to see as many as 35 countries quickly incorporated within the IOR-ARC.¹¹ South Africa has supported an inclusive (that is, all states littoral to the Indian Ocean) approach to membership in the IOR-ARC, involving full participation of all countries found to be eligible and qualifying for full membership, tentatively also including the accession of the whole of the 14-member Southern African Development Community.¹² Australia takes a 'liberal attitude to membership', and believes that the IOR-ARC process cannot proceed apace without the inclusion of major economies such as Pakistan, Bangladesh and Thailand, though it sees problems in extending the definition to Iran and Egypt.¹³

Prior to the launch of the association, applications for membership were received from seven countries: Bangladesh, Iran, Pakistan, Seychelles, Thailand, Egypt and France. Of these, France and Pakistan are seen by India as the most problematic of potential members, given France's non-sovereign status in the IOR and the India-Pakistan relationship. India has objected to Pakistan's membership on the basis that Pakistan does not conduct a non-discriminatory relationship with India on trade issues, thereby violating the spirit of the charter. Suggestions have been made that a five-year moratorium is put on membership so as to allow space to strengthen the existing network.¹⁴

Article 2(ii) of the charter has left open the possibility of expanding the membership at a later date, this being limited to all sovereign states of the IOR which subscribe to the principles and objectives of the charter. The expansion of membership will be decided by member-states on the basis of consensual agreement. The issue of membership and other forms of association with the IOR-ARC was the subject of a working group meeting of officials on 24-25 November 1997 in Mauritius. The meeting decided on the geographical space of the IOR and the sovereign countries which were deemed to constitute part of that space; the conditions and criteria for membership; the

11 Burrows, *South Africa and the Indian Ocean Rim*.

12 The SADC comprised, in November 1997: Angola, Botswana, Lesotho, Swaziland, Namibia, Democratic Republic of Congo and Seychelles (both of which joined in August 1997), Malawi, Mozambique, Zimbabwe, Zambia, Tanzania, Mauritius, and South Africa

13 Discussions, Department of Foreign Affairs and Trade, Canberra, 9 January 1998.

14 I am most grateful to Dr Swaran Singh for providing insight into this process.

types of membership and other forms of association available; the modalities for admission of eligible countries; and the impact of an enlarged membership and the time frame for expansion. A confidential document on these matters was drafted for consideration by the Council of Senior Officials meeting during March 1998 in Mauritius, to be refined in preparation for its consideration by the ministerial meeting in Mozambique in March 1999.¹⁵ At the March meeting, it was decided to create a structure for members, dialogue partners and observers, subject to approval by the summit in Maputo, Mozambique in 1999.¹⁶

There were opposing views as to whether security should be included within the IOR-ARC's scope. South Africa and India were in general agreement that it should be omitted, in order not to jeopardise cooperation in, or 'divert attention away from', the economic sphere.¹⁷ Then South African deputy president, F.W. de Klerk, argued that the focus of the body should not be 'too ambitious' and that 'the main focus should be on trade'.¹⁸ Conversely, the Australian government reportedly pushed very hard to have security included in the agenda, notably through the then foreign minister, Senator Gareth Evans.¹⁹ According to a senior South African official involved in the negotiations, the two issues of membership and security 'held back' progress in the first year of talks, and ultimately 'almost scuttled' the initiative.²⁰ Another described Canberra's efforts to have security issues included in the agenda as 'an outspoken wish'.²¹

Canberra maintains, however, that it always insisted that security issues should be handled through the second- and not the first-track process. This approach was promoted by then foreign

15 Briefing document supplied by South African High Commission, Canberra, December 1997.

16 Interview, Abdul Minty, deputy director-general: multilateral affairs, South African Department of Foreign Affairs, Pretoria, South Africa, 20 April 1998.

17 Interview, G. Parthasarathy, high commissioner of India to Australia, Canberra, 7 January 1998. See also Greg Mills, *India and South Africa: The Search for Partnership*, SALLA Report No.1 (South African Institute of International Affairs, Johannesburg, 1997), p.16.

18 Venter, *The Indian Ocean Rim Initiative*.

19 P.J. Botha, *Security and Cooperation in the Indian Ocean Rim*. Paper presented at a conference on *The Utility of Naval Power*, Cape Town, 17 October 1996.

20 *ibid.*

21 Private correspondence, South African government official, January 1998.

minister Evans, who believed that, as a result of his experience in APEC, business people and academics could deal with these issues in an unfettered, free-thinking manner, not hindered by having to represent official government policy.²²

The IOR-ARC summits are now staged at a ministerial level every two years. At the same time, two parallel meetings are held: the IOR Academic Group (IORAG) and the IOR Business Forum (IORBF). The business people and academics accompanying the IOR-ARC (which remains a tripartite process in this manner) are supposedly to be funded by their respective governments, although the IORAG has thus far been very poorly subscribed, with only South Africa, Australia and India sponsoring the participation of one academic each at the meetings.²³

The Second-Track Process

The issue of security would appear to have come to a head when Australia launched its second-track International Forum on the Indian Ocean Region (IFIOR) conference in Perth in June 1995. This was a more inclusive process than the inter-governmental forum, involving 23 Indian Ocean countries and major regional and subregional organisations. The IFIOR involved two working groups: one dealing with trade, investment and economic cooperation issues; the second with education, the environment, health, law and justice, sport, maritime cooperation issues and the options for regional security dialogue. The inclusion of a working group session on security reportedly resulted in acrimonious exchanges between the key participants.

²² Discussions, Department of Foreign Affairs and Trade, Canberra, January 1998.

²³ Discussion, Professor Ken McPherson, 15 December 1997. As of January 1998, senior officials concerned with the IOR-ARC are to meet every year. They meet before each ministerial summit, and also in intervening years. An IOR-ARC secretariat - known as a pilot coordinating mechanism - has been established in Mauritius, staffed initially by a sole director (a former Mauritian bureaucrat), though it is envisaged that two additional officials will be seconded from member-states to assist. Currently (January 1998), the secretariat essentially operates 'as a mailbox'. The secretariat is funded from an annual subscription of US\$5,000 given by each member country. Discussion, Department of Foreign Affairs and Trade, Canberra, 7 January 1998.

The South African position was made clear prior to this meeting:

We believe firmly that we should concentrate on that which binds us and avoid divisive issues. As with APEC, IOR should concentrate on trade and economic related matters. Issues such as security should be avoided and if there is any real need to deal with security matters in an IOR context, they should be dealt with bilaterally or in a forum created for this purpose. This has been our position in Mauritius and this will be our position in Perth. We have informed the Australians of our concerns regarding security matters on the Perth Agenda and are consulting with other countries on how to deal with this contentious issue. I believe that we should have nothing to do with this part of the agenda.²⁴

The organiser of the event, however, denied that the discussions over regional security were a disaster, stating that: 'the security question was not just a question of security in a traditional sense. It was comprehensive security, including environmental security and human rights'.²⁵ The Australian Department of Foreign Affairs and Trade (DFAT) also argued, in defence, that security remained a very important issue in the process of regional dialogue, claiming that while economic issues were currently to the forefront:

We may be able to build trust and confidence within ourselves, learn how to dialogue, and we will probably be able to move on to more contentious issues later on.²⁶

It may be that the targeting of the inclusion of security in the Perth meeting was a cover to undermine the second-track process, given New Delhi's reluctance to be part of a non-official process which it did not control fully.

24 P.J. Botha, *The Indian Ocean Rim within the Context of South Africa's Foreign Policy*. Paper presented at the SAFTO Indian Ocean Rim Conference, Johannesburg, 29 May 1995.

25 Parliament of the Commonwealth of Australia, Joint Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with South Africa*, p.46.

26 *ibid.*, p.47.

Interestingly, the Australian response to the IFIOR process was reputedly critical on a number of other fronts:²⁷ first, that participation in the IFIOR was restricted; second, that the process did not specifically allow for the involvement of trade unions alongside academia, business and government; finally, that the conference in Perth was weighted too heavily in favour of economics.

Nonetheless, two non-governmental networks were established at a meeting in New Delhi following IFIOR. The Indian Ocean Rim Consultative Business Network (IORCBN) is designed to provide a forum for trade promotion, trade facilitation and business networking. The first meeting of the IORCBN was held in New Delhi on 12-13 December 1995. Participants were invited from Australia, Bahrain, Bangladesh, Comoros, Djibouti, India, Indonesia, Iran, Kenya, Kuwait, Madagascar, Malaysia, Maldives, Mauritius, Mozambique, Myanmar, Oman, Pakistan, Qatar, Saudi Arabia, Singapore, South Africa, Sri Lanka, Seychelles, Tanzania, Thailand, the UAE, Yemen and Zambia. Four working sessions looked at non-tariff barriers and impediments to investment; maritime affairs including transport; customs and trade documentation; and information technology. An 'Agenda for Action' identified at the end of the meeting noted, *inter alia*, that working groups were to undertake detailed studies for identifying impediments to the expansion of regional trade and business opportunities. The streamlining of customs procedures was seen as particularly important.²⁸

The Australian-coordinated Indian Ocean Research Network (IORN) identified 13 research projects after its first meeting in New Delhi in December 1995.²⁹ A meeting of both the IORN and the

²⁷ *ibid.*, p.21.

²⁸ See *Indian Ocean Review*, Vol.9, No.2, June 1996.

²⁹ These were: the Indian Ocean Trade and Investment Project (INDOTIP); possibilities of economic cooperation in the India-Australia-South Africa triangle; research on mitigating maritime natural disasters; regional cooperation in the areas of higher and vocational education; the emerging labour markets in the Indian Ocean region: implications for future economic cooperation; sustainable development in selected Indian Ocean regional countries; women in crisis; a study of the mining, mineral processing and related support industries in the Indian Ocean region - including an assessment of government policies and trade and investment relationships; a detailed analysis of the process of decision making of regional economic cooperation groupings; a policy study for a blueprint of the Indian Ocean region; the subregional structures and the Indian Ocean region: the case of the Indian Ocean Commission (IOC) and the Common Market for Eastern

IORCBN was held in Durban, South Africa in March 1997.³⁰ However, since that time, progress in both the IORN and the IORCBN has been minimal due a lack of funds. Only the IORN projects coordinated by the Indian Ocean Centre in Perth were still under way by December 1997.³¹ Although the meeting held in Durban concluded with an undertaking by Indonesia to host the next IORN gathering, in January 1998 this appeared to be unlikely. By the end of 1997, the IORCBN was also 'in deep and dire difficulties' due to a lack of funding and, 'in effect, defunct'.³² The meeting due to be staged in Colombo in December 1997 had to be cancelled because of a lack of funding. Essentially the grand second-track plan, modelled partly on CSCAP, appeared to have collapsed in 1997 in the face of insufficient funding from governments, with the exception of Australia.³³ The South African government's support for the second-track is lukewarm at best.³⁴

More successful, and related to the IORN process, has been ongoing cooperation on maritime issues. A seminar on this topic was started in 1988 from the (now-disestablished) Indian Ocean Centre for Peace Studies at Curtin University in Perth. The most recent event on regional maritime security issues was held in Perth in September 1996,

and Southern Africa (COMESA); Indian Ocean region cooperation: the approach of growth triangles; trade and environment in the Indian Ocean region; the South Asian diaspora. See *Indian Ocean Review*, Vol.8, No.4, December 1995.

30 This was described by one South African government official as 'not an earth shattering event', with 'no dynamic outcome'. From one South African official's personal point of view, 'it may well be that the Durban meeting was the last of the series, unless some other country suddenly decides to resurrect the second-track'.

31 The Indian Ocean Centre was, in December 1997, continuing with its own project on tariff barriers, maritime cooperation (particularly in the marine sciences), vocational education, and trading links. Discussion, Professor Ken McPherson, 15 December 1997. The Indian Ocean Centre was established in July 1995 as the result of an agreement between the university and the Australian government through DFAT and with the support of the West Australian government. It began operations immediately after the first IFIOR held in Perth in June 1995. For details on its role, see <<http://www.curtin.edu.au/curtin/centre/ioc/homepage.htm>>.

32 Discussion, Professor Ken McPherson, 15 December 1997.

33 The second-track process received some \$A50,000 (the Indian Ocean Centre in Perth) and \$A200,000 (IORN) in funding from the Australian Department of Foreign Affairs and Trade in 1996. See Department of Foreign Affairs and Trade, *Annual Report 1996/97* (DFAT, Canberra, 1997).

34 South Africa's minister of trade and industry, Alec Erwin, was supposed to attend the Durban meeting in 1997, but sent a deputy departmental director in his stead. 'This could be', in the words of one South African government official, 'an indication of the political assessment of the second-track in SA circles'.

covering such issues as shipping and the protection of the marine environment as well as the spread of narcotics, light weapons and transnational crime.³⁵

Separate from the Perth-driven process (but involving many of the same participants), the Institute for Political and International Studies (IPIS) of Iran and the Iran Chamber of Commerce, Industries and Mines (ICCIM), staged a conference in Teheran on 10-12 November 1996, which was attended by participants from 26 IOR countries. The conference endorsed the activities of the IORN and the IORCBN, urging the IOR-ARC to take steps (not surprisingly, given the hosts) to enlarge its membership. Aside from business and banking issues, which received much attention in the proceedings, also discussed were a number of security-related issues including illicit drug trafficking, money-laundering and the illegal proliferation of arms.³⁶

Other Regional and Subregional Organisations

The IOR is characterised by a wide-ranging diversity of countries and a number of cross-cutting regional and subregional organisations, whose proposals cover both security and non-security matters.

Pan-Regional Proposals

The Indian Ocean Zone of Peace (IOZOP) proposal was introduced by Sri Lanka into the UN General Assembly as Resolution 2832 in 1971. Although this proposal had its origins in the Non-Aligned Movement's Cairo (1964) and Lusaka (1970) summits, this can also be seen as a continuation of Nehru's approach of regional self-

35 Publications produced as a result of these initiatives include: Robert Bruce (ed.), *Australia and the Indian Ocean: Strategic Dimensions and Increasing Naval Involvement* (1988); Robert Bruce (ed.), *The Modern Indian Navy and the Indian Ocean: Developments and Implications* (1989); Viv Forbes, *The Geographic Constrictions of the Indian Ocean: Canal, Channel and Straits* (1989) (all of the aforementioned published by the Centre for Indian Ocean Regional Studies in Perth); Jasjit Singh (ed.), *Maritime Security* (Institute for Defence Studies and Analyses, New Delhi, 1993); and Dipankar Banerjee (ed.), *Towards an Era of Cooperation: An Indo-Australian Dialogue* (Institute for Defence Studies and Analyses, New Delhi, 1995).

36 See *Indian Ocean Review*, Vol.9, No.4, December 1996, p.2.

reliance and community, by which 'great power rivalries ... as well as bases ... either army, navy or airforce, would be excluded'.³⁷ Non-alignment demands an organisation wholly independent of external alliances. As a result, although the proposal called initially for a reduction of all naval forces in the Indian Ocean, it was modified to focus on extra-regional rather than littoral state disarmament.

The IOZOP central tenets revolved around: the exclusion of great-power rivalry, external military bases and external alliances, as well as nuclear weapons, from the Indian Ocean; and the establishment of 'the principles of freedom of navigation and access and collective responsibility for security'.³⁸ However, the proposal was doomed to fail without US support. Washington was unlikely to approve of this initiative, given that its presence in the Indian Ocean was 'essentially maritime', unlike those of the Soviet Union and China.³⁹ Moreover, a number of the littoral states (such as Pakistan and the Gulf states) either relied upon the US naval presence for their security, or were prevented from supporting the initiative due to current treaty obligations (such as Australia's commitment to the ANZUS treaty). These factors, together with the Soviet invasion of Afghanistan in 1979, the Gulf reflagging crisis and then the 1991 Gulf War, prevented a serious consideration of the IOZOP concept. In addition, as Gordon has noted, the end of the Cold War altered regional attitudes towards external involvement. As he puts it:

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 throughout the region and interfered far more frequently in internal affairs.⁴⁰

The changing nature of regional security concerns, not necessarily related to external-power involvement, and the post-Cold War shift

³⁷ Dorian Greene, *A Zone of Peace or a Balance of Power in the Indian Ocean?* Graduate School of Georgetown University PhD thesis, 1988, p.58. Cited in James Goldrick, *No Easy Answers: The Development of the Navies of India, Pakistan, Bangladesh and Sri Lanka 1945-1996*, Papers in Australian Maritime Affairs No.2 (Lancer Publishers/Spantech & Lancer, New Delhi/London/Hartford, 1997), p.107.

³⁸ Gordon, *Security and Security Building in the Indian Ocean Region*, p.155.

³⁹ *ibid.*

⁴⁰ *ibid.*, p.158.

from regionalism in the form of security regimes to economic trading blocs instead, meant that the IOZOP proposal was no longer appropriate for the needs of the region in the 1990s. As Major-General Dipankar Banerjee put it in 1992:

The end of the Cold War has removed any necessity to attempt to prevent the negative consequence of superpower rivalry. Simultaneously, the second Gulf War shattered the illusions of regional security. Both these conditions have undermined the basic assumptions behind the concept of the IOZOP. Its premises stand discredited and there is no means that will effectively resuscitate the proposal ... Some scholars have argued that a Conference by itself may be a Confidence-building Measure (CBM) and, therefore an IOZOP Conference has the potential to generate greater understanding and reduce tensions. However, in this particular case the meetings of the ad hoc committee have shown that they more often than not add to the problems than they resolve them and they do not contribute to an effective dialogue. It is suggested that a better option may be to bury the dead and start anew.⁴¹

Subregional Security Proposals and Organisations

Outside the IOZOP process, both China and India, on the one hand, and Pakistan and India, on the other, have engaged in a series of confidence- and security-building measures (CSBMs). In the case of the former, these have developed both through multilateral-level meetings and the workings of the India-China Joint Working Group (JWG). In November 1996, the two countries signed an agreement that included military CSBMs, and stipulated that 'Neither side should use its military capabilities against the other side'. Under a second agreement on maritime transportation, the two extended most favoured treatment to each other's vessels in their respective seaports.⁴²

Meetings between India and Pakistan have involved both official and non-governmental initiatives. Official CSBMs include the

41 Paper presented at a conference on International Relations in the Indian Ocean, Réunion, 1992. Cited in Botha, *Security and Cooperation in the Indian Ocean Rim*.

42 'From War to Water Pacts in Turbulent South Asia', *Christian Science Monitor*, 17 January 1997.

establishment of hotlines between senior military personnel; prior notification and observation of military exercises; the 1962 Indus Waters Treaty; and the 1971 Simla Accord. Islamabad and Delhi ratified a bilateral Agreement on the Non-Attack of Nuclear Facilities in 1992, which was signed in 1993. This requires an annual exchange of lists of the location of nuclear facilities in each country, which was first done in 1992.⁴³ The most notable non-governmental contact is The People's Forum for Peace and Democracy, or the so-named 'Neemrana' process.

Other Asian-centric security proposals include the stillborn Malaysian-sponsored Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971. An extension of this was the proposal for a Southeast Asian Nuclear Weapons Free Zone (SEANWFZ) in 1972. The United States (not unexpectedly) opposed the latter, on the basis that this 'would undermine its global deterrence posture'.⁴⁴ Similarly, the South Asian Nuclear Weapons Free Zone (SANWFZ), first proposed by Pakistan in the United Nations in 1974 after India tested a nuclear device, is continually rejected by India on the grounds that China should be included.

Other collective subregional organisations focused on security issues in the IOR are:⁴⁵

- The Southeast Asian Treaty Organisation (SEATO). Consisting of the United Kingdom, the United States, Pakistan, the Philippines and Thailand, like CENTO (see below), this was central to the US policy of containment and relied on external rather than regional powers for its being. It continued until 1977, being essentially superseded by ASEAN.
- The Baghdad Pact/Central Treaty Organisation (CENTO). Involving the United States, the United Kingdom, Turkey, Iran and Pakistan, it collapsed after the 1965 Indo-Pakistani War.

⁴³ Gordon, *Security and Security Building in the Indian Ocean Region*, p.168.

⁴⁴ *ibid.*, p.167.

⁴⁵ See *ibid.*, pp.170-8. For a discussion on the African organisations, see Greg Mills (ed.), *South African Yearbook of International Affairs 1996* (South African Institute of International Affairs, Johannesburg, 1996), especially pp.128-35 and pp.202-13. On ARF and CSCAP, see Jörn Dosch, *PMC, ARF and CSCAP: Foundations for a Security Architecture in the Asia-Pacific?* Working Paper No.307 (Strategic and Defence Studies Centre, Australian National University, Canberra, June 1997).

- The ANZUS Treaty. Originally between the United States, Australia and New Zealand, the latter pulled out in the 1980s, though the alliance remains key in Canberra's relationship with Washington.
- The Five Power Defence Arrangements (FPDA). Consisting of the United Kingdom, Singapore, Australia, Malaysia and New Zealand, the members are required to consult together in the event of an attack on Malaysia or Singapore. Australia has a similar arrangement with Indonesia which was concluded in December 1995.
- The Gulf Cooperation Council. The GCC was established in the context of the first Gulf War between Iran and Iraq. Comprising Saudi Arabia, Oman, the United Arab Emirates, Qatar, Kuwait and Bahrain, close ties exist between the GCC and Western nations. In 1991, a ten-year agreement was concluded between the United States and Kuwait. The GCC members conduct an annual naval exercise. In 1997, this lasted for eleven days.⁴⁶
- Bilateral Soviet Union-centric agreements. These included the treaties of Peace, Friendship and Cooperation with India and Iraq. Others were signed with Ethiopia and Yemen.
- The Joint Exercises off Trincomalee (JET). These comprised naval exercises between India, Pakistan, Great Britain, Sri Lanka and Australia, which ceased at the time of the Indo-Pakistani War in 1965.
- The SADC Organ on Politics, Defence and Security. Formally created at the SADC summit in Maseru in August 1996, the organ - essentially the crisis-response arm of SADC - will operate at the summit level. Its objectives include the safeguarding of the region against instability; the promotion of political cooperation; the development of a common foreign policy; security and defence cooperation through conflict management, prevention and resolution; mediation in disputes and conflicts; the development of a collective security

⁴⁶ Codenamed 'Solidarity-5', this exercise took place off the coast of Bahrain. *Jane's Defence Weekly*, 17 October 1997.

capacity and regional peacekeeping capability; and the coordination of the participation of its members in international and regional peacekeeping operations. However, due to problems concerning its operating level (where there is a dispute between members about whether it should function as a separate SADC summit), by the end of 1997 the organ had not yet been operationalised.

- The Inter-State Defence and Security Committee (ISDSC). The ISDSC consists of a SADC forum at which ministers responsible for defence, home affairs/public security as well as state security can meet to discuss issues of mutual or individual concern. Established in 1983 under the so-called Frontline States (FLS) grouping, the ISDSC's membership was expanded in November 1994 to include South Africa, Lesotho, Malawi and Swaziland. With a ministerial council at its apex, it operates with three sub-committees, one each for the military, police and intelligence communities. Below the level of the defence sub-committee are three functional committees: the operations sub-committee, the standing maritime sub-committee, and the standing aviation sub-committee. Designed to enhance regional security and cooperation through the promotion of common understanding, better coordination of activities and the sharing of information, the ISDSC has made progress in combined planning for exercises including the establishment of common doctrines and standard operating procedures.⁴⁷ In 1997, the ISDSC navies exercised together, with several ISDSC officers aboard South African naval vessels.⁴⁸
- The Organisation of African Unity (OAU) Central Mechanism for Conflict Prevention, Management and Resolution. Established on 30 June 1993 in Addis Ababa, Ethiopia, it has

⁴⁷ See Greg Mills, *India and South Africa*, pp.14-15.

⁴⁸ The task force comprised two SAN strike-craft, SAS *Adam Kok* and SAS *Jan Smuts*, and the combat support vessel SAS *Drakensberg*. Scheduled to occur from 15 September 1997 to 20 October 1997, the task force's objectives included exercise aimed at improving seamanship, patrol and boarding, and search and rescue. The exercises were designed also to report on fishing vessel concentrations. See *Jane's Defence Weekly*, 1 October 1997. see also 'SA task force in Mombasa', *Star*, 1 October 1997.

been given effect through the so-called Central Organ for Conflict Prevention, Management and Resolution (COCPMR). Its various initiatives include the establishment of an early warning network for the entire continent, the enhancement of the OAU's capacity in its Conflict Management Centre with the creation of a Crisis Management Room, to earmark member-states' armed forces for possible utilisation in peace-support operations; and the creation of a proper unit to manage peacekeeping operations.

- The ASEAN Post-Ministerial Conferences (PMCs). These meetings involve Australia, Canada, China, the European Union, India, Japan, New Zealand, Russia, South Korea and the United States in addition to the ASEAN member-states, and are staged after the annual meetings of the ASEAN foreign ministers. Although initially a forum for debate on economic issues, since 1992 discussion in the PMC has included security-related issues such as preventive diplomacy, conflict management, non-proliferation, CSBMs, and specific problems such as the South China Sea and North Korea's nuclear weapons programme.
- The ASEAN Regional Forum (ARF). Originating at the 1990 ASEAN Post-Ministerial Conference in Jakarta, where the notion of a cooperative body between friends and old adversaries was discussed, the ARF was formally launched in July 1993 at the twenty-sixth ASEAN ministerial meeting in Singapore by the then six ASEAN states (Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Brunei), their seven major trading partners (Australia, the European Union, Japan, New Zealand, South Korea, the United States, and Canada), plus five guests and observers (China, Papua New Guinea, Russia, Vietnam, and Laos). The first ARF meeting was held in Bangkok in July 1994. The second meeting in Brunei in August 1995 adopted a 'gradual evolutionary approach' to security cooperation.⁴⁹ There is a huge diversity of ideas behind the

⁴⁹ See Desmond Ball, *Security Cooperation in the Asia-Pacific Region: The Maritime Aspect*. Paper presented at a conference on Management of Regional Seas - Cooperation and Dialogue, Centre for Maritime Policy, University of Wollongong and Northeast Asia Program, Australian National University, 12 December 1997.

involvement of each member-state in the ARF. As a result, it has not led thus far to any concrete measures to 'enhance security in the Asia-Pacific', apart from providing a framework for discussion.⁵⁰ A key reason for its establishment was that it provided a means to continue to engage the United States in the region following its withdrawal from the Philippines, alongside a related need to keep in check the rising power of China. Loosely based around the Conference (now Organisation) on Security and Cooperation in Europe (C/OSCE), the ARF meets between the time of the annual ASEAN ministerial meeting and the PMC, and has committed itself to a concept of 'comprehensive security' involving three stages: confidence-building; preventive diplomacy; and approaches to conflicts.⁵¹ It is recognised that the ARF/PMC process has to be supported by the development of institutions at both the official and NGO levels.⁵² The senior officials' meetings (SOMs) are set up at the official level to support both the PMC and ARF processes; while burgeoning NGO and institutional linkages are channelled into the Council for Security Cooperation in the Asia Pacific.⁵³

- The Council for Security Cooperation in the Asia Pacific (CSCAP). Representing the second-track, non-governmental process complementing the ARF,⁵⁴ the CSCAP concept was developed in 1992, and formally launched in June 1993. Founded by ten research institutes for strategic and international studies located in Australia, Canada, the United

50 Dosch, *PMC, ARF and CSCAP*, p.10.

51 *ibid.*

52 Ball, *Security Cooperation in the Asia-Pacific Region*.

53 Second-track meetings (from small workshops upwards) in the Asia-Pacific, by the end of 1997, exceeded one per week (*ibid.*). The regional security dialogue events planned in the Asia-Pacific in 1998 numbered 82. See *Regional Security Dialogue: A Calendar of Asia-Pacific Events, January 1998-December 1998*. Prepared by the Asia-Pacific Security Section, DFAT, Australia, and the Strategic and Defence Studies Centre, Australia National University at <<http://coombs.anu.edu.au/Depts/RSPAS/SDSC/APSecurityTop.html>>.

54 For a detailed background on the ARF/CSCAP processes, see Desmond Ball, 'A New Era in Confidence Building: The Second-track Process in the Asia/Pacific Region', *Security Dialogue*, Vol.25, No.2, 1994, pp.157-76.

States, South Korea and the ASEAN states,⁵⁵ the process is intended to bring together experts in working groups to carry out 'policy-oriented studies on specific regional political-security problems'.⁵⁶ By the end of 1997, six other countries had joined (New Zealand, Russia, North Korea, Mongolia, Vietnam and China), and there were four associate and observer members (European CSCAP, India, the United Nations, and Taiwan). The working groups focus on maritime security in the Asia-Pacific; enhancement of security cooperation in the North Pacific; concepts of cooperation and comprehensive security; and, confidence- and security-building measures and transparency with regard to the proliferation of weapons of mass destruction and new weapons technology. There are also discussion groups on transnational crime and regional security, and the role of the media. Each working group meets twice annually, and the participation of members is funded by their respective governments.⁵⁷

55 These are: Strategic and Defence Studies Centre, Australian National University (Australia); University of Toronto-York University Joint Centre for Asian Pacific Studies (Canada); Centre for Strategic and International Studies (Indonesia); Japan Institute of International Affairs (Japan); The Seoul Forum for International Affairs (South Korea); Institute for Strategic and International Studies (Malaysia); Institute for Strategic and Development Studies (Philippines); Singapore Institute of International Affairs (Singapore); Institute for Security and International Studies (Thailand); Pacific Forum/Center for Strategic and International Studies (United States).

56 Dosch, *PMC, ARF and CSCAP*, p.12.

57 The funding system of CSCAP requires elaboration. Each member-country provides an annual donation to the CSCAP secretariat based in Kuala Lumpur. This amounted in 1997 to around US\$115,000. Member-states' contributions vary from US\$20,000 (United States and Japan) to US\$1,000 (Mongolia). This total amount is used to run the secretariat and pay for the accommodation and meals costs of one attendee at each of the working group meetings. The working group meetings operate from a budget of US\$6,000 per meeting, including publication costs. The individual countries thus raise money for their own steering committees so as to (using Australia as an example, as this varies from country to country): pay for the costs of the attendance of their (2 max.) attendees at the bi-annual overall CSCAP steering group meetings; contribute to the secretariat; pay the airfare of at least one at the working group meetings; pay some costs towards the attendance of the bi-annual local steering group; and, cover the cost of a local secretariat. In Australia's case, the locally raised overall budget for these responsibilities was \$A70,000. Of this, around \$A40,000 was raised from the departments of Foreign Affairs and Trade, and Defence. The remainder was raised

- Bi-annual Western Pacific Naval Symposium (WPNS). Initiated in 1988, it had its origin in the belief that a free exchange of views could assist in reaching regional consensus on practical naval matters of common interest or concern. The first meeting was held in Australia (1988), and was attended by Australia, Brunei, China, Indonesia, Malaysia, New Zealand, Papua New Guinea, Philippines, South Korea, Singapore, Thailand and the United States. Subsequently, Japan, Tonga, Vietnam, Cambodia, and Russia were included as members, with Canada, France and Chile as observers. The aim of the WPNS is to create an environment that will assist in building confidence and enhancing cooperation through, *inter alia*: personnel contacts, transparency, exchange of fleet programmes, observation and prior notification of fleet exercises, seminars, prevention of incidents at sea, joint training and exercises, information sharing, port visits, the creation of a Maritime Information Exchange Directory (MIED) as a means of providing time-critical information, and exchange of information on naval procurement and retirement programmes.⁵⁸ Although the WPNS, which regional naval chiefs attend, is held every second year, a staff-level workshop is convened roughly six months after the seminar to apportion work determined by the chiefs in the seminar proper, and meets again six months before the next seminar to check up on work done and to bring papers forward.
- Bilateral naval exercises and training. Within the IOR, in 1996, the Indian Navy was involved in a regular cycle of exercises with the Singapore Navy and the UAE. In addition, there was the possibility of training exchanges with the South African Navy.⁵⁹ 'Low-key' cooperation exists between South Africa and Kenya, India, Mauritius, Mozambique and Tanzania, which includes port visits and the irregular staging of 'minor'

from private sources. This information was supplied by Dr Stephen Bates, Australian CSCAP, 15 December 1997.

58 I am grateful to Lt-Commander Mike Buss, visiting naval fellow at SDSC, for providing me with this information.

59 Goldrick, *No Easy Answers*, p.132. See also Edmonds and Mills, *Uncharted Waters*, p.65.

exercises.⁶⁰ South Africa has formal military agreements planned or concluded with: Australia (on the protection of classified information); India (defence cooperation and equipment exchange); Malaysia (defence cooperation, protection of classified information and the status of forces); Mozambique (defence cooperation); Singapore (military cooperation and status of forces); and Tanzania (defence cooperation).⁶¹ The formal defence pact with Singapore, which was established in November 1997, includes cooperation in joint exercises, training and defence procurement.⁶² Various agreements were signed with Pakistan during the visit of Gohar Ayub Khan, the foreign minister of Pakistan, to South Africa in January 1998. These included a peacetime naval agreement, and a defence and defence equipment cooperation agreement. The defence accord was aimed at promoting cooperation between the defence industries of South Africa and Pakistan.⁶³ Elsewhere, the FPDA partners periodically conduct exercises together. As of November 1997, Australia has 'agreements to exercise' with all of the ASEAN member-states bar Vietnam, Laos and Myanmar, and exercises are conducted with all elements of the armed forces on a regular basis.⁶⁴ Australia has an ad hoc approach to practical defence cooperation with India, involving bilateral naval passage (PASSEX) exercises, port visits, participation in maritime symposiums, and training/staff exchanges.⁶⁵ It is hoped that this will, in the

60 Information supplied by the South African Navy, November 1997.

61 Information supplied by the South African Defence Secretariat, December 1997.

62 See 'Singapore and South Africa Sign New Defence Pact', *South East Asia Straits Times*, 11 November 1997.

63 See *Business Day*, 27 January 1998. Other agreements are also in the pipeline. Discussion, Pakistan high commissioner to South Africa, Shafkat Saeed, 23 January 1998; and discussion with foreign minister Khan, South African Institute of International Affairs, Jan Smuts House, 27 January 1998.

64 For details see Desmond Ball and Pauline Kerr, *Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s*, Studies in World Affairs No.12 (Allen & Unwin in assoc. with the Department of International Relations, Australian National University, Sydney, 1996), esp. pp.133-42.

65 See David Evans, 'Broader Maritime Cooperation' in Jasjit Singh (ed.), *Maritime Security* (Institute for Defence Studies and Analyses, New Delhi, 1993), p.5. According to Evans (then high commissioner for Australia to India), these ties include: the bilateral naval exercises in November 1991 off the Andamans

future, be replaced by a formal framework for strategic dialogue, to establish regular high-level contacts between defence chiefs.⁶⁶ Finally, India and Singapore are known to have a naval leasing agreement.⁶⁷

Non-Security Arrangements

The Organisation for Indian Ocean Marine Affairs Cooperation (IOMAC) can, according to Gordon, be considered 'the only constituted Indian Ocean-wide organisation in the Indian Ocean today'.⁶⁸ Established in 1985, it now comprises 35 member-countries (with the notable exceptions of India and Australia), with a secretariat based in Colombo. It is concerned specifically with maritime issues, including transport, and marine sciences and resources.

Other regional (or subregional) arrangements include:

- The South Asian Association for Regional Cooperation (SAARC). Founded in 1985 along the lines of ASEAN, and concentrating on cultural and economic issues, it comprises India, Pakistan, Nepal, Bangladesh, Bhutan, Sri Lanka and the Maldives. The body apparently suffers from the relative economic asymmetry of India and the resultant fears of domination, particularly by Pakistan. The tense relationship between Pakistan and India 'constantly permeated the affairs of the forum, as did other bilateral problems, for example, between India and Sri Lanka, India and Nepal, and India and

involving three Indian (INS *Rajput*, *Udaygiri* and *Kirpan*) and one Australian (HMAS *Torrens*) naval vessels; the visit by HMAS *Westralia* and *Swan* to Madras in August 1992; Admiral Tandon's participation in a maritime symposium hosted by Australian Defence Industries in 1991; and participation by Indian Navy students at Australian staff colleges.

66 See 'Defence Ties Bind India to Australia', *Australian*, 19 December 1997. The need for such a framework arose during the visit of the Vice Chief of the Australian Defence Force, Vice-Admiral Chris Barrie, to New Delhi in December 1997. Admiral Barrie's visit was marred by an Indian protest over what New Delhi described as 'unauthorised surveillance' by a Royal Australian Air Force *Orion* aircraft of its new guided-missile destroyer, INS *Delhi*, off Malaysia in November 1997.

67 It is understood that the Singapore Navy has from time to time leased (with crew) an Indian Navy *Foxtrot*-class submarine with which to conduct anti-submarine warfare exercises.

68 Gordon, *Security and Security Building in the Indian Ocean Region*, p.173.

Bangladesh'.⁶⁹ Institutional deficiencies are said to be a major cause for SAARC falling short in its performance expectations.⁷⁰ Indeed, the percentage of intra-SAARC trade to trade overall of SAARC members has remained comparatively insignificant, arguably diminishing the imperative for regional cooperation. This percentage increased from 2.9 in 1987 to 3.4 in 1993.⁷¹

- The SAARC Preferential Trade Area (SAPTA). SAPTA is a non-reciprocal trade arrangement between SAARC members set up in 1995.⁷² In May 1997, SAPTA member-countries decided to initiate measures which would result in the establishment of a South Asian Free Trade Area (SAFTA) by 2001.⁷³
- The Bay of Bengal 'growth quadrangle'. Comprising India, Bangladesh, Sri Lanka and Thailand, it was launched on 6 June 1996. Myanmar joined in December 1997. This group aims to promote rapid growth in trade, agriculture, transportation links and human resource development cooperation.⁷⁴
- The Colombo Plan. Entailing essentially a programme for technical cooperation among mostly Commonwealth Indian Ocean nations, this was a product of the 1950 Commonwealth ministers' conference held in Colombo. It was 'highly successful and ran for a number of years, providing useful training and technical cooperation for the emerging nations of the region'.⁷⁵ Attempts to transform it into a political body through the Colombo Powers forum were not successful, however.

69 *ibid.*, pp.174 and 175.

70 See Vernon L.B. Mendis, 'Perspectives on SAARC', *South Asian Survey*, Vol.3, Nos 1&2, January-December 1996, p.43.

71 Charan D. Wadhava, 'Assessing SAARC Preferential Trading Arrangement SAPTA', *South Asian Survey*, Vol.3, Nos 1&2, January-December 1996, p.190.

72 See Ayubur R. Bhuyan, 'Regional Cooperation in South Asia: Outlook and Prospects Under SAPTA', *South Asian Survey*, Vol.3, Nos 1&2, January-December 1996, pp.197-219.

73 See the address given by the high commissioner of India to Australia, G. Parthasarathy, to the conference on South Asian Development in 1997 and Beyond: Its Relevance for Australia, University of Sydney, 12 September 1997.

74 *ibid.*

75 Gordon, *Security and Security Building in the Indian Ocean Region*, p.175.

82 *South Africa and Security Building in the Indian Ocean Rim*

- The Organisation of African Unity (OAU). Established in 1963, the OAU today comprises 53 members. With its initial focus largely on the process of decolonisation and on the white-ruled countries of the Lusophone states and (then) Rhodesia and South Africa, it has moved away to concentrate on broader issues, notably peace-support operations and conflict resolution; the promotion of intra-African trade, economic reform and development; as well as on social issues such as AIDS. The organisation is still, however, hamstrung by a lack of resources (particularly for its peacekeeping plans) and, especially, the political will necessary to address intra-African (domestic) shortcomings.
- The Southern African Development Community (SADC). SADC was formed out of its predecessor, the Southern African Development Coordination Conference (SADCC), in 1992. SADCC was essentially set up as a vehicle for mobilising resources to reduce regional dependence on South Africa as an anti-apartheid strategy. SADC's focus, by comparison, is on development integration rather than coordination. The need to coordinate and implement regional infrastructure projects along with the implementation of a tariff-free regional free trade agreement (by 2004) is paramount. Security issues are to be handled, largely, through the SADC Organ on Defence, Politics and Security, though separate protocols (for example, dealing with the movement of people and the combating of drug smuggling) fall within the purview of SADC.
- The Common Market for Eastern and Southern Africa (COMESA). Known until December 1994 as the Preferential Trade Area for Eastern and Southern Africa (PTA), it succeeded the collapsed East African Community (EAC) in 1981. The PTA was formed with the aim of liberalising trade practices, and fostering regional participation in industry, agriculture, transport and communications. It aimed to create a regional common market by the year 2000, though intra-regional trade has remained low. At the time of its transformation into COMESA, the organisation had 22 members: Angola, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius,

Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Zaire subsequently joined, though South Africa and Botswana have chosen not to join, and Mozambique has given notice of its intention to withdraw.⁷⁶

- The Association of Southeast Asian Nations (ASEAN). Founded in 1967 out of the collapse of the SEATO arrangement, it was a response to the perceived threat of communism. Cooperation among the initial ASEAN five (Indonesia, Malaysia, Thailand, Singapore and the Philippines) was made possible with the fall of Sukarno in Indonesia and the end of the so-called confrontation period. Though it has specifically concentrated on regional economic cooperation, it is considered a regional forum and, as such, has dealt with other issues including security. The Vietnam and Cambodia wars and the growing might of China, together with regional economic issues, have meant that ASEAN's focus has primarily been on the north and west rather than the Indian Ocean.
- The Asia-Pacific Economic Cooperation (APEC) forum. Formally constituted in 1989, its principal aims include the establishment of free and open trade by 2010 for the developed countries, and for developing countries by 2020. Membership currently comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand, and the United States.⁷⁷ Russia, Vietnam and Peru were admitted as members at the November 1997 summit in Vancouver.
- The Economic Cooperation Organisation (ECO). Comprising Turkey, Iran, Pakistan and the Central Asian republics, it is a

⁷⁶ See Garth Abraham and Caroline De Pelet, 'South Africa and Regional Integration: SACU, SADC and COMESA' in *South African Yearbook of International Affairs 1997* (South African Institute of International Affairs, Johannesburg, 1997), p.137.

⁷⁷ For an exposition of the future challenges facing APEC, see Heribert Dieter, 'Asia-Pacific Economic Cooperation and World Trade Organisation', *Aussen Politik*, Vol.47, No.3, 1996, pp.274-86. See also Donald K. Emmerson, 'Organizing the Rim: Asia Pacific Regionalism', *Current History*, Vol.93, No.587, 1994, pp.435-9.

successor to the Organisation of Regional Cooperation (ORC). With a secretariat based in Teheran, the ECO aims are to foster trade and commercial links between members.

- The Indian Ocean Commission (IOC). Founded in 1984 out of a conference staged in Mauritius two years earlier, it covers a broad range of issues, including economics, agriculture, marine resources, ecology, science and technology, education, justice and diplomacy. The initial membership of Mauritius, Madagascar, and the Seychelles was joined in 1986 by France and the Comoros.
- The Indian Ocean Tuna Commission (IOTC). This enabling agreement was adopted at the UN Food and Agriculture Organisation (UNFAO) in 1993 and entered into force in 1996 with 10 members. As of December 1997, members were Sudan, Eritrea, Pakistan, Thailand, India, France, the European Union, the United Kingdom, Japan, Korea, Madagascar, Seychelles, and Sri Lanka. The first meeting of the IOTC took place in Rome in December 1996. Now that a headquarters has been established (which along with the budget-sharing formula was a difficult issue at the beginning), the IOTC should move to address issues of funding, data collection and analysis, and the creation of a scientific assessment capacity. It is hoped that this new body will prove more successful than the Indian Ocean Fisheries Commission, which had a capacity for consultation rather than management action.⁷⁸
- Bilateral joint ministerial commissions (JMCs). Joint commissions are regularly staged between South Africa and India, and South Africa and Australia. The India and South Africa commission was initiated in 1995. At the first meeting in Pretoria in July 1995, an agreement on science and technology cooperation was signed; and, at the second, in New Delhi in December 1996, agreements on cultural matters, and defence cooperation were concluded.⁷⁹ The first meeting of the South

⁷⁸ Harwood, *Evolution of Fisheries Regimes*.

⁷⁹ This information was supplied by the Indian High Commission, Pretoria, December 1997.

Africa-Australia commission was held in South Africa in July 1997 and focused on trade and investment issues, as well as ways in which to increase scientific and technical cooperation.⁸⁰

⁸⁰ See *Australian Outlook* (produced by the Australian High Commission to South Africa), July 1997.

CHAPTER 6

ASSESSING THE POTENTIAL FOR IOR COOPERATION

Indicative, perhaps, of its embryonic standing, the IOR 'concept' has given rise to a variety of opinions regarding its utility. In particular, there is debate over where and how security issues might be addressed within this framework.

On the optimistic front, there are those who believe that the IOR regional framework should be pursued because:

- it could act as an agency for regional cooperation, which could initiate and manage a series of trade liberalisation measures, thus fulfilling the region's substantial potential by integrating it further with the global economy;¹
- related to the above, it is a medium- to long-term initiative, aimed at supplementing bilateral linkages, introducing the concept of 'open regionalism', and bringing IOR-ARC countries 'onto the main global trade agenda';²
- the physical (mineral, agricultural, fishing) wealth of the IOR countries injects a 'vital impetus';³
- an IOR trade bloc could create the potential for major South-South economic cooperation, offering member-countries enormous potential benefits through inter-regional specialisation and economies of scale, and through enhanced

¹ See Conrad Strauss, 'The Indian Ocean Rim - A South African Perspective', *SAIIA Review*, Vol.5, No.2, October 1997, pp.10-11. Also, Porter, Integrating the African East Coast into the Wider Community; Confederation of Indian Industry Research Department Discussion Paper, Indian Ocean Rim Countries: Scope for Cooperation (undated); and Ramikishen S. Rajan and Sanjay Marwah, 'Towards an Indian Ocean Economic Alliance: Commentary on Membership Issues', *Australian Journal of International Affairs*, Vol.51, No.2, July 1997, pp.195-215.

² Discussions, Department of Foreign Affairs and Trade, Canberra, 9 January 1998.

³ Kishore Kumar, 'A Community in Cooperation', *Seminar*, No.488, December 1996, p.28.

leverage to established trading blocs such as the EU and NAFTA;⁴

- it links both the Indian diasporas in the region and subregional groupings, thus 'promoting stability, complementarity and a sense of regional kinship';⁵
- it could result not only in a preferential trade area, but in a free trade area;⁶
- it rediscovers the traditional bonds and relations among the IOR states;⁷
- it offers a viable alternative to domination and exclusion by trading blocs (such as APEC), which are themselves dominated by developed Western nations;⁸
- it might represent the start of a three-tier trade and economic scenario between Japan, the European Union and the United States; ASEAN; and the IOR, where a combination of ASEAN and APEC models may achieve a market-led integration;⁹
- it promotes economic security: 'stability in the IOR is vital to well-being elsewhere', where the functional definition of Asia is more 'fungible than hitherto credited', with advantages in having a wide Asian trading network, one that 'embraces the giant energy reserves of Southwest Asia and the increasingly important centres of labour, technology and market access provided by South Asia';¹⁰ and,

4 See Gwyn Campbell and Mario Scerri, 'An Indian Ocean Rim Economic Association', *South African Journal of International Affairs*, Vol.2, No.2, Winter 1995, p.11.

5 Interview, G. Parthasarathy, high commissioner of India to Australia, Canberra, 7 January 1998.

6 Kumar, 'A Community in Cooperation', p.31.

7 See the comments of the Indian minister of external affairs, Shri I.K. Gujral, speech to Indian upper and lower house of parliament, 11 March 1997. Reported in the *Indian Ocean Review*, Vol.10, No.1, March 1997, p.1.

8 See the comments made by Talmiz Ahmad, deputy Indian high commissioner to South Africa, 'India and the Indian Ocean', *India Digest*, Vol.2/96, February/March 1996, p.1.

9 See Parimal Kumar Das, ASEAN and the IORC: Prospects of Integration in Trade, Investment and Politics, undated working paper.

10 Gordon, *Security and Security Building in the Indian Ocean Region*, p.223.

• it is 'a vital reaffirmation of the vision of Afro-Asian partnership which the first Prime Minister of India, Jawaharlal Nehru, dreamt of at the dawn of independence'.¹¹

Some have gone so far as to suggest that the IOR is the 'hub' of cooperation among the developing nations of the world.¹² In all of this, it is emphasised that regional cooperation should be seen as a process and not as an end in itself.¹³ There would also appear to be broad agreement among IOR-ARC members that economic cooperation is the common thread which would knit countries together.

On the issues of membership and security, there are, as noted, a number of differing viewpoints. Aside from the divisions of opinion within the current first-track IOR-ARC states, those on the fringes of membership have also made their opinions felt. Both Iran and Pakistan have, at various times, urged that an inclusive approach to membership be adopted as expeditiously as possible.¹⁴ As noted, the South African and Australian governments also favour a liberal, inclusive approach to membership expansion.

This is contrary to the Indian government's position. India has urged a cautious 'building-block' approach, both to membership and to the inclusion of non-economic issues in the agenda. To New Delhi, this should involve three phases: one, the facilitation of regional trade, investment and technology cooperation, promotion of regional tourism and human resource development; two, the inclusion of issues such as cooperation in combating drug smuggling and money laundering; and, once these phases have been 'successfully consolidated', three, 'political and security issues could perhaps be considered by the initiative'.¹⁵ Such hesitancy relates to India's

11 The plenary statement of India's minister of external affairs, Shri I.K. Gujral, to the meeting which saw the formation of the IOR-ARC, Mauritius, 7 March 1997, printed in *Journal of Indian Ocean Studies*, Vol.4, No.2, March 1997, p.109.

12 Kumar, 'A Community in Cooperation', p.27.

13 See 'Inaugural Address: Prime Minister Narasimha Rao' (to the Fifth Indira Gandhi Conference on The Making of the Indian Ocean Community, 19 November 1995), *India Digest*, Vol.2/96, February/March 1996, p.12.

14 See 'Pakistan Expert Interested in Indian Ocean Cooperation' and 'Statement of the International Conference on the Indian Ocean Community', *Indian Ocean Review*, Vol.9, No.4, December 1996.

15 Ahmad, 'India and the Indian Ocean', p.2.

experience in other regional forums, and to its relationship with Pakistan. There is little doubt, too, that New Delhi might take a more relaxed (and inclusive) attitude to the membership question if it were to be allowed to join APEC. For India, Australia's approach to the membership issue within APEC and the IOR-ARC is contradictory: in APEC Canberra favours only gradual expansion, and in the IOR-ARC it is all for inclusivity.¹⁶ But the acceptance of Russia, Vietnam and Peru to APEC at the Vancouver Summit in 1997, India's failure to gain admission, and APEC leaders' announcement of a ten-year moratorium on any further expansion, which was strongly supported by Australian prime minister John Howard,¹⁷ is unlikely to encourage Delhi's compliance over the question of increased membership of the IOR-ARC.

It has been suggested that security issues should best be left to UN structures.¹⁸ Others have suggested that the model of the ASEAN Regional Forum be used to manage a comprehensive security agenda in the IOR in 'an innovative and a proactive way', given that it is necessary to deal with security issues in a manner that does not inhibit economic growth.¹⁹ Certainly a workable balance between the inclusivity approach to membership expansion and organisational practicality will have to be found.²⁰

Freer, however, has argued that: 'Although defining the region may be the initial problem to be overcome, it is a minor one in comparison to others that loom on the horizon for a potential IOR economic grouping'.²¹ From a South African perspective, a number of commentators see substantial benefits in terms of the greater market access that this association might facilitate.²² Indeed, the South African Foreign Policy Discussion Document (a quasi Green Paper) released in June 1996 noted that: 'South Africa's involvement in South Atlantic and Indian Ocean regional groupings merits special

16 See the interview of the Indian high commissioner to Australia, Gopalaswami Parthasarathy, with Graeme Dobell, *Dateline*, Radio Australia, 22 December 1997.

17 See John Howard, 'Prime Minister's Press Conference Following APEC Leaders' Retreat', Vancouver, 25 November 1997.

18 Private correspondence, South African government official, January 1998.

19 Botha, *Security and Cooperation in the Indian Ocean Rim*.

20 See Strauss, 'The Indian Ocean Rim', p.10.

21 See Freer, 'Problems in Defining the Indian Ocean Region'.

22 See Strauss, 'The Indian Ocean Rim'; and Burrows, *South Africa and the Indian Ocean Rim*.

attention'.²³ The official position of the South African government is first, that cooperation with the IOR should take place within South Africa's broader commitments to the WTO; and, second, that cooperation will benefit its fellow SADC members economically and, ultimately, be to the economic benefit of Africa as a whole.²⁴

However, there are fears that a stress on the IOR (particularly an IOR-ARC which excludes SADC states) could detract from South Africa's policy emphasis on developing its ties with the Southern African region. As the South African foreign minister, Alfred Nzo, noted in 1995:

In terms of foreign policy, Africa is clearly to be a priority in the years ahead. The promotion of economic development of the Southern African region is of paramount importance as the economies of the countries of the region are intertwined to such an extent that, for South Africa to believe that it could enter a prosperous future in isolation without taking neighbouring countries with her, would be unrealistic and hazardous.²⁵

One member of the South African Department of Trade and Industry has noted that: 'any approach ... [to] the Indian Ocean Rim that is premised on reducing the focus on Southern Africa, or that does not take adequate account of South Africa's responsibility to the region, will be counter to government policy'.²⁶

This fear of a lack of South African focus is exacerbated by what some see as intrinsic weaknesses in the IOR concept, given that: it is 'geographically unsustainable';²⁷ it is too diverse, being spread over continents and across religious, economic, cultural and political

²³ At <<http://www.polity.org.za/govdocs/dicuss/foreign.html>>.

²⁴ Johan Marx, 'South African Foreign Policy in the New Era: Priorities in Africa and the Indian Ocean Islands', *South African Journal of International Affairs*, Vol.2, No.2, Winter 1995, p.7.

²⁵ Address to the Foreign Affairs Portfolio Committee, South African Parliament, 14 March 1995. Cited in the South African Foreign Policy Discussion Document, 1996.

²⁶ Mfundo Nkuhlu, *The Concept of the Indian Ocean Rim: A Strategic, Political and Economic Analysis*. Paper prepared for a workshop convened by the Foundation for Global Dialogue and the University of the Witwatersrand's East Asia Project, Johannesburg, 23 November 1995.

²⁷ Conversation, Dr Richard Gibb, University of Plymouth, 16 November 1997.

boundaries, where its 'vastness' defies definition; it lacks a regional 'focal point', so that outside interests foreign to the region cannot easily identify players with whom to negotiate; and there is a relative lack of interaction between members.²⁸ One analyst has suggested that although a fairly strong case for participation has been established from cultural, political, and historical perspectives, there is cause for pessimism, given that free-trade conditions within the IOR are unlikely to enhance South Africa's comparative advantage towards technology and human capital intensity - the basis for international competitiveness.²⁹ These concerns may to some extent explain the South African government's current ambivalence towards the IOR initiative, treating it as merely an 'exploratory', 'evolutionary' and 'slow-track' process.³⁰

Yet how can one measure the viability of the IOR-ARC framework?

Setting Criteria for Regional Cooperation

A number of criteria may be used to test the potential for regional cooperation, *inter alia*:

- geographic propinquity;
- cultural homogeneity;
- economic (trade and investment) and infrastructural integration and advantage;
- common and related security concerns;
- common political values; and,
- the absence of major political/security disagreements.

²⁸ For example, see Freer, 'Problems in Defining the Indian Ocean Region'.

²⁹ See Fred Ahwireng-Obeng, 'A Sceptical View of South Africa Within the IOR-ARC', *South African Journal of International Affairs*, Vol.5, No.1, Summer 1997, pp.97-110. Basing his argument on the relative competitive advantage of South Africa, Obeng argues: 'from an institutional viewpoint, South Africa's disposition to the IOR-ARC idea is misplaced and naive ...'. He concludes that the South African economy is 'by no means ready to be integrated successfully without preconditions' and that 'Lacking a diagnostic appraisal, exhortations from proponents of the IOR idea have largely derived from wishful thinking'.

³⁰ See Venter, *The Indian Ocean Rim Initiative*, p.15.

The IOR concept has been tested against similar qualifications elsewhere.³¹ Although the debate about the validity of the IOR as a concept has been dismissed as '*passé*',³² it may be instructive to examine the IOR regional process against those of the Asia-Pacific and elsewhere, which may provide guidelines for its future path.

Lessons for the IOR from Regional Experiences

The dismissal of the IOR concept on the grounds of the vastness of the area as well as the lack of geographic proximity and the, at times, extreme political, cultural, economic and political diversity of member-states, has been rebutted by analysts on the basis that the far larger Pacific Ocean supports the APEC forum.³³ Moreover, APEC is said to offer other lessons: first, it concentrates on one geographical region bordering the ocean; second, it offers an evolutionary, building-block approach to regionalism; third, it does not provide a threat to existing subregional groupings; fourth, it has avoided divisive issues, which made the inclusion of the 'three Chinas' (Hong Kong, the PRC and Taiwan) possible; and, fifth, it concentrates on trade and economic issues.³⁴

Sandy Gordon pinpoints a number of useful lessons to be derived from the Asia-Pacific process of regionalism. The comparisons with the IOR show up some striking points of difference between the two regions.³⁵

First, Gordon argues that the role of external powers in the IOR is quantitatively and qualitatively different to that in the Asia-Pacific. Whereas the IOR is relatively isolated from the influences of the major powers, he notes that 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) ...'.³⁶ Given the IOR's stage of development, it is debatable whether it has the same

31 See *ibid.*; and Freer, 'Problems in Defining the Indian Ocean Region'. For an explanation of these criteria, see L. Cantori and S. Spiegel, *The International Politics of Region* (Prentice Hall, New Jersey, 1970).

32 Venter, *The Indian Ocean Rim Initiative*, p.10.

33 *ibid.*

34 See Botha, *Security and Cooperation in the Indian Ocean Rim*, pp.64-8.

35 See Gordon, *Security and Security Building in the Indian Ocean Region*, p.189-93.

36 *ibid.*, p.189.

imperatives (which rest on the potential for high economic rewards and the existence of threats to global security which ensure the interest of the big powers) to engage that the Asia-Pacific region has.

Second, the impact of the Second World War upon the Pacific was arguably more severe than it was in the Indian Ocean. This has left behind a relatively heightened sense of awareness of Asia-Pacific regional issues.

Third, the process of regionalism in the Asia-Pacific was facilitated through the functioning of an 'epistemic community' - 'a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain'.³⁷ The usefulness of this group was evident in the manner in which the non-official Pacific Economic Cooperation Conference (PECC), a precursor to APEC, functioned, and latterly also in the operation of CSCAP. It is unclear what the IOR-ARC states could bring to the table in this regard. Also, given the close links enjoyed (both professionally and financially) between the official and non-official sectors in many of the IOR states, it is unclear what non-official interaction could offer beyond just a stating of the official line.³⁸

Fourth, regionalism in the Asia-Pacific was constructed around a core of successful subregional organisations, such as ASEAN. Though IOR states belong to a range of subregional groupings, there is no such successful core organisation. As Vice-Admiral Chris Barrie, Vice Chief of the Australian Defence Force, has put it:

In Southeast Asia there is a very large criss-crossing network of trade and political relationships forming a single strategic system. In the IOR, you don't have the networking of interests as in Southeast Asia. It is a large crescent ranging from South

37 Miles Kahler, 'Institution-building in the Pacific' in Andrew Mack and John Ravenhill (eds), *Pacific Cooperation: Building Economic Regimes in the Asia-Pacific* (Allen & Unwin, Sydney, 1994), p.31. Cited in Gordon, *Security and Security Building in the Indian Ocean Region*, p.150.

38 As Sandy Gordon has noted, the 'Neemrana' process involving non-official dialogue between Pakistan and New Delhi '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' (ibid.).

Africa through India to Australia, where there are not shared interests common to all, but rather pockets of interests.³⁹

Fifth, in an age when the flag has tended to follow patterns of trade and investment, Asia-Pacific regionalism has depended to a critical extent on the 'glue' of economic integration. In the 1970s, around 70 per cent of all APEC exports were directed to APEC members. In 1990, the figure was 90 per cent. As East Asia's share of global GDP has grown from 20 per cent in 1980 to 25 per cent in 1990 and is forecast to touch 30 per cent in 2010, this level of interaction is supported by intra-regional investment, which has increased considerably since the early 1980s.⁴⁰ Intra-APEC investment amounted to 60 per cent of all investments made in APEC countries in 1994.⁴¹

Certainly, the process of globalisation and the end of the Cold War has made it possible once more for nations to rediscover and strengthen regional links. In this process, it is acknowledged that development of economies cannot occur in isolation. Yet it is important to recognise a number of critical constraints on regional free trade initiatives, particularly those involving African states (where attempts at regional integration, represented by a flood of acronyms, have mostly proved short-lived).

Indeed, Antoinette Handley notes accurately that regional integration projects are most likely to succeed when:⁴²

- the greater the proportion of goods imported from the region and from member-states in particular, and the smaller the proportion bought from outside this area;
- the larger the internal market;

³⁹ Interview, Canberra, 16 January 1998.

⁴⁰ See *In the National Interest: Australia's Foreign and Trade Policy*, White Paper (Department of Foreign Affairs and Trade, Canberra, 1997), p.22.

⁴¹ See <<http://www.jetro.go.jp/WHITEPAPER/INVEST96/t5.html>> for details of investments within the APEC region. Overall investments in APEC in 1994 amounted to US\$162 billion, of which some US\$98 billion was intra-APEC. This climbed to an overall total of US\$249.7 billion in 1996, of which the share of Japanese, East Asian and NAFTA investment in APEC totalled 54.5 per cent. See <http://www.jetro.go.jp/JETROINFO/PRESS/97_12_22.html>.

⁴² See Antoinette Handley, 'Concluding Remarks' in Claudia Mutschler, *South and Southern Africa: Lessons from Emerging Markets*, SAIIA Report No.4 (South African Institute of International Affairs, Johannesburg, 1997), p.29.

- the greater the diversity of production structures among member-states; and
- the lower the costs of transport among states.

She also observes that the following conditions, *inter alia*, will not be conducive to regional integration:

- a shortage of value-added products;
- a low level of industrialisation;
- a heavy dependency on imports and foreign trade, in particular with advanced industrialised countries;
- a relatively low level of trade within the region; and
- small economies, both in terms of population size and GDP.

How does the IOR match up? In the economic domain, the (broadly-defined) IOR accounts for 66 per cent of the world's oil reserves, 60 per cent of uranium, 40 per cent of gold, 98 per cent of the diamond supply, 50 per cent of rubber, and 31 per cent of the world's population.⁴³ However, as currently constituted, combined GDP estimates (for 1994) of the IOR-ARC amount to just 4.4 per cent of global GDP, and of that figure, South Africa, India, Australia and Indonesia together total 83 per cent, while 56 per cent is accounted for by India and Australia.⁴⁴

Intra-IOR-ARC trade is, by comparison to APEC, fairly unremarkable if looked at in terms of its percentage as compared to extra-regional trade: 17 per cent of IOR-ARC exports and 14.6 per cent of imports.⁴⁵ Over one-third of the total trade of the IOR-ARC was destined for Asia in 1994. Moreover, only five countries - Australia, Singapore, India, Indonesia, and Malaysia - contributed around 90 per cent of regional IOR-ARC trade in 1994.⁴⁶

⁴³ See *Business Day*, 30 May 1995; Du Toit, *South Africa Within the Indian Ocean Rim*; and Kumar, 'A Community in Cooperation'.

⁴⁴ Strauss, 'The Indian Ocean Rim', p.11.

⁴⁵ In 1994, total IOR-ARC exports and imports amounted to US\$301.1 billion and US\$308.7 billion respectively. The level of intra-IOR-ARC exports and imports was US\$51.3 billion and US\$45.1 billion respectively. From S.K. Mohanty, 'India and the Indian Ocean Rim', *World Focus*, Vol.17, Nos 10-12, October-December 1996.

⁴⁶ *ibid.*

However, the rates of increase of the trade relationship provide a more positive index of measurement. The annual subregional (IOR-ARC) growth rates of exports and imports were 27 per cent and 25.5 per cent during the period 1988-94 respectively.⁴⁷ Although South Africa's trade with the IOR-ARC (see Table 6.1) is equal to 7 per cent of its international trade, this doubled from the 1992 figure of just 3.4 per cent.⁴⁸ Australia's IOR trade amounted to just 15 per cent of its total in 1994; the comparable figure for India being around 20 per cent.⁴⁹ The trade and investment relationship between Australia, India and South Africa - often described as the critical 'triangle' in the IOR process⁵⁰ - provides an additional illustration of this interaction (see Table 6.2).

By 1997, India ranked thirteenth in the list of Australia's export markets and South Africa nineteenth.⁵¹ According to deputy prime minister Tim Fischer, by the start of 1998 South Africa was Australia's fastest growing export market.⁵² Further trade increases are expected to bolster this already impressive growth.⁵³

There has been a substantial increase in intra-regional investments, too. Australian investment in India increased from US\$19 million in 1991 to US\$455 million in 1996; and increased in South Africa from a paltry US\$7 million in 1993 to US\$87 million in 1996. Australian firms are expected to invest around US\$70 million more in South Africa in 1997/98. Canberra has identified target areas in South Africa (such as the construction industry, wholesale and mining services) where cultural similarities, industrial growth, and good infrastructure enhance the opportunities for doing business. The

47 *ibid.*

48 Strauss, 'The Indian Ocean Rim', p.11.

49 Rajan and Marwah, 'Towards an Indian Ocean Economic Alliance', pp.202-3.

50 Former Australian foreign minister, Gareth Evans, has suggested that Australia, India and South Africa could 'act as a triangle that could be the core'. *Hindu* (India), 22 April 1994, cited in *ibid.*, p.201.

51 Australia, Department of Foreign Affairs and Trade, *In the National Interest*, p.108.

52 Neither South Africa nor India ranks in the top 20 of Australian import suppliers.

53 Interview, Canberra ABC Radio 6662CN, 8 January 1998.

53 The Indian Consulate in Johannesburg has reported between 200 and 300 trade enquiries and four business delegations monthly from India. See, for example, D.S. Arora, 'India's Export Opportunities in South Africa', *Indian Journal of African Studies*, Vol.VII, Nos 1 and 2, April/October 1996, pp.59-60.

Table 6.1: South Africa's Trade with the IOR (US\$m)*

	Exports 1995	Exports 1996	% Export Growth 1994-96	Imports 1995	Imports 1996	% Import Growth 1994-96
Australia	543	710	130	303	297	156
Bangladesh	1.5	3.8	1027	5.5	7.1	14
Comoros	16.8	18.8	114	0.13	0.1	-33
Djibouti	0.7	0.3	218	0.002	0.02	700
India	168	231	110	172	279	166
Indonesia	120	160	175	90.7	124	91
Iran	31.6	94.0	7061	991	1177	19 ('95-6)
Kenya	197.3	207	27	34.2	38.5	106
Madagascar	36.4	48.1	255	3.2	1.5	86
Malaysia	146	168	120	245	301.2	47
Maldives	0.9	1.1	-2	0.04	0.04	300
Mauritius	156.2	209	31	5.6	5.2	-10
Mozambique	434	578	47	32.6	21.7	-2.3
Myanmar	0.02	0.4	300	0.04	0.02	-87.5
Oman	45.8	42.4	474	9.8	7.2	6400
Pakistan	61	78	120	37	45	50
Seychelles	27	37	86	0.6	1.1	-4
Singapore	216	412	47	289	345	41
Somalia	1.9	0.02	-98	0.0004	0.002	700
Sri Lanka	36.1	43.6	35	12	13.3	35
Tanzania	143	123	54	5	6	52
Thailand	144	136	79	166	176	18
Yemen	0.13	0.44	1150	50	41	-20

* These figures were calculated from 'South African Foreign Trade Ties', *South African Yearbook of International Affairs* 1996 and 1997. This was done using a constant 1997 Rand-US\$ value of ZAR4.50=US\$1.00.

Table 6.2: Australia's Trade with South Africa and India (US\$m)*

	Exports 1995/6	Exports 1996/7	Exports Trend Growth 1992/3 to 1996/7	Imports 1995/6	Imports 1996/7	Imports Trend Growth 1992/3 to 1996/7
India	830	1044	14.5	384	404	12.6
South Africa	543	710	35.2	303	297	23.0

* These figures were calculated from the 1996/97 Department of Foreign Affairs and Trade *Annual Report* on the basis of \$A1.00=US\$0.70.

anticipated conclusion of a double-taxation agreement within the first half of 1998 is expected to act as a spur towards investment. In this, South Africa is viewed, importantly, as a 'springboard' from which to launch operations into the rest of Africa.⁵⁴

Australia is now reputedly the second-largest foreign destination for South African investors.⁵⁵ South African investment in Australia totalled US\$280 million by 1996, mainly in the mining, information technology and retail sectors, and is expected to increase by a further US\$200 million in 1997/98.⁵⁶

Elsewhere in the IOR-ARC, the largest foreign investment in South Africa since the 1994 elections is the US\$1.2 billion purchase of a 30 per cent stake in Telkom, of which Telkom Malaysia put up US\$500 million. The second-largest was the Malaysian group Petronas' purchase of 30 per cent of the South African oil concern, Engen, for US\$420 million. Malaysia ranks in second place in terms of overall investments made since April 1994; after the United States, but in front of the United Kingdom, Germany and Japan.

⁵⁴ Information supplied by the Australian Department of Foreign Affairs and Trade and by the South African High Commission, Canberra, December 1997.

⁵⁵ Interview, South African high commissioner to Australia, Dr Bhadra Ranchod, 15 December 1997.

⁵⁶ Figures supplied by the South African High Commission, Canberra, December 1997.

Taking Stock of the IOR-ARC

Two related questions have to be posed at this point: first, what can the IOR process offer to member-states? second, is there any scope for dealing with security issues within the IOR, and, if so, how best might this proceed?

Despite problems of definition and diversity, the IOR initiative contains a number of explicit advantages. These are:

- It constitutes an important initiative for regional and global cooperation, through the facilitation of free trade and investment flows.⁵⁷
- It counters the risk of marginalisation of IOR states as the 'only major geographic region that has no substantial economic grouping in place'.⁵⁸
- Critically, it provides a means for closer relations (and, potentially, greater access) to the previously closed Indian market, particularly for Australia and South Africa. Put differently, it is a useful way of keeping relations with India 'on-side'. From a South African perspective, the need for stronger ties with India remains important, especially in the context of South-South relations.⁵⁹ For Australia, it reflects a need to develop relations with states that are increasingly important trade partners but with whom Canberra has few other dealings.⁶⁰
- Finally, it encompasses a set of wider concerns, beyond trade and investment facilitation, which are shared by states of the Indian Ocean. Unsurprisingly, perhaps, given the oceanic link, 'the region is particularly vulnerable to maritime natural hazards'.⁶¹

57 See Strauss, 'The Indian Ocean Rim', p.11.

58 Venter, *The Indian Ocean Rim Initiative*, p.12.

59 The need for a strategic relationship with India and countries of the 'South' was strongly endorsed by South Africa's deputy president, Thabo Mbeki, at the South African Department of Foreign Affairs' Heads of Mission Conference, New York, 31 July 1997.

60 Discussions, Department of Foreign Affairs and Trade, Canberra, 9 January 1998.

61 See *Centre for Maritime Policy Newsletter*, No.3, January 1997, p.5.

Potential Problem Areas for Security Cooperation

Related to the last of the above, there are pertinent questions as to how successful the process of security cooperation has been in the Asia-Pacific. By the early 1990s, to provide an example, the Australian Defence Force (ADF) maintained an extensive programme of interaction with Asia-Pacific nations. By the early 1990s, ADF annual exercises with one or other of its ASEAN partners had increased to 18 from around five per year in the 1980s. Other contacts include so-called passage exercises; the placing of observers at exercises; regular reciprocal visits by senior personnel; openness through involvement in strategic assessments and defence and procurement programmes; the exchange of intelligence; the sharing of operational doctrines and concepts; and regional involvement in the preparation of White Papers and strategic reviews. Of course, official contacts have been developed alongside the non-governmental (for example, CSCAP) process. However, what are the results?

Desmond Ball and Pauline Kerr have argued that while 'the general thrust of Australia's policies of regional engagement is not in question', given its changing economic and strategic political relationship with the region, 'It is time for a stocktake of Australia's regional security policies and activities'.⁶² This requires a cost-benefit analysis of the network of engagement already established, given that, in Australia's case, defence policy rests on the twin pillars 'of self-reliance and regional cooperation which have to be kept in balance'. It is important, the authors maintain, to scrutinise the presumptions under which regional cooperation (which cost 2.5 per cent of the Australian defence vote in 1995) will enhance Australia's security:

It is now almost axiomatic in the Australian security community, official as well as academic, that confidence-building measures, limited transparency and increased defence cooperation are security enhancing ... yet there have been no arguments made, nor research undertaken, to demonstrate *how* CSBMs and defence cooperation are supposed to build confidence and enhance security. This is not

62 Ball and Kerr, *Presumptive Engagement*, pp.100-1.

a trivial issue since some military planners believe that some CSBMs can *undermine security*.⁶³

Ball and Kerr cite a number of reasons why cooperation may, indeed, prove to contain less value than at first glance.⁶⁴ First, a focus on personal relations with defence force members 'can inspire false confidence and distract from more substantive endeavours'. Second, the practice of cooperative endeavours may create security and political expectations of joint operations in contingencies by partners, decreasing the latitude for operations and potentially increasing political and security vulnerabilities.

With regard to second-track activities in CSCAP, while it is widely acknowledged that these have played a role in inspiring confidence, a degree of scepticism as to their value can be discerned in government officials involved in the process, some of whom see it as highly politicised behind the scenes. Some officials take the view that inter-departmental meetings 'work better', whereas the second track is often a tautological process of self-fulfilment for the academic institutions involved. These sentiments may, of course, be the result of (inevitable) government/NGO tensions. As noted, others have expressed some frustrations with the nature of the second-track process between India and Pakistan.⁶⁵

As can be discerned from the foregoing, there are considerable difficulties and doubts about addressing security issues, however broadly defined, within the IOR-ARC, or even in the second-track (Perth) process. This stems principally from the divisive tensions between India and Pakistan, though the role of powers external to the IOR process (but involved in the region) such as China, France and the United States also has to be taken into account. Even if these issues are successfully brought onto the IOR agenda (through the inter-governmental or non-governmental tracks), there is a danger that the

63 Pauline Kerr and Andrew Mack, 'The Future of Asia-Pacific Security Studies in Australia' in Paul M. Evans (ed.), *Studying Asia Pacific Security: The Future of Research, Training and Dialogue Activities* (University of Toronto-York University Joint Centre for Asia Pacific Studies/Centre for Strategic and International Studies, Toronto/Jakarta, 1994), p.51. Cited in Ball and Kerr, *Presumptive Engagement*, p.92.

64 Ball and Kerr, *Presumptive Engagement*, p.92.

65 Gordon, *Security and Security Building in the Indian Ocean Region*, p.164.

process may be hijacked to serve as a platform for articulating national rather than regional concerns.

However, given the shared nature of the new security agenda affecting states of the Indian Ocean, along with the deep-seated and unresolved issues of 'territory and nation' which lie at the heart of many of the region's problems,⁶⁶ there would appear to be good cause to continue both to pool experiences as a means to arrive at possible solutions, and to focus on areas common to states. Indeed, the success of IOR regionalism will hinge on the construction of a positive relationship between economic cooperative efforts and the addressing of insecurities. Economic interdependence will not be a panacea for security difficulties; rather, a failure to engage with security issues could destabilise the path of economic cooperation. Without this synergy, there is a danger that the fratricidal Indo-Pakistani dispute, as one example, could be transposed on to the entire region. It is critical to focus on those issues of common concern, and in a manner which will enhance rather than detract from the process of IOR regionalism.

⁶⁶ *ibid.*, p.7.

CHAPTER 7

A WAY FORWARD FOR IOR SECURITY COOPERATION?

Given the sensitivities that exist in the IOR, security cooperation will necessarily have to involve a two-stage search process: first, for areas of common interest; and second, for mutually acceptable approaches to addressing those interests. Any security interaction will have to be addressed and handled in a manner that does not threaten nor upset the IOR-ARC process. Conversely, it may also be argued that if security issues are not addressed, they could undermine the initiative.

Given the nature of insecurities in the region, the maritime-naval domain arguably offers the most benign, least threatening catalyst for regional security cooperation.

The Maritime-Naval Domain

The main challenge for IOR states in the future is to create and/or sustain conditions of good governance well into the next century. This includes the creation of conditions conducive to economic growth and investment, including sound, responsible management and political stability. This is no easy challenge, given that the some of the region's states have been a battleground for several fundamental ideological issues of the twentieth century, which has extracted a high cost in human lives and infrastructure. The region also remains, for all the legacy of colonial penetration, very diverse. Small and big states differ significantly in terms of their levels of development, as well as their cultural, linguistic, ethnic, historical and even religious pasts.

The importance of maritime-naval cooperation is underscored by the extent of regional interdependence, the need for good governance, as well as the potential for disputes and illegal activities. In this regard:

Maritime cooperation will contribute to regional stability by easing tensions and reducing the risks of conflict while helping

to promote a stable maritime regime in the region with the free and uninterrupted flow of seaborne trade, and nations able to pursue their maritime interests and manage their marine resources in an ecologically sustainable manner in accordance with agreed principles of international law.¹

Participants in the IOR-ARC are keen to stress the importance of maritime links, realising a potential that has not as yet been fully exploited. This is, accordingly, tied in with expansions in trade, given that new routes:

.... can only become profitable if the necessary volume of trade exists. Once this target has been reached, such new routes could form the basis for expanded shipping. Such links, endogenous to the region, could enhance harbour facilities, insurance companies, employment and training of sailors and ship-building and repairs.²

This will demand a 'stronger SA Navy ... joint undertakings with Mozambique, Mauritius, Tanzania and other African IOR members could further stimulate the maritime capabilities of the region as well'. There is a second dimension to this: a link between the IOR-ARC and the South Atlantic states could mean the 'establishment of totally new trade routes, extending from the East coast of South America right up to the Gulf and down to Australia. No traditional shipping line covers these routes extensively or on a regular basis'.³

As the tables below indicate, the levels of staffing and equipment among the navies of the littoral states of the IOR vary dramatically. Few of the littoral states possess principal or sub-surface combatants. The majority of IOR navies consist simply of patrol and amphibious craft, with a few corvettes; and only some of these are armed with modern, anti-ship missiles.⁴

1 Sam Bateman and Stephen Bates (eds), *Calming the Waters: Initiatives for Asia Pacific Maritime Cooperation*, Canberra Papers on Strategy and Defence No.114 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1996), p.i.

2 Private correspondence, South African government official, January 1997.
3 *ibid.*

4 Roy-Chaudhury, 'Maritime Cooperation in the Indian Ocean', p.124. See also, G.V.C. Naidu, 'Navies of Asian Major Powers and Security of South-East Asia: Part II', *Strategic Analysis*, March 1997, pp.1660-73.

The dramatic discrepancy in standards between navies is even more acute in the Southern African region, with only South Africa having an ocean-capable force. This factor is likely to exacerbate the tensions and sensitivities that already exist around South Africa's military and economic predominance in the region.

Table 7.1: IOR Naval Capabilities*

	Personnel	Ships	Defence Budget (US\$)
Australia	14,300	35	8.6 billion (1996)
Bangladesh	10,500	30	563 million (1997)
Comoros	n/a		
Djibouti	200	nil	21 million (1997)
India	55,000	100	9.9 billion (1997)
Indonesia	43,000	73	3.3 billion (1997)
Iran	18,000	50	4.7 billion (1997)
Kenya	1,200	nil	212 million (1996)
Madagascar	500	2	37 million (1996)
Malaysia	14,000	15	3.6 billion (1996)
Maldives	n/a		
Mauritius	500	1	61 million (1996)
Mozambique	100	nil	72 million (1996)
Myanmar	20,000	nil	1.5 billion (1997)
Oman	4,200	6	1.9 billion (1996)
Pakistan	22,000	28	3.3 billion (1997)
Seychelles	200	nil	10 million (1997)
Singapore	9,000	8	4.0 billion (1997)
Somalia	nil	nil	est. 40 million (1997)
South Africa	9,090	24	2.13 billion (1997)
Sri Lanka	12,000	2	886 million (1996)
Tanzania	1,000	nil	89 million (1996)
Thailand	73,000	45	4.1 billion (1997)
Yemen	1,800	6	362 million (1996)

* It is not clear how many of these vessels are serviceable. The term ship refers to vessels capable of an ocean voyage (generally over 1,000 tonnes and 60 metres in length). Personnel includes marines and naval air.

Source: *The Military Balance, 1996/97.*

Table 7.2: Select SADC Naval Capabilities

	Personnel	Ships	Defence Budget (US\$)
Angola	2,000	2	295 million (1996)
DR Congo	n/a	nil	est. 250 million (1997)
Mauritius	500	1	61 million (1996)
Mozambique	100	nil	72 million (1996)
Namibia	100	nil	73 million (1996)
Seychelles	200	nil	10 million (1997)
South Africa	9,090	24	2.13 billion (1997)
Tanzania	1,000	nil	89 million (1996)

To reiterate, the key future foreign policy objectives of the states of the IOR are first, to remove impediments to economic growth and, second, to provide an environment that underpins that growth.⁵ It is in the latter area that the utilisation of maritime-naval confidence-building measures (CBMs) can create a positive regional climate, removing inter-state suspicion and creating a sense of responsibility. Eric Grove provides a useful framework or typology for identifying and applying such measures.⁶

First, there are transparency measures, which include:

- visits to naval bases and facilities;
- the sharing of non-sensitive information on programmes, policies, force structures and rationales of forces;
- joint publication of naval tactical procedures;
- exchange of personnel, such as in training courses; and
- notification and observation of exercises.

Second, there are so-called cooperation measures, which 'enhance understanding and develop useful habits of cooperation and mutual knowledge of training, communications and equipment', given

⁵ R.M. Sundari, 'Security and Defence: A Southeast Asian Perspective' in Bateman and Bates (eds), *Calming the Waters*, p.12.

⁶ Eric Grove, 'Maritime Confidence and Security Building Measures' in Bateman and Bates (eds), *Calming the Waters*, pp.59-65.

that inter-operative criteria necessarily include the need for common data links, command and control procedures and so on. These include:

- joint exercises, sometimes on a single-ship basis;
- search and rescue;
- pollution control; and
- offshore assets protection.

The third category provides for so-called incidents at sea agreements (INCSEAs), potentially on a multilateral basis, covering:

- communication on the high seas and the avoidance of dangerous manoeuvres and harassment;
- non-military concerns, including surveillance, fisheries, merchant shipping safety, anti-piracy and anti-narcotics cooperation; and
- the establishment of an annual naval symposium, which would expand on bilateral contacts made in other forums.

The fourth and final area is that of cooperative logistics, including:

- the exchange of operational, supply and maintenance-related information to improve logistics and reduce support costs.

The IOR Context

What does all of this add up to in the context of the IOR? Here it is possible to identify a number of requirements and areas of potential interaction which could serve to assist the aims of good governance, cooperation and greater regional confidence.

Naval Training, Logistics and Ship-Maintenance/Procurement

Obviously any cooperation here must rest on an assessment of exactly what the region has and what it needs. Indeed, the whole process of regional consolidation demands interaction at senior management and executive levels, particularly as a means of imparting confidence. Areas of littoral cooperation include the facilitation of staff

exchanges and shared training courses. The permutations offered by joint ship maintenance, ship building and ship leasing offer many possibilities in the region. And this is not just for altruistic reasons. In the late twentieth century, two major international trends are already present in Western and allied governments regarding defence spending - notably, mergers and increased international collaboration. One suggestion for future naval cooperation could involve joint procurement of regional patrol vessels, which might serve eventually to replace South Africa's ageing strike-craft and to equip Southern African and other navies early in the next century. As the Chief of the South African Navy (SAN), Vice-Admiral Robert Simpson-Anderson, has argued:

One of the more ambitious possibilities that needs to be mooted is that of South Africa entering into shipbuilding programmes with other African countries. Besides the obvious savings brought about by quantities of scale, there are the possible longer-term savings for the region - simplifying and unifying logistic requirements, standardisation of equipment and training, and lower maintenance costs brought about by localised maintenance facilities, to name but a few. Ships built under this programme could possibly be an extension of the new corvette programme that the SA Navy is pursuing (an African version of the Anzac frigate?), or smaller craft such as a regional replacement for the Fast Attack Craft that most African navies operate. An increased, viable sea-going capability would help strengthen the navies considerably, and in turn strengthen the countries that depend so much on their maritime lines of communication.⁷

Potentially, this could be managed in collaboration with other southern hemispheric partners, such as the ship industries in Latin America, India or Australia.⁸ The Australian joint/offshore patrol

⁷ Robert Simpson-Anderson, *The South African Navy as Part of the African Renaissance - Setting the Pace for the Future*. Paper given at a conference on The South African Navy and African Renaissance, Simon's Town, 23 October 1997.

⁸ The navies of Southern Africa have already held initial talks about a joint ship-building programme, focusing on patrol vessels to complement the planned patrol corvettes of the SAN and on smaller strike craft to replace those in service with other navies of the region. Such a joint programme is seen as offering economies of scale through greater equipment standardisation, permitting centralised

vessel (JPV) design, discarded by Malaysia in 1997, could provide a template in this regard.⁹ The refitting and replacement programmes of other IOR navies could also benefit from such a regional approach.¹⁰

Law and Order at Sea: Piracy, Drugs, Illegal Migration

Given the ease of transporting larger volumes (of migrants, drugs or whatever) by sea, control of the maritime domain will become an issue of increasing concern. And, given that some 70 per cent of drug seizures world-wide are made by customs services, again inter-departmental coordination and operations will be imperative.¹¹ Already the secondary roles of the South African Navy involve, for example, the monitoring of: shipping, including the combating of criminal activity such as piracy; the smuggling of drugs, weapons and contraband; illegal entry; and the plunder of marine and sea-bed

maintenance and store holdings, and a reduction in logistics and training costs. See 'Southern Africa Discusses Joint Ship-Building', *Jane's Defence Weekly*, 26 November 1997.

⁹ See Ball, *The Joint Patrol Vessel (JPV)*; and, for details of ship-building expertise and possibilities in Latin America, see Greg Mills, 'South African-Latin American Maritime Cooperation: Towards a South Atlantic Rim Community?' in Jakkie Cilliers (ed.), *Diplomats and Defenders: South Africa and the Utility of Naval Power* (ISS, Midrand, 1997), esp. pp.58-60.

¹⁰ For details on the Indian Navy (IN)'s problems with its refitting programmes, see 'Navy at full stretch with growing burden', *Jane's Defence Weekly*, 12 February 1997. Currently around 50 per cent of scheduled refits in the IN had to be postponed in 1997 due to a resource crisis, with less than 30 per cent of ships serviced on time. The cost of replacement of essential naval hardware such as frigates, submarines and an aircraft carrier (as substitution for the recently decommissioned INS *Vikrant*), was estimated at around US\$5.38 billion, though the IN's capital budget for 1996/97 was around US\$71.75 million. See also *Pioneer*, 12 December 1997 and *Deccan Herald*, 30 November 1997. The difficulties in the production of the INS *Delhi*, the first of three indigenously constructed 6,500 tonne destroyers which was finally commissioned in November 1997, ten years after work started, is indicative of the IN's financial plight. For details on the Royal Malaysian Navy (RMN)'s equipment programme, see 'Navy modernisation gathers momentum', *Jane's Defence Weekly*, 26 November 1997. The RMN has planned an extensive re-equipment and upgrade programme including the offshore patrol vessel project (for up to 27 vessels), delivery of four *Assad/Laksamana*-class and two UK-built *Lekiu*-class corvettes, and the possible purchase of three submarines. It is not known at this stage what the effects of the current financial crisis will be on these programmes.

¹¹ Interview, Dr Leonid Lozbenko, deputy secretary-general, World Customs Organisation, Brussels, 7 October 1997.

resources. The SAN already gives substantial support to the departments of Environmental Affairs, Home Affairs, Customs and Excise and the South African Police Services. In 1996, the SAN spent 939 hours patrolling the coast and assisting other law enforcement officers with the inspection of 73 ships.¹²

Maritime Transport and Communications

This not only includes cooperation around navigation and the maintenance of SLOCs, but can also involve cooperation with contemporary security concerns such as the shipment of hazardous wastes and goods. Such concerns were, of course, highlighted by the 1992 voyage of the *Akatsuki Maru*. While there remain doubts about the ability of some littoral IOR states to provide for safety at sea, pilotage, ship reporting, and hydrographic services, this responsibility will inevitably fall to a greater rather than lesser extent on the major regional powers.

Marine Environment Conservation and Development

UNCLOS extends state responsibility in these areas. The Law of the Sea allows all coastal states to claim EEZs which may extend up to 200 nautical miles from their territorial sea baselines. This, however, imposes an obligation on coastal states to manage fisheries resources on behalf of the world community. This includes the assimilation of the best scientific knowledge available (arguably including the determination of the total allowable catch), to arrive at an indication of what would be the optimum utilisation of the resources, and an obligation to protect and preserve the marine environment. Fundamental to these obligations is the enforcement of fisheries jurisdiction within the EEZs.¹³

UNCLOS also confers upon littoral states the responsibility to adopt a variety of measures for the protection of the marine

¹² 'CSANDF Internal Communications Bulletin, No.3/97', 17 January 1997.

¹³ For details on the role of maritime confidence-building measures within the context of the Law of the Sea, see Sam Bateman, 'Harmonising Maritime Confidence and Security Building with the Law of the Sea', *Maritime Studies*, Vol.65, July-August 1992, pp.12-14.

environment.¹⁴ The potential exists for states to cooperate to implement complementary marine pollution provisions, in terms of which a whole region could become subject to an EEZ marine pollution 'buffer zone', 'through which all vessels would have to pass to gain access to trading ports and international straits'.¹⁵ The development of an IOR port state control memorandum of understanding (MOU), enabling the tightening of control over shipping through the inspection of merchant ships to ensure that they comply with international maritime safety and marine pollution conventions, would be a step in the right direction for improved SLOC protection.¹⁶

In sum, the imposition of UNCLOS has 'transformed international fisheries law by allowing coastal states to significantly extend their jurisdiction over greater areas of coastal space'.¹⁷ This will require not only extensive and effective policing and management cooperation between coastal and distant-water-fishing nations, but, in particular, within regions.

Second-Channel Interaction

Discussions around many of these issues will inevitably be circumscribed to a certain extent, given their official nature. Here, in an age characterised by the proliferation and increasing importance of non-state actors in international affairs, second-track organisations

¹⁴ See R.A.K. Walls, 'Environmental Security: An Operational Perspective', *Maritime Studies*, Vol.64, May-June 1992, pp.7-11.

¹⁵ Donald R. Rothwell, 'Coastal State Sovereignty and Navigational Freedoms: Current Issues in the Asia-Pacific Region' in Martin Tsamenyi and Max Herriman (eds), *Rights and Responsibilities in the Maritime Environment: National and International Dilemmas*, Wollongong Papers on Maritime Policy No.5 (Centre for Maritime Policy, University of Wollongong, 1996), p.20.

¹⁶ From 13-17 October 1997, 21 of 24 IOR countries met in India to formulate an MOU for the Indian Ocean which it is hoped will be in place by mid-1998. To date there have been five port state control MOUs put in place, including those for the Asia-Pacific and Latin America. See 'Indian Ocean States Meet on Port State Control Regime', *Hindu Business Line*, 9 October 1997 cited in Sherwood, *A Role for Maritime Cooperation*, p.8.

¹⁷ See Martin Tsamenyi and Transform Aqurau, 'Fishing Rights and Responsibilities at Sea: Analysis of Relevant Provisions of the United Nations Convention on the Law of the Sea' in Tsamenyi and Herriman (eds), *Rights and Responsibilities in the Maritime Environment*, pp.67-81.

could play a useful role in exploring options without making official commitments.

Towards an IOR Naval Symposium?

The bi-annual Western Pacific Naval Symposium, where naval officers get together and 'discuss candidly on general and specific maritime issues to enhance mutual understanding among them from academic and professional viewpoints',¹⁸ could provide a useful model to follow in the IOR. The concept of an IOR Naval Symposium (IORNS) is admittedly not original, having been suggested informally as a 'corridor' proposal, originally by Pakistan at the 1993 International Seapower Symposium (ISS).¹⁹ This IOR Naval Symposium format may pose a number of distinct advantages over the inclusion of security issues within the formal IOR-ARC process.

First, the WPNS is a meeting of the (largely) like-minded, with an ability to maintain focus on the items at hand, and less vulnerability to being hijacked by political issues. As Vice-Admiral Chris Barrie has noted: 'Above all, the WPNS is a meeting of professionals, which does not allow grandstanding of political issues'.²⁰ Indeed, some have argued that greater regional engagement follows on from the development of navies and maritime links, which open up regions for trade.²¹

Second, the WPNS is not expensive. Participation is funded by member-states themselves, with only incidental costs having to be met by the host country. The host country rotates every two years. Although the second-track, non-official IOR process can still provide a forum for engagement of a wider group of participants, the strength of this process will be circumscribed to an extent by the funding support available. Given that the IORNS will be funded, indirectly, by

18 Captain Kenji Kinoshita, 'Improving Security in the Western Pacific', US Naval Institute *Proceedings*, March 1997, pp.85-6.

19 Conversation with Lt-Commander Mike Buss, Strategic and Defence Studies Centre, 6 January 1998. Much of this section draws on his observations regarding the applicability of the WPNS.

20 Interview, Canberra, 16 January 1998.

21 Discussion, John Mortimer, director: naval policy, Department of Defence (Navy Office), Canberra, 27 November 1997.

governments through their departments of defence, this problem should not apply.²²

Third, the WPNS format focuses on uncontroversial issues in the naval domain, with no binding agreements struck, but rather unilaterally binding approaches to issues of common concern agreed upon. Although there are significant differences in the capabilities and roles of the WPNS navies, this process allows for the development of heightened awareness of the multiplicity of maritime issues affecting the region, which could create bonds that would otherwise not develop. In this way, the IORNS could commence with a two-tier approach: one, the creation of an IORNS database - such as a maritime information exchange directory, naval organisation charts and a replenishment at sea handbook. The second tier would involve confidence-building and cooperative measures through improving transparency and trust, such as:

- the establishment of common doctrines to facilitate cross-deck helicopter operations and fleetwork exercises, and the naval control of shipping;
- the facilitation of personnel contacts;
- the planning of joint SAR and disaster-relief exercises;
- the drafting of an agreement to reduce the potential for tensions during unalerted encounters at sea; and
- the sharing of information on fleet programmes, naval procurement and retirement programmes.²³

²² Costs for participating countries are kept low by the attendance at the symposium generally of the chief of each navy plus only one staff officer.

²³ This initiative may be assisted by ongoing developments in Africa. For example, the SAN has plans to extend its already active involvement in Africa. In 1990, the SAN upgraded the Zairian naval facilities. Since then, it has conducted 17 separate operations involving African nations, from Gabon on the west coast to Kenya on the east. Officers from 11 African countries have attended courses at the SAN Staff College over the past two years, and several officers have completed attachments with SAN ships at sea, including recent deployments in Antarctica. For details of these and other plans, see Simpson-Anderson, *The South African Navy as Part of the African Renaissance - Setting the Pace for the Future*.

Fourth, by concentrating on practical issues affecting seagoing activities, the IORNS could act as a catalyst for wider security cooperation at the diplomatic and political levels.

Fifth, it would run separately from the IOR-ARC process, but could well provide an additional element to give diversity and depth to those arrangements and to create a sense of regional identity and kinship through a need to discuss common problems against a common foe, the sea.

On a less positive note, it must be acknowledged that the WPNS had at the time of its creation ten years ago a number of distinct advantages over an IORNS today. First, it had the backing of major players, particularly the United States. Second, it was a product of a Cold War environment, 'a much more simple world than we have today', but where powers were arguably more likely to commit resources to reduce tensions.²⁴ Third, the IOR concept is itself still putative, and therefore without baseline rules, unlike the situation in the Asia-Pacific. Fourth, while the WPNS had its genesis in the notion that maritime confidence-building measures were important, this was possible only if Asian countries focused away from internal security matters. Such matters still dominate the attention of some governments in the IOR.

What will be required to make an IORNS occur? Just as Australia 'kick-started' the WPNS in 1988, it will take a single power with initiative to set up the first meeting of the IORNS. Like the WPNS and the International Seapower Symposium, membership could initially be by invitation. In the case of the IOR, this would most practically be extended to all littoral states of the Indian Ocean (24), thus including those states with navies. Limiting membership to the current IOR-ARC countries could prove to be divisive initially and could raise numerous political problems en route. In addition, given their substantial interests and presence in the region, it would also be folly to exclude the navies of China, the United States, the United Kingdom and France.²⁵ Once established, the WPNS guidelines on

²⁴ Interview, Australian Department of Defence official, 15 January 1998.

²⁵ For details on the naval presence of extra-regional powers, see Roy-Chaudhury, 'Maritime Cooperation in the Indian Ocean', pp.122-4.

membership could be adopted; for instance, that there must be consensus from existing members before extending any invitation to new members and observers. The nation taking this initiative will, however, have to possess a very powerful political will to get the process launched, given the likely outcry from some IOR-ARC states not accustomed to addressing security issues within a multilateral environment.

CHAPTER 8

CONCLUSIONS

In the future, shared regional interests will be founded on a common understanding and appreciation of democracy, human rights, the rule of law, market economics, and of stability and peace as prerequisites for growth and development. The achievement of these conditions demands cooperative (rather than collective) security endeavours; for example, by enhancing and supporting democratic efforts through the promotion of appropriate roles for armed forces and by providing security against common threats and vulnerabilities. As Sir Peter Marshall has sagaciously argued:

The security dimension is as important to the pursuit of economic prosperity as economic factors are to the pursuit of security. Just as the world economy is a great deal more than the exchange of goods and services across frontiers, so world security consists of much more than the avoidance of armed clashes between countries.¹

In the Indian Ocean rim, a number of key problems exist with both the nature of the initiative itself and, related to this, the possibility of addressing security issues within current institutional structures. As Swaran Singh has observed:

Cooperation in security and military affairs requires a degree of convergence in the world view of the countries concerned. Such convergence does not as yet exist in the IOR. What we have is the absence of common and shared threat perceptions and vast variations in priorities, and a stake in common interests is yet to evolve in spite of the fact that socio-economic imperatives point to a range of common interests.²

For some there is a grave danger that the embryonic process of IOR trade facilitation and economic cooperation might be aborted if security issues are brought within the domain of the first-track IOR-ARC process. Ironically, it may be convincingly argued that, despite

¹ Marshall, *Positive Diplomacy*, p.85.

² Private correspondence, December 1997.

earnest attempts to keep military-security issues off the IOR agenda, through inter-IOR state defence sales and mooted joint procurements, defence and security concerns are already intrinsically part and parcel of regional interaction, and as such will have to be dealt with. In addition, with the seemingly inevitable inclusion of Pakistan in the IOR-ARC (without which IOR trade cooperation will be less meaningful), security issues will invariably appear on the association's agenda, given the tensions that exist between New Delhi and Islamabad.

Also, at this stage, the second-track process - which if adroitly handled and well funded may be a non-contentious means of handling IOR-specific security issues - has stumbled, due to a lack of political will and economic wherewithal. Moreover, as the CSCAP process and ongoing bilateral second-track processes between India and Pakistan illustrate, questions also exist about the efficacy of this non-governmental dialogue. It may be worthwhile, however, to utilise a tailored 'one-and-a-half' track approach to set up an IORNS, at least initially using a second-track institution, to bring first-track naval personnel together so as to avoid potential political pitfalls.

Common interests do, however, exist in the maritime realm. Against a backdrop of the increasing importance of maritime issues in developing countries, especially with the imposition of the Law of the Sea, there is a need to inspire greater coordination and cooperation around the oceans. The inculcation of a sense of regional trust and community demands a greater willingness to involve the region in naval matters. As comparatively benign instruments of state, navies which cooperate on shared maritime concerns could significantly enhance and improve regional confidence, and in themselves act as a confidence-building measure.

The sinews of naval cooperation may prove to be most suited to pushing forward security issues without eroding the economic thrust of the IOR-ARC. Indeed, in this way, too, they may prove, if handled correctly, to operate as a catalyst for wider cooperation and meaningful diplomatic and security interaction. Here the benign format of the WPNS may prove to be the most appropriate forum for addressing such issues. An IORNS would thus be deliberately divorced from the IOR-ARC process.

In such initiatives, much responsibility will rest on the shoulders of South Africa, India and Australia as marking the core triangle of the IOR. If the IOR fails to progress from being just a means of keeping relations with India warm or, alternatively, a useful way of excluding political rivals, it will be little more than a meaningless talkshop based on a nebulous geographic notion. Giving the IOR substance will, however, inevitably have to involve addressing the thorny issue of security interests and cooperation.

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Through an examination of the nature of the security agenda in Indian Ocean rim (IOR) states and in the light of ongoing diplomatic initiatives in the region, this study provides a number of policy guidelines both for assessing the likely success of the various IOR initiatives and, specifically, for addressing regional security difficulties.

The IOR remains a diverse and geographically nebulous region in which there is no common view of security. There is also a danger that the embryonic IOR trade facilitation process may be undermined if security issues are handled within the first-track IOR Association for Regional Cooperation (IOR-ARC). Although the second-track diplomatic process may be a less contentious forum for dealing with these issues, the political will and the funding necessary for this to progress are currently lacking.

Against a backdrop of the increasing importance of maritime issues in developing countries, naval cooperation could significantly enhance and improve regional confidence, and act also as a confidence-building measure. An IOR Naval Symposium, based on the template provided by the Western Pacific Naval Symposium, could be a most appropriate format for addressing IOR maritime issues.