

**INDIA AND THE INDIAN OCEAN: ECONOMIC
AND STRATEGIC DIMENSIONS**

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This is to certify that this dissertation entitled, **INDIA AND THE INDIAN OCEAN: ECONOMIC AND STRATEGIC DIMENSIONS**, submitted by **Mr. AMIT KUMAR**, in partial fulfilment of the requirement for the award of the degree of **MASTER OF PHILOSOPHY**, is his own original work and has not been previously submitted for any award of any other degree of this or any other University.

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**Dedicated to....
... Ma and Papaji**

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LIST OF ACRONYMS

OECD	-	Organisation for Economics Cooperation and Development.
IOR	-	Indian Ocean Rim
IOR - ARC	-	Indian Ocean Rim Association for Regional Cooperation.
FICCI	-	Indian Chambers of Commerce and Industry
IORBFC	-	Indian Ocean Rim Business Facilitation Centre
IOR NET	-	Indian Ocean Rim Network
IIFT	-	Indian Institute of Foreign Trade
NATO	-	North Atlantic Treat Organisation
SAPTA	-	South Asian Preferential Trade Association
IORBF	-	Indian Ocean Rim Business Forum
IN	-	Indian Navy
RDF	-	Rapid Deployment Force
BMD	-	Ballistic Missile Defence
ASAT	-	Anti Satellite
HIM	-	Homing Interceptor Technology
MHV	-	Miniature Homing Vehicle

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PREFACE

The present work is a study of India's economic and strategic interests in the Indian ocean region. An effort has been made to analyse super powers rivalry during the cold war and its direct impact on Indian ocean region as well as the regional apprehensions about s security, threat perception in conflict scenario and, the same time, efforts for regional co-operation. The central objectives of this paper is to provide an overview of India's interest in the light of the current moves towards a formal regional dialogue and to speculate on the future shape on the Indian ocean region.

What is needed is a correct appreciation of the threat to littoral states of the Indian ocean in general and to the India in particular from the external interventions of superpowers and regional powers.

A large section of this work has been devoted to give a clear picture of the economic dynamics of the Indian ocean region as well as India's capabilities to maximise the economic benefits.

At last, I want to say, I am solely responsible for any omission and errors in my draft.

Amit Kumar

INTRODUCTION

Indian Ocean is the world's third largest ocean. The ocean of the developing countries is almost land locked in the north and does not extend into the cold regions towards the south. Its physical configuration is such that it provides certain "Choke-points" of control, whichever power controls the Suez Canal, the Malacca straits, the Cape of Good Hope and the Australian waters can exercise significant control over the Indian Ocean region. Among the 47 littoral and hinter land countries, half of the states have less than 8 million population, and out of more than 1500 million inhabitants in the region, 72% live in the Indian subcontinent.

The scramble for the natural resources of the Indian Ocean added to its strategic and economic importance. More than 65 percent of world's Uranium and known oil reserves are in this area, and some 40 percent of worlds off shore oil production comes from the Indian Ocean coastal states. Large deposit of minerals (Manganese, Cobalt, Iron, Copper Nickel etc.) have been found in the Indian Ocean.

This Ocean is also rich in valuable marine resources ranging from food, fisheries to raw materials and energy for

industries from Economic Exclusive Zone (EEZ), continental shelves as well as deep sea bed. The potential of tidal and wave energy is also immense.

Besides the natural resources, the Indian Ocean provide main transport connections vital for the trade and economy of the East as well as the West Indian Ocean carries half of the world's container ships, one third of bulk cargo traffic, two third of oil shipments.

India is centrally located in the Indian Ocean region. It is also largest among all the littoral states of this region, so its interest and concern in the Indian Ocean is the most significant. It has a coast line of 7516.6 kms. and two groups of islands on either sides of peninsula (Lakshadweep, 474 Islands and Andaman & Nicobar 723 Islands) Ninety seven percent of India's trade is carried out from its water.

It was during 1960's that the Indian Ocean began to be identified as an area of super powers naval confrontation. Super powers, U.S.A. and Russia, introduced Naval forces on a more or less permanent basis and sought supporting naval facilities from the littoral countries. This naval confrontation of super powers was continued till the end of the Cold War.

Britain, a declining colonial power, decided to opt out and transferred the responsibility to USA. The transfer was brought about gradually between 1964-71. It began with the

carrying out of the BIOT and the Anglo-American agreement on Diego Garcia. By the late 1980, the USA had deployed seven pre positional ships at Diego-Garcia, increase the naval presence in the Arabian Sea.

U.S.A. had clear strategic interests and objectives in the Indian Ocean. U.S.A. through the Indian Ocean wanted to extend her influence over the south Asian region, also wanted to protect US economic interest in the Persian Gulf and to balance soviet force in the region and attain superiority in a crisis.

In the Indian Ocean area, the Soviet interests were governed not only by political-economic considerations but also by strategic facts. The soviet strategy in the Indian Ocean region was guided, in a large measure by parameters and objectives similar to that of the United States. The Soviet Union wanted to secure the status of global super power. Since the Soviet Union was lagging behind the US in many spheres especially strategic mobility, technology and naval-air capability, its strategy was a reactive one, and its policy option based more on responses to US initiatives.

Soviet naval presence in the Indian Ocean can hardly be constructed as a challenge or even as a result of rivalry with the United States. The facts are that the soviet naval forces in the Indian Ocean had very limited offensive capabilities

outmatched even by Pakistan. The nature of force structure by Soviet Union in the Indian Ocean suggested that sea denial and interdiction were not the major issues. The Soviet Union had no strategy of escalating its naval capabilities in the Indian Ocean as such but this was actually coming out as a result of the over all process of built up of the Soviet sea power. But conflict between these two super powers USA and USSR forced India to make viable Indian Ocean policy.

When the peace of Indian Ocean is disturbed it is bound to have an impact on India's security. When some hagemonistic attempts were made, India naturally felt perturbed and mobilized opinion against making this region a threat of war and even seek cooperation of like minded countries, to oppose the establishment of foreign military bases. She opposed even when its neighbours were roped in aggressive military bases. India believed that US presence in Indian Ocean would invite Soviet retaliation. India's stand on the 'Vacuum theory' and the efforts at converting the Indian Ocean has been in consonance with both the traditions of the anti colonial struggle and the country's own enlightened self interest.

India's perception of the growing US presence in the Indian Ocean was coloured by the 1965 Indo-Pak conflict and pro-Pakistani tilt of the Nixon-Administration. A water shed in

Indian Ocean policy was the passage of the dispatch of US task force led by the US Enterprises against India at the time of Bangladesh crisis.

First half of the seventies gave a new twist to the policies of Indian Ocean. Accuracy and payload load (MIRV) of strategic missiles had quantitatively reduced the importance of Indian Ocean in the context of super power nuclear strategy, also that time "energy crisis" shift the principal focus of strategy to the industrialized North. This new focus was outside the context of the Cold War rivalry though the West attempted to legitimize its policies within the Cold War context.

So far as India is concerned till 1971 crisis the American and the Soviet involvement in the Indian Ocean were to legated. It was then and then only that the Indian military planners decided to proceed with the expansion of their own naval power to counter American arrogance. For India it was necessary to take the confrontation of the super powers in the Indian Ocean. Both countries had introduced naval forces on a more or less permanent basis and sought supporting naval facilities from the littoral countries. By the late 1980's the USA had developed seven prepositional sea. Till 1991 this was the region of conflict between USA and USSR. After 1991 situation

has completely changed Indian Ocean is no more an area of confrontation.

A development in the Indian Ocean region as well as the debate during the UN Conference on the Laws of the Sea (UNCLOS III) forced India to think in terms of an ocean policy.

India started to develop strong merchant many and encouraged marine fisheries trade. The compulsion of the global strategy forced India to concentrate more on economic diplomacy.

India got benefited from new sea laws. It negotiated and signed maritime boundaries pact with its neighbours in South and South East Asia, India has become pioneer investor under UNCLOS-III. She started many expeditions, and surveyed on metallic modules and manganese.

Many steps were taken for the regional co-operation in 80's, but could not succeed. In the first phase of 1990's, Indian Navy was more stronger than past. These growing capabilities were only for the defence purposes not for the threats to the neighbour countries.

Government's new policy of 1990's also encouraged the conduct of joint bilateral naval exercises, aimed primarily to achieve two things-first was to dispel concern over India's naval built up programme and expansion of power projection

capabilities and second to improve the nature of bilateral relations with the littoral states of Indian Ocean as well as others.

As a result, in the five year period, between October 1991 and December 1996, 26 joint bilateral naval and coast guard exercises were held with thirteen littoral as well as extra-regional navies of the Indian Ocean. Amongst the littoral states of the east Indian Ocean joint naval exercises being conducted with five ASEAN countries so far. Amongst the extra regional navies of the Indian Ocean, the most significant and the largest joint naval exercises have been conducted with U.S.A.

Now the Indian approach of security has been to conceive it in a comprehensive and integrated framework. In this approach peace rather than security becomes the central goal.

Most of the countries of this region belong to the category of developing which contain elements of political economic, religious, ethno-Nationalism and military based insecurity. Some states are have been well settled into dynamic phase of industrialization and rapid economic growth, some are in the threshold of such growth and some are facing famine and wars. So it is obvious that socio-economic development and the management of the revolution

of rising expectation requires an assured and durable environment of peace. For the development of this region, regional forum of Indian Ocean Rim countries (IOR ARC) playing a big role.

The first concrete step in that direction was taken when seven states met in Mauritius from 29-31 march 1995 to establish the Indian Ocean Rim Association for regional co-operation (IOR_ARC)) Australia, Singapore, India, Oman, Kenya, South Africa and Mauritius were the seven promoters of the idea and nationally they represented the seven sub-regions of Indian Ocean.

Main aim of the establishment of Indian Ocean Rim Association was sustained growth and balanced development of the region, economic and trade development and identification of other areas of co-operation.

There are major project which are undertaken by IOR-ARC.

- (i) Indian Ocean Rim Business Centre and IORNET.
- (ii) Investment facilitation and promotion
- (iii) Trade promotion and IOR trade.
- (iv) Technology advancement in Indian Ocean region.

The concept of Indian Ocean Rim co-operation assures significance for India in the context of an all pervasive regionalisation of the world economy. Numerous regional and sub regional economic consultation or integration groupings, free trade areas or custom union on South-South or North-South lines exist or are evolving.

India's participation in IOR-ARC has been inspired by the Nehruvian vision of Afro-Asian solidarity. This concept also included Australia and coincides with India look east policy.

India views her engagement in sub-regional, regional and inter regional co-operation groupings as providing great economic opportunities for a growing and dynamic history.

India too offers its IOR partners unprecedented opportunities for mutually beneficial economic collaboration. The presence of Indian origin communities in most of the IOR-ARC countries will be an added advantage for forging economic and business partnership. Traditionally good relationship with other countries also help.

India has substantial and growing trade investment relations with IOR-ARC countries. In 1996-97 IOR trade accounted for 10% global trade of India. In the field of investment also Indian enterprises have been active in IOR-ARC countries, Indonesia, Malaysia, Mauritius and Singapore are important source of direct investment into India.

In the field of economy, Indian Ocean providing a large Ocean resources, gives India a great opportunity because it has vast coast line as well as developed technology than other states of this region. There are resources in the form of minerals, energy, protein and water.

So far as resources of the Indian Ocean are concerned it can be divided into minerals, energy, protein (including fish and plants) and water. There is an opportunity to get a large reserve of iron, oil and gas, manganese, nickel, cobalt, copper etc. New discoveries of oil has been made at the rate of some 2×10^9 MT per year, over the last 10 years. EEZ of India according to present estimations contains potential oil reserves in Bombay High is supposed to be 230.95 million tonnes.

In India, the total reserve of natural gas in the country's boundary was estimated to be 351.91 bcm, the off shore being 2,70,96 bcm. The country is fortunate to have discovered natural gas off shore at Andaman & Nicobar Islands, west coast of Gulf of Cambay and Kutch and Bombay High region. India is also getting tidal and wave energy from the water of Bay of Bengal and Arabian Sea.

So far as fisheries and other biological resources are concerned, there are large reserves in the Indian Ocean and India is benefited more than other countries (littoral states).

Fisheries and Oceanographic research Vessel *SAGAR-SAMPADA* supplementing Sagar Kanya on 6th Nov. 1984 for exploration and estimation of resource in EEZ of India and contiguous high seas.

There is direct relationship between technological development and resource exploitation. Now, with the more developed technology India is able to get more resources from the Indian Ocean.

In 1990's Countries of Indian Ocean region also facing the problems of spread and diffusion of small arms and weapons and drug trafficking.

Afghanistan represents the most extensive small arms-conflict in South Asia. Small arms have been in primary instruments of violence and killing of civilians and internal conflicts. Spread and diffusion of small arms are responsible for the growth of terrorism in the littoral countries. It is also responsible for drug trafficking in this region. The Indian Ocean Rim contains two of the world's three largest narcotics producing areas.

So at last we can say Super Power confrontation induced conflicts are no longer issue. Yet conflict remain and in the short term these may intensify. Few of these are restricted entirely to the own, but most are related to ethnic issues,

boarder clashes, Subversion of terrorism, non military issues, food development, eradication of poverty and diseases etc.

So, Indian Ocean region is a witness to Socio-Political and economic changes, military conflicts and regional collaborations.

Chapter – I

ECONOMIC AND STRATEGIC SIGNIFICANCE OF THE INDIAN OCEAN

**“WHOEVER CONTROLS THE INDIAN
OCEAN DOMINATES ASIA. THIS OCEAN
IS KEY TO THE SEVEN SEAS. IN THE 21ST
CENTURY THE DESTINY OF THE WORLD
WILL BE DECIDED ON ITS WATERS”.**

— Alfred Thayer Mahan

Whoever controls the Indian Ocean dominates Asia. The Ocean is the key to the seven seas. In 21st century, the destiny of the world will be decided on its water.

These prophetic words of A.T. Mahan appears to be largely true today. Indian Ocean has now turned into Ocean of future for, being third world lack waters due to its ever increasing strategic importance and abundant maritime resources.¹

Strategically the Indian Ocean, the third largest ocean of the world occupies a unique position. This is the only ocean in the world which is hemmed in the North by the inner or marginal crescent of the “*Heartland of Mackinders*” and is to the south of the “World Island”. It not only washes the shores

¹ Amita Agarwal, *Indian Ocean and World Peace*, Kanishka Publishers, New Delhi, 2000, p. 17.

of the southern and the western Australia, South and West Asia, East and South Africa but also provides these lands with an easy route for transportation to the pacific coast countries in the East and to the Mediterranean and the Atlantic Ocean region in the West. In the north the Indian peninsula penetrates southward into two water bodies, known as the Bay of Bengal and Arabian sea offering maritime boundaries for the India. From the Arabian sea, *Vessels* can sail upto the *Blacksea* and the sea of Azor in the Russia through the Redsea, the Suez Canal, the Mediterranean sea.²

On the East, ships can sail from the Bay of Bengal and the Indian Ocean to the countries of the Pacific Ocean through a number of straits such as the Malacca strait, Sunda strait, Ombai strait etc. and the Timor sea.³

It also facilitates internal trade, commerce and communications through the rivers, notable among them being the Irrawady, Salwin, Ganges, Indus, Shatt-Al-Arab and Zambezi. Altogether these rivers drain an area of about 5,050,000 square miles and discharge into the Indian Ocean.⁴

² *Ibid.*, p. 17.

³ *Ibid.*, p. 18.

⁴ S.S. Bhattacharya, "Geopolitical importance of the Indian Ocean", *Strategic Analysis*, New Delhi, October 91, p. 804.

The Indian Ocean has a number of Islands which are strategically very important. These sparsely populated islands offer excellent harbours and flat land for air field complexes.

Historically, the Indian Ocean has been quite important. While the Atlantic came into the prominence only in late 18th century, that is, since the emergence of the United States of America, events like the expedition of Vasco de Ganima around the cape of Good Hope into the Indian Ocean towards the close of the 15th century and the opening of the Suez Canal in the latter half of the 19th century are generally associated by historians with the beginning of modern and contemporary history respectively.⁵

The geo-strategic importance of the Indian Ocean is linked to the advent of industrialization of the Western World. The rise of the British Empire Primarily along the Indian Ocean littoral and the concurrent pre-eminence of British naval power in the world virtually led to the belief of Indian Ocean as the exclusive 'British waters'.⁶ This gave rise to the myth of the "power vacuum" in the Indian Ocean when the UK decided to withdraw its military presence from the Indian Ocean in the late 1960s as an inevitable corollary to the larger global phenomenon of decolonisation. British announcement

⁵ Devendra, Kaushik, *The Indian Ocean: A Strategic Dimension*, Vikas Publishing House, New Delhi, 1983, p. 4.

⁶ *Ibid.*, p. 6.

of withdrawal from east of Suez and “discontinuation of policies that had stabilised the Indian Ocean region for the previous 150 years” was not only a signal for the US assuming the role, with greater capability and lesser legitimacy, but in fact, was aided and abetted by the UK through the manipulation of creation of British Indian Ocean Territories and subsequent leasing of Diego Garcia to USA.⁷ A British withdrawal in fact was only a transformation into a Western Alliance members’ presence and activities. A Soviet reaction and counter-move was inevitable, increasing the extent and scope of external forces in Indian Ocean region, and if anything, leading to greater potential for instability in place of the ‘avowed-objectives of stabilization of the region.

Since the “power vacuum” myth is at the root of great deal of justification sought for the presence of external forces and hence, greater militarisation of the Indian Ocean region, it merits at least a brief examination.

India played a pivotal role in the British Empire. India constituted the central core of British policies in Africa. Asia and the Far East, with Singapore, Aden and the Cape of Good Hope functioning as imperial outposts. The power of structure of the Indian Ocean region revolved around India. However,

⁷ Akhtar Majeed (Ed.), *Indian Ocean: Conflict and Regional Co-operation*, ABC publishing, New Delhi, 1986, p. 7.

since India's sovereignty rested in London since the 19th century. British naval power as the primary and dominating external force in the Indian Ocean could be considered legitimate and justifiable. This situation changed on August 15, 1947 when Indian sovereignty came to rest in New Delhi and if the logic of naval power structure to be applied, then New Delhi is the logical inheritor of naval presence to exert the stabilising influences in the region after British withdrawal. However, since the geo-political structure of the region concurrently underwent a significant change, and India has been in no way interested or declined to follow any strategy of dominance, the legitimate task of retaining and maintaining the requisite naval power structure rests with the littoral States of the Indian Ocean themselves, with commitments and responsibilities in proportion to the size, population and geo-strategic imperatives of the countries of the countries concerned. At the time of British "withdrawal" all the larger Indian Ocean littoral States were independent, sovereign countries: and the few smaller micro-States were in the process of achieving that status. Each of these countries could pursue policies favouring their perceived national interests and maintain security forces related to their needs, capabilities and threat perceptions.¹¹ The overall naval power

11 K.P. Mishra, *Quest for an International Order in the Indian Ocean*, New Delhi, Allied Publishers Pvt. Ltd., 1977, p. 22.

of the littoral States was well in excess of the small complement of British naval presence. The concept of "power vacuum" due to British withdrawal therefore, is patently untenable : and the concept must be viewed realistically for what is actually is – a strategy to justify and legitimise the presence of external forces in the Indian Ocean. In pursuance of the objectives to influence and re-arrange the affairs of the Third World in support of their own national interests.¹²

Normally the importance should have been confined to trade and commerce in the growth of which the routes passing through Indian Ocean do play a significant role. But in the context of growing international crisis and sharpening of conflicts between the forces of imperialism and anti-imperialism, the Indian Ocean has acquired political significance. The United States looks at the Indian Ocean as a factor in her strategy to bowbeat newly independent nations in Asia and Africa to submit to her plans and policies. The Soviet Union, on the other hand, finds in this strategy of the USA, a direct threat not only to the security and independence of littoral countries but to her own security interests also. In the world wide conflict between the USA and the Soviet Union, Indian Ocean occupies a crucial position as it provides access

12 Majeed, n.,7., p. 9.

to those areas of the world, which are extremely sensitive, owing to unstable internal political conditions and imperialist pressures to pull them away from the path of their national liberation movements.¹³ It was the United States which entered into the Indian Ocean in a big way by establishing a mighty naval base at Diego Garcia. It was a glaring example of how the mantle to safeguard imperialist interests was taken over by the USA from the erstwhile colonial power – Great Britain. The Soviet Union also moved in and made her naval presence felt in this area. Since then we have been faced with the phenomenon of ‘Super Powers’ rivalry in the Indian Ocean and the littoral countries have been trying to respond to this situation in a manner so as to protect their territorial integrity and independence from the possible repercussions and the rivalry.

The US vital interests include the preservation of Western access to Persian Gulf oil resources, and the maintenance of a local geopolitical balance.¹⁴ The US believe that any decisive threat to these originate only from Soviet action in the region or from such action interwoven with intra-regional instability. This challenge to the US positions is not just theoretical but very much real, as was evidenced by the

¹³ R.N. Mishra, *Quest for an International Order in the Indian Ocean*, New Delhi, Allied Publishers Pvt. Ltd., 1977, p. 22.

¹⁴ Majeed, n.,7, p. 16.

Soviet action in Afghanistan and the Horn of Africa. The Soviet Union is contiguous to States over-looking the Persian Gulf and the Arabian Sea, and her military power can be directly projected into the littoral, more so because her bases in the region (in Yemen, Ethiopia and also in Vietnam) are situated on maritime strategic choke-points.¹⁵ Such Soviet threats had become more menacing for the US particularly after events in Afghanistan and Iran which had shifted the geopolitical balance adverse to the US interests. Since a reduction of naval forces, in the Soviet Union and Afghanistan, they could well afford to champion the idea of an Indian Ocean zone of peace.

For the United States, just availability of and access to the Persian Gulf oil is not sufficient. But the availability on her own terms and continued access to oil on reasonable political and economic terms is the most important to US and allied security...¹⁶ Elementary logic would then lead to two imperatives to ensure that access; political stability of the nations currently supplying those materials and providing them markets; ability to police the sea-lanes over which American imports and exports must flow. Among the varied facets of American power which can be applied to aid such political stability are diplomacy and economics. For example –

¹⁵ S.P. Agnihotri, *Some Strategic models : A Critical Study of Indian Ocean*, *Indian Geographical Studies*, New Delhi, March 79, p. 10.

¹⁶ Majeed, n.,7, p. 16.

the naval presence. Dieter Braun's analysis of the US motives, in West Asia. In that he explains the decision to strengthen her own military presence in the region. It is because of the unreliability of her OECD allies in a West Asian conflict which affects Israel's security.¹⁷

The United States has emphasised that the reason for maintaining a permanent presence in the Indian Ocean may change from time to time, but the objective would not. First, reason was to secure un-interrupted oil supply and then was to counter the threat from the Soviet action in Afghanistan. But the objective remains the maintenance of regional balance of power and prevent any adverse shifts. It is for this reason that a US naval presence in the Indian Ocean was highly advantageous. As the Stockholm International Peace Research Institute (in year book on World Armament and Disarmament 1973) has pointed out, the US sub-marines operating in the Indian Ocean can cover many significant Soviet and Chinese targets from there, but the Soviet submarine operating in the area cannot reach any part of the USA.¹⁸ From the strategic point of view, a presence in the Indian Ocean is of utmost importance for the United States.

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¹⁷ Dieter Braun, *The Indian Ocean : Region of Conflict or Zone of Peace?*, Oxford, London, 1983, p. 30.

¹⁸ Patra Saral (Ed.), *India Ocean and Great Powers*, Sterling, New Delhi, 1979, p. 48.

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In the Indian Ocean area, the Soviet interests are governed, not only by political-economic considerations, but also by strategic facts. The Indian Ocean assumed strategic significance for the Soviet Union after the development of nuclear-powered submarines capable of launching nuclear medium-range ballistic missiles. The physical configuration of the Indian Ocean is such that, from here, strategic weapon can be deployed against the Soviet Union, but it cannot be so used against the US (which is altogether in a different hemisphere).¹⁹ The US introduction of the 'Polaris A-3' missile (with a range of 2,500 nautical miles) marked a shift in US emphasis from land-based to sea-based strategic nuclear strike systems, since the later could be withheld from the initial nuclear exchange and used to influence the subsequent stages of war. Given the Soviet doctrine of deterrence through the possession of a war-fighting capability, this had major implications in terms of the navy's roles and missions. First, the Soviet Union would need a matching sea-based nuclear strike capability to contribute to the national strategic reserve. And second, it would have to develop some means of countering these Western systems. Because these sea-based systems could be used to deny Russia the use of Europe as an alternative socio-economic base in the post-exchange phase of a war. It may be pertinent to add that, with the development of the

¹⁹ Majeed, n.,7, p. 27.

Trident-I missile system, the Soviet Union will become even more vulnerable to SSBNs deployed in the Indian Ocean." The Soviet move in Afghanistan in December 1979 has been used by Washington to Promote the militarization of the Indian Ocean already began by the United States in the mid sixties.²⁰

The two Super Powers had their own favourites in the main local conflict of the region and the relationship between them has greatly determined the nature of relationship between India and Pakistan. From the very beginning, India's assertion for an eminent role in South Asia was viewed by the West as defiance but it suited Soviet objectives. Then, with the development of détente and relaxation of Super Powers torsion at the global level and the emergence of another great power in the vicinity of South Asia, the established linkages between the Super Powers and the regional contestants became blurred. These linkages were restored, in early seventies, with the development of Sino-US reapproachment, Indo-Soviet Treaty and the establishment of Bangladesh. It was at this time that Henry Kissinger had pointed out that Bangladesh was not merely a local conflict but an expression of a particular correlation of forces.²¹ The Soviet action in Afghanistan altered the strategic and political background not

²⁰ Devendra Kaushik, *The Indian Ocean: A Strategic Dimension*, Vikas Publishing, New Delhi, 1972, p. 57.

²¹ Majeed, n., 7, p. 31.

only of the Gulf region but of South Asia. The India – Pakistan equation again became a major concern for the Super Powers in a Cold War. In the new Cold War, Pakistan's value for the US increased, her proximity to the Gulf and her close relations with the Saudia being main determining factors. Being moderate and neutral in intra-Arab differences, Pakistan is acceptable to most Gulf countries, and has already established linkages in that region.²² Consequently, Pakistan has a special position in the US RDF-strategy. A Rand Corporation study discusses some advantages for the US of a close collaboration with Pakistan : The advantage that Pakistan holds for the US is its political position at the head of the Persian Gulf. The United States was building a Rapid Development Force to protect Western access to oil. The US was seeking across agreements and facilities in a number of countries. Thus, the loss of Chah Bahar (Iran) naval port could be compensated by Karachi and Gwadar ports in Pakistan. Furthermore, there was the possibility that the Pakistani army could serve as a proxy force fighting in the Persian Gulf. This would also facilitate direct American aid to Afghan rebels, thus keeping Soviet resources and attention engaged in Afghanistan and away from areas of great interest to the US, like Europe. Pakistan could be induced to cooperate if the US undertakes

²² Ibid., p. 37.

to protect Pakistan from the consequences of such a decision.²³

An alternative regional security scenario for South Asia involves domination by the Soviet Union. With a left-overment in the post-Khomeini Iran and consolidation of Soviet power in Afghanistan, and to the soviets can counter a US-base in Sri Lanka. If it gets similar facility somewhere in South Asia (Elam ?), The Soviet Union may emerge as the balancer of South Asia, making both the subcontinental powers fall in line, inducing and threatening them. Pakistan was for the Soviet Union, strategically as important as India, and there was a lobby in Pakistan advocating a more cooperative role of Pakistan with the USSR on the pattern of Finland. Whatever the minor variations, since the geopolitical compulsions remain the same, the future developments will not, probably take any unprecedented turn.

So far as India is concerned, it is centrally located in the Indian Ocean. The Indian Peninsula lies south of the Himalayan mountain ranges and extends into the Indian Ocean between the Arabian sea in the West and Bay of Bengal in the east.²⁴ The extensive coastline constitute the dominant

²³ B.N. Banerji, *Indian Ocean: Whirlpool of Unrest*, Paribus, New Delhi, 1994, p. 17.

²⁴ P. Pichamutthu, *Physical Geography of India*, NBT Publication, New Delhi, 1976, p. 21.

Geographical features of the country. Since the Himalayas could be crossed only with great difficulty until the early part of the twentieth century. So these interactions were encouraged by the coastal peninsula of India, running to a length of some 6100 kms and augmented by about 1400 kms of island and rocks of territories on either side. The provision of an Exclusive Economic Zone (EEZ) in the new legal regime of the sea increased India's area of responsibility from 83,200 sq.km. to some 2.8 million sq.kms. or over two thirds of the total area of the land.²⁵

The scramble for the natural resources of the Indian Ocean added to its strategic importance. The Persian Gulf area, which has a reserve of 62% of World's total known mineral oil, has acquired immense global strategic interest.²⁶ The entire sea scape is involved in the quest for fuel oil. Most of this oil is being shipped across the Indian Ocean into the Red sea towards Suez Canal or around the Cape of Good Hope to Europe or America or through the Grand oceanic trunk road to the strait of Malacca towards Japan, but also some is being shipped on the Indian Ocean itself to India. About a quarter of the world's trade is handled in the ports of the

²⁵ Rahul Roy Chaudhary, *Sea Power and India's Security*, Bresey's, London, 2000, p. 4.

²⁶ *Ibid.*, p. 5.

Indian Ocean. About 60,000 vessels pass through it every year.²⁷

Areas of offshore oil supplies are, besides one Persian Gulf, the Continental shelves around the Indian Subcontinent, off North-West Australia near Mauritius and around south Africa. Large deposits of Manganese nodules containing iron, copper and nickel and cobalt have been found in the Indian Ocean.

India is getting both living (fishery, sea weeds, mangroves coral reefs) and non living resources (Marine Chemicals, Drugs, minerals etc.) from the Ocean.

This marine fish production consist largely of capture fisheries. At present India's marine fish production is of the Order of 1.6 million tones and ranks sixth in the list of fish producing countries. India has also emerged as one of the foremost exporter of sea food in the world.²⁸ It's export of seafood in 1991-92 was to the value of Rs. 1,366 crore. The estimate for the potential fish yield of Indian Ocean Vary from 7 million tones to 17 million tones.

Sea-weeds are another important living resources, exploited by man for food, animal feed, fertilizers and for

²⁷ S.N. Kohli, '*Indian Ocean*', Proceeding of International Seminar, New Delhi, 1982, p. 7.

²⁸ Agarwal, n.,1, p. 9.

chemical and pharmaceuticals products. The total marine algae yield of the world has been estimated as 1,72,000 tones per year. Of this India contributes about two percent of the total. The demand by industry for algae producing seaweeds (agrophytes) algrum producing seaweeds (alginophytes) is increasing very rapidly in India and abroad.

Mangrove forest and coral reefs are other important living resources. Mangrove forests has now recognised as ecologically vital. Mangroves play a very important role in protecting the shoreline from major erosion. The eco-system forms an ideal nursery for the juvenile forms of many economically important species, such as mullet, seatrout and shrimps. A large percentage of detrital food which supports a variety of young fishes and shrimps, is generated from mangrones.²⁹

Awareness of conservation issues and the need for the protection of the mangroves has been developing rapidly in most tropical and sub tropical region of the Indian Ocean by the year 2000, most of the shoreline will be demanded of mangrone because of the pressure of population on land.

Coral reefs are among the biologically productive, taxonomically diverse and aesthetically important living Organisms. While their massive occurrence provides much

²⁹ P.C. Sinha, Coastal environment of India Towards their integrated management, *Journal of Indian Ocean studies*, New Delhi, 1997, p. 233.

needed protection from waves to the coastline, their biological productivity yields a multitude of fauna and flora dependent on the coral reef ecosystem.³⁰ They also provide opportunities for Scub diving, underwater photography, spout fishing and shell collecting, thus providing a vital stimulus to the tourist industry. Due to population pressure, most of the Coral reefs have become extremely vulnerable to industrial development and pollution along the coastline. It has been predicted that few of the fringing reefs along the main coastline of India will survive up to the year 2000, unless extensive protection is organised in the form of coastal marine parks.

Non living resources mainly includes Fresh water, Drugs from sea, Marine Chemicals, Placer deposits, Offshore mining, Deep sea mining, Ocean engineering.

Relative to population growth, the world supply of fresh water is dwindling every year and therefore measures are being undertaken to obtain drinking water from all possible source. Several desalination

technologies like solar stills, flash distillation, electro dialysis and reverse osmosis are being employed to generate freshwater from sea-water.³¹

30 Agarwal, n.,1, p. 27.

31 Ibid., p. 28.

So far as Drugs from sea is concerned. In India, the utilisation of marine plants and animals as raw material for effective and safe drugs and pharmaceuticals is of recent Origin. Of the 200 or more organisms that have been screened so far, many have given promising results. The most remarkable feature is the anti-fertility of Several marine Organisms. Research in this field and also on the culture of marine bacteria, fungi, yeast and other organisms for the production of bioactive substances will advance considerably in near future.³²

Out of the sixty elements present in the sea water, six can be exploited economically. Indian Ocean has large reserve of Sodium and chlorine in the form of Common Salt, Magnesium in the form of its compound, bromine, calcium and sulphur in the form of Calcium sulphate. Efforts are being made to recover many commercially useful elements from sea water, such as Uranium, Iodine and Gold. Recently, a commercial process for the recovery of Uranium from Sea Water has been reported and rapid development in this direction is expected.³³

³² Rahul Ray Chaudhary, *India's maritime security*, Knowledge World, New Delhi, June 2000, p. 37.

³³ R.C. Sharma, *General Geography*, Mn m Publication, New Delhi, 1994, p. 77.

The major minerals available from the sea are the minerals on the seafloor and in the sea-bed and minerals from sea water. From the ocean floor, coal, gold, diamond, tin, iron, phosphorite, potash, sulphure and rare earth metals are being mined. Under water tunnelling, pumping and dredging are some of the expensive and hazardous techniques being used for offshore mining.

So far as the deep sea mining is concerned. In past few years the development of technology to mine polymetallic nodules from a depth range of 4000-5000 metres and to extract the economically important metals from them has greatly advanced since 1960's.³⁴ Exploitation of Polymetallic nodules is particularly important to India as it currently imports all its nickel and cobalt, and cover half its copper requirements. In view of the growth in population and the consequent decline in land resources, the reserves of manganese are not expected to last for more than a quarter of a century. A similar situation can be said to exist for copper.

The Indian government began an intensive programme or the exploration and exploitation of polymetallic nodules in 1980. The research vessels *Gaveshani* and *Sagar Kanya* started mapping the ocean floor.³⁵ In July 1981 the

³⁴ Chaudhary, n., 32, p. 38.

³⁵ K. Siddhartha, *Oceanography*, Transworld International, New Delhi, 1996, p. 22.

Department of Ocean Development was created in the Cabinet Secretariat, and less than year later began to function as a separate entity. Government ocean policy emphasised the development of appropriate technologies supporting infrastructure, and effective systems of management and control.

By January, 1983 an equivalent of over 30 million US dollars had been spent on scientific activities relating to the development of polymetallic nodules, of which an equivalent of some three million US dollars went on the survey and evaluation of the ocean floor. In accordance with Resolution II of the Annexure to the 1982 UN Convention on the Law of the Sea, India was appointed a 'pioneer investor' in 1987, along with three other states, the Soviet Union, France and Japan and four multinational corporations (Belgium, Canada, Germany, Italy, the Netherlands, the UK and the USA). In effect, India became the only developing state to be accorded this status. Towards the end of 1983, some 2.6 sq. million kms of ocean floor had been surveyed, and two sites of equal mineral potential chosen for mining in the future.³⁶ These were 150,000 sq. kms. each in area, and located in the central Indian Ocean between the approximate coordinates 73°–82°E and 10°–17°S. While India was allotted one of these sites, the

36 Choudhary, n., 32, p. 40.

other was transferred to the Preparatory Commission (for the establishment of the International Seabed Authority (ISA). Once the ISA comes into force, in late 1995, India is to be given exclusive mining rights over its chosen site. The other site, meanwhile, will remain the responsibility of the Enterprise, the business arm of the ISA.³⁷

Nodule mining is certainly a futuristic venture, it is felt in certain quarters that 'India should make a move to start actual mining until such time as Indigenous competence in all aspects of Ocean mining is developed and the financial viability of proposed ocean mining ventures is assumed.' By early 1993 India had completed a thorough survey of its site in the central Indian Ocean using underwater mapping techniques. This had been aimed at determining the relative concentration and equality of metals found in the nodules. The prototypes of a remote-controlled nodule collector, and a lifting system to scoop up nodules from the ocean floor, had also been successfully tested in a shallow basin. Pilot plants for the extraction of metals from the nodules have also been set up. Nonetheless several deficiencies in the programme remained; notably, in 1981-89 only 51 tonnes of bulk samples were collected by dredging instead of the planned annual amount of 40 tonnes, foreign equipment worth Rs. 7 crores in foreign exchange remained under-utilised, and only 638, instead of

³⁷ *India year book*, Publication, Division, New Delhi, 1999, p. 157.

the planned 1,200 ship days, took place during the Seventh Plan period for survey and exploration.³⁸ Commercial seabed mining is to begin by the year 2010, by which time the process is expected to be economically viable and technologically possible.

Ocean is a source of tidal energy. The potential of tidal power in India is estimated to be around 9,000 MW, of which 7,000 MW lie in the Gulf of Cambay, and the rest in the Gulf of Kutch and the Sunderbans. In these areas the height of the tide is sufficient to generate electricity.³⁹ In view of the experience gained in the construction of the experimental wave power plant at Vizinjam in Kerala, two new projects of breakwater integrated wave energy systems are to be taken up by the Department of Ocean Development at Thangassery in Kerala and Mus Point in Car Nicobar. The generation of power through temperature differences in the water column and salinity of gradients has not been put into practice due to cost. The generation of power from wave activity is also being studied.

In India many premier organisations have been established to harness oceanic resources, such as:

1. The Oil and Natural Gas Commission.

³⁸ Chaudhary, n., 32, p. 42.

³⁹ K. Siddhartha, *Geography of India*, Transworld Publication, New Delhi, 1995, p. 19.

2. Geological Survey of India.
3. Tata Institute of Fundamental research.
4. The National Institute of Oceanography.
5. Indian meteorological department.
6. Central Fisheries Research Institute.
7. Engineers India Limited.
8. The Naval Hydrographic office
9. Port Development Authorities and
10. Ocean Science and Technology Agency.

India National Committee on Oceanic Research was initiated in 1960 to direct and coordinate the working of all these institutions and organisations.

To protect and safeguard her geopolitical, economic and security interests in the maritime environment through the Law of the sea became one of India's prime objective. Being a maritime nation and having a vast coast line with a large continental shelf and economic zone full of living and non-living resources and large number of islands in the Bay of Bengal and the Arabian Sea. India has the added responsibility of safeguarding maritime interests of land locked countries i.e. Bhutan and Nepal.

At present, due to lack of proper technology and co-ordination India is not able to exploit properly the resources of Indian Ocean. Resources are mainly exploited by foreign

maritime powers. Countries of the Indian Ocean region have to make a coordinate effort to save their maritime wealth and have a control over their exploitation.⁴⁰

It was 1960's, when efforts had started to bring as large an area as was possible, of the high seas and the seabed under the authority of United Nations. It was only beneficial for the marine powers which have dominant voice in that organisation. Developing Countries of Indian Ocean area were not the able to hinder the marine power from exploiting these resources.

The question of benefit of developing nations was formally introduced in the General Assembly of the United Nations on 1 November 1967 by Maltese delegate Amid Pardo. He proposed that a new treaty should be drafted to prevent national appropriation of the sea-bed and ocean-floor, to those areas exclusively for peaceful purposes, to use the sea bed assets primarily to benefit the developing countries and to restrict the limit of the continental shelf.

A "Declaration of principal (1970) in the United Nations established that, 70 percent of this planet's surface should be

⁴⁰ A.K. Mathur, *Resources of the Ocean*, Aarti Publication, New Delhi, 1980, p. 36.

the Common heritage of Mankind.” It is an attempt to ensure the equal benefit for all people.⁴¹

On 10 December 1982 at Montego Bay, Jamaica, the text of new laws of sea was signed by the Delegates of 117 states, which is known as UNCLOS III. Through these laws developing countries apt for a strong international authority to control the exploitation and to prevent the multinationals from exploiting these resources to the detriment of the Third World Countries.

India was benefited, by an Adhock Committee formed on December 15, 1972 by a resolution (No. 2992 XXVII) of General Assembly. India was the member of this Committee, (15 members Committee).

India was elected as a Member of the Council of the ISBA under the “Investors Category”. However, seabed mining in the area, which was expected to take place from February 1994, has been postponed till 2010 by the ISBA. An independent commission, which met in 1998 to examine these issues, further recommended postponing seabed mining till 2050, primarily in view of the uneconomic nature of these activities.

With the starting of 21st century the Indian government began drawing up legislation to enable optimal exploitation of mineral resources such as PMNs on its continental shelf.

41 Agarwal n.,1, p. 77.

Entitled "Offshore Mining Areas (Regulation and Development) Act", it is expected to facilitate private sector participation in seabed mining. It will also impose strict environmental norms on the exploitation of seabed resources. The private sector, however, felt that this would lead to increased foreign investment, as seabed mining remained very expensive.⁴²

In this Committee several aspects related to India and Indian Ocean securities were discussed. Committee ensure that India's economic development, political stability and independence of action should not, in any way be affected by the possible super power actions in the Indian Ocean region. It had discussed the protection of commercial and economic assets even beyond the EEZ limits, such as the 150,000 square miles area demarcated in the Indian Ocean region for India to commence sea-bed mining operation as a Pioneer investor.

The provision of an Economic Exclusive Zone (EEZ) in the new legal regimes of the sea increased India's area of responsibility from 83,200 sq. km. to some 2.8 million sq.km. In addition India became the first developing state to be accorded the status of a 'Pioneer investor' for deep sea bed mining.⁴³

⁴² Chaudhary, n., 32, p. 31.

⁴³ S.Z. Qasim, Ocean based Industries in India, *Journal of Indian Ocean Studies*, New Delhi, March 2000, p. 192.

Thus it may be summed up that, strategically, the Indian Ocean region is an area of vital potential for natural resources. It is an area which is vital for international trade among the regional states and outside powers. It is an area of regional turbulence and potential instabilities, and an area of conflicting political and economic interests of the big powers and is therefore, the pivot of World affairs.

Chapter – II

INDIAN OCEAN DURING THE COLD WAR PERIOD AND ROLE OF INDIA

It was during 1960's that the Indian Ocean began to be identified as an area of super powers naval confrontation, super powers USA and Russia introduced Naval forces on a more or less permanent basis and sought supporting naval facilities from the littoral countries. This naval confrontation of super powers was continued till the end of the Cold War. Beside these super powers other regional powers like Japan, and China were also showing interest in the Indian Ocean. Japan's interests were mainly for oil and other raw materials and trade route passages through the Indian Ocean, while Chinese policy's main thrust in the Indian Ocean region was to compete with the Soviet Union and allies. China viewed the Soviet moves in the region as an attempt to seek a maritime route from the Mediterranean through the Indian Ocean to the Western Pacific towards Japan and hence a threat for China.¹

¹ Majeed Akhtar (ed.), *Indian Ocean: Conflict and Regional Cooperation*, ABC, New Delhi, 1986, p. 13.

U.S. Strategy

The United State had clear strategic interests and objectives in the Indian Ocean USA had both commentional and strategic nuclear military interest in the Indian Ocean. Military objectives for US conventional forces include the capability to :

- (i) protect US economic interest in the Persian Gulf.
- (ii) employ or threaten to use force in support of US diplomatic objectives in the Middle east.
- (iii) Secure the Indian Ocean air and sea routes against harassment or interdiction.
- (iv) balance soviet forces in the region and attain superiority in a crisis.

The US believe that any decisive threat to these interests could originate only from Soviet action in the region or from such action interwoven with intra-regional instability. This challenge to US position was not just theoretical but very much real, as was evident by the Soviet Union in the Afghanistan and Horn of Africa. Soviet threats had become more menacing for the US particularly after events in Afghanistan and Iran which had shifted the geopolitical balance adverse to the US interests.²

² Ashok Kapur, *The Indian Ocean Regional and International Power Politics*, Praeger, New York, 1983, p. 53.

The coercive diplomacy in the Indian Ocean region was based on clear policy objectives. The US believes that demonstrative use of armed forces could be an effective way of securing US objectives. The search for bases in the Indian Ocean, the establishment of the Rapid Deployment Force and the massive consolidation of facilities at Diego-Garcia were all geared towards the use of coercive diplomacy.

A closer scrutiny of the US employment of force without war in its coercive strategy in the Indian Ocean and its littoral states reveals that the frequency has witnessed a quantum jump since the advent of the second cold war, as is obvious from the data (till 1982) in a given table.³

Table - 2.1
US Employment of Force in Indian
Ocean and Its Littoral

Period	As percentage of total incidents	Average number of incidents per year.
1946-1977	18.6%	1.25
1978-1982	31.8%	2.80

Source : Akhtar Majeed's book (Indian Ocean : Conflict and regional co-operation p. 52).

3 Majeed, n.,1, p. 32.

During the Cold war period, USA maintained a strong naval – air task force in the northern reaches of the Indian Ocean. This naval superiority, coupled with its inherent advantages of greater strategic mobility and control over the choke points (Suez and Panama Canals and Malacca straits) and southern ocean gateway provide the United States very distinct and strategic advantages in relation both to the Soviet Union as well as the Third World Countries on the Indian Ocean littoral.⁴

Indian Ocean played a significant role during the Cold War period in strategic and also space war scenarios. How much US was interested in the Indian Ocean during the Cold War period, is clear from chronological study of US strategies and military deployment in the Indian Ocean.⁵

In 1962, investigation initiated for HIT by USAF space systems Division and US Navy Pacific fleet started visits to Indian Ocean. During 1965-66 Diego-Garcia created as British Indian Ocean Territory, this was believed to have been done on US initiatives. Diego Garcia leased to USA for defence purposes after local population transferred to Mauritius. Between 1970 to 1976, Diego-Garcia Communication station become operational and there was an Anglo-US agreement to

⁴ Rahul Roy Chaudhary, *India's maritime security*, Knowledge World, 2000, p. 3.

⁵ Majeed, n.,1, p. 5.

expand the scope and role of Diego-Garcia respectively.⁶ In 1977, USAF approved \$88.7 million contract for ground launched, direct ascent, non nuclear ASAT. Concept of RDF created and large scale joint naval air exercises including Midlink-77 where US, UK, Iran and Pakistan took part in NW Indian Ocean.

During 1980-83, Diego-Garcia expanded as naval-air base. US naval carrier task force deployed in Indian Ocean, level increasing to two carrier battle grouping in 1983. In space wing US cent com. formed on January 1, 1983 to cover Indian Ocean region.

During 1984-90, Diego-Garcia expansion facilities were completed. Masirah/Oman build-up planned for completion beside other facilities in Indian Ocean.

These developments during the Cold war period shows Indian Ocean was an important element in US politics of intrusion and the concomitant military presence as part of its global strategy.⁷ It is also true that arguments of Persian Gulf oil and freedom of maritime navigation provided a high level of legitimacy to US build up in the Indian Ocean region against the backdrop of the larger looming Soviet threat and its presence in Afghanistan.

⁶ Majeed, n.,1, p. 16.

⁷ B.N. Banerji, *Indian Ocean : A Whirlpool of Unrest*, Parilus, New Delhi, 1994, p. 32.

Emanating from her socio-economic milieu at the domestic level with its imperialist manifestations at the international plane, the United States of America had been pursuing a policy of extending her influence over South Asian region, from the very inception of this region's freedom from colonial rule.⁸ Enough has been written on the United States lack of interest in South Asia, and South Asia being of no specific strategic significance for her. It has been repeatedly asserted by some scholars that South Asia has been occupying a low priority area in the US scheme of things. These assertions, however, do not conform to the real state of affairs and actual policy being practised by the USA in this region.

Having taken over the mantle of protecting the imperialist interests in the erstwhile colonies of British and French colonial empires, the USA came, in a big way, in South and South East Asian region to fill in the so-called vacuum that had supposedly been created owing to the withdrawal of these decaying colonial masters. This vacuum theory was sought to be justified in the name of "containing communism", and a series of military pacts came into existence around South and South East Asian regions and West Asia.⁹ Some countries of the regions fell a prey to the temptation of

⁸ Majeed, n.,1, p. 17.

⁹ K.P. Misra, *Quest for an International Order in the Indian Ocean*, Allied Publishers, New Delhi, 1977, p. 22.

protection and security that these pacts ostensibly offered, and joined them. In fact, however, these pacts sponsored by the USA to boost the sagging spirits of retreating colonial masters – the United Kingdom and France, were manifestations of last-ditched attempts of the imperialists to stem the tide of national liberation and to help in perpetuating outmoded social and political systems therein. These pacts provided protection, not so much against external aggression – although this aspect was overstressed to camouflage the real intentions, but to maintain pliable, status-quoist and reactionary oppressive regimes in those countries which joined them.

Taking advantage of the continuing conflict between the Soviet Union and China, the US devised the strategy of building a new balance of power against the forces of anti-imperialism and the Soviet Union on the basis of accommodative Sino-US relationship, thus leaving South East Asia for the Chinese to take care, and herself concentrating on South Asia, South West and West Asian regions. Speaking particularly of the South Asian scenario, one finds Pakistan, having acted as a conduit between China and the USA, becoming the king pin in the whole strategy, and hence attempts were afoot both the US and Chinese sides to strengthen this country militarily and to make the military regime of Zia-ul-Huq more and more subservient to their

dictates. The South West Asian situations had therefore, deliberately been built up to justify large scale military aid to Pakistan.¹⁰

In this strategy, the main stumbling block was India, which had consistently rebuffed (except for a short period of the Janta rule) the imperialist overtures to fall in line with their policies. Hence the attempts at vitiating the socio-economic and political climate in the country had been intensified of late, to create conditions of destabilization. The aim was to have pliable, weak conditions of chaos and anarchy, thus completely disrupting socio-economic fabric and political will to keep the country united. The success of the imperialist strategy depended, therefore, on the success of their destabilization attempts. Pakistan played a crucial role in this game. It has been clearly revealed in the White Paper on Punjab situation, and in the statements of India's late Prime Minister Mrs. Indira Gandhi and later stressed by Mr. Rajiv Gandhi.

The USA had almost succeeded in her destabilization strategy in 1977 when weak political leaders and military rulers came to power in major South Asian countries like India, Bangladesh, Pakistan and Sri Lanka. While India's political will reasserted itself by 1980, in Bangladesh and Sri

¹⁰ Majeed, n.,1, p. 16.

Lanka, governments with definite tilt towards the USA, have continued to remain in power. In the South Asian scenario, these two countries, besides Pakistan, were playing the US game by projecting what many scholars call the small nation psychology. A kind of "fear complex" was deliberately being created through different media, by accusing India of adopting "big brotherly" attitude towards her small neighbours on the one hand, and impressing upon the "small neighbours" the imperative of being on guard against the "domineering designs" of the "big neighbour".¹¹ The unmistakable call to these small neighbours was to fall in line with the imperialist strategy of destabilizing the big political entity called India, and to come under their umbrella to protect their political freedom and territorial integrity, from India's aggressive policies.

This deliberately created small nation psychology and fears complex among the small South Asian countries vis-à-vis India, were an imperialist play to justify their interference in the South Asian region.

SOVIET STRATEGY:

The Soviet strategy in the Indian Ocean region was in bi-planar dimensions. It was guided in a large measure, by

10 S.P. Agnihotri, Some Strategic models : A Critical Study of Indian Ocean, *Indian Geographical Studies*, March 1987, p. 23.

parameters and objectives similar to that of the United States.¹² Perhaps the strongest incentive flowed from the function to secure a role for the Soviet navy to support the status of Soviet Union as a global, super power. However, since the Soviet Union was lagging behind the US in many spheres especially strategic mobility, technology and naval-air capability. Soviet strategy was a reactive one, and its policy option was based more on responses to US initiatives.

Soviet Union as industrialised, developed country with a super power status, its incentives to extend its influences, especially in the Third world were as high as that of the United States. An additional factor was that the Indian Ocean and its littorals were of even special interest to the Soviet Union because of their geographic proximity with each-other. Any US moves in this region, inevitably, was seen by Soviet Union as hostile and threatening to Soviet security. The choke points of Suez Canal-Horn of Africa and the Malacca straits region, and the larger gateways to Indian Ocean dominated by Pro-US Australia and South Africa not only placed severe limitation on Soviet ability to project power and influence in the Indian-Ocean but imposed an even greater strategic limitations on

¹² Majeed, n.,1, p.12.

Soviet ability to redeploy and reinforce its naval capabilities in the Pacific and Atlantic Ocean.¹³

Soviet naval presence in the Indian Ocean was hardly be construed as a challenge to the United states. The facts are that the Soviet naval forces in the Indian Ocean had very limited offensive capabilities outmatched even by Pakistan.¹⁴ The nature of Soviet presence in the Indian Ocean was different from that of the Western power in that it was more transient. However, During 80's, it was believed that Soviet Union had an average of 10-12 combatant ships in the Indian Ocean at any time. For example, During 1983-84, on the average about 2-3 submarines, 8 surface combatants and 2 amphibians ships were believed to be in the Indian Ocean. The nature of force structure suggest that sea denial and interdiction were not the major missions. The one major aspect is that the increase in the quantum of soviet naval presence in the Indian Ocean since 1968 was generally in proportion to the overall increase in the quality and quantity of Soviet naval forces all over the world. This shows that unlike the United States, the Soviet Union had no strategy of escalating its naval capabilities in the Indian Ocean as such

¹³ Amita Agarwal, *Indian Ocean and World peace*, Kanishka Publication, New Delhi, p. 6.

¹⁴ Majeed, n.,1, p.16.

but this was actually coming about as a result of the overall process of the build up of soviet sea power.

OTHER, REGIONAL POWERS

There were some regional powers, which were showing their presence in the Indian Ocean, also those were capable to affect the Geopolitics of the Indian Ocean. Out of these China, Japan, South Africa and Australia were the most important.

Chinese policy's main thrust in the Indian Ocean region was to compete with the Soviet Union and allies. China had described, as early as 1969-70, the Soviet influence in the Indian Ocean region as 'encirclement' and 'a new version of British imperialism'.¹⁵

China viewed the Soviet moves in the region as an attempt to seek a maritime route from the Mediterranean through the Indian Ocean to the western pacific towards Japan, and hence a threat for China.¹⁶ Soviet occupation of Afghanistan resulted in a shift in Chinese policy towards South Asia. China started encouraging co-operation among South-Asian countries rather than exploiting their divisions. China considered Soviet operation in Afghanistan as a 'Pincer

¹⁵ G.S. Bhargava, "World War rather than World War", *Far Eastern Economic Review*, 1998, p. 31.

¹⁶ Majeed, n.,1, p. 9.

movement' continuing towards the Gulf while Vietnam threatens the ASEAN countries and the Malacca strait.¹⁷

It is believed that People Republic of China (PRC) planned to create a force of at least twelve nuclear missile armed submarines to provide it a nuclear second strike capability. The limited range of its SLBMs might dictate a deployment in North-West Arabian region to provide a serious and credible threat against important and critical targets in the Soviet Union.¹⁸ China's quest for retaining a major powers status was also point towards an expansion of it sea-power, qualitatively, quantitatively and geographically.

So far as Japan is concerned, interest of Japan in the region was vital because a great proportion of her oil and other raw materials came from this region and nearly half of her maritime trade passed through the Indian Ocean.¹⁹ Japan's economy was dependent upon foreign trade and, therefore her most vital stake was in keeping the sea-lanes open. More than 90 percent of the crude oil used in Japan was imported. Japan's oil interests had competed with much success with Western oil interests in off-shore oil exploration in the Gulf region. Japan had close economic ties with South Africa and

¹⁷ Ranjan Gupta, *Indian Ocean : A Political Geography*, Marway Publication, New Delhi, 1979, p. 42.

¹⁸ *Ibid.*, p. 43.

¹⁹ Majeed, n.,1, p. 11.

had collaborated with her in the joint exploration of copper, iron and manganese from Southern Africa. For Japan, the 1973 oil boycott by the OPEC Countries was a shattering experience and revealed the weakness with alliance with the west, and the fall-off in Iranian supplies after 1979 made situation worse.²⁰ Japan's policy towards Indian Ocean had a special place for South East Asia and always affected by Soviet policy, there was threat that Soviet Union could disrupt Japanese links with the Indian Ocean.

Australia was the powerful local supporter of the west in the Indian Ocean. There were several political and economic factors which emphasized the importance of Australia and the importance of the Indian Ocean for Australia. In 1980 the largest proportion of its oil imports came from the Persian Gulf. Over 50 percent of Australia's imports and exports passed through the Indian Ocean, but only about 14 percent of its trade was with the littoral states.²¹ Raw materials and goods from Western Australia formed a high percentage of exports to Gulf countries. Heard, Christmas and Cocos Islands in the Indian Ocean belong to Australia, and this

²⁰ Dieter Braun, *The Indian Ocean : Region of Conflicts or Peace Zone?*, Oxford University Press, London, 1983, p. 154.

²¹ Raj Narain Misra, *Indian Ocean and India's Security*, Mittal Publication, Delhi, 1986, p. 62.

group was integrated more fully into Australia's military infrastructure also used by the US airforce.²²

AN OVERVIEW OF THE INDIAN OCEAN ZONE OF PEACE NEGOTIATIONS

Owing the Cold war era, a struggle had been taking place over military influence in the Indian Ocean. This struggle has been more theoretical. With Various nations from with in and outside the region disputing their individual and collective rights to the Ocean and its geo-strategic value.

Origin of the zone of peace proposal for Indian Ocean can be traced back to the then Indian Prime Minister Jawahar Lal Nehru's speech at the Asian Relations conference at New Delhi on 23 March, 1947. Where he said, "We have no design against any body, Ours is the great design of promoting peace and progress all over the world. We propose to stand on our own feet and cooperate with all others who are prepared to cooperate with us. We do not intend to playing with others."²³ The non aligned countries wanted the big powers not to make the Indian ocean a centre of their rivalry, to withdraw their existing military from there and not to establish any new lease in the region. So that the Indian Ocean countries could attain

²² K.C. Beazely, I. Clark, *Politics of Intrusion – The Super Powers and the Indian Ocean*, Praeger, New York, 1983, p. 205.

²³ D. Banerjee, "Indian Ocean Zone of Peace: Need for a new approach", *Strategic Analysis*, New Delhi, August, 1992, p. 418.

peace and progress with the help of cooperation of all countries of the world.²⁴

The Afro Asian countries which took the initiative to make the Indian Ocean a zone of Peace were not only new in the international body-politic, they were also economically very weak and dependent on the big powers for their economic growth. Hence, initially they could not strongly protest against the use of the Indian Ocean and its region by the big powers for their military purposes. Moreover, till the middle of sixties, there was not much naval activity of the big powers in the Indian Ocean which could draw international attention and jeopardize peace in the region. Under this condition, Head of the Governments of 25 non-aligned countries during their first summit conference held in Belgrade from 1-6 September 1961, took a soft stand on the Indian Ocean and expressed concern over the militarisation of different parts of the world by big powers.²⁵

But by the time the second summit conference of the non-aligned countries took place in Cairo from 5-10 October 1964, there was remarkable change of situation in the Indian Ocean. Super powers went ahead, in spite of the known policy of the non-aligned countries against militarization of the

²⁴ S.S. Bhattacharya, "Indian Ocean as a Zone of Peace," *Strategic Analysis*, New Delhi, August 1992, p. 418.

²⁵ *Ibid.*, p. 420.

Indian Ocean to militarized the ocean in support of their strategic interests in the region.

At this stage, leaders of the non-aligned countries realised that their soft approach towards the militarization had no impact on the big powers. The leaders of the non-aligned countries during their second summit conference condemned the move to establish bases in the Indian Ocean.

The non aligned movement however, took the growing Great power presence in the Indian Ocean seriously and saw it as a source of future threat to the security of the region. It not only criticized the Diego Garcia base but also sought a halt to the growing Great power presence in the area.²⁶

In tune with the spirit and ideals of Bandung (1955) and Cairo (1964) Conference of the non-aligned nations, the concept of Indian Ocean peace zone was first formulated in September 1970 by Lusaka Conference of the non-aligned nations. In this conference Sri Lanka proposed that the Indian Ocean should be declared a zone of peace and received all round support. The view of Sri Lanka on ensuring security in the Indian Ocean were detailed by Mrs. Bandaranaike in a memorandum presented at the conference of commonwealth countries on January 14, 1971.

²⁶ Majeed, n.,1, p. 62.

It was noted in it that the aim of creating a peace zone in Indian Ocean was to ensure that great powers, silently or openly, by way of mutual agreement or unilaterally, agreed to respect this region as a zone where they would refrain from any act that can harm the cause of peace.

It was declared that the "defensive and offensive armaments should be excluded from the entire high sea area of the Indian Ocean.²⁷ This region should also be free from nuclear weapons.²⁸ It was also accepted that the warships and other ships carrying war material would have the right to transit except for emergency reasons of a mechanical, technical or humanitarian nature. The use of sea bed would also be prohibited, except for the reasons mentioned above. There would be a ban on naval manoeuvres, operations and weapons tests army, navy and airforce bases also be prohibited.

In a ministerial meeting of the non-aligned nations in New York in September 1971, it was agreed to give concrete shape to the Lusaka Declaration by taking up the issue at the 26th session of the UN General Assembly. These processes and development culminated in Sri Lanka's prime minister Srima

²⁷ Sipri year book, Stockholm, 1975, p. 60.

²⁸ A. Nizamov, "A zone of peace, Good neighbourliness and cooperation" in *Indian Ocean and Great powers*, Oxford Press, London, 1979, p. 32.

Bandarnaike, address in the General Assembly of the United Nations on 16th October 1971, Resolution No. 2832 on Declaration of the Indian Ocean as a 'Zone of Peace'.²⁹

The General Assembly resolution for a "Declaration of the Indian Ocean as a Zone of Peace" passed with a definite but not overwhelming majority, with 61 countries in favour and 55 abstentions. The unfortunate timing of the adoption immediately sowed seeds of conflict, which showed how the Indian Ocean states themselves, leave alone the "Great Powers" were divided over interpretation of the new zone. Accusing "Soviet backed" India of attacking China's ally, Pakistan, the Chinese delegate was the first to point out the irony that such a proposal could not be made when India and Pakistan were locked in conflict. India however had long overdue rights to develop into a regional naval power, using the historical argument that the intrusion of the great powers into the Indian Ocean resulted in the loss of political freedom in Asia in the 18th century.

The most important diplomatic move that undermined the concept of the PZIO, as reflected in the 1971 Resolution of the General Assembly, was the contention of the Great powers, and its acceptance by some of the littoral states, that the PZIO was conditional upon the prior implementation of all these

²⁹ Agarwal, n.,3, p. 102.

conditions, that were meant for the Great powers, by the littoral states themselves. Once that principle was conceded to, instruments were found to undermine the NAM's concept of PZIO.³⁰

Three concepts, that were not there in the 1971 Resolution, were subsequently added to the PZIO.

- (i) nuclear weapon free zones in the littoral regions of the Indian Ocean.
- (ii) mutual arms reduction among the regional powers and
- (iii) a built in mechanism for ensuring regional peace and for conflict resolution.

India raised serious reservations on these newly added concepts, especially when attempt were made to impose them upon her with in the limited geographical frame work of the Indian subcontinent or South Asia.³¹ Since India was major motive force behind the concept of PZIO, these tools were used to present India as the main hurdle in the process of evolving the PZIO.

Gradually, after 1974, the emphasis of the discussion on PZIO shifted from the activities of the Great powers and the

³⁰ K.S. Sidhu, *Indian Ocean : A Zone peace*, Harnam, New Delhi, 1983, p. 67.

³¹ Ibid., p. 68.

global issues affecting peace and security of the Indian Ocean to regional issues, and the littoral states themselves were accused of denying peace and security in the region.

Indian opposition to the concept of Nuclear Weapon Free Zone (NWFZ) is based upon several points. Firstly, it was discriminatory to divide the world into the groups, the nuclear "haves" and the "have-nots". The second argument advanced for the benefit of the have-nots was that if they surrender the control of their nuclear technology to the "haves", they would be given political guarantees that would save them from a nuclear devastation even if the haves do fight a nuclear war.³²

The erosion of the Peace Zones concept coincided with the increase in the Great power presence in the area. This was mainly in two phases. The first phase began with the so called "energy crisis" scenario as propounded in USA in 1971-72, followed by the oil crisis of 1973-74.³³ This phase was used to justify the dispatch of powerful task forces to the region, open threat by responsible people in the USA to occupy the oil fields and the launching of the second phase of the Diego Garcia base. The Soviet base in Somalia came as useful additional argument to justify that expansion. The ouster of the Soviet's

³² Agarwal, n.,13, p. 105.

³³ S.S. Bhattacharya, "The Indian Ocean towards a zone of peace", *Strategic Analysis*, New Delhi, August, 1992, p. 418.

from Somalia was ignored subsequently when dealing with Diego Garcia.

The Second phase in 1978-79 coincided with the beginning of the new Cold War, the ouster of USSR from Somalia, the weakening of the US-USSR talks on the Indian Ocean and destabilization in Iran. Again of large task force, renewed threat to occupy the oil fields and activation of the plans for the Rapid Deployment Force (RDF). The crucial 1979 debate in the UN on the Indian ocean coincided with that phase. Subsequently, the Soviet military intervention in Afghanistan and Iran-Iraq war added more arguments to justify the plans, already chalked out, for an enhanced western presence in this region.³⁴

Despite concerted efforts to undermine the original concept of PZIO and to postpone its implementation, there was growing urgency for the creation of a peace zone in the Indian Ocean. Unfortunately attempts have been made during the years not only to add new points to the original package but also to make the acceptance of the old and the new mutually conditional.³⁵

³⁴ S.S. Bhattacharya, "Indian Ocean Towards a zone of Peace", *Strategic Analysis*, New Delhi, November 1990, p. 933.

³⁵ Ibid., p. 934.

Indian Diplomacy

Indian perspective has evolved during past four decades. From the non-alignment and peaceful co-existence of 1950's there emerged a concept of collective security in the region in 1960's, which in 1970's assumed concrete conceptual framework in the form of Indian Ocean as a zone of peace without shedding the concept of broad universal collective security or non alignment.³⁶

Important planks on which India's Indian Ocean policy is based are :

- (1) The opposition to the big power military presence in the region -a 'Peace zone strategy'.
- (2) The improvement of her own image by removing misgivings about her Indian Ocean policy and,
- (3) The promotion of regional consciousness, cooperation and community feeling among the Indian Ocean countries and formation of an Indian Ocean community.

India's maritime international policy can be seen in the following way :

- (a) The use of sea for commerce and ensuring unhindered sea borne trade.

³⁶ Agarwal, n.,13, p. 118.

- (b) The exploitation and protection of resources in our Exclusive Economic Zone (EEG).
- (c) The exploitation of the high seas and the sea bed for living and non living resources.
- (d) Research and development in the EEG, seas and Antarctica.
- (e) Force projection.
- (f) Sea denial adversaries and,
- (g) Defence of Island territories.

Historically, the Indian Ocean has played a vital role in India's national life from the kaleidoscope of time. The rise and fall in her national life has been closely linked up with her maritime position. India carried out intensive trade transactions with the countries around her in all directions. The decline of naval power coupled with political disunity among Indian rulers paved the way for long political subjugation by the Europeans.³⁷ Thus in this particular Geographical and historical setting independent India has vital economic political and security stakes in the Indian Ocean.

The above discussion leads us to the conclusion that India is faced with a serious security dilemma on account of

37 Satish Chandra, *Indian Ocean : Explorations in History, Commerce and Politics*, Sage Publication, New Delhi, 1987, p. 11.

the US penetration into the region. The US, since the independence of India, perceived India as a major rival to its trade in the Third World. According to the US policy-framers India is in the making of another Japan. In order to see that India does not pose such a threat, United States evolved an anti-Indian policy and continued creating a kind of fear psychosis by supporting Pakistan. Building up of a chain of naval bases has resulted in a far serious fear psychosis in the area.³⁸ India naturally has to view it as a threat not only to its security but to its trade and commerce. In order to meet the challenges of the US neo-colonialism to its diplomacy India has to evolve an effective naval strategy having political, strategic, economic and technological dimensions. First, India had to create awareness among the regional states so that mad arms race is eliminated from the region. Secondly, it had to muster support for making the Indian Ocean a zone of peace. Third, India needs to develop marine engineering and build a strong merchant navy, fishing vessels, the machineries of the naval warfare and develop safe harbours. India had no reason to fear either of the Super Powers, but even if a portion of the massive US arms build up in the Indian Ocean and the Persian Gulf is diverted to Pakistan it would adversely affect India's strategic scenario. Fourth, India must work for better

³⁸ Bhupinder Singh, *Indian Ocean and Regional Security*, BC publishers, Patiala, 1983, p. 69.

economic collaboration with the countries of the Indian Ocean region. Finally, India has to develop technologically so as to harness the resources of the Indian Ocean namely oil, food, minerals and chemicals.

India's Indian Ocean Policy

While to other countries, the Indian Ocean is only one of the important Oceanic areas, to India it is the vital sea, the life line of its survival. India has the biggest stake in its waters. KM Paniker Wrote : "Her lifes are concentrated in that area. Her future is dependent on the freedom of that vast water surface. No industrial, no commercial growth, no stable political structure is possible for her unless the Indian Ocean is free and her own shores fully protected. The Indian Ocean must therefore remain truly Indian."³⁹

India was perhaps initially lulled into belief at the time of her independence that her security depended on the good will and friendship of neighbouring countries.⁴⁰ It failed to fully appreciate that merely high moral values without a corresponding investment in national security was largely an exercise in wishful thinking. For as Rabindra Nath Tagore

³⁹ Agarwal, n.,13, p. 125.

⁴⁰ Ibid., p. 126.

said, "Power has to be made secure not only against weakness."⁴¹

When the peace of Indian Ocean is disturbed, it is bound to have an impact on India's security. When some hegemonistic attempts are made, India naturally feels perturbed and has to mobilize opinion against making this region a theatre of war or even cold war and seek cooperation of like minded countries. India has all along opposed the establishment of military classes.⁴² It had opposed when its neighbours were roped in aggressive military pacts, and had done so when the Americans had leap frogged into the Indian Ocean. India has all along believed that the US presence would invite Soviet retaliation and the imbroglio would be complete. India's stand on the "Vacuum theory" and the efforts of converting the Indian Ocean into a zone of peace has been in consonance with both the traditions of the anti colonial struggle and the country's enlightened self interest.⁴³ The Indian leadership played an important part in the mobilisation of support for the declaration of a zone of peace.

But the story the before 1965 was different. In overall planning of immediate dangers, the threat from the Indian

⁴¹ Ibid., p. 127.

⁴² T.N. Kaul, "*Indian Ocean must be an are of peace*". Socialist India, New Delhi, March 1973, p. 7.

⁴³ Ibid. p. 8.

Ocean appeared least during that time and hence the continued neglect of the Indian Ocean as a security threat. This was evident in December, 1963, following the US Seventh Fleet's entry into the Indian Ocean. Nehru acceptance of it without any protest or fear reflected the Indian sense of security on the one hand and neglect on the other, more so, since this happened after the Sino-Indian war and where the Americans indirectly had balked India.

India's dynamic policy towards the Indian Ocean region can be traced from late 1965 onwards, mainly in reaction to development in the region. However, Indian Navy had remained the 'silent service' and out of sight even during Indo-Pak war of 1965. The major focus of this war remained on land frontiers once again establishing the fact that the 'Land Oriented Strategy'.

The situation did not remain for long. Due to several reasons, the Indian Government was forced to adopt a more clear-cut policy towards the region. India categorically rejected the "Vacuum theory" devised by United states to establish herself in the Indian Ocean with the help of her allies.

For the first time in 1971, a land war acquired oceanic connotations, there were several engagements with Pakistan in the Arabian Sea and the deployment of units of the United State Seventh Fleet in the Bay of Bengal. So the real

importance of Navy was realised. India needs to develop marine engineers as well as a strong Navy. During 1970's India also denied the presence of Soviet bases on Indian land.

India's response to the presence in the Indian Ocean was less hostile than the one to the US build up primarily because of two reasons. First, Soviet presence consider responsibilities under Soviet India-Friendship treaty and second USSR presence was not considered threat to India, but it was helpful in 1971 war.

Chapter – III

Changes after the Cold War period and role of India in the new Geo-strategic environment.

Major Powers interest in the Indian Ocean in the 1990's :

A major reorientation has taken place as a consequence of the recent Gulf crisis. The interests and role of external power and that of major littoral states have undergone in some cases fairly major changes. It is important to briefly highlight them.

THE USA

The USA has been seriously concerned with the Indian Ocean in recent year at least since 1956, when the Suez canal crisis epitomized the changing Afro-Asian scene and the importances of this strategic Water way.¹ But the USA was content with Britain playing a leading role here, even though during the Kennedy Administration it had offered to meet a part of this cost.² With the Withdrawal of the British from East

¹ M. Bezboruah, *US strategy in the Indian Ocean : The International response*, Praeger, New York, p. 35.

² Ibid., p.36.

to Suez since mid 1960s the USA attempted to fill the Vacuum in a limited way and as in conspicuously as possible.²

Inspite of the changed geo-strategic conditions, these interests are continuing in the Twenty First century, even as its ability to meet this through substantial naval presence decreasing gradually. There are much less requirement to deploy SIDMs in the Arabian Sea but its three major bases in Australia are continuing.

RUSSIA : Though Russia has acquired the mantle of the Soviet Union, its economic condition and internal instabilities are not allowing it to play any meaningful role in the external environment, especially in the India Ocean at present.

CHINA : China has played dominant role in the Indian Ocean region, not so much by its many as through its close military relation with important littoral states. It has had a close military interaction with Pakistan since 1956.³ In Bangladesh Navy Consists largely of Chinese ships and its personnel are trained mainly there. It has developed closed relation with Myanmar from 1990, including a good arms supply relationship. A large component of Chinese Commerce uses the Indian Ocean Sea lanes and many Chinese ships ply on its waters everyday.

³ Akhtar Majeed (Ed.), *Indian Ocean Conflict and Regional Cooperation*, ABC Publishing, New Delhi, 1986, p. 27.

INDIA :

Of the littoral powers India's interests and concerns in the Indian Ocean is most significant. Ninety seven percent of India's trade carried out on its waters, including between 20-30 mm tons of petroleum products every year. India has a merchant shipping of 800 ships with a gross tonnage of 6.2 mm tons. This meets only 25-27 percent of its total trade volume.⁴

Under the law of sea it has a pioneering status to exploit the resource of the sea-bed over an area of 150,000 sq. miles.⁵

Indian Navy, with a modest capability, visualises four fold mission for itself.

- (a) To safe guard the Indian coastline and vital off shore installations, to safe guard trade during peace and war.
- (b) To safe guard trade during peace and war.
- (c) To restrict the naval activities to its adversaries during hostilities.

⁴ Rahul Ray Choudhary, "India's Naval Expenditure in the 1980's", *Strategic Analysis*, April 1992, New Delhi, p. 56.

⁵ M.K. Rao, "Asymmetry of India's Defence Forces : A sailor's view", *Strategic Analysis*, June 1990, New Delhi, p. 233.

- (d) To be in a position to assist island republics against threat of subversion should they decide to seek Indian assistance.⁶

India and Naval Co-operation

The Indian Navy is by far the most active Naval force in South Asia in establishing and enhancing co-operation with other navies. This is seen primarily in terms of an exchange of visits and the hosting of conferences, conducting and hosting ship visits, assistance in hydrography, diaster relief operation, the conduct of joint bilateral and multilateral SAR Exercises, Joint bilateral naval exercises as well as coordinate patrols and on the rare occasion, joint operation as well. Actually from the late 1960's the changing strategic environment in the Indian Ocean influenced the navy's vision of an active role, and its importance in Indian Security policy.⁷

Exchange of Visits and Hosting of Conferences :

Visits of naval personnel, including those at the level of service chiefs take place, although relatively infrequently. In 1997-98, for example, the Indian CNs visited only Malaysia in the IOR, in his visits to three foreign countries that year; the following year, only Bangladesh in IOR was visited, along with

⁶ Ibid., p. 233.

⁶ Rahul Ray Choudhary, *Sea Powers and India's Security*, Brasey's London, 2000, p. 59.,

Russia. Meanwhile, Senior naval officers of the Australia and Bangladesh navies visited India during 1997-98, followed by the naval chiefs of South Africa, and Thai Navies in 1998-99.

Joint Bilateral Naval Exercises

A major shift came in policy in late 1991, the Indian government accepted the Navy's proposal to resume high profile interactions with foreign navies, in the form of joint exercises with selected Indian Ocean littoral and extra-regional naval forces.

The nature and scope of the joint naval exercise were quite different from those that had taken place a quarter century earlier. Joint naval exercise were seen by the government as effective measure to dispel concern over India's naval build up programme and expansion of power projection capabilities, as well as to build confidence and trust into the diplomatic relationship with states. It was perceived that the nature of interaction the joint exercises provided, both at sea and port, would generate greater transparency in relation to Indian naval activities and responsibilities. It was also to improve the nature of relations with the littoral states of the Indian Ocean. Joint Naval exercise help to build a military dimension to the bilateral political relationship among states. It was also to improve the Indian Navy's tactical and strategic maneuvers. Interactions with foreign navies, especially those

which are highly professional and technologically advanced, enable the Indian Navy to learn valuable lessons for war fighting and peace time.

As a result, in the five year period, October 1991 dec. 1996, 26 joint bilateral naval and coast guard exercise have been held with thirteen littoral as well as extra-regional navies of the Indian Ocean. Amongst the littoral states of East Indian Ocean Joint naval exercises being conducted with five ASEAN countries so far. Amongst the extra regional navies of the Indian Ocean, the most significant and the largest joint naval exercises have been conducted with USA.

Till 2000 the Indian Navy has not carried out a single joint exercise with the navy of any South Asian state (other than the Maldives Coast Guard) for a number of political reasons.

The Indian Coast Guard has also carried out four exercises (Dosti I-IV) with the Maldivian Coast Guard. It was conducted off Male in early October 1999. Three ships, two fixed wing aircrafts, one helicopter, and two Maldivian Coast Guard ships participated in this exercise.

Joint Multilateral Naval Exercise :

Indian Navy participated in the twelve nations 'Blue Crane' exercise hosted by Pretoria, it was first joint multilateral naval exercise by Indias Navy since 1960's.

Joint Operations :

During the period of Indian military assistance to Sri Lanka (1987-90), the terms of the Indo-Sri Lankan Agreement (1987) specifically provided the Indian Navy the role of “cooperating with the Sri Lanka Navy in preventing Tamil militant activities from affecting Sri Lanka.” However, for various reasons this was never implemented effectively.⁸

Maritime Boundaries of India

India's Maritime boundaries are with large number of states, these are Pakistan, Maldives, Sri Lanka, Indonesia, Thailand, Myanmar and Bangladesh. Due to considerable political and diplomatic efforts since 1970s, all of India's maritime boundaries have been demarcated, exceptions are with Pakistan and Bangladesh.

In view of the prospective changes in the in the international law of the sea, India began the difficult task of demarcating boundaries with its maritime neighbours in the early 1970s. Although UNCLOS III clearly determined the precise limits of various maritime zones, it failed to agree on any single universal set of principles by which these boundaries were to be delimited.⁹

⁸ *Ibid.*, p. 62.

⁹ Rahul Ray Choudhary, *India's Maritime Security*, Knowledge World, New Delhi, 2000, p. 52.

Notwithstanding these problems and difficulties, India, to date, has signed twelve maritime agreements with all five of its neighbours on opposite coasts; nine of them bilateral agreements and three trilateral. Bilateral agreements have been signed with Indonesia (1974 and 1977), Maldives (1976), Myanmar (1987), Sri Lanka (1974 and 1976) and Thailand (1978 and 1993). The trilateral agreements are with Sri Lanka and Maldives (1976) Indonesia and Thailand (1978) and Myanmar and Thailand (1993).¹⁰

As a result, the delimitation of India's maritime with four of these five states (bilateral) is complete; the only exception, Myanmar, requires a trilateral agreement to determine its trijunction point with India and Bangladesh.¹¹

Table -3.1 **India's Bilateral Agreements on Maritime Boundary Delimitation**

Country	Date of Signature	Entry into Force	Nature of Agreement
Indonesia	8 August 1974 14 January 1977	17 December 1974 15 August 1977	Relating to the delimitation of the continental shelf boundary between the two countries. On the extension of the 1974 continental shelf boundary between the two countries in the Andaman Sea and the Indian Ocean.
Maldives	28 December 1976	8 June 1978	On the maritime boundary in the Arabian Sea and related matters
Myanmar	23 December 1986	14 September 1987	On the delimitation of the maritime boundary in the Andaman Sea, in the Coco Channel, and in the Bay of Bengal
Sri Lanka	26/28 June 1974 23 March 1976	8 July 1974 10 May 1976	On the boundary in historic waters between the two countries and related matters. On the maritime boundary between the two countries in the Gulf of Mannar and the Bay of Bengal and related matters. Supplementary Agreement on the extension of the maritime boundary between the two countries in the Gulf of Mannar from position 13m to the trijunction point between India, Sri Lanka, and Maldives (Point 7)
Thailand	22 June 1978 27 October 1993	15 December 1978 17 January 1996	On the delimitation of the seabed boundary between the two countries in the Andaman Sea. On the Maritime boundary between the two countries in the Andaman Sea from Point 7 to the Trijunction Point (Point T) between India, Thailand and Myanmar.

Source — Access, India's Maritime Security (p.47) by Rahul Ray Chaudhary.

¹⁰ Ibid., p. 53.

¹¹ Ibid., p. 53.

Table – 3.2 India’s Trilateral Agreements on Maritime Boundary Delimitation

Country	Date of Signature	Entry into Force	Nature of Agreement
Sri Lanka and Maldives	24 July 1976	31 July 1976	Concerning the determined of the trijunction point between the three countries in the Gulf of Myanmar.
Indonesia and Thailand	22 June 1978	2 Mach 1979	Concerning the determination of the trijunction point and the delimitation of the related boundaries of the three contries in the Andaman Sea.
Myanmar and Thailand	27 October 1993	24 May 1995	On the determination of the trijunction point between India, Myanmar and Thailand in the Andaman Sea.

Source — Access, India's maritime security (p. 48) by Rahul Ray Choudhary.

Maritime Dispute :

India-Pakistan Maritime dispute : Sir Creek.

The India-Pakistan maritime dispute over Sir Creek essentially comprises two related issue. First is the resolution of the land boundary in Sir Creek (a 38 km. long estuary in the marshes of the Rann of Kutch) of the Gujarat state in India and the Sindh province of Pakistan, as well as the delineation of the maritime boundary sea-ward within the territorial sea and beyond. Both the countries have failed to make a reasonable solution of this problem over the decades.

The dispute over Sir Creek began as early as 1908. Its origin apparently lay in an argument between the rulers of

Kutch and Sindh over a pile of firewood lying on the banks of a creek dividing the two principalities.¹²

In the wake of Pakistan's claim that half the Rann of Kutch along the 24th parallel was its territory, and India's counter claim that the boundary was roughly along the northern edge of Rann, followed soon after by the 1965 India-Pakistan war, it was agreed that this will be decided by arbitration.¹³ Consequently, the India-Pakistan Western Boundary Care Tribunal upheld 90 percent of India's claim to the entire Rann, Conceding small sectors to Pakistan.¹⁴ However, as North state parties had agreed to limit arbitration only to the boundary in the north, the dispute over the boundary to the south was excluded from the purview of the Tribunal. This involved :

- (a) the demarcation of the boundary from the head of Sir Creek downward to the west, right up to the mouth of the Creek on the Arabian Sea.
- (b) the boundary from the top of Sir Creek eastward to a point (on land) designated as the Western terminus.

To date, six rounds at official talks at different levels have been held between the two countries. The sixth round of talks on Sir Creek took place on 9th November 1998, in New

¹² V.L. Forbes, "Pakistan's claim to maritime space", *Indian Ocean Review*, December, 1977, New Delhi, p. 17.

¹³ Chaudhary, n.,9, p. 54.

¹⁴ Forbes, n.,12, p. 18.

Delhi. The resumption of the talk was the result of the India – Pakistan Foreign Secretary level talk of June 1997 and September 1998, where it was agreed to address all outstanding issues of concern under the framework of a composite dialogue which included the establishment of a working group of Sir Creek. But No agreement was reached.¹⁵

India's Bangladesh Maritime dispute

The India – Bangladesh maritime dispute primarily focuses on differences in the principles by which the maritime boundary is to be demarcated, as well as disputed sovereignty over a small Islands.¹⁶

Both India and Bangladesh also continue to claim as island covering an area of 3 sq.km. lying in the estuary of the Harikhanga and Raimongal rivers in the Bay of Bengal known as New Moore or Purbasha in India and South Talpatty in Bangladesh. Several round of talks on the India-Bangladesh maritime boundary dispute have taken place but to no avail.

Clearly the delimitation of the India-Bangladesh maritime boundary is fraught with technical problems, with considerable economic consequences for both countries. It is therefore imperative that, technical solution be arrived at, even

¹⁵ Chaudhary, n.,9, p. 54.

¹⁶ Ibid., p. 55.

if it needs to be based on the equitable rather than equidistant principle.

ARMS AND NARCOTICS TRAFFICKING

The trafficking of arms and narcotics at sea has major implications for the security of the country and combating it remains a major low intensity operation for the coast guard.¹⁷ Not only does the largest drug – growing area in the world, the Golden crescent, lie in proximity to India's western coast, but two countries of the Golden Triangle are also India's neighbours to the east (Myanmar and Thailand). These geographical links are exacerbated by the connection between narcotics and arms, with the sea routes to Arabian Sea and the Bay of Bengal providing ideal environment for the supply of both arms and narcotics.

If the west coast, for example, arms supplied to the Mujahidien forces in Afghanistan and diverted to Pakistan in the 1980s continue to be supplied to militant in India abroad small ships so the coast Guard is actively involved in anti-smuggling operations off the west coast.

Off the east coast, the Andaman sea is especially prone to arms and narcotics trafficking, with the uninhabited islands of the Andaman and Nicobar Chain providing ideal natural

¹⁷ Jasjit Sing (Ed.), *Bridges Across the Indian Ocean*, IDSA, Publication, New Delhi, 1998, p. 86.

protection. In February 1998, a joint armed services anti smuggling operation ("Leech") in the Andaman sea received considerable publicity.¹⁸

POUCHING ACTIVITIES :

A large part of the profitable catch, as well as minor concern about detection and apprehension lies as a large number of vessels from neighbouring states continue to fish illegally in the Indian EEZ. This can be seen from the number of fishing trawlers and crew apprehended by the Coast Guard over the years, which actually represents only a minor proportion of the number of vessels and crew illegally fishing. Since 1978, a total of 607 foreign fishing vessels with 6,492 crew have been apprehended in the Indian EEZ. Over half this number have been apprehended since 1990. In terms of nationality, illegal fishing is primarily dominated by vessels and crew of South-East and East Asian states.

Table 3.3

Foreign Fishing Trawlers and Crew Apprehended by the Coast Guard in the Indian EEZ since 1990

Year	Foreign Fishing Trawlers	Foreign Crew
1990-91	7	108
1991-92	31	351
1992-93	56	550
1993-94	58	(500)

¹⁸ Chaudhary, n.,9, p. 55.

1994-95	42	559
1995-96	49	331
1996-97	25	184
1997-98	55	578
1998-99	21	188
1990-99	344	3349

Source : India's maritime security (p.42) by Rahul Ray Chaudhary.

Table - 3.4
Foregin Fishing Trawlers Apprehended by the Coast Guard
in the Indian EEZ by Nationality, 1994-97

	1994-95	1995-96	1996-97	Total
China	3	0	0	3
Indonesia	3	3	1	7
Malaysia	0	0	1	1
Myanmar	0	8	3	11
Pakistan	3	6	2	11
Sri Lanka	15	29	17	61
Thailand	18	3	1	22
Total	42	49	25	116

Source : Access, India's maritime security (p. 43) by Rahul Ray Chaudhary.

The Economic Dimension for India

Considering that India's extensive land borders of Over 15,000 km. are double its coastline of 7600 km, the

predominance of sea borne trade in its foreign trade is remarkable. Some 75 percent of its foreign trade in value and 97 percent in volume is sea borne. In effect in 1998-99 as much as \$56.64 billion worth of goods and commodities (244.15 million tonnes) were handled at India's major ports, averaging \$155.18 million/668,904 tonnes daily.¹⁹

India's Post 1991 economic strategy was export led growth, shows an average annual rate of growth of 19.8 percent during the period of 1993-94 to 1995-96. This is in stark contrast with the 3.8 percent growth rate in the preceding three years. In 1999-2000, export growth was estimated at 11.52 percent, which could not be achieved.²⁰

Energy

In 1997-98, imports of crude oil accounted for 50 percent of demand and domestic off shore oil 33 percent. In effect, thus as much as 83 percent of the country's demand for crude oil was met by maritime sector. Only 17 percent of demand was met by domestic onshore oil production. The gap between demand and domestic production of crude oil is expected to grow considerably over the years, necessitating the import of every increasing quantities of crude oil.

The essence of energy security is the ability to maintain adequate supplies of energy resources, such as coal, crude oil,

¹⁹ Chaudhary, n., 9, p. 57.

²⁰ Ibid., p. 58.

natural gas, and hydro and nuclear power, in the long term, both domestic and imported, at all times and at minimum cost. Disruption of supply will to be guarded against, and if disruption occurs, the initiation of negative consequences are ensured.²¹

Table – 3.5
India : Crude Oil Demand and Supply (in MT)

Year	Production		Domestic Total	Net Import	Total Demand	Import as % of Demand
	Onshore	Offshore				
1990-91	11.83	21.19	33.02	20.70	53.72	38.53
1991-92	11.38	18.96	30.34	24.00	54.34	44.17
1992-93	11.20	15.75	26.95	29.25	56.20	52.05
1993-94	11.65	15.38	27.03	30.82	57.85	53.28
1994-95	12.01	20.23	32.24	27.35	59.59	45.90
1995-96	11.85	23.32	35.17*	27.34	62.51	43.74
1996-97	11.37	21.53	32.90*	33.91	66.81	50.76
1997-98	11.48	22.37	33.86*	34.50	68.36	50.47
1998-99	11.50	21.20	32.70*	39.80	72.50	54.90
(1999-2000)	—	—	32.50*	53.50	86.00	62.21

* Includes oil production through private/joint venture companies.

Source : India's maritime security (p. 5) by Rahul Ray Chaudhary.

²¹ Amita, Agarwal, *Indian Ocean and world peace*, Kanishka Publication, New Delhi, 2000, p. 17.

Table - 3.6
Imports from the Persian Gulf
As Percentage of Total Oil Imports.

Year	India	US	Japan	Former Western Europe
1990	87.7	27.5	65	48
1991	88.6	27.8	64	43
1992	83.3	25.6	66	43
1993	92.2	23.4	68	50
1994	90 (approx.)	21.5	68	48
1995	90 (approx.)	19.9	70	47
1996	90 (approx.)	18.9	70	43
1997	90 (approx.)	19.2	74	47

Source : India's maritime security (p. 5) by Rahul Ray Chaudhary.

Table - 3.7
Major Sources of Crude Oil Imports (in MT)

	1990	1991	1992	1993	1994	1995	1996
Saudi Arabia	6.7	6.8	8.1	7.0	6.8	6.9	7.2
UAE	3.8	6.5	6.1	6.7	6.8	6.8	7.2
Iran	3.1	4.2	2.9	3.6	3.1	3.2	3.3
Total of Three Countries	13.7	17.6	17.2	17.3	16.7	16.9	17.7
Total Import	20.7	21.8	29.9	30.3	27.8	30.0	32.8
As Percentage of Import	66.22	80.99	57.52	57.08	59.99	56.33	54.00

Source : India's maritime security (p. 5) by Rahul Ray Chaudhary.

Global trends

During 1999-2000 global oil demand growth was about 1.5 percent or 1.1 million barrels per day as compared with just 0.4 million barrel per day increase in 1998-99. The slow down in 1998-99 was due largely to the economic crisis in

East and South East Asia, which reduced Asian Oil demand by 4 percent over the previous year.

The share of West Asia's supply of crude oil to the Asia-Pacific region is expected to increase from 71 percent in 2005. The attraction of West Asian Oil in its easier transportability, compared to energy resources from other geographical regions. In terms of maritime security, it may be noted that even at present, nearly 40 percent of the World's Oil coming from the Persian Gulf passes through straits of Hormuz. Crude oil accounts for as much as 200 million of trade that flows through the *Indian Ocean*.²²

Rising demand for Crude Oil in India.

In India, Crude Oil is the second largest commercial fuel after the Coal and other important commercial fuels are natural gas. Hydro power and nuclear power.

Table 3.8 Commercial Fuel.

Shares		(In percentage)
(1)	Coal	61
(2)	Crude Oil	27
(3)	Natural gas	9
(4)	Hydro power	2
(5)	Nuclear power	1
		Total - 100

Source : India's maritime security (p. 7) by Rahul Ray Chaudhary.

²² R.C. Sharma, *General Geography*, Mn m Publication, New Delhi, 1994, p. 76.

The demand for crude oil increased by 58 percent during 1986-87 to 1998-99 period from 45.96 MT to 72.50 MT, its discovery off the West Coast in the Arabian Sea (Bombay high) in 1974 somewhat controlled increase in imports in the first few years. With in five years, in 1979-80, off shore oil constituted over a third of production, over half by 1982-83 and over two thirds in 1986-87. Since then offshore oil has stabilised to this figure; In 1998-99 it accounted for 21.20 MT, some 65 percent of domestic production of 32.70 MT. The reduction in offshore of 32.70 MT. The reduction in offshore oil for most of the 1990's has been due largely to mismanagement of reserves through over production and unscientific methods of exploitation.

The most important off shore oil and natural gas field of the country are located off the west coast, in the radius of 200 km north west of Mumbai. In this region there are eight major oil fields, these are Bombay High, Tapti, Bassein, Panna, Mukta, Heera and Neelam. Hydrocarbons from these fields are extracted by 22 oil rigs and 152 well platforms, and transported to shore by over a thousand kilometers of submarine pipeline. In August 1992, Government of India, Government of India invited foreign and Indian Companies for the first time to participate in development of 31 small and 12

medium size fields.²³ This is the third busiest offshore area in the world, after the Gulf of Mexico and the North sea.²⁴

India is for more dependent on West Asia than US or other region for the import of crude oil. Whereas approximately 90 percent of India's total import of oil were sourced from the Persian Gulf. During 1990-96 Saudi Arabia, the UAE and Iran were, by far, the largest source of crude oil for India, accounting for 54 percent of the country's oil imports in 1996. In 1991, they had accounted for as much as 81 presentment of oil imports.

In June 1999, the government set up a ministerial and Expert group on drafting a comprehensive report on the hydrocarbons sector for the next 25 years, appropriately named Hydrocarbon vision 2025, 2nd chaired by Finance Minister Yashwant Shinha. Its essentially aims to enhance oil and gas exploration and maximize production, without affecting the environment or damaging the reserves. Its main strategy is to involve technology driven international companies, as well as focus on developing and acquiring sophisticated technology, in areas of oil exploration and production. In effect, the report recommended that all curles on overseas exploration and production were to be removed full foreign ownership of refining firms to be permitted.

²³ India year book, Publication, Division, New Delhi, 1994, p. 528.

²⁴ Chaudhary, n.,9, p. 60.

In near future, it is expected that Natural gas will play a far more important role in India's energy sector.

In 1997-98, production of natural gas in India was nearly 26 billion Cu.m. (BCM) whereas demand was estimated at 35 BCM. The demand of natural gas increased by over 50 percent in the 1990's from 18 BCM in 1990-91 to 27 BCM in 1998-99, since 1987-88 offshore natural gas has constituted over 70 percent of production in 1997-98 it accounted for 19.78 BCM, approximately 75 percent of the gross production of 26.40 BCM. It is clear from the given table no.....

India's share of global production and consumption of natural gas remains the same, at approximately 1 percent.²⁵ By 2002 natural gas production is expected to peak off at 31.03 BCM. An expert group of the MPNG therefore estimates this demand supply gap to increase to 43.80 BCM by 2004-5 and 78.48 BCM by 2009-10. In effect, imports will begin to constitute the dominant proportion of the demand.

Import of natural gas is not started till the time, but it will begin at the end of this year (2001).

²⁵ CSO, Energy Statistics 1998-99, p. 157.

Table -3.9
Share of Indian Shipping in Indian Foreign Trade

Year	Total Cargo (in MT)	Indian Bottoms (in MT)	Percentage
1990-91	109.35	38.86	35.54
1991-92	111.80	41.01	36.68
1992-93	122.30	42.66	34.88
1993-94	136.97	46.07	33.64
1994-95	146.55	42.02	28.67
1996-97	172.18	51.28	29.78

Source : See M. Ramachandran, "India's Shipping Industry : Critical Issues", Yojana, New Delhi, January 1999, p. 51.

Shipping :

India has inadequate shipping strength its fleet strength is a mere 510 ships, with 7.05 million gross registered tonnes (GRT) as on 1 January, 2000. In 1999, India's shipping fleet constituted only 1.27 percent of world's shipping tonnage and ranked seventeenth in the world's ship registries.

The stagnation in Indian shipping adversely affected its capacity to earn foreign exchange. According to 1996-97 data only 29.8 percent of India's foreign trade is carried on Indian bottoms. A substantial decrease took place in this vital sector

of the economy during the Eighth Five Year Plan.²⁶ In the beginning of Eighth Five Year Plan, the share of Indian flagged ships in the country's overseas trade was nearly 87 percent, by the end of the plan, it had dropped to about 30 percent.

The shipping policy committee (SPC), appointed by the government in 1998, has recommended the recognition of shipping as an export industry, which would make it eligible for all fiscal and funding benefits available to other export industries make ships eligible for depreciation like air craft, relaxing the average maturity period of ECBs and reserving LNG carriage for Indian flagships.²⁷

Security Concerns Over Energy Equipment's

A major challenge for India's maritime security is the assurance of sufficient and secured energy shipments from west Asia, with secured SLOCs in the Persian Gulf and the Arabian Sea, secure both military and non-military threats and uncertainties. Of particular concern in this regard is the fact that Pakistan, which has hitherto seen India in an adversarial role, lies astride the major SLOCs in the area. In addition, Indian offshore assets, such as oil and gas terminals, as also submarine pipelines, need to be secured all the time.²⁸

²⁶ M. Ramchandra, "India's shipping Industry : Critical Issues", *Yojana*, Publication division, New Delhi, 1994, p. 52.

²⁷ *The Ninth Five Year Plan Appraisal*, Planning Commission, New Delhi, 1999, p. 157.

²⁸ Chaudhary, n.,9, p. 63.

Pipelines :

Pipelines are very important mode of transport for long run imports, it is also most cost effective. India's import of natural gas from both Iran and Oman is being considered through pipeline. Oman - India gas pipeline (two 24 inch pipelines over 1400 km of it on sea bed) is the world's longest submerged international pipeline. Oman-India gas pipeline is facing technical as well as financial problems.²⁹

The proposed Iran-India pipeline, comprising two 2,000 km. Pipelines from Iran to the west coast of India routed either on the sea bed or overland via Pakistan, for which the two countries signed on MOU in July 1993, for the preparation of a pre feasibility study but this programme is ranging due to Pakistan's refusal to grant unambiguous access to its territory even for a feasibility study.

Bangladesh and Myanmar are also offering India an opportunity for gas import through pipelines. A submarine gas pipeline project linking Bangladesh to India (Orissa) as well as an exchange of Tripura - Bangladesh gas has been proposed by Unocal - and an MOU signed between ONGC and Unocal as part of Unocal's south Asia integrated Gas (SAIG) project.

Ports :

²⁹ K. Siddhartha, *Oceanography*, Transworld Publication, New Delhi, 1998, p. 61.

India has total 163 ports, out of these 11 are major ports and 139 are minor or intermedial ports. The major ports, accounting for 90 percent of traffic handled.³⁰ The volume of traffic at major ports grew from 157.60 MT in 1991-92 to 227.30 MT in 1996-97, with the annual growth rate of port traffic during the Eighth plan period (1992-97) being 7.3 percent. In 1997-98 traffic grew by 10.7 percent to 251.70 MT, before remaining stagnant in 1998-99. The traffic of 251.70 MT in 1998-99 comprised 107.40 MT of POL (42.67 percent), iron ore (13.63 percent), local (15.49 percent) and containers (9.46 percent).

Looking to the trade through sea or ocean the number of major ports are very less (Only 11). Indian ports are also facing the problem of low productivity. Both the average ship turn around time (TRT) and the average pre berth waiting time (PBWT) remain high. In 1998-99, the TRT was 5.9 days and the PBWT was 2.1 days, hereby resulting in financial penalties to shipping ranging from \$15,000 to 20,000 per day. Indian ports are also for more expensive than other in handling containers. Contain in delays are estimated to cost \$70 million or year.

³⁰ Iftikhar Ahmad Khan, "Merchant Shipping in the Arabian Sea – First Half of the 19th century", *Journal of Indian Ocean Studies*, New Delhi, March, 2000, p. 193.

Chapter – IV

CO- OPERATION AMONG THE INDIAN OCEAN STATES AND ROLE OF INDIA

The IOR-ARC is a nineteen nations inter governmental association for economic co-operation; its acronym suitably describes the geographical area it encompasses – the arc of littoral/ island states of the Indian Ocean Rim (IOR). Formally launched in March 1997 at the initiative of Mauritius, more IOR-ARC is the first association to be formed for the entire rim of the Indian Ocean, notwithstanding considerable, historical trade and cultural interaction in the area of new centuries.¹

The IOR-ARC is the latest and possibly the last of the major regional economic groupings to be formed in the world. The focus of IOR-ARC is an economic cooperation rather than economic integration.² It is clearly not a preferential trade block, its members remain free to pursue their interests in other trading arrangements. They are however, committed to global trade liberalisation commitment with the principles of World Trade Organisation, as also the principles of an discriminatory treatment to one another.

The nineteen member –states represent the seven sub regions of the IOR-Southern and Western Africa, Western, Southern and

¹ Rahul Ray Chaudhary, *India's maritime security*, knowledge world, New Delhi, 2000 p. 42

² Ibid.

Eastern Asia, Australasia and the islands of the ocean. The seven founding members who initially met in Mauritius in March 1995, were South Africa, Kenya, Oman, India, Singapore, Australia and Mauritius. Within five months it was decided to double membership of the Association, with each member nominating an additional state from its sub-region.³

The seven new member states were Mozambique, Tenzania, Yemen, Sri Lanka, Malaysia, Indonesia and Madagascar. Finally, in 1999, it was decided to expand membership further to nineteen states, by inducing five more states- Bangladesh, Thailand, Iran, U.A.E. and the Seychelles.⁴

Origin of the Association:

Although Prime Minister Nehru had a vision of Afro-Asian solidarity in the 1950s, it could not be implemented due to circumstances such as the cold war, super power naval rivalry in the Indian Ocean and the apartheid policy of South Africa.⁵ The Cold war between the Eastern and Western blocks dominated the interaction of the states of IOR by influencing the nature of their relations with one-another, as well as by exacerbating tension amongst them.

As a result, till recently this was the only area which did not have an oceanwide forum for the discussion of issues of interest.

³ V. Jayanth, "IOR-ARC Meeting Ends in consensus," *World Focus*, April 1997, p.18

⁴ *Ibid.*

⁵ Chaudhary n.,1 p. 43.

The end of the Cold War in the late 1980's and the disintegration of the Soviet Union in late 1991, therefore, had a major impact on the nature of international relations amongst IOR countries. These events not only brought to an end superpower naval rivalry in the Indian Ocean and made redundant the concept of a zone of peace in the area, but also broke the ideological barrier to establishment of an ocean wide forum of countries of the IOR.⁶

In 1993, Foreign Minister of South Africa, R.F. Batha proposed the formation of an economic grouping of IOR countries, primarily involving India, Pakistan, South Africa, the Gulf states and the East African states. This was followed in January 1995 by South African President Nelson Mandela's proposal to form an Indian Ocean 'trading alliance' which could develop into a trading block among the rim countries. Soon therefore, India, Kenya, Oman, South Africa and Singapore to attend an inter governmental meeting (IGM) in March. Consequently, the first Indian Ocean Rim initiative (IORI) international meeting of experts was held on 29-31 March 1995.⁷

The main objectives of the meeting were to build a consensus around the concept of an oceanwide forum for the promotion of economic cooperation, to identify possible areas of cooperation and to chart out a course of action leading to the formation of an association of this nature.

⁶ *Ibid.*

⁷ H.S. Chabra, "Indian Ocean Rim concept" *World Focus*, New Delhi, July 1995 p

On 5 March, 1997, IOR-ARC was formally launched in Mauritius as a fourteen nation intergovernmental association for economic cooperation in the IOR. This took place at the First IOR-ARC ministerial meeting, attended by Minister and representatives from its then fourteen member states. The Charter was formally adopted and the work programme was endorsed during the meeting.⁸

Major Features of IOR-ARC:

All the nineteen members of the IOR-ARC were colonized by European powers. A few of them became independent in 1940's and most of the others only in the 1960's. Diversity marks the membership of the IOR-ARC, in terms of size, there is contrast between Australia and Singapore, population wise same of the India and Mauritius. There is also contrast in political system, religion. Language etc.⁹

Character of the IOR-ARC

Objectives

The objectives of Association are:

- (i) To promote the desired growth and balanced development of the region and of the member states and to create common ground for regional economic cooperation.

⁸ Ibid.

⁹ Chaudhary n.,1 p. 44.

- (ii) To focus on those areas of economic cooperation which provide maximum opportunities to develop chained interests and reap mutual benefits.
- (iii) To identify other areas of cooperation as may be mutually agreed.
- (iv) To promote liberalisation, to remove impediments, and to lower barriers towards freer and enhanced flow of goods, services investment and technology within the region.
- (v) To explore all possibilities and avenues for trade liberalisation with a view to augmenting and diversifying trade flows among member states.
- (vi) To encourage close institutions, scholars and the people of member states without any discrimination among member states.

Membership:

All sovereign states of the Indian Ocean Rim are eligible for membership. To become members, states must adhere to the principles and objectives enshrined in the charter of the Association. Expansion of membership of the Association will be decided by member states.¹⁰

The IOR-ARC Work Programme:

A work programme of specific cooperation projects has been approved through various IOR-ARC meetings for implementation. A

¹⁰ Jayanth n.,3 p.13

set of ten projects offered and coordinated by different member countries are at various stages of formulation and implementation.¹¹ The projects are flexible with regard to the participation and financing, with a view to making them practical and meaningful instruments of cooperation. India has offered to coordinate four of these projects.

- (i) Indian Ocean Business Centre.
- (ii) IOR-ARC Chair and Associate Fellows.
- (iii) Trade Promotion Programme and
- (iv) Investment Facilitation and Promotion.

INDIA'S PARTICIPATION:

Nehruvian vision of Afro-Asian Solidarity, inspired India for taking a participation in IOR-ARC, which in his concept included Australia, and coincides with India's 'Look East' policy. It also arises from India's becoming outward-oriented following the trends toward economic liberalisation and globalisation. India views her engagement in sub-regional, and inter-regional cooperation groupings as providing greater economic opportunities for a growing and dynamic Indian economy. India too offers its IOR partners unprecedented opportunities for mutually beneficial economic collaboration. The presence of Indian origin communities in most of the IOR-ARC countries will be an added advantage for forging economic and business partnership. It is also a noteworthy

¹¹ Ibid., p.14

economic and business partnership. It is also a noteworthy factor that India has traditionally good relations with all IOR-ARC countries which are bilaterally or regionally being further strengthened in the new context. India occupies an important geographical position in the central are of the Indian Ocean Rim. Indeed, India's association with it has been historic and intimate as is borne out by the fact that it is the only Ocean in the world that shares its name with that of a country.

When the idea of Indian Ocean Rim Trade Block, was first mooted by the then Foreign Minister of South Africa, Pik Botha, during his visit to India in November 1993, India showed its deep interest in the idea. This idea also, attracted a great deal of Indian media attention. Coming to India, after visits to Oman, which has historic ties with the Indian Ocean through its erstwhile links with Zanzibar and Mombassa, and Pakistan, which also supported the idea, Mr. Botha's exuberance was understandable. He went to great lengths announcing that a conference of the India Ocean Countries would take place in Durban in August 1994. The Indian government welcomed the concept of economic cooperation among the IOR countries, even through at that time New Delhi felt that the concept was at an embryonic stage and was likely to move at a leisurely pace.¹²

¹² Chabra, n.,7 p.6.

According to all indication India had welcomed the concept, to which the non-official sources and the media, appended the name of Indian Ocean Rim Association (INDORA). However, accepting the potential of this proposed association, the Ministry of Foreign Affairs of India, was of the view that Indian Ocean rim was an undefined area. And decided that Ministry will definitely take part in the conference on Indian Ocean being held on Mauritius in the last week of March 1995.¹³

An independent study conducted by the Indian Institute of Foreign Trade, and commissioned by the government of India in 1995, favoured New Delhi joining the proposed Indian Ocean trade block. According to the study the main aim of the proposed block should be the formation of a preferential trading arrangement, progressively eliminating tariff and non-tariff barriers in the region over a phased period of time and promoting intra-regional trade. It suggested a 20 year time frame.¹⁴

In 1995 Dr. Amit Mitra, FICCI Secretary General and an eminent economist, had given a great deal of thought to the idea of Indian Ocean rim and had some misgivings about the workability of the concept. He pointed two discouraging factors. First, the Indian Ocean touches some very rich countries like the oil-rich Gulf countries,

¹³ 'A long way to go', *The Pioneer*, New Delhi, 27 July 1995.

¹⁴ Ibid.

Australia, Brunei, South Africa and some very poor countries like Tanzania, Mozambique with per capital income touching just about \$ 100. There was according to him, no commonality of interests among the very rich and the very poor countries. Secondly, he was concerned that INDORA activities may overlap the existing programmes of ASEAN, APEC and even SAPTA, when it takes off.¹⁵

Explaining India's view towards IOR countries initiative in Mauritius meeting, Mr. Grover (secretary in the Ministry of External affairs) said that, "Indian Ocean based regional economic cooperation is an idea whose time has come. We see around us and among us a web of regional economic groupings of nations defined around different geographic spaces-sub-regions, sub-continent and even hemispheres. APEC is attempting a mutation of the concept arising from the linkage between the Asian continent and the Pacific Ocean. As the world economy gets defined through progressive regionalisation, the rational of economic cooperation, building on the already considerable economic interaction among Indian Ocean Rim countries becomes apparent. The centrality of our national economic endeavours and the priority we attach to complementary regional and global engagement, also point to Indian Ocean based economic cooperation for mutual benefits."¹⁶

Indian Government visualised a big possibilities ensuring from the co-operation of the seven Indian Ocean Rim countries i.e.

¹⁵ Ibid.

¹⁶ Ibid.

Australia, India, South Africa, Kenya, Mauritius, Oman and Singapore in the trade and investment. The Indian apex business bodies were actively involved in the exercise by providing the inputs for the meeting FICCI and other economic bodies. This was conveyed by the Indian delegation of the Perth forum.¹⁷

The first Working Group Meeting of IOR was held in Port Louis Mauritius from August, 15-17 1995. The Working Group Meeting approved the gradual extension of IOR. According to the Chairman of the Working Group Mr. R. Beenick, "the Indian Ocean Rim will make a declaration regarding the adhesion of other countries with it during the course of its next meeting".¹⁸ This decision was in accordance with the Indian position on a bloc by bloc approach to expansion of membership which was supported and accepted by the Working Group Meeting.¹⁹

The Working Group Meeting, which was tripartite in nature involved officials, businessman and academics, and also established an Indian Ocean Rim Business Forum (IORBF) and the Indian Ocean Rim academic Group (IORAG), which was again in accordance with the Indian stand.²⁰ The working group discussed a draft charter for the IOR cooperation which would set out a comprehensive set of principles, objectives, fundamentals for co-operation; also scope of activities and work programme. Based on

¹⁷ *The Times of India* (New Delhi, India) 2 June 1995.

¹⁸ Reports of Working Group meeting of IORI, *World Focus* (1887) July 1995, p.23.

¹⁹ Ibid.

²⁰ Ibid.

comments and written inputs received from delegations, the Working Group mandated India to co-ordinate the preparation of draft Charter for the consideration of the next Working Group Meeting.²¹ In the spirit of open regionalism, particularly after the setting up of World Trade Organisation, India and other participant countries in the meeting were of the view that, “the Indian Ocean Rim Ocean Business Forum will seek to build and expand mutually beneficial economic co-operation through a consensus-based approach”.²² All the participants countries supported the formation of the Indian Ocean Rim Academic Group (IORAG) “to provide a wider perspective on current and future issues through the stimulation of concerted and coordinated research”.²³

On November 10, 1995 the then Prime Minister Narasimha Rao inaugurated a four-day international conference on the creation of an Indian Ocean Community in New Delhi. Since, it was not an official conference, it was held under the auspices of the Indira Gandhi Memorial Trust. Some 20 littoral states of the Indian Ocean were not represented by serving officials but by influential personalities most of them with previous decision-making background. But the Indian team included some cabinet Minister also including the Finance Minister, Manmohan Singh and the Commerce Minister, P Chidambaram, with number of serving and

²¹ Ibid.

²² Ibid., pp. 23-24

²³ Ibid., p. 24.

retired senior officials dealing with foreign affairs, trade and commerce and defence and security matters.²⁴

In his inaugural speech, the then Indian Prime Minister P.V. Narasimha Rao explained India's perception of the proposed IOR community, and said it would be "expedient and foresighted to begin co-operation in trade, investment and technology transfer among the Indian Ocean countries with an emphasis on establishing the necessary institutional networking especially at the grass roots and business level".²⁵ He called for initiating co-operation among the Indian Ocean Rim countries in areas where there was "least interference from political and strategic per conceptions of both regional and extra-regional states".²⁶ It was pointed out, that tourism lent itself to easy collaboration and together with co-operation in human resource development through technical assistance, training and movement of professionals could guarantee the development of a sense of an Indian Ocean Community.²⁷

In his speech Mr. Rao observed, that the Initiative had adopted certain principles, objectives and out lined the scope of its activities and was in the process of elaborating a charter and a work programme. There was also an agreement on the gradual expansion of the group on the basis of maintaining the cohesive character and effectiveness of the initiative. He made to clear, that

²⁴ *The Hindustan Times* (New Delhi), 20 November 1995.

²⁵ Address to the 5th Indira Gandhi International Conference on "Making of an Indian Ocean Community" at Delhi on 19 November 1995.

²⁶ *Ibid.*

²⁷ *Ibid.*

enhanced co-operation should not be for exclusivity. It should enable countries of the region to maximise their economic potential and make best of their advantage and resources.²⁸

Those who participated in the conference included representatives from Australia, Bangladesh, South Africa, Sri Lanka, Mauritius, China, Japan, Pakistan, Zambia, Kenya, Egypt, the US the United Kingdom Nepal and Thailand.²⁹

The meeting of the International Forum of the Indian Ocean Region (IFIOR) held at Perth in June 1995, initiated the decision to establish the Indian Ocean Rim Consultative Business Network (IORCBN). FICCI along with CII and ASSOCHMAN jointly organized the Meeting of Indian Ocean Rim Consultative Business Network (IORCBN) 12-13 December 1995 at Federation House, New Delhi. Concurrently, the Academic group, 'Indian Ocean Research Network' (IORN), also had its interactions. Inaugural and closing session were however held together. Meeting was attended by leader of business organisations, individual business people and academics from various countries in the Indian Ocean Region. Inaugurating a two-day meeting of the IORCBN and IORN, Mr. Chidambaram the then Indian Commerce Minister said since IOR was not a regional bloc, and was trying to pull countries from other regional blocs together for enhancing trade and business in the

²⁸ *Ibid.*

²⁹ *The Hindustan Times* (New Delhi) 23 November 1995.

region, it should be decided at the outset whether it would be exclusionary or inclusionary.³⁰

The IORCBN meeting noted efforts in the region to develop mechanisms for developing economic co-operation in the Indian Ocean region and decided that it would support, supplement, complement and work with all regional efforts at developing such co-operation.

The meeting agreed that "co-operative regional efforts to enhance economic development of the region was timely and that the business community should take a leading role in developing and promoting constructive and productive dialogue and action."³¹

As its guiding principle the IORCBN adopted to work for a free and open trading and investment environment in the Indian Ocean Region and announced its immediate goal was to identify and work for the removal of impediments to trade and investment flows in the region.³²

In this respect the IORCBN identified the following initial areas of work program under the leadership of business organisation.

- ◆ Information technology, including telecommunications (Federation of Indian Chambers of Commerce & Industry).
- ◆ Customs and trade documentation (South African Chamber of Business and Indian Institute of Foreign Trade).

³⁰ *The Business Age* (New Delhi), 13 December 1995.

³¹ *Financial Express*, (New Delhi), 13 December 1995.

³² See *Report on the First Meeting of Indian Ocean Rim Consultative Business Network* at New Delhi, 12-13 December, 1995. Published By FICCI, 1996, p. 14.

- ◆ Non-tariff barriers and impediments to investment (Confederation of Indian Industry).
- ◆ Maritime transport and affairs (Sri Lankan Business Bodies).
- ◆ Environment and energy (Iran Chamber of Commerce, Industry and Mines).³³

All participants were urged and encouraged to fully co-operate and contribute to the work of the working groups.

The meeting recognised the importance of the need for the IORCBN to collaborate with the Indian Ocean Research Networking developing co-operative measures in the Indian Ocean Region and agreed that the meeting of the two networks should be held concurrently and encouraged joint sessions where necessary.³⁴

The highlights of the Indian Ocean Research Network, were as follows:

- ◆ To Publish inventory of experts and researchers in different countries of the region.
- ◆ To exchange data sources; and
- ◆ To achieve intra-national networking by Indian institutions.³⁵

The December meeting was non-official, and there were indications that India was trying to distance itself from the Perth meeting, According to some sources in the government claiming that Australia has exceeded its brief. They claim that

³³ *Ibid.*

³⁴ *Ibid.*, p.15.

³⁵ See *Report of the First Meeting of the Indian Ocean Research Network*, New Delhi, 11-13 December 1995. Pub. By National Council of Applied Economic Research, New Delhi, 1996, p.5.

only the seven who attended Mauritius meet could initiate the agenda for co-operation.³⁶

India has substantial and growing trade and investment relations with IOR-ARC countries. India's bilateral trade with IOR-ARC countries was US \$ 7.3 billion in 1995-97. This accounted for around 10 per cent of India's global trade and is showing an increasing trend. The trade flows are likely to increase further considering that there are a number of emerging economies among the IOR-ARC member countries. In the field of investments also, Indian enterprises have been active in IOR-ARC countries. Similarly, Australia, Indonesia, Malaysia, Mauritius and Singapore are important sources of foreign direct investment into India.

India has had significant economic and technological cooperation programmes with IOR-ARC countries, including under its ITEC/SCAAP programmes. India has been providing technical training facilities, Indian expertise, consultancy services, and has established pilot projects in partner countries. We have also been availing of the technical cooperation programmes of other IOR-ARC countries. This dimension of our interaction with IOR-ARC countries will be further developed and cooperation intensified, including on a trilateral or plurilateral basis. It will contribute to human resource development and its optimisation in the IOR-ARC.

³⁶ Cherian. John, "Coming together, Slowly : On the Indian Ocean Rim Initiative", *Frontline* (New Delhi), 12 January 1996, p. 55.

CONCLUSION

Indian Ocean, the ocean of the developing countries is almost landlocked in the north and does not extend into the cold regions towards the north. Its physical configuration is such that it provides certain "choke-points" of control: whichever power controls the Suez Canal, the Malacca Straits, the Cape of Good Hope and the Australian waters can exercise significant control over the Indian Ocean region. Among the 47 littoral and hinterland countries, only South Africa, Australia and Israel are developed, except these three and Thailand, the rest are non-aligned. Half of the States of this region have less than 5 million population. Out of more than 1200 million inhabitants in the region, 72% live in the Indian sub-continent (and of these almost three-fifths in Indian). Significantly, some of the less populated countries, like Saudi Arabia and Zambia, possess some of the most important and strategic natural resources.

The scramble for the natural resources of the Indian Ocean added to its strategic importance. More than 65 percent of world's uranium and known oil reserves are in this area, and some 40 per cent of world of oil production comes from Indian Ocean Coastal states. Areas of offshore oil supplies are, besides the Persian Gulf, the continental shelves around the Indian sub-continent, off North-West Australia, near Mauritius and around South Africa. Large

deposits of manganese containing iron, copper, nickel and cobalt have been found in the eastern part of the Indian Ocean (within and outside 200 miles zone, and near Mauritius and Madagascar (at depths of between 3500 and 5000 meters). In the Red Sea at depths of about 2000 meters , deposits on the sea-bed are of zinc, copper, lead, silver vanadium and molybdenum. It may be noted that, presently, Indian is the only Third World country with the capacity and authority for sea-bed exploration: (In 1981, an Indian exploration ship obtained manganese nodules from a depth of 4500 meters in India's south-west economic zone). The value of only the Red Sea deposits, two decades back, was estimated to be about \$ 2 million.

Besides the natural resources, the Indian Ocean water lanes provide main transport connections vital for the trade and economy of the West. Each year, around 30,000 ships (including 1500 oil-tankers) travel the sea routes of the Indian Ocean-through the Suez Canal, Babel Mandeb Straits, Malacca Straits, Hormuz Straits, around the Cape of Good Hope and through the Mozambique-Madagascar Channel. In the mid-seventies., whereas the regional trade was only 18%, the Indian Ocean States' total trade with the OECD countries was 65 per cent.

By the beginning of the Seventies, and particularly after the October 1973 war and the oil-boycott, it had become clear that the economies of Western industrial countries and of Japan were heavily dependent on the continuation of secure oil-supplies from

the Persian Gulf. From this time onward, the region became a factor in global political considerations. In recent years, these considerations have linked the economies of the OECD and the Persian Gulf; as the crude price increased and consumption rose the accumulated petro-collars were utilised to buy services and goods from the OECD, again making the Western markets depend upon the purchasing-power of the petro-dollars. The United States alone has a big trade interest in the Indian Ocean littoral which, half a decade back, was worth \$ 40 million as against \$ 90 million with Western Europe and Japan. Then, surplus petro-dollar amounting to \$ 80 million are invested in the US banking system.

In these contexts, each sub-region of the Indian Ocean arc is strategically significant and a study of their respective importance is required. No other sub-region in the world has the distinction of so much change of its global political status in one decade as the Gulf region. The 1973 oil-boycott made clear the vulnerability of developed countries to disruption in oil supplies. The political implication of this concerted action were more significant than the economic. The survival of the Western political system had become dependent on uninterrupted access to the Gulf oil.

The two Super Powers had their own favourites in the main local conflict of the region and the relationship between them has greatly determined the nature of relationship between Indian and Pakistan. From the very beginning, India's assertion for an eminent role in South Asia was viewed by the West as Defiance but it suited Soviet

objectives. Then, with the development of détente and relaxation of Super Powers tension at the global level and the emergence of another great power in the vicinity of South Asia, the established linkages between the Super Powers and the regional contestants became blurred. These linkages were restored, in early seventies, with the development of Sino-US rapprochement, Indo-Soviet Treaty and the establishment of Bangladesh.

The United States had clear strategic interests and objectives in the Indian Ocean: "The US had both a conventional and perhaps a strategic nuclear military interest in the Indian Ocean. Military objectives for US conventional forces include the capability to (i) protect US economic interests in the Persian Gulf, (ii) employ or threaten to use force in support of US diplomatic objectives in the Middle East, (iii) secure the Indian Oceans air and sea routes against harassment or interdiction, (iv) intervene in support of other objectives in the littoral and related to all of these, (v) balance Soviet Forces in the region and attain superiority in a crisis. The US also possesses a potential strategic nuclear military objective of deploying, when necessary or convenient ballistic missiles submarines targeted on the USSR. The US vital interests include the preservation of Western access to Persian Gulf oil resources, and the maintenance of local geopolitical balance. The US believes that any decisive threat to these interest can originate only from Soviet action in the region or from such action interwoven with intra-regional instability. This challenge to the US positions is not

just theoretical but very much real, as was evidenced by the Soviet action in Afghanistan and the Horn of Africa.

For the United States, just availability of and access to the Persian Gulf oil is not sufficient but it has to be made available on her own terms of these (US) interests continued access to oil on reasonable political and economic terms is the most important to US and allied security'..... Elementary logic would then lead to two imperatives to ensure that access: political stability of the nations currently supplying those materials and providing those markets; and ability to police the sea-lanes over which American imports and exports must flow. Among the varied facets of American power which can be applied to aid such political stability diplomacy and economics.

The United States has emphasized that the reasoning for maintaining a permanent presence in the Indian Ocean may change from time to time, but the objective would not. First, the reasoning was to secure un-interrupted oil supply and then it was to counter the threat from the Soviet action in Afghanistan. But the objective remains the maintenance of regional balance of power and to prevent any adverse shifts. It is for this reason that a US naval presence in the Indian Ocean was highly advantageous. As the Stockholm International Peace Research Institute (in year book on World Armament and Disarmament 1973) has pointed out, the US submarines operating in the Indian Ocean can cover many significant Soviet and Chinese targets from there, but the Soviet submarine operating in the area cannot reach any part of the USA.

From the strategic point of view, a presence in the Indian Ocean is of utmost importance for the United States.

The Soviet strategy in the Indian Ocean region was guided, in a large measure, by parameter and objectives similar to that of the United States, and may also be seen to operate in bi-planar dimensions. Perhaps the strongest incentive flows from the function to secure a role for the Soviet navy to support the status of Soviet Union as a global, 'Super' power. However, since the Soviet Union was lagging behind the US in many spheres, especially strategic mobility, technology and naval-air capability, its strategy is a reactive one, and its policy options based more on responses to US initiatives.

Soviet naval presence in the Indian Ocean could hardly be construed as a challenge or even as a result of 'rivalry with the United States'. The facts were that the Soviet naval forces in the Indian had very limited offensive capabilities out matched even by Pakistan.

The study leads me to the conclusion that India is faced with a serious security dilemma on account of the US penetration into the region. The US, since the independence of India, perceived India as a major rival to its trade in the third world. According to the US policy framers India had the making of another Japan. In order to see that India does not pose such a threat, United States evolved an anti-Indian policy and continued creating a kind of fear psychosis by supporting Pakistan. Building up of a chain of naval bases has

resulted in a far serious fear psychosis in the area. India naturally has to view it as a threat not only to its security but to its trade and commerce. In order to meet the challenges of the US neocolonialism to its diplomacy India has to evolve an effective naval strategy having political, strategic, economic and technological dimensions.

It is an open fact of the post-cold War world, that the tempo of regionalism has been increasing. Changed situation in Indian ocean region has encouraged the leaders of this region to think about the formation of an Indian Ocean rim countries (IORC) trade bloc.

The concept of the IORC trade bloc was first floated by the then Foreign Minister of South Africa, Mr. Pik Botha at New Delhi in November 1993.

This idea is now being supported by a host of other important countries in the area, including Mauritius, Singapore, India and Australia. Four meetings in this regard were held at Mauritius (March 1995), and India (December 1995) to formulate its (IORCs) aims and objectives as also some action programmes for the IORC.

Objectives of the IORC initiative clearly states, that they want to develop closer relation among themselves and use their vast resources for their own progress and prosperity.

In the post-GATT world economic order, every nation has to open its market for the other countries' products. Countries of the Indian Ocean rim have vast natural resources, but they do not have industrial base and the quality of manufactured products are not competitive in the international market.

For India, the idea of the IORC is very important. With the proliferation of powerful trade blocs around the globe, it is not in the interest of India to remain isolated. The SAPTA initiative is slow in gaining momentum. In these circumstances, the setting up of an Indian Ocean trading bloc is an important option for India to explore. The Indian Ocean region is a potential market for a wide variety of primary and manufactured products, and it will be easy for India to enter this market. India is trying to shift to the export of manufactured products instead of only tea, coffee, other raw materials, jewellery etc. This proposed trade bloc surrounding the Indian Ocean has a wide sprinkling of Indian ethnic population, who could be helpful in the promotion of trade and investment in the area.

End of cold war and beginning of trade-finance-investment era world wide have raised a new hope for Indian Ocean region.

Thus, it may be summed up that, strategically, the Indian Ocean region is an area of vital potential for natural resources, is an area that is vital for the international trade not only for the regional States but outside powers, is an area of conflicting political and economic interests of the Big Powers and is therefore, the pivot of world affairs.

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