

Balancing China and India: An Unenviable Task for the Maldives

Amit Ranjan

Summary

During Chinese Foreign Minister Wang Yi's visit to Malé, the Maldives and China signed five important agreements. However, his landing on 7 January 2022 coincided with the 'India Out' rally, which has intensified after the release of the former President of the Maldives, Abdullah Yameen, from house arrest in November 2021. Wang Yi's visit has taken place at a time of escalating Sino-India military tensions in the Himalayas, Malé's growing closeness to New Delhi and the fuelling of the 'India Out' campaign in the Maldives. Hence, the impact of his visit on domestic politics and the external affairs of the island nation deserves attention.

Introduction

In the last few years, the Maldives' internal politics and external affairs have largely revolved around India and China. During the presidential tenure of Abdulla Yameen (2013-2018), the Maldives came closer to China, distancing itself from India, its traditional friend. India regained its lost position after Ibrahim Mohamed Solih was elected as the President of the Maldives in 2018.

Solih's government is chiefly pursuing the 'India-First' policy. Since 2018, India has been helping the Maldives to develop its civic infrastructure. New Delhi has also provided assistance when Malé needed it most. For instance, soon after Solih was elected, India announced US\$1.4 billion (S\$1.88 billion) in aid amid the then newly formed government's worries over Chinese debt.¹ Worth noting, Solih won the presidential elections due to many factors, but one among them was the concern of increasing Chinese debt due to Yameen's policies. Solih has largely tried to maintain a distance with Beijing. However, China remains an important actor in the Maldives.

On the domestic front, Solih's 'India-First' policy has been facing protests. The opposition under Yameen has instigated an 'India Out' campaign. In the midst of such an internally charged political situation and tense external environment, due to escalating tensions between India and China in the Himalayas and Indian Ocean, a visit by Chinese State Councillor and Foreign Minister Wang Yi to Malé in January 2022 was an important development.

¹ Sanjeev Miglani, "India's Modi gives \$1.4 billion aid to Maldives amid worry over its China debt", Reuters, 17 December 2018, <https://www.reuters.com/article/us-india-maldives-idUSKBN1OG0RO>. Accessed on 12 January 2022.

Wang Yi's Visit to Malé

Wang Yi's visit was a part of his five-nation trip to Eritrea, Kenya, the Comoros, the Maldives and Sri Lanka.² The visit to Malé had additional significance because 2022 marks 50 years since the establishment of diplomatic relations between China and the Maldives, which was established on 14 October 1972.³ In commemoration of the 50th anniversary of the establishment of diplomatic relations, Wang Yi and the Maldivian Foreign Minister Shahid unveiled the official logo.⁴

During the visit, China and the Maldives signed five important agreements.

The first is the 'Agreement on Mutual Visa Exemption between the Government of the Republic of Maldives and the Government of the People's Republic of China', which will allow Maldivians to travel to China on a 30-day visa free basis once the pandemic restrictions are lifted.⁵

The second is the 'Agreement of Economic and Technical Cooperation between the Government of the Republic of Maldives and the Government of the People's Republic of China on Grand Aid'. It focuses on the development of key areas such as social, livelihood and infrastructure projects. Under it, aid totaling 400 million Yuan (S\$85 million) is to be used for projects agreed upon by both countries.⁶

Third, a 'Letter of Exchange on the Feasibility Study of Management and Maintenance of China-Maldives Friendship Bridge' was signed.⁷

Fourth, a 'Supplementary Contract to the Implementation Contract for China Aided Micro-Grid Sea-water Desalination Project in the Maldives' was signed.⁸

The last was the signing of an 'Agreement on Establishing a Hospital Assistance and Cooperation Programme between the Ministry of Health of the Republic of Maldives and

² Meera Srinivasan "Maldives, China ink key deals, agree on visa exemption", *The Hindu*, 8 January 2022, <https://www.thehindu.com/news/international/maldives-china-ink-key-deals-agree-on-visa-exemption-visa-exemption/article38191082.ece>. Accessed on 10 January 2022.

³ The President's Office, "State Councillor and Foreign Minister of China pay a courtesy call on the President", <https://presidency.gov.mv/Press/Article/26159>. Accessed on 10 January 2022.

⁴ Ministry of Foreign Affairs, Government of Maldives, "State Councillor Wang Yi Departs Maldives After Official Visit", 8 January 2022, <https://www.gov.mv/en/news-and-communications/state-councilor-wang-yi-departs-maldives-after-official-visit>. Accessed on 12 January 2022.

⁵ Ministry of Foreign Affairs, Government of Maldives, "Maldives and China Sign Five Agreements During Official Visit", 8 January 2022, <https://www.gov.mv/en/news-and-communications/maldives-and-china-sign-five-agreements-during-official-visit>. Accessed on 10 January 2022.

⁶ Ministry of Foreign Affairs, Government of Maldives, "Press Statement delivered by Foreign Minister Abdulla Shahid at the joint press conference with Chinese Foreign Minister Wang Yi", 8 January 2022, <https://www.gov.mv/en/news-and-communications/press-statement-delivered-by-foreign-minister-abdulla-shahid-at-the-joint-press-conference-with-chinese-foreign-minister-wang-yi>. Accessed on 10 January 2022.

⁷ Ministry of Foreign Affairs, Government of Maldives, "Maldives and China Sign Five Agreements During Official Visit", op. cit.

⁸ Ministry of Foreign Affairs, Government of Maldives, "Maldives and China Sign Five Agreements During Official Visit", op. cit.

the National Health Commission of the People's Republic of China'. Under this agreement, the services of a specialist Ophthalmic Centre in the Maldives has been extended for a further two years. The memorandum of understanding to establish this centre was signed in July 2021.⁹

In Malé, Wang Yi said:

“China is willing to work with the Maldives to take the 50th anniversary of the establishment of diplomatic relations as an opportunity to implement the important consensus reached by the two heads of state, deepen China-Maldives traditional friendship, focus on post-pandemic recovery cooperation, work together to build the Belt and Road, and elevate the China-Maldives future-oriented comprehensive friendly partnership of cooperation to a new level for the benefit of the two countries and the two peoples.”¹⁰

He added, “China supports the Maldives in its diversified development strategy, and stands ready to strengthen cooperation with the Maldives in digital, telecommunication and other emerging fields, and explore how to assist the Maldives in developing marine economy and addressing climate change. China welcomes more marketable products from the Maldives to enter the Chinese market.”¹¹ The two countries also exchanged views on the reform of the United Nations (UN) Security Council through mutual agreement, consultation and consensus.¹²

Welcoming Wang Yi, Maldivian Foreign Minister Abdullah Shahid said, “Our relationship is firmly based on the principles of mutual respect and understanding between our two countries, and the Maldives’ unwavering commitment to the One-China Principle.”¹³ During the visit, Wang Yi also met Solih, who thanked the Chinese government for the various forms of assistance over the years, including donating Sinopharm vaccines to support the Maldives’ national vaccination campaign.¹⁴

On Wang Yi’s visit, in a written briefing, Chinese Ambassador to the Maldives, Wang Lixin, summarised five achievements:

1. It was “one important visit” as the two countries marked 50 years of their diplomatic relationships.

⁹ Ministry of Foreign Affairs, Government of Maldives, “Press Statement delivered by Foreign Minister Abdulla Shahid at the joint press conference with Chinese Foreign Minister Wang Yi”, op. cit.

¹⁰ “Embassy of the People’s Republic of China in the United States of America, Wang Yi Holds Talks with Maldivian Foreign Minister Abdulla Shahid”, 9 January 2022, http://www.china-embassy.org/eng/zgyw/202201/t20220109_10480370.htm. Accessed on 10 January 2022.

¹¹ Ibid.

¹² Ibid.

¹³ Ministry of Foreign Affairs, Government of Maldives, “Press Statement delivered by Foreign Minister Abdulla Shahid at the joint press conference with Chinese Foreign Minister Wang Yi”, op. cit.

¹⁴ The President’s Office, op. cit.

2. The visit has achieved “two major goals”: reviewing and summarising the past and drawing a blueprint for the future.
3. It has sent “three important messages”. Firstly, China has always supported the Maldives in safeguarding its sovereignty and territorial integrity through the pursuit of its independent foreign policy. Secondly, China, with down-to-earth actions, supports the Maldives in speeding up its socio-economic development and enhancing its capability for independent development. Thirdly, that in the 50th year the two sides should take a broader view of their relations and open up a new chapter of mutually beneficial and friendly cooperation.
4. The visit specified “four key directions for future cooperation between the two countries”, that is, firstly, to continue their cooperation in the fight against the pandemic; secondly, to continue to build the Belt and Road with high quality, accelerating cooperation on key projects and tourism, and promote the ratification and implementation of China-Maldives Free Trade Agreement at an early date; thirdly, to expand cooperation in emerging fields such as communication, digitisation and marine economy and back its efforts for the strategy of diversified development; and fourthly, to strengthen coordination in international affairs and safeguard the international system centred on the UN.
5. The two sides signed five cooperation documents, as mentioned above.¹⁵

‘India Out’ Rally

In the past, the opposition political parties – the Progressive Party of Maldives (PPM) and the People’s National Congress (PNC) – had held a number of rallies across the island country to protest what they called “selling off the Maldives” to India.¹⁶ In 2020, Ali Azim, the leader of the parliamentary group of the ruling Maldivian Democratic Party (MDP), accused China of secretly funding the ‘India Out’ campaign to stir up the Maldives’ domestic politics.¹⁷ This was, however, denied by China’s then Ambassador to the Maldives, Zhang Lizhong, who said that China observes a non-interference policy.¹⁸

The ‘India Out’ campaigners decry the presence of the Indian army personnel in the island country and accuse the government of compromising the Maldives’ sovereignty.¹⁹ The Maldivian National Defence Head, Major General Abdulla Shamaal, had denied such accusations.²⁰ Expressing his views on the issue in an interview to *Sun*, a Maldivian news

¹⁵ Embassy of the People’s Republic of China in the Republic of Maldives, “Embarking on a New Journey and Embracing a Bright Future”, 13 January 2022, http://mv.chineseembassy.org/eng/sgsd/202201/t20220113_10483554.htm. Accessed on 13 January 2022.

¹⁶ See Amit Ranjan, “The Maldives Geopolitical Dilemma: India-China Rivalry , and Entry of the USA”, *Asian Affairs*, Volume 52, No. 2, 2021, <https://www.tandfonline.com/doi/full/10.1080/03068374.2021.1911159>.

¹⁷ “Ambassador: China will not get dragged into ‘local party game’”, *Sunonline* , 7 September 2020. <https://en.sun.mv/62826>. Accessed on 12 January 2022.

¹⁸ Ibid.

¹⁹ Amit Ranjan, op. cit.

²⁰ Ibid.

website, Shahid said, “We haven’t reached the level to say India Out, US Out or Japan Out to any country. [The] Maldives has far more special relations with countries for that. A friendly military exercise between [the] Maldives and Japan was initiated the day before yesterday. So does this mean Japan Out?...We have confidence that we can venture out into the international arena holding our national flag and protect the interests of this nation with pride.”²¹ He further added that Maldives’ relations with India have benefited Malé. India helped the Maldives to defend its independence in November 1988 when the country was attacked by mercenaries. In 2014, India provided help to deal with the water crisis and is also assisting the country to fight against the COVID-19 pandemic.²²

However, not only the opposition but also some members of the ruling party are critical of the Maldives’ growing closeness with India under Solih. For instance, after the two countries signed the agreement jointly to develop the MNDF Coast Guard Harbour in February 2021, the Maldives’ Parliament “called for an emergency motion, demanding greater transparency on the bilateral pact”.²³ Ahmed Shiyam, deputy leader of the PPM, submitted a note for an emergency motion in the House. The opposition objected to the signing of the defence pact with India, as it claimed that it was linked to the “independence and sovereignty” of the Maldives, without the approval of the Parliament. Fifty one out of 87 members of the House voted in favour of a debate on the motion.²⁴ Notably, the ruling MDP has 65 members, the PPM has five members, the PNC has three members, Jumhooree Party has five members and Maldives Development Alliance has two members in the Parliament.

The ‘India Out’ campaign has intensified after the release of Yameen in November 2021. Yameen was sentenced to five years in jail and fined US\$5 million (S\$6.7 million) in 2019.²⁵ He was slapped with a charge of embezzling US\$1 million (S\$1.34 million), which he allegedly acquired through the lease of resort development rights and laundering the proceeds. His jail term was shifted to house arrest because of the COVID-19 pandemic. Later, as the top Court of the Maldives found the evidence provided by the government was insufficient, Yameen was released after serving two years and two days of his sentence.²⁶ Since Yameen’s release, the opposition party has been hosting rallies on every Friday.²⁷ An ‘India Out’ rally was held on the day Wangi Yi landed in the Maldives.

²¹ Shahid, “#IndiaOut isn’t patriotic, its hatemongering”, *Sunonline*, 26 October 2020, <https://en.sun.mv/63652>. Accessed on 9 January 2022.

²² Ibid.

²³ Meera Srinivasan, “Maldives Parliament debates defence deal with India”, *The Hindu*, 22 February 2021, <https://www.thehindu.com/news/international/maldives-parliament-debates-defence-deal-with-india/article33907044.ece>. Accessed on 12 January 2022.

²⁴ Ibid.

²⁵ Muhamed Junayd, “Maldives ex-president Yameen walks free after graft conviction overturned”, *Reuters*, 30 November 2021, <https://www.reuters.com/world/asia-pacific/maldives-ex-president-yameen-walks-free-after-graft-conviction-overturned-2021-11-30/>. Accessed on 13 January 2022.

²⁶ Ibid.

²⁷ Zunana Zalif, “29 arrested from Friday’s opposition rally, released”, *Rajjeme*, 8 January 2022, <https://raajje.mv/112089>. Accessed on 10 January 2022.

Conclusion

Although India continues to be an important partner of the Maldives under Solih, New Delhi must not grow complacent over its position and must remain attentive to the developments in the Maldives. Wang Yi's trip to the Maldives shows that China "does not intend to give up" as well as that Malé cannot afford to present itself hostile to Beijing.²⁸ In such an equation, India's fortunes in the Maldives depend a lot on how effectively New Delhi attracts Malé by deepening cooperation, providing a larger market for its goods, reducing its "intervention" in internal affairs and "insulating" bilateral ties from domestic power struggles.²⁹

The escalating tensions between India and China in Asia, defence agreement between the United States (US) and the Maldives in 2020 and a visit by then US' Secretary of State Mike Pompeo in late 2020 to Malé have impacted the Maldives' bilateral relations with China. Wang Yi's visit can re-ignite the spark in ties between the two countries.

At present, the 'India Out' campaign has support from a limited population but this cannot be taken for granted by the Indian government. If the issues raised by the supporters of the 'India Out' are not handled carefully by Solih's government, and India does not effectively convince the Maldivians about its intentions behind the projects on the island nation, the campaign may change the domestic political situation in the Maldives. Such a change, if it happens, may set ripples in India's currently favourable relationship with the country.

.

Dr Amit Ranjan is a Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). He can be contacted at isasar@nus.edu.sg. The author bears full responsibility for the facts cited and opinions expressed in this paper.

²⁸ C Raja Mohan, "China's Two-Ocean Strategy Puts India in a Pincer", Foreign Policy, 4 January 2022, <https://foreignpolicy.com/2022/01/04/india-china-ocean-geopolitics-sri-lanka-maldives-comoros/>. Accessed on 12 January 2022.

²⁹ Ibid.