



## AN AGENDA FOR THE NEW GOVERNMENT **POLICY OPTIONS FOR INDIA IN MALDIVES**



**N Manoharan**

*Fellow, National Maritime Foundation, New Delhi*

According to the Indian Ministry of External Affairs' (MEA) brief on 'India-Maldives Relations': "India and Maldives share ethnic, linguistic, cultural, religious and commercial links steeped in antiquity and enjoy close, cordial and multi-dimensional relations." (Government of India, 01 March 2014). Maldives President Abdullah Yameen, during his recent visit to India (1-4 January 2014) observed, "... nothing will precede ties with India, which are far more precious." (Outlook, 05 January 2014). Going by these pronouncements, one may tend to conclude that there are no irritants at all

between India and Maldives. That is not the case, however. There are three categories of issues that dominate bilateral interactions between New Delhi and Malé.

### I **INDIA AND MALDIVES: MAJOR ISSUES**

#### **Political Issues**

India has always considered political developments in the neighbouring countries as internal matter. New Delhi's only concern has been stability of individual countries, including Maldives. When the first democratically elected President of Maldives Mohammad Nasheed was deposed in a "coup" in February 2012, India did not make any noise. Without much hesitation, New Delhi shook hands with the new President Mohamed Waheed, though he was considered not favourably disposed towards India.

---

*Dr N Manoharan is a Fellow at the National Maritime Foundation (NMF), New Delhi. This policy brief is part of an IPCS series on foreign policy titled 'An Agenda for the New Government'*

*Views expressed are author's own*



The issue, however, is at times India gets drawn by the actors in the neighbourhood. Take for instance, on 13 February 2013 when former President Nasheed took refuge in the Indian High Commission in Malé fearing arrest, India was forced to involve itself to bring a solution to political crisis. A high-profile political leader taking refuge in any of India's embassies was unprecedented. A four-member Indian delegation, headed by Harsh Vardhan Shringla, joint secretary in-charge of the Maldives, visited Malé on 19 February 2013 to “basically engage with all the stakeholders and understand the situation and all the issues involved.” (The Hindu, 20 February 2013). The objective was to end the political stalemate so that Nasheed could contest Presidential elections scheduled in September 2013. Blocking a candidate from the largest political party (MDP) was politically unjust and was not in the long-term interest of Maldives.

Yet, to India's disappointment, Nasheed was arrested as he got out of the High Commission premises, though released later. Without naming India directly, the then Home Minister Mohamed Jameel Ahmed urged New Delhi “not to protect an individual who stands charged with a serious crime.” (Mohamed Naahee, 14 February 2013). He went on to add that “What's happening now gives us an indication of the extent and level of interest

some countries prepared to take in our internal matters.” (Ibid).

Another instance was during the presidential elections in September 2013. The process of polls witnessed dramatic twists and turns in terms of postponements and annulments and dragged on for two months before final results were announced. The first round of polls were held on 07 September. As none of the contenders got required 50 percent plus, the exercise demanded a run-off. The Supreme Court, however, called it off and ordered a fresh round despite resolution from Majlis (parliament) to hold the second round as scheduled on 28 September 2013. The verdict was based on a case filed by Qasim Ibrahim, who had been eliminated in the first round of polls, contending that the elections were not free and fair. This was despite that fact that all external poll observers, including Transparency Maldives, the Indian Election team, the Commonwealth team, the European Union team, and a team from the United States had praised the conduct of polls. (R. K. Radhakrishnan, 08 October 2013).

India was obviously disappointed. India's External Affairs Minister Salman Khurshid noted: “We are deeply disappointed and distressed that this should have happened. Our understanding of the democratic system is that even if there are imperfections in the election system, those imperfections need to be addressed in a manner which is not destructive of the very process of elections.” (The Times of India, 27 September 2013). He went on to urge “all countries that care for democracy and who have a special cause of Maldives at heart to use their good offices to ensure that democracy is preserved.” (Ibid.). India kept up the pressure until the process was complete and results announced. It maintained strict neutrality throughout though hardline forces in the atoll state painted India as “pro Nasheed”.

*India has always considered political developments in the neighbouring countries as internal matter. New Delhi's only concern has been stability of individual countries, including Maldives.*

Ultimately, Abdulla Yameen, a four-time parliamentarian and half-brother of former President Maumoon Abdul Gayoom, was sworn in as the sixth President of Maldives on 17 November 2013. He got 51.39 per cent of the votes, while former president Mohammed Nasheed got 48.61 per cent of the votes. Despite trailing Nasheed by more than 17 per cent (46.93 per cent for Nasheed vs. 29.72 per cent for Yameen) in the first round, Yameen managed to win the second round mainly because of support from a wider coalition of parties: Maldives Development Alliance, Adhaalath Party, Jumhooree Party, GIP and Islamic Democratic Party.

Interestingly, this was a repeat of the 2008 trend when the second-placed candidate Nasheed went on to win the presidential run-off with the support of several parties against the then incumbent Abdul Gayoom. Despite losing by a thin margin (6,022 votes), the MDP leader Nasheed “graciously” and “sincerely” accepted defeat. He neither challenged the elections in a court of law nor took to streets to force another round of elections. New Delhi’s only concern has been political stability in the atoll state where democracy is yet to take a firm footing.

### **Economic Issues**

India and Maldives did not witness any problem in bilateral economic interactions until GMR issue came to the fore. India was caught unawares on 27 November 2012 when Maldives announced the termination of a USD 511 million project with the Indian infrastructure company GMR Infrastructure Limited (GIL). The Maldivian government under Mohamed Waheed has justified the termination on grounds that “there were many legal, technical and economic issues.” (BBC News, 28 November 2012).

If the reason was legal, Maldives would not have much problem in abiding by the

*India and Maldives did not witness any problem in bilateral economic interactions until GMR issue came to the fore. India was caught unawares on 27 November 2012 when Maldives announced the termination of a USD 511 million project with the Indian infrastructure company GMR Infrastructure Limited (GIL).*

Singapore High Court’s stay on the termination. If the reason was technical, the project would not have stayed alive successfully for two full years; even otherwise Waheed, who was the Vice President in Nasheed’s government, and later as President, had enough time to sort it out. If the reason was economic, Malé would have accepted GMR’s offer of waving the US\$25 airport development fee for all Maldivians flying out of Maldives.

What annoyed India most was the unprofessionalism displayed by Waheed’s regime on the issue and its disregard to abide by international agreements due to local political considerations. Surprisingly, even Indian Foreign Minister Salman Kurshid’s suggestion to iron out the differences between Malé and GMR through a neutral international expert was not considered by Maldives. Despite injunctive relief, Malé was adamant that its termination was “non-reversible and non-negotiable” and “no such injunction can be issued against a sovereign state.” (The Hindu, 03 December 2012).

Even more disconcerting was the favourable disposition of these anti-Indian groups towards China that has been desperately looking for a strong foothold in the Indian Ocean region. In a tweet, Adhaalath Party stated that “We would rather give the airport contract to our friends in China.” It further stated, “...the addition of Maldives as a friend [by China]



would be a massive blow to future Indian power in this region.” (Jyoti Malhotra, 17 December 2012).

The issue is so politicized that even President Yameen, during his recent visit to India, could not assure of revival of the project. He observed, “... it is highly politicised case and therefore at this point of time, I will not be able to tell you what course the administration will be able to take.” Presently, efforts are on “to have a settlement out of court and not through arbitration.” (The Hindu, 02 January 2014). In the process, the issue has created a phobia among Indian investors in Maldives. New Delhi knows well and time-and-again conveyed that the only way to reverse the adverse balance of trade that Maldives has with India is to diversify the former’s economy with more and more of Indian investments.

### Security Issues

There are two security issues at least one each under non-traditional and traditional domains between India and Maldives.

Maldives, although a 100 percent Sunni state, was considered far away from Islamic radicalism. However, in the recent years, Maldivians in increasing numbers have been drawn towards Pakistan-based madrasas and jihadist groups. Lashkar-e-Toiba, through its charitable front organisation, Idara Khidmat-e-Khalq, has established a

foothold especially in the southern parts of Maldives in the garb of relief operations after the 2004 tsunami. Events in the Middle-east, Afghanistan and Pakistan have also influenced Maldivians towards radicalisation. Lack of adequate educational and employment opportunities have been pushing the Maldivian youth towards jihadist groups and other violent gangs. At one point in 2010, the unemployment rate touched 28 percent, though it has toned down now. (Ahmed Rishan, 10 May 2010).

At any point in time, a number of Maldivian nationals pursue their religious studies in Pakistani madrasas controlled by various jihadist groups. And very many numbers are enrolled in Saudi Arabian madrasas. On return, they come back not only with radical ideas, but also with jihadi networks. These madrasa-educated are influenced to fight in places like Afghanistan, Iraq and Chechnya. They also help in the direct recruitment of Maldivians for jihad. Surprisingly, Ali Jaleel, who was involved in 27 May 2009 suicide attack on the ISI headquarters in Lahore, was a Maldivian. (World Almanac of Islamism, 15 March 2014, p. 4).

The first-ever terror attack in Maldives took place in September 2007 at Sultan Park in capital Malé in which 12 were injured. Investigations pointed fingers at the Jamaat-ul-Muslimeen, a new Maldives-based terror group, which had links with the Lashkar-e-Toiba (LeT). The masterminds reportedly fled to Pakistan. What is more worrying for India is the infiltration of Indian terror group Students Islamic Movement of India (SIMI) to Maldives, especially after its crackdown in India. (Praveen Swami, 14 November 2007). The concern for India is how Islamic radical forces have been gaining political influence in the Maldives.

In the traditional sphere, China’s footprints in Maldives have increased in the recent past to the extent of China opening an embassy in Male in 2011. Beijing has, for long, been building maritime and other

*Maldives, although a 100 percent Sunni state, was considered far away from Islamic radicalism. However, in the recent years, Maldivians in increasing numbers have been drawn towards Pakistan-based madrasas and jihadist groups*

linkages with the countries of Eastern Africa, Southeast Asia and the Indian Ocean. The avowed objective behind this is to ensure the security of its sea lanes, especially the unhindered flow of critically-needed energy supplies from Africa and West Asia. At the same time, these linkages have had the impact of somewhat encircling India, which some term as the “String of Pearls” construct.

The Maldives is undoubtedly an important “pearl”. Lately, the Chinese have remained among the top visitors to the Maldives. Beijing has evinced a keen interest in developing infrastructure in the Ihavandhoo, Marao and Maarandhoo Islands of the Maldives. Therefore, it is not without reasons that the current dispensation in Male holds the view that “it will be to the detriment of the Maldives to not engage with China.” (Xinuanet, 17 February 2012).

## II MALDIVES: INDIA’S LEVERAGES

Leverage generally means influence or power used to achieve a desired result. Before exploring New Delhi’s leverages in Maldives, it is important to list out India’s interests in Maldives. They range from political stability in the neighbourhood, safety of its nationals working there, protection of its investments in that country and Maldives not falling under the influence of any forces (state or non-state) that are inimical to India. To achieve these interests, India can consider exercising the following leverages:

Firstly, India’s contribution in the economic development of Maldives has been immense. India’s leading public sector bank – State Bank of India (SBI) – has been providing loan assistance for promotion of island resorts, export of marine products, business enterprises and commercial

*Lately, the Chinese have remained among the top visitors to the Maldives. Beijing has evinced a keen interest in developing infrastructure in the Ihavandhoo, Marao and Maarandhoo Islands of the Maldives. Therefore, it is not without reasons that the current dispensation in Male holds the view that “it will be to the detriment of the Maldives to not engage with China.”*

projects in the Maldives. This apart, SBI subscribed to the entire lot of USD 100 million treasury bonds issued by the Maldivian Monetary Authority in December 2009 to avoid severe forex crisis. Some of the major projects executed by India are Indira Gandhi Memorial Hospital, Faculty of Engineering Technology, Technology Adoption Programme in Education Sector in Maldives, and Faculty of Hospitality and Tourism Studies. (Government of India, 07 March 2014).

A number of Indian private sector projects that are conspicuous in Maldives include a 25 MW wind farm at an investment of US\$40 million in the Southern Province of Maldives by Suzlon Energy of India, a 1000 low-cost housing units in Malé by TATA Housing Development Co. Ltd, a 24-MW Solar Power Project by Bommidala Infrastructure (India), a Unique Global Knowledge, Medical & Tourist Hub in Gan in Laamu Atoll of South Central Province by Island development Company Pvt. Ltd. (IDC), and a waste management project in Malé by Tatva Global Renewable Energy. (Ibid.).

Secondly, India’s bilateral aid to Maldives running into millions of dollars is known. In November 2011, India extended a Standby Credit Facility of USD 100 million to help stabilise Maldivian fiscal position. As recently as January 2014, India released USD 25 million to meet Maldives’ import expenditure. (Ministry of External Affairs, 02

January 2014, para 16). This is done in the context of Framework Agreement on Cooperation for Development.

Thirdly, in the education sector, India offers several scholarships to Maldivian students under the following schemes: ICCR scholarships (37), SAARC Chair Fellowship (3), ITEC training & scholarships (25), Technical Cooperation Scheme of Colombo Plan (5) and Medical scholarships (5). Significantly, around 25 percent of teachers in Maldives are Indians, mostly at middle and senior levels.

Fourthly, both the countries share long cultural links and continuous efforts are underway to further strengthen these linkages. Three historical mosques (Friday Mosque and Dharumavantha Rasgefaanu Mosque - Male', Fenfushi Mosque - South Ari Atoll) were successfully restored by Indian experts from The National Research Laboratory for Conservation of Cultural Property (NRLCCP), Lucknow. Exchange of cultural troupes takes place regularly between the countries. Hindi commercial films, TV serials and music are immensely popular in Maldives. With the recent introduction of the satellite television, the Hindi serials are also widely watched by the Maldivians. The India Cultural Center (ICC) in Male that was inaugurated in July 2011

conducts courses in yoga, classical music and dance; they are immensely popular. (Government of India, 2014).

Fifthly, Indians are the second largest expatriate community in the Maldives with approximate strength of around 26,000. A majority of the Indian expatriate community consists of semi/unskilled workers. In addition, there are a sizeable number of professionals like doctors, teachers, accountants, managers, engineers, nurses and technicians etc. spread over several islands. Of the country's approximately 400 doctors, over 125 are Indians.

Sixthly, in the defence and security sphere, India's assistance to Maldives National Defence Force (MDNF) in training, supply of equipment, capacity building, joint patrolling, aerial and maritime surveillance and medical treatment has been immense. MDNF personnel have been availing, on an average, 35 courses annually. Indian warships and Dornier reconnaissance aircraft have been regularly helping Maldives in maritime patrol and surveillance. India has also been helping Maldives in the construction of Composite Training Centre for the Maldives National Defence Force and Maldives Police Academy

*In the defence and security sphere, India's assistance to Maldives National Defence Force (MDNF) in training, supply of equipment, capacity building, joint patrolling, aerial and maritime surveillance and medical treatment has been immense. MDNF personnel have been availing, on an average, 35 courses annually.*

### III CONCLUSIONS THE AGENDA FOR THE NEW GOVERNMENT

Agenda before the new government is very clear. As Foreign Secretary Sujatha Singh has rightly pointed out, "what affects Maldives affects us." Stability of Maldives is stability of India. The way forward, therefore, is to increase the objectivity and efficiency of democratic governmental

institutions like the legislature, judiciary and the executive, including the defence forces, of the atoll state. During his term, Nasheed could not function properly mainly because of lack of cooperation from these institutions and hence had to go midway. Comparatively, Yameen is best placed to handle these institutions, especially judiciary and defence forces, due to their favourable disposition towards former president Gayoom. However, the challenge before Yameen is to gradually get these democratic institutions to function constitutionally, with proper checks and balances. The Maldivian democratic constitution is just over five years old. It is important, at this infant stage, to make sure that the constitution is improved upon without giving room for temptations to drift back to authoritarianism. India needs to help Maldives in this regard, but without leading to any impression of “interference”.

In the economic sphere, leverages have to be exercised with caution and due calibration. India could continue its economic aid to Maldives along with development projects that are underway. Malé is concerned about widening trade deficit with India. New Delhi needs to dispel this concern by articulating that the deficit could be bridged in the long-run provided Maldives becomes more investment friendly, especially to the Indian ones. India could consider without delay proposal from Maldives for the import of diesel, petrol and aviation fuel from India.

Visas to Maldivian nationals could be liberalised further. India’s offer to allow visa-free entry for medical purposes and also removal of the restriction on re-entry within two months is a welcome step, but things have to go beyond between the two neighbours so as to further people-to-people interactions.

Increasing connectivity both by air and sea between the two countries is yet another issue for the new government to look into.

*Maldives is one of the best bets for India in its neighbourhood policy. New Delhi cannot afford to have another thorn in the vicinity. It is normal to have issues, but what is important is addressing them in a right frame of resolving them. For this, it is important to understand the dynamics of various actors and actions in the atoll state*

Existing Air Services Agreement requires a revisit. Most importantly, direct flights between Mumbai/Delhi-Malé sectors should be operationalised at the earliest.

Overall, Maldives is one of the best bets for India in its neighbourhood policy. New Delhi cannot afford to have another thorn in the vicinity. It is normal to have issues, but what is important is addressing them in a right frame of resolving them. For this, it is important to understand the dynamics of various actors and actions in the atoll state. It is unfortunate that the Indian Prime Minister has visited Maldives only once in the past ten years. Though India pumps in huge amount of aid to the neighbourhood, there is no personal touch as long as Summit-level visits are not undertaken at regular intervals. India’s neighbours may be small, but are important to India’s long-term stability, security and development. The new prime minister needs to take this into consideration and make his first foreign tour to the neighbourhood. That will send a clear message. It is with such rapport leverages could best be exercised.



## REFERENCES

- BBC News, “Maldives defends GMR airport contract row,” BBC News, 28 November 2012.
- Government of India, Ministry of External Affairs, “India-Maldives Relations”, September 2013, available at [http://www.mea.gov.in/Portal/ForeignRelation/India-Maldives\\_Relations.pdf](http://www.mea.gov.in/Portal/ForeignRelation/India-Maldives_Relations.pdf), accessed on 01 March 2014.
- Ministry of External Affairs, “Joint Statement on the occasion of the State Visit of President of Maldives to India,” 02 January 2014, para 16.
- Naahee, Mohamed, “India should stop meddling with Maldives’ domestic matters, says Home Minister Jameel,” Minivan News, 14 February 2013.
- Outlook, “Ties With India Based on Sentiments: Maldives President,” Outlook, 05 January 2014.
- Radhakrishnan, R. K., “Setback to Nasheed as court annuls poll results,” The Hindu, 08 October 2013.
- Rishan, Ahmed, “Rate of unemployment rises to 28 percent in the Maldives,” Haveeru, 10 May 2010.
- Swami, Praveen, “India links emerge in Maldives terror probe,” The Hindu, 14 November 2007.
- The Hindu, “GMR contract: decision ‘non-reversible’ says Maldives,” The Hindu, 03 December 2012.
- The Hindu, “Maldives for out-of-court pact with GMR on airport project,” The Hindu, 02 January 2014.
- The Hindu, “MEA team lands in Male; Nasheed unlikely to appear in court,” The Hindu, 20 February 2013.
- The Hindu, Jyoti Malhotra, “Between Delhi and the deep blue ocean,” The Hindu, 17 December 2012.
- The Times of India, “India calls for democracy to be preserved in Maldives,” The Times of India, 27 September 2013.
- World Almanac of Islamism, American Foreign Policy Council, “Maldives,” World Almanac of Islamism, available at [http://almanac.afpc.org/sites/almanac.afpc.org/files/Maldives\\_3.pdf](http://almanac.afpc.org/sites/almanac.afpc.org/files/Maldives_3.pdf), accessed on 15 March 2014, p. 4.
- Xinuanet, “Maldivian president says it's detrimental not to engage with China,” Xinuanet, 17 February 2012, available at [http://news.xinhuanet.com/english/world/2012-02/17/c\\_122713330.htm](http://news.xinhuanet.com/english/world/2012-02/17/c_122713330.htm), accessed on 16 March 2014.

