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The United States-Maldives Defence Relationship: Exploring Strategic Dimensions

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Increasing American Engagement in the Indian Ocean

On September 10, the United States Deputy Assistant Secretary of Defence for South and Southeast Asia, Reed Werner and the Maldivian Minister of Defence, Mariya Didi signed a framework for a defence and security relationship between the two countries.¹ With both sides committed to a free and open Indo-Pacific, this framework sets the motion of deepening engagement and cooperation between the two countries and the agreement to work towards bilateral defence and security dialogues. For the U.S., which does not have a permanent embassy in the Maldives, this is an important step in establishing defence relations between the two as it involves basic cooperation between their respective navies, and the aligning of interests with India on countering a growing Chinese presence in the Indian Ocean Region (IOR).² A day after the agreement, U.S. Defence Secretary, Mark Esper continued outreach to the region with a phone call to Bangladeshi Prime Minister, Sheikh Hasina where they reiterated their commitment to a free and open Indo-Pacific and “expressed their commitment to continue

building closer bilateral defence relations in support of shared values and interests.”³

For the U.S., which is embroiled in tensions and conflicts across Africa, West Asia, and in the South China Sea (SCS) with both state and non-state actors, the U.S. government is increasing its engagement in the Indian Ocean after making the Indo-Pacific region a top strategic priority with an aim to contain the steady rise of Xi Jinping’s China and “safeguard U.S. leadership in the region”.⁴ The Trump Administration’s commitment to the vision of a free and open Indo-Pacific involves strengthening partnerships with the littoral states and focuses on the domains of economics,

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governance, and security.⁵ This includes supporting countries in instances where China has violated their SCS claims and also stating that China’s claims to the sea were “completely unlawful.”⁶ The Indo-Pacific strategy also means increased engagement on a non-war footing and the strengthening of relations with countries that share similar values and are of strategic importance to counter China’s rise. On one hand, the U.S. is strengthening security and defence relations with the larger regional powers of India, Japan, and Australia through the Quadrilateral

Security Dialogue (Quad) which has seen a recent resurgence reacting to increasing assertiveness by China.⁷ On the other hand, the U.S. has also been seeking to court the smaller nations in the area due to their important geographic location. The Maldives, one such nation, is of immense geostrategic significance as it lies along the major Sea Lines of Communication (SLOC) through which energy supplies from West Asia traverse through to South, Southeast, and East Asia. A major naval presence on the Maldivian archipelago, therefore, could alter the security of energy supplies and influence movement through the SLOCs. The recent visit of U.S. Defence Secretary, Mark Esper to the Pacific island nation of Palau with a population of 20,000 in August also signifies the importance of tiny nations in the “great power competition for global influence” with China, and the American objective to reinforce relations with Palau.⁸ Secretary Esper’s visit, the first-ever by a defence secretary, reiterates the importance of Palau, which is crucial to the U.S. Indo-Pacific strategy due to its location and is in support of the island nation which is being economically pressured by China to adhere to Beijing’s one-China policy.

Through defence agreements, like the one signed with the Maldives, the U.S. is attempting to bolster its presence in the Indian Ocean as the Indo-Pacific strategy is “becoming increasingly dominated by military concerns.”⁹ However, the Americans have not always been successful in their endeavour, with China having a head start in this endeavour. Under President Xi Jinping’s Belt and Road Initiative (BRI) that aims to connect the world with China through development investments and transport infrastructure, Beijing has already increased its engagement with numerous countries in an attempt to secure its energy imports from West Asia. The BRI also aims to preserve China’s national security and prevent what the Communist Party of China believes is an American attempt to hinder China’s rise and encircle the country. In Sri Lanka, the island nation with close ties to Beijing and the recipient of numerous investments, the government has delayed the signing of the Status of Forces Agreement (SOFA) and the Acquisition and Cross

Servicing Agreement (ACSA) with the U.S. stating the agreements included conditions that could threaten the sovereignty of Sri Lanka.¹⁰ This delay clearly shows the pro-China tilt of Sri Lanka government, having already leased out their strategic port of Hambantota to China for a period of 99-years in 2017. The signing of the two agreements would streamline procedures for visiting U.S. military personnel, and further strengthen the American presence in the region.

Apart from increasing an American presence in the Indo-Pacific through a greater presence in the SCS, the U.S. is advocating the Quad as a counter to China along with signing agreements with the smaller nations in the region to increase cooperation with them and build up their capacities to reduce dependence on China.

Furthermore, the U.S. has established the Blue Dot Network along with Japan and Australia to “promote quality infrastructure investment that is open and inclusive, transparent, economically viable, financially, environmentally and socially sustainable, and compliant with international

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standards, laws, and regulations” and although not explicitly stated, is viewed as an alternative to China’s BRI.¹¹ In December 2019, the U.S. Congress passed a bill to implement the Asia Reassurance Initiative Act (ARIA) which identifies China’s manoeuvres in the SCS and coercive economic practices as security challenges to the United States. ARIA signifies a proactive American posture in Asia and provides “the legislative framework for the development of a long-term and comprehensive Indo-Pacific strategy,” while setting “new U.S. priorities and initiatives in the Indo-Pacific.”¹² The initiative also earmarks \$1.5 billion annually from 2019-2023 to advance American interest in the region by promoting democracy, enhancing cooperation, and developing national power strategies amongst others.¹³ The United States also launched the Mekong-U.S. Partnership in September 2020 reflecting the importance of the region to the U.S., with Secretary of State Mike Pompeo stating it is “an integral part of our Indo-Pacific vision and our strategic partnership with ASEAN.”¹⁴ In a direct reference to China, Secretary Pompeo stated the Chinese Communist

Party (CCP) “increasingly threatens the Mekong’s natural environments and economic autonomy.”¹⁵

Indian Perspective

For New Delhi, while there has been no official statement on the U.S. – Maldives agreement, this is a welcomed development. The framework aligns with and is complementary to Indian interests in the IOR and cooperation with the Maldives. It also signals an important shift away from China on the security front, especially with the archipelago being 700 kilometres from India’s Lakshadweep islands and 1,200 kilometres from the mainland.¹⁶ At a time when India is facing-off with China along the Line of Actual Control (LAC), and South Asia is seeing an increasing Chinese footprint and influence, Indian and American strategic interests have been increasingly converging when it comes to China and Chinese aggression.

A more proactive foreign policy in New Delhi combined with an increasing Chinese assertiveness and presence in South Asia has driven India to converge its foreign policy with that of the U.S., Japan and Australia in checking China’s rise.

The Maldives, often seen under India’s sphere of influence signed up to the BRI in 2017 and has since seen increased Chinese investments. Beginning in 2014 when President Xi visited the Maldives, relations and investments have grown, especially in the tourism and infrastructure sectors.¹⁷

In 2017, the island nation signed its first Free Trade Agreement (FTA) with China becoming the second after Pakistan in South Asia to do so. The BRI’s flagship project, the China-Maldives Friendship Bridge was opened in 2018, built at a cost of \$184.4 million and linking Malé to the islands of Hulhumale and Hulhule where the country’s largest airport is based.¹⁸ Other major projects include developing the island of Feydhoo Finolhu which was leased to a Chinese company for 50-years, building a resort on the Kunaavashi atoll, and upgrading infrastructure in the nation’s capital, Malé. While all these projects were assumed to have strategic angles to aid the Chinese military, a study conducted by the Center for Strategic and International Studies, using

available data and satellite imagery concluded that “these fears, and those surrounding other Chinese projects in the Maldives, are overblown.”¹⁹ Therefore, while the Maldives is respecting Indian concerns and taking them into account, the potential dual-use of projects should be kept in mind and actively monitored. Furthermore, there is no doubt that the country’s ability to repay the \$1.5 billion amounting to 45 percent of the national debt in loans from China is of concern.²⁰ This comes despite Maldivian President Solih announcing that China has agreed to partially suspended debt repayment of \$600 million for four years.²¹

In a bid to directly balance the Chinese influence in the Maldives, and keeping in line with India’s neighbourhood first foreign policy, New Delhi announced a \$500 million package in August to

help the tourist-dependent Maldivian economy which is struggling due to the COVID-19 pandemic. This would include India funding the country’s largest civilian infrastructure project, the Greater Malé Connectivity Project (GMCB). The GMCB includes a 6.7 kilometre

bridge connecting Malé with the islands of Villingili, Gulhifahu, and Thilafushi, along with building a port in Gulhifahu and an industrial zone in Thilafushi.²² Subtly alluding to China, former Maldivian President, Mohammad Nasheed stated India’s assistance was in contrast to the “eye-wateringly expensive commercial loans that leaves the nation mired in debt.”²³

New Delhi, therefore, should make the most of this emerging relationship and maximise the gains from American alignments with India’s objectives in the region. In terms of this defence agreement having a spillover effect in the neighbourhood, India should wholeheartedly support the American outreach initiatives, and support similar agreements in South Asia. Additionally, with this pact, the Maldivians could set a precedent for closer defence ties with the U.S. Others, including Sri Lanka, Bangladesh, and Nepal, who are also closely linked to China and the BRI could be motivated in pursuing a similar path for maintaining peace and stability in the Indian Ocean. Whether or not this plays out due to the internal politics of each country, it will be

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in New Delhi's interests to keep a close watch and aide similar potential developments.

Effect on Chinese Positioning

From Beijing's perspective, the U.S.-Maldives agreement comes as a blow to bilateral relations with Malé, making them anxious about future prospects with the island nation on the security front. The Maldivian agreement to signing this pact, despite being a part of the BRI, could potentially affect future Chinese infrastructure projects in the country and could lead to Beijing modifying its positioning towards the Maldives. Due to the defence and security nature of the agreement, which signals the island nation is willing to work with the U.S. in the IOR, China has tangible apprehensions on the ability to use Maldives' facilities to project power across the Indian Ocean, as it indicates a security shift towards Washington and New Delhi.

Combined with India's increasing outreach to Malé, and the 2018 Maldivian national elections where the pro-China and anti-India incumbent, President Abdulla Yameen was surprisingly defeated by Ibrahim Mohamed Solih, relations between India and the Maldives have improved. While China's footprint in the country and economic might is too large to be ignored by any government in Malé, there is no doubt Beijing viewed Solih's election as a setback to bilateral ties. Signs of the setback were first revealed when a Chinese agreement with former President Yameen to build a joint ocean observation station on the island of Makunudhoo, that could affect India's national security, was scrapped by the Solih government in 2019.²⁴

For China, therefore, advancements in relations between the U.S. and India with the Maldives puts a wrench, even if temporarily, to bilateral relations with the island nation. Despite being an important part of the Maritime route of the BRI, the defence agreement with Washington will force Beijing to rethink and reposition its posture towards Malé. However, it must be noted that India cannot match China's economic might, and the U.S. has not yet sought to replace China as an economic provider to the Maldives. Thus, although the Maldives is alluding towards furthering ties with the U.S. in the American

attempt to increase their presence in the IOR, China's presence and footprint should not completely be written off. It is in both New Delhi and Washington's interests to continue finding points of convergence of strategic importance to keep a check on the growing Chinese presence in the Indian Ocean.

Notes

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