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Book Reviews

INDIA AND ITS ROLE IN THE INDO-PACIFIC THEATRE: PARTNERSHIPS AND PROSPECTS

MANAN DWIVEDI AND MANISHA SARADE

In November 2011, Secretary of State Hillary Clinton published “America’s Pacific Century” in *Foreign Policy* magazine, visibly signalling that the United States is beginning a pivot toward the Asia-Pacific, past Europe and the Middle East.¹ Even recently, the declassification of one of its most “sensitive national security documents” (“Strategic Framework for the Indo-Pacific”, 2018)² revealed that US strategic policy in the Indo-Pacific was significantly driven by allies and partners, especially Japan, Australia and India. With Asia’s sizeable renovation, constant economic development, and extensive martial upgradation, it is understandable why Asia

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1. Hillary Clinton, “America’s Pacific Century”, *Foreign Policy*, November 2011, at http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century. Accessed on February 1, 2021.
2. Rory Medcalf, “Declassification of secret document reveals US strategy in the Indo-Pacific”, *The Strategist*, Australian Strategic Policy Institute, January 13, 2021, at <https://www.aspistrategist.org.au/declassification-of-secret-document-reveals-real-us-strategy-in-the-indo-pacific/>. Accessed on February 1, 2021.

is viewed as a region on the rise and why it is all the time more at the centre of US foreign strategy. The transition from Asia-Pacific into Indo-Pacific is viewed as the shifting of centre of gravity of international politics towards Asia, which signifies a shift in the Balance of Power and the fulcrum of geopolitics. Many see “Indo-Pacific” as an evolved strategic frame of reference that has somewhat come to replace the formerly dominant “Asia-Pacific” construct.

Based on the idea that the diverse theatres of the Indian Ocean and the Pacific Ocean constitute a linked strategic theatre and a unified strategic heft, the presence of four big economies (the USA, China, Japan and India) augments the standing of Indo-Pacific. There is no uniform Indo-Pacific concept to date. India is constantly pursuing to balance these narratives with the support of its engagement with its partners. With the global community beginning to accept India’s norms, salience and emergence as an important power, the paper argues that the Indo-Pacific is a major transition of the international political order, and further discusses the reasons and factors behind this shift. The paper analyses India’s approach, prospects and vision for the Indo-Pacific, also providing a brief account for other key players in the region. The paper attempts to examine the wide-ranging threats and problems in the region—securing trade routes, Maritime Security, and challenges to a rules-based order.

AN OVERVIEW OF THE ASIA-PACIFIC AND EMERGENCE OF THE INDO-PACIFIC

In Asia, challenging ideas of order have arisen lately, with the likelihood of catalysing and stimulating conflicts. Asia-Pacific’s order, denoted as “Pax Americana” and overtopped by the United States, had not been debated for almost 7 decades. Forty years ago, the main portrayal of US tactical mindset was the *soi-disant* “Asia-Pacific”,³ wherein the economic dynamism of the Pacific Rim and the “Pacific Century” drew California, Japan and the Asian Tigers together. The establishment of the Asia-Pacific Economic Cooperation (APEC) apparatus demonstrated the same standpoint.

3. Bruce Cummings, “Rimspeak; or, the discourse of the ‘Pacific Rim’”, in A. Dirlik (ed.), *What is in a rim? Critical perspectives on the Pacific region idea* (Lanham, MD: Rowman & Littlefield, 1977), pp. 53-72.

Yet, supremacy of this Asia-Pacific tactical chronicle in the United States strategy is now diminishing. The “Indo-Pacific” came to light around 2010 as a regional agenda for US strategic discussion under the Obama regime. It turned out to be an important term, officially, for the United States under the Trump regime by 2017, constituting a kind of “geopolitical nomenclature”.⁴ With regard to geo-spatiality, the Indo-Pacific is commonly considered as a link between the Indian Ocean and the Pacific Ocean. Its stretch is perceived to extend from the eastern shores of Africa to the western coast of the United States, though with modified definitions varying with each actor and their particular geographic positioning in the expansive area. The interrelatedness of the two oceans is a result of increasing forces of globalisation, trade and fluctuating relationships amid several actors which has subdued older limits and unfolded new directions. In simple words, both these oceans are visualised as one adjoining space. The conception is built on the attribute that an enormous amount of the globe’s flow of commodities, energy provisions, are moved by corridors that pass through the two oceans.

There are mainly two reasons for the recent shift in strategic language: First, there is a geo-economic shift due to the overall bulk of trade and commerce, such as important energy flows between the Indian and Pacific oceans. Second, there is a geopolitical shift due to the escalation of China’s position, and also India’s position in the region. The United States has occupied its space as the chief dominion in the Pacific since 1945, and as a major influence in the Indian Ocean for more than forty years now. In the present day, the United States, Japan and Australia are facing Chinese assertion in the Western Pacific; whereas, in the Indian Ocean, the United States and an emerging India are confronted with an expanding Chinese presence. Unsurprisingly, as a reaction to this Chinese challenge, the United States has constructed an Indo-Pacific response.

In the context of China’s ascent to becoming a principal economic world power, consequentially altering the regional balance of power as to politics and military, China established a distinctive abstraction of regional order and then manoeuvred peculiar schemes and

4. John Hemmings, “Global Britain in the Indo-Pacific”, Asia Studies Centre, Research Paper no. 2/2018 (London: Henry Jackson Society, May 2018), p. 17.

endeavours. These initiatives are motivated by China's growing assertion to restructure the regional order in harmony with its self-interests. The "Belt and Road" Initiative (BRI) is a straight articulation of this assertion. Following this, numerous states have developed alternative concepts under the label "Indo-Pacific" in recent years.

The USA under President Donald Trump offered a strategic idea named the "Free and Open Indo-Pacific" (FOIP) as a counter-dominance rhetoric to a possible Sino-centric reformation of the region. Additionally, Japan, Australia, India and the Association of Southeast Asian Nations (ASEAN) have introduced unique abstractions of the "Indo-Pacific". France is the sole member state of the European Union (EU) that has espoused the expression "Indo-Pacific" and formulated a consistent approach, which stems largely from the idea of safeguarding state interests in its own areas in the region. China, in contrast, discards the whole construct of "Indo-Pacific" and the FOIP precisely, as a containment strategy fixed in opposition to Beijing. Further, the United States has constantly insisted on states, interior and exterior to the construct, together with Germany and other EU member states, to pledge unswervingly or indirectly to the notion of the "Indo-Pacific".

STRATEGY AND VISION OF KEY PLAYERS IN THE INDO-PACIFIC AND THEIR APPROACH TOWARDS INDIA

Australia

Australian policy analysts and strategy thinkers have lately welcomed the Indo-Pacific as a geopolitical concept to govern foreign and security policy—the conception was underlined in both the 2016 Defence White Paper and 2017 Foreign Policy White Paper, and has notably appeared in policy dialogues and academic discourse.⁵ This is in line with Japan's ambitions supposedly, and is possibly demonstrated through the erratic conception of a Quad uniting Australia, Japan, the US and India into nearer strategic coordination and partnership. These countries together confirm their preference for

5. Australian Government, Foreign Policy White Paper, "Opportunity, Security, Strength", Canberra, November 2017, at <https://www.dfat.gov.au/sites/default/files/2017-foreign-policywhite-paper.pdf>. Accessed on February 3, 2021.

a “stable and rules-based order” that upholds freedom of maritime navigation and international law. This could be seen as an implicit censure to those that seek to alter international structures through coercion and unilateralism.

The Indo-Pacific region is confronted with an overabundance of futuristic security challenges—piracy, terrorism, climate change and natural disasters, to name a few. Involvement of Australia in this domain will assuredly be advantageous. This was previously established by the fruitful quadrilateral HADR response to the 2004 Indian Ocean earthquake and tsunami. The Indo-Pacific Strategy is another attempt at repositioning Australia in the region, or rather “relocating the region to Australia”, reinventing its geostrategic milieu at the node of these two colossal oceans. Australia has characteristically been a victor in Asian regionalism. In the present day, the country pursues a higher and influential role in a freshly-defined region. Remarkably, Australia’s transcontinental railway which travels between Perth, Adelaide and Sydney is named the ‘Indian-Pacific’.⁶ This will facilitate Australia’s influence and espousal of bigger economic and strategic positions.

In June 2019, Reynolds highlighted substantial initiatives taken up by Australia, predominantly in the South Pacific and in maritime Southeast Asia (military training and education for 1,000 partakers annually, strategic defence interchanges with all ASEAN states, and the annual “Indo-Pacific Endeavour” military exercise since 2017).⁷ At the APEC summit in Papua New Guinea in 2018, Australia and the US declared aspirations for the joint expansion of the Lombrum naval base on the island of Manus. Furthermore, the United States, Japan and Australia declared the “Blue Dot Initiative” in the margins of the ASEAN summit, in November 2019.⁸ Australia’s visualisation of the Indo-Pacific positions ASEAN as a fine geographical context

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6. Journey Beyond Rail, “‘Indian Pacific’, Journey Beyond Indian Pacific”, at <https://journeybeyonddrail.com.au/journeys/indian-pacific/#:~:text=Named%20for%20the%20two%20oceans,on%20a%20spectacular%204352km%20crossing>. Accessed on March 17, 2021.
 7. Minister of Defence, Senator Linda Reynolds, Speech at the 18th IISS Shangri-La Dialogue.
 8. Brendan Taylor, “Is Australia’s Indo-Pacific strategy an illusion?”, *International Affairs*, vol. 96, issue 1, January 2020, pp. 95-109, at <https://doi.org/10.1093/ia/iiz228>. Accessed on February 3, 2021.

for its foreign and security strategy. Therefore, the “ASEAN Outlook on the Indo-Pacific” (AOIP) is visibly reinforced.⁹

Authorised Australian documents, at all times, denote the fundamental spot of maritime Southeast Asia as a conduit between the two oceans, thus assuring the ASEAN member states that ASEAN will stay essential in the new-fangled paradigm. Considering the fact that Indonesia continues to be a key partner of Australia in the region, long-lasting priorities in Australian foreign policy (Indonesia, Timor-Leste, Papua New Guinea) shall persist to occur in the new context.

Japan

In geographical understanding, Tokyo views the “Indo-Pacific” to cover the whole region from the east coast of Africa to the American Pacific coast. In the post-Cold War era, Japan’s strategy decisions have been analysed inside the account of a reactive state. Contrary to this reactive state thesis, Japanese Prime Minister Shinzo Abe put forward Japan’s role as a “proactive contributor to peace”, and first mentioned the “Free and Open Indo-Pacific” (FOIP) approach in a defining address to the *Tokyo International Conference on African Development* (TICAD) in Nairobi, Kenya (August 2016).¹⁰ Japan favours the term “vision” instead of strategy. Japan also puts greater precedence on infrastructure, connectivity, rules-based behaviour in the maritime realm and comprehensiveness. The Japanese government has underlined that FOIP is not a China-containment strategy, but rather a rules-based, all-encompassing framework for regional integration. In an address to the Japanese Parliament, obliquely, Abe referred to the prospect that his FOIP vision and China’s BRI could co-occur and, in fact, aid one another.¹¹

It is important to note that, although in 2016 and 2017 the FOIP was linked principally with security policy menaces, of late features such as “connectivity”, “infrastructure expansion”, “national

9. Prime Minister of Australia, “‘Where We Live’, Asialink Bloomberg Address”, Sydney, June 26, 2019, at <https://www.pm.gov.au/media/where-we-live-asialink-bloomberg-address->. Accessed on February 3, 2021.

10. The Government of Japan, “Towards Free and Open Indo-Pacific”, November 2019, at <https://www.mofa.go.jp/files/000407643.pdf>. Accessed on February 4, 2021.

11. Prime Minister of Japan and his Cabinet, “Policy Speech by Prime Minister Shinzo Abe to the 196th Session of the Diet”, Tokyo, January 22, 2018, at https://japan.kantei.go.jp/98_abe/statement/201801/_00002.html. Accessed on February 4, 2021.

development” and “economic growth” have also been holding an influential role. This shift can be seen in a large number of projects that are associated with Tokyo’s professed goal of facilitating network between the two oceans. This precisely translates into increasing trade and investment through enhanced infrastructure.¹² Additionally, the economic mutuality between Tokyo and Beijing is quite evident. Hence, Tokyo’s understanding of FOIP varies noticeably from that of Washington and Canberra.

Japan has invested substantially in building strong bilateral relations with India. It is well known that India is Japan’s leading Official Development Assistance beneficiary, and with the US State Department’s credit of the US-India partnership being crucial to US Indo-Pacific policy, Japan will not just be encouraged to fortify Japan-Indian relations to comprehend the FOIP visualisation, but also to support multilateral collaboration with the US and other participants. The lucidity of this nation’s values-based style that is entrenched in the prevalence of collective principles like rule of law, democracy and human rights, attained importance in Abe administrations. India emerged as a major support in Japan’s important strategic constructs like the “Arc of Freedom and Prosperity”, “Confluence of the Two Seas”, “Quadrilateral Initiative”, Asia’s “Democratic Security Diamond” and the latest “Free and Open Indo-Pacific Vision”. The National Defense Program Guidelines, defence white papers, and the diplomatic blue book highlighted implications of forming multilayered defence cooperation with key partners such as Australia, India and ASEAN countries besides the US.

The Japan-US-India Trilateral Infrastructure Working Group can also discover ventures in important subregions of the Indo-Pacific, possibly with South Asia or, precisely, Southeast Asia. Japan has also carried out a crucial part in earlier rounds of Regional Comprehensive Economic Partnership (RCEP) discussions. The regional free trade agreement is proposed to consist of China and India, inter alia;

12. Axel Berkofsky, “Tokyo’s ‘Free and Open Indo-Pacific’: Quality infrastructure and defence to the fore—Analysis”, *ARI* (Analyses of the Elcano Royal Institute), 34/2019 (Madrid: Elcano Royal Institute, March 14, 2019), at http://www.realinstitutoelcano.org/wps/portal/ri/elcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari34-2019-berkofsky-tokyos-free-and-openindo-pacific-quality-infrastructure-defence-fore. Accessed on February 4, 2021.

India, though, dropped out of the negotiations in 2019 owing to the unsettled issues of core interest. Along with endorsing “Quality Infrastructure” and trade enterprises, Japan has featured its standing as a vital contributor in the arena of development cooperation. The emphasis of the White Paper on Development Cooperation 2017 precisely complements the primacies of the FOIP strategy.¹³

The United States of America (USA)

The US National Security Strategy (NSS), released in December 2017, marks the difference between “Indo-Pacific”, “Middle East” and “South and Central Asia”. Here, the Indo-Pacific construct was noted as stretching from the west coast of India to the western shores of the United States—exactly the area of duty of PACOM (now Indo-Pacific Command). The NSS is fairly China-centric in its threat evaluation, dwelling a little on the situation in the IOR and its governance instruments.

During the Trump administration, as a step towards elevating US-India ties for FOIP, Secretary of State Rex Tillerson became the first person to mention the umbrella term. Discursing on their ties with India at the Center for Strategic and International Studies (CSIS) in 2017, he acknowledged that the United States and India found a common ground on adherence towards the rule of law, choice of navigation, free trade, and should add to progress, constancy and security in a free and open Indo-Pacific region. Moreover, former US President Donald Trump had promoted the concept in his speech at the APEC summit in Da Nang in November 2017.

The 2017 National Security Strategy and the 2018 National Defense Strategy nominated China, along with Russia, as a crucial strategic security menace.¹⁴ The documents read that a new epoch of competition and enmity between them was gaining pace. The document said that China is growing its presence at the cost of other

13. Ministry of Foreign Affairs of Japan, “Japan’s International Cooperation”, White Paper on Development Cooperation 2017 (Tokyo, 2018), at https://www.mofa.go.jp/policy/oda/page22e_000860.html. Accessed on February 5, 2021.

14. Jim Garamone, “DoD Official: National Defense Strategy Will Enhance Deterrence”, US Department of Defense, January 19, 2018, <https://www.defense.gov/Explore/News/Article/Article/1419045/dod-official-national-defense-strategy-will-enhance-deterrence/>. Accessed on February 5, 2021.

countries' sovereignty, employing "predatory capitalism", economic enticements and intimidating actions, and inflicting totalitarianism with the aim of vehemently reforming the order in the region. In May 2018, the United States representatively renamed its Pacific Command to Indo-Pacific Command. This was widely recognised as a symbolic move for its oldest military command. US Vice President Mike Pence's stern words against China, in his address to the Hudson Institute in October 2018, became a defining moment for US diplomatic policy. He inculpated China of using measures that are inconsonant with the principles of free and fair trade.

In June 2019, the Department of Defense disclosed the Indo-Pacific Strategy Report which observes the Indo-Pacific as the most important region in the world. The report criticises China's activities as revisionist and mentions Russia as a "malign" actor (for the first time). In November 2019, the State Department came up with its own strategy for a free and open Indo-Pacific (FOIP) region. Some of the priorities were: firming ties with partners and regional organisations, economic affluence, better-quality governance, amity and security, and ventures in human capital. In May 2020, the White House came up with another report named "U.S. Strategic Approach to the People's Republic of China" detailing the US policy towards China. The report presents a competitive method towards the PRC directing to progress the durability of institutions and collaborations, in addition to forcing China to terminate measures believed damaging to the interests of the US or partners. The text submits that strategic competition is going to be the foremost method for the coming times.

The report of United States Congressional Research Service released on December 23, 2020 stated that the US-India trade relations under President Donald Trump have declined because of the raised tariff policy from both sides. According to the report, the United States imposed tariffs on significant Indian exports, counting steel and aluminium (2018).

The bipartisan CRS Report pointed out, "Under the Trump administration, bilateral tensions increased over each side's tariff policies. In general, India has relatively high average tariff rates, especially in agriculture. It can raise its applied rates to bound rates without violating its commitments under the World Trade

Organization (WTO), causing uncertainty for US exporters.”¹⁵ It is being increasingly suggested that trade relations between the United States and India would take a different turn in 2021 under President Joe Biden’s leadership.¹⁶

China

For some Chinese scholars, the Indo-Pacific construct is an idea at the initial stage so that the United States is able to link the Indian Ocean and the Pacific region, in order to restrain China’s advancement purely from a geopolitical standpoint, and to defend the US headship in the theatre. Many Chinese academics are of the view that the notion has not fully blossomed. For instance, Lin Minwang, a scholar from Fudan University, states that the Indo-Pacific strategy is still a perception that requires to be raised and the quadrilateral security dialogue¹⁷ is only the start of the Indo-Pacific security area’s formation. Officially the term “Indo-Pacific” is not used in China and thus does not occur in main documents.

Besides, many academics are of the opinion that the Indo-Pacific strategy is merely an offspring of the Obama administration’s “rebalance” tactic. Wang Xiaowen, a researcher at Beijing Language and Culture University, believes that the Indo-Pacific strategy is fundamentally an extension and furthering of the “rebalance”, with the purpose of tactically connecting both the Oceans. As far as India is concerned, as per the Chinese valuation, India’s commitment is mainly questionable for the reason that India refuses to be instrumentalised by the United States, Japan and Australia.

Scholars from China have recognised several loopholes in United States’ framework for the region. Some suspect the intent of the United States to make available the amenities essential to enforce the planned framework, particularly because, since Trump’s inauguration, Washington has been necessitating a reasonable

15. Lalit K. Jha, “India-US trade ties hit by tariff policies under Trump administration US Congress report”, *The Week*, January 4, 2021, at <https://www.theweek.in/wire-updates/international/2021/01/04/fgn24-us-india-trade.html>. Accessed on February 5, 2021.

16. *Ibid.*

17. Dong Wang and Weizhan Meng, “China debating the regional order”, *The Pacific Review*, 33: 3-4, 2020, pp. 497-519. DOI: 10.1080/09512748.2020.1728576. Accessed on February 6, 2021.

distribution of burden from its allies. Other scholars draw attention to the four influential players, namely, the United States, Japan, Australia and India. Each of them has a discrete idea of the Indo-Pacific space. A substantial disparity is evident not only in their geographical description but even in their tactical aims. Lack of consensus on this thought is remarked as an additional drawback.

From the viewpoint of Chinese experts, the major shortcoming of the Indo-Pacific concept is that, currently, the construct lacks a trustworthy economic element and hence is far from instituting a grave threat to China's appeal as a partner for commerce and trade, including within the outline of the BRI. This remark pertains especially to the United States, whose Indo-Pacific strategy (FOIP) concentrates mostly on security.¹⁸

Indonesia

In geographical context, Indonesia is an essential Indo-Pacific country, fronting the Indian Ocean on the west and the Pacific Ocean on the east. Indonesia's spot resembles a "cross-road location" (*posisi silang*). It performs as a "strategic funnel" between the Indo and Pacific apparatuses of the construct.¹⁹ From the 1950s to the 1990s, Indonesia's emphasis continued on the inside, focused on preserving archipelagic or geographic cohesion and regionally concentrated on the ASEAN. But, presently, Indonesia has enthusiastically strived out concurrently into the Pacific and Indian Oceans, thus out to the Indo-Pacific.

Despite the fact that there have been cavities between its condescending ambitions and clearheaded realities, it has indisputably played a significant and sometimes underappreciated part in the growth of the regional construction in Southeast Asia, such as the Association of Southeast Asian Nations (ASEAN). Under former President Yudhoyono, when FOIP as a concept did not exist, Indonesia had proposed a foresight for the Indo-Pacific architecture around the East Asia Summit (EAS), a Summit which is essentially a witness to ASEAN's own "Indo-Pacificization", gradually, to embrace

18. Bo Ma, "China's Fragmented Approach toward the Indo-Pacific Strategy: One Concept, Many Lenses", *China Review* 20, no. 3 (2020): 177-204. DOI:10.2307/26928116. Accessed on March 3, 2021.

19. Pandu Utama Manggala, "Rethinking Indonesia's global maritime axis", *Jakarta Post*, March 22, 2015, p. 4.

big powers. Then-Foreign Minister Marty Natalegawa openly discoursed the vision of an Indo-Pacific Friendship and Cooperation Treaty, though it is a fact that the outlook, on no occasion, proceeded in a successful way.

During the commencement of Jokowi's presidency in October 2014, Rizal Sukma, currently the Indonesian Ambassador to the United Kingdom, had clearly associated the Global Maritime Fulcrum (GMF) concept to a link between the Indian and the Pacific Oceans (he referred to as the "PACINDO"), with deviations between the Indo-Pacific vision under the Yudhoyono administration on several aspects, including geographical scope, with more attention to India and the Gulf countries. Indonesian officials like Foreign Minister Retno Marsudi, have recurrently highlighted Indonesia's Indo-Pacific idea as a medium to both confront Jakarta's apprehensions and differentiate it from those of others, including inclusiveness, as well as ASEAN criticality to guarantee that the organisation is enabling regional conversations. Indonesia has also been dynamic in organising meetings and in discoursing the Indo-Pacific concept publicly on various forums; a Track 1.5 workshop on ASEAN and the Indo-Pacific in March 2018, to name a few.

Vietnam

India and Vietnam held a virtual leaders' summit on December 21, 2020. Co-chaired by Indian Prime Minister Narendra Modi and Vietnam's Prime Minister Nguyen Xuan Phuc, the joint statement at the Summit abridged a variety of subjects both countries pursue to collaborate on.²⁰ The Indian Prime Minister noted that "Peace, Stability and Prosperity are our shared purpose in the Indo-Pacific region. Our partnership can make a significant contribution in maintaining stability and peace in the region." The Prime Minister went to add that "There is a similarity in our views on many global challenges, and about the future of our

20. Ministry of External Affairs, Government of India, "List of Outcomes: India-Vietnam Virtual Summit (December 21, 2020)", Bilateral/Multilateral Documents, at https://mea.gov.in/bilateral-documents.htm?dtl/33325/List_of_Outcomes_India__Vietnam_Virtual_Summit_December_21_2020. Also see, "India-Vietnam Joint Vision for Peace, Prosperity and People", at https://mea.gov.in/bilateral-documents.htm?dtl%2F33324%2FIndia__Vietnam_Joint_Vision_for_Peace_Prosperty_and_People#.X-CvnKh2UvM.twitter. Accessed on February 6, 2021.

region, and we can work together to advance our shared values.”²¹ The South China Sea dispute was given an important mention in the summit. The joint statement stressed on the necessity for all claimants to obey the United Nations Convention on the Law of the Sea, along with non-militarisation and associated standards.

As a traditional partner of India, Vietnam has also been recognised as an important factor in the Look East Policy (LEP). A careful observation reveals that India’s LEP and Vietnam’s policy of strengthening its relationship coincide, while multilateralising and diversifying its international relations leading to the establishment of Vietnam-India Strategic Partnership.

Interestingly, Vietnam’s philosophy for its foreign policy is analogous to India’s, administered as-it-stands by the “Three Nos”: no to basing rights for foreign military, no to military alliances, and no to partnering-up with one side with the purpose of combating another. However, unlike Vietnam, India has not formally included such principles in any policy text.

France

The debates and research pertaining to Indo-Pacific are mostly fixated on countries such as the US, India, Japan, and Australia, roughly labelled as “Quad”. Although important, it excludes powers like France, who not only have substantial capabilities but extensive interests in the region. France’s conceptualisation of Indo-Pacific (similar to India’s) stretches from the eastern coast of Africa to the western shores of America. France’s Indo-Pacific strategy includes defence of maritime shipping lanes from both traditional and non-traditional threats, strengthening multilateralism, and an assurance towards common and sustainable good (environment, climate change, biodiversity, digital technology, etc.)

It is important to note that France is an Indo-Pacific power, by virtue of its holding overseas territories in both the Indian and Pacific Oceans. The territories are, namely: Mayotte and La Réunion islands,

21. Ministry of External Affairs, Government of India, “English Translation of Prime Minister’s opening remarks at the India-Vietnam Virtual Summit” (New Delhi: Ministry of External Affairs, Government of India), at <https://www.mea.gov.in/virtual-meetings-detail.htm?33323/English+Translation+of+Prime+Ministers+openin+g+remarks+at+the+IndiaVietnam+Virtual+Summit>. Accessed on February 7, 2021.

Scattered Islands, French Southern and Antarctic Territories, New Caledonia, Wallis and Futuna, French Polynesia and Clipperton. To counter challenges such as menace to multilateralism and international order due to the big power competition and enfeebling of rule of law, threats from terrorism, nuclear proliferation (North Korea) and climate change, France intends to develop a network of strategic partnerships in the Indo-Pacific.

French President Emmanuel Macron's visit to Delhi in 2018 and the signing of the logistics support agreement, makes France only the second country after the US with whom India has signed such agreement. Army, Navy, and Air force of both nations frequently conduct joint exercises, namely 'Shakti', 'Varuna', and 'Garuda'. Moreover, France, India and Australia are held to have a convergence in their principles and maritime security interests. To quote President Macron, "In order to be respected by China as an equal, we (France-India-Australia) need to organize ourselves."²²

As a step to firm up their strategic partnership in the western Indian Ocean, France and India have joined hands for a project²³ in the Western Indian Ocean Region, namely, the Vanilla islands, which includes Comoros, Madagascar, and Seychelles. The partnership envisions to discover sectors including port development, connectivity, and energy exploration in resource-rich areas around Mozambique channel near Vanilla islands.

INDIA'S ROLE AND PROSPECTS AS THE REGION TAKES ON NEW GEOPOLITICAL IMPORTANCE

The Indo-Pacific theory has given a prospect for India to make the most of its strategic interests while responding to fluctuations in the security environment. Prime Minister Modi's Shangri-La address (2018) outlined an agenda for India's Indo-Pacific priorities, along

22. Reuters Staff, "Macron wants strategic Paris-Delhi-Canberra axis amid Pacific tension", May 3, 2018, Reuters, at <https://www.reuters.com/article/australia-france/macron-wants-strategic-paris-delhi-canberra-axis-amid-pacific-tension-idINKBN1I331P?edition-redirect=in>. Accessed on February 7, 2021.

23. Dipanjan Roy Chaudhury, "India, France explore 3rd country projects in Western Indian Ocean region", *The Economic Times*, October 24, 2018, at <https://economictimes.indiatimes.com/news/defence/india-france-explore-3rd-country-projects-in-western-indian-ocean-region/articleshow/71743985.cms?from=mdr>. Accessed on February 7, 2021.

with its apprehensions.²⁴ The address reaffirmed India's geographic description of the Indo-Pacific as being "from the shores of Africa to that of the Americas", laying out an extensive physical borderline for its action. At the centre of the speech was the significance of partnerships and the advantage of collaborations, denoting a change from seclusion to dynamic participation in its new diplomatic approach. Though it was imperative for India to set forth its readiness to collaborate with its associates, it was likewise vital to maintain a distance from any sort of "alliances of containment". India recognised the advent of an innovative security planning through "shifts in global power" and as "foundations of the global order appear shaken". That new order should be free, open, and inclusive, with robust ethics that obey dialogues, law, customs, and norms. India supported the regional architecture as the anchor of the new-fangled order and positioned ASEAN at the centre of its Indo-Pacific visualisation, paving the way for its own inclination towards a multipolar world.

By March 2020, India's Indo-Pacific vision had a lucid agenda as a theatre for opportunities. So, as pointed out by the Indian MEA, "Through the Indo-Pacific construct, India envisages a greater role for itself in the wider region."²⁵ As far as Partnerships are concerned, they have played a pivotal role right from the beginning. Japan, Australia, France and the United States came to the fore as India's trustworthy partners. India then reached out its partnerships to other important actors, namely, the continent of Africa, the nations of Indonesia, Oman, Singapore, ASEAN and the European Union.

India strengthened the regularity of its partnerships with its major partners. In conjunction with this rise in diplomatic reach to new areas, India is indulging in cooperation to recognise new measures and probable ordeals in the region. India and France collaborated to unveil the International Solar Alliance in an endeavour to encourage

24. Ministry of External Affairs, Government of India, "Prime Minister's Keynote Address at Shangri-La Dialogue (June 1, 2018)" (New Delhi: Ministry of External Affairs, Government of India), at <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>. Accessed on February 7, 2021.

25. Ministry of External Affairs, Government of India, "Annual Report 2018-19" (New Delhi: Ministry of External Affairs, Government of India), at http://www.mea.gov.in/Uploads/PublicationDocs/31719_MEA_AR18_19.pdf. Accessed on February 8, 2021.

the advance of renewable power, to combat climate crisis, and cut expenditure on solar power.²⁶ Likewise, backing India's pitch for disaster-resilient infrastructure, the United States, Australia and Japan founded the Coalition for Disaster Resilient Infrastructure on September 23, 2019, headquartered in New Delhi.²⁷ In following such subject-definite associations, India can learn from its past involvement with the tsunami core group in 2005, in which the same countries coordinated on relief work in the Indian Ocean and Southeast Asia.²⁸ As India subsists to discover new partnerships with its collaborators, the initiatives reinforced by the important actors in the Indo-Pacific outline India's picture as a trailblazer, hence offering reliability and integrity to its efforts.

From the frequent interactions and annual dialogues, it is evident that India continues to engage with its significant partners bilaterally at the highest level. New Delhi holds 2+2 Dialogues with Australia, Japan, and the United States once a year and has a yearly defence interchange with France. Moreover, several exchanges work on a myriad of matters; counterterrorism, cybersecurity, and space, to science and technology, to name a few. Similarly, India organises maritime security interchanges with prominent associates to discourse over regional and global security matters.²⁹ Even though the vision of the Quad seems blurred, the political disposition to cooperate and deliberate questions of international and regional interest highlights the union in strategic interests and a sense of common challenges among its affiliates.

Undoubtedly, India has always carefully watched Chinese military engagements and presence in the Indian Ocean Region (IOR). It is also true that the Indian Navy holds an upper hand in the theatre. Certainly, the geographic location of India in the IOR furnishes the navy with further advantage. Owing to its access throughout the IOR, the navy is easily the first respondent for humanitarian crises over the entire

26. French Ministry for Europe and Foreign Affairs, "International Solar Alliance", at <https://www.diplomatie.gouv.fr/en/french-foreign-policy/climate-and-environment/international-solar-alliance/>. Accessed on February 8, 2021.

27. Ministry of External Affairs, Annual Report 2019-20, p. 68.

28. Ministry of External Affairs, Government of India, "Bridging the Indian Ocean: India Leads Relief Measures in Tsunami Hit Areas" (New Delhi: Ministry of External Affairs, Government of India, January 2005), at https://mea.gov.in/Uploads/PublicationDocs/185_bridging-the-ocean-tsunami.pdf. Accessed on February 8, 2021.

29. Ministry of External Affairs, Annual Report 2019-20, p. 266.

region. Whereas China, on the other hand, is geographically distant. The absence of Chinese naval bases in the Indian Ocean, except for its logistics facility in Djibouti, is an issue for China's capability to keep up its military existence in the Indian Ocean.

As China gradually upsurges its involvements and existence across the Indian Ocean Region, the Indian Navy has also ascended its occupancy, attentiveness, and undertakings. While India remains convinced that China is nowhere near menacing India's military might, China's resolve of aligning itself as a security provider in the Indian Ocean Region remains beyond doubt. The Chinese permanent naval facility in Djibouti, known for establishing its strategic presence in the Middle East and North Africa, the submarine docking in Sri Lanka, aid in the 2014 Maldives drinking water crisis where they provided freshwater supplies, submarine dispositions, exercises with Bangladesh, and, latterly, China's oceanographic data mapping of the IOR are instances that carry the potential to challenge the pros that India has in the region. As a result, the Indian Navy has made Maritime Domain Awareness (MDA) a priority area, as an extremely important element in its IOR strategy.

As India strives to advance its MDA proficiencies, its existence in the region and its part in safeguarding important Sea Lines of Communication (SLOCs) have assumed larger significance. Sea Lines of Communication, considered vital for a state's economic health, is a term that defines prime maritime routes between ports utilised for trading, logistics and naval forces. The navy places substantial weight on the choke points enabling entry to and exit from the Indian Ocean. Surveillance and presence across SLOCs are also central to submarine spotting, because it becomes more difficult to trace submarines in open seas. As far as SLOC defence is concerned, the navy notes, "In times of heightened readiness or conflict, for conduct of maritime operations, SLOCs would acquire increased importance, both for India and the adversary, necessitating measures for protection and interdiction respectively."³⁰ Yet, while India is a cut above in sustaining a consistent occupancy in the eastern and northern Indian Ocean, it does face logistical issues in the southern

30. Directorate of Strategy, Concepts and Transformation, "Ensuring Secure Seas", Integrated Headquarters, Ministry of Defence (Navy), New Delhi, 2015.

and western Indian Ocean. This remains a fundamental challenge. Moreover, with the major partners moving forward, countries must recognise and accept that their Indo-Pacific visions will, at no time, be entirely parallel to one another. India and its partners must remain to underscore the comprehensive and primary values of democracy, regulations, and further common interests while concentrating on issue-based collaborations in the Indo-Pacific.

Aerospace is a concern which has become aptly geostrategically significant in the power equations in the Asia-Pacific. Business, trade and investment are the threesome fulcrum over which the edifice of Indo-Pacific and Asia-Pacific peace and prosperity rests. Farnborough International reports that, "The economic growth in Asia-Pacific (APAC) is being reflected in its aerospace, aviation and defence industries, and the region is set to overtake the US to become the world's largest market."³¹ The web portal further reports that, "Airbus' new executive vice president and chief of sales, marketing and contracts, Eric Schulz, put it into context as he briefed the media ahead of the showcase event. Accounting for one third of Airbus total backlog, one third of Airbus total orders and one third of the overall Airbus in-service fleet, there is no doubt that Asia-Pacific is a core market for Airbus."³²

The Chinese once again appear as intransigent strategic and economic rivals for the APAC, wherein the Chinese aerospace and aviation companies are investing heavily in the South East Asian Nations which will have much impact on Indian and American interests in the Asia-Pacific. The APAA (Asia-Pacific Aerospace Alliance) was been established about fifty years back and persists with the idiom of interacting and more than hobnobbing in the South East Asian Nations vis-à-vis the Chinese geostrategic and geo-economic conundrum in the recent past. The Chinese dragnet of competition always holds sway as a hard and indelible geostrategic and geo-economic reality in the larger Asia-Pacific region.

31. "Aerospace in APAC: The Roar of the Asian Tiger", *Farnborough International*, at <https://www.wearefinn.com/topics/posts/aerospace-in-apac-the-roar-of-the-asian-tiger/>. Accessed on March 10, 2021.

32. *Ibid.*

CHINA IN MALDIVES: IMPLICATIONS FOR INDIA

SHANTANU ROY-CHAUDHURY

With the Indian Ocean increasingly becoming a centre stage of geopolitical confrontation, the Maldives has become the centre of attraction for global powers due to its location. In September 2014, Chinese President Xi Jinping visited the archipelagic nation. With a population of around half a million, the country was Xi's first stop in a regional tour, highlighting the importance of the Maldives in his Belt and Road Initiative (BRI), as it lies just below the Sea Lines of Communications. During his visit, President Xi emphasised Maldives "was an important stop along the ancient Maritime Silk Road", and welcomed Malé's "active participation" in the BRI.¹

While China's engagement with the Maldives is wide-ranging in the political and economic spheres, and the country has developed due to Beijing's overtures, there remain multiple concerns that arise for the archipelagic nation. This paper examines these concerns across the political and economic domains and the implications for India from the increasing Chinese presence. Subsequently, this paper propounds a way forward for New Delhi.

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1. Xinhua, "Xi arrives in Maldives for state visit", *China.org*, September 15, 2014, at http://www.china.org.cn/world/2014-09/15/content_33510542.htm. Accessed on December 3, 2020.

CONCERNS

Political Concerns

With increasing loans, grants, and investments from Beijing, there is no doubt that Beijing's political sway over Malé is growing. This can result in influencing decision-making in Malé where China could be the sole benefactor. In July 2015 President Yameen ratified legislation that would "allow foreigners with investment[s] of more than US\$ 1 billion to own land."² Previously, the Maldivian constitution had prohibited foreign ownership of territory allowing 99-year leases instead. Furthermore, to be eligible to own land, foreign ownership could only take place if 70 per cent of the area is reclaimed from the sea.³ While the legislation was passed to attract more investors, opposition in the Maldives stated the decision "could give unprecedented access to foreign parties to operate in the Maldives", and that it was done as a "sweetener for China".⁴ When factoring in China's economic might and vast experience in reclaiming land from the sea as seen in the South China Sea, while the legislation is aimed at a broader audience, the Chinese would be the only ones who would directly benefit.⁵ This becomes further evident as the bill was rushed through parliament, and in a country where the legislative process takes weeks, "the bill became law 48 hours after being submitted to parliament."⁶

Similarly, the Free Trade Agreement (FTA) that was originally signed in December 2014 during President Yameen's trip to Beijing, was also quickly approved by the Maldivian Parliament in November 2017. The opposition at this point was concerned over the rushed manner the FTA was pushed through under an emergency sitting

2. Reuters Staff, "Maldives allows foreign ownership of land despite opposition concern", Reuters, July 23, 2015, at <https://www.reuters.com/article/maldives-land-foreigners-idUSL3N1024IL20150723>. Accessed on December 4, 2020.
3. Ibid.
4. Ibid.
5. "Chinese 'Land Grab' in Maldives: How China Can Counter Beijing's Expanding Sphere of Influence", *International Business Times*, July 27, 2015, at <https://www.ibtimes.co.in/maldives-land-ownership-why-india-should-be-concerned-what-should-it-do-counter-china-640594>. Accessed on December 4, 2020.
6. Jeff M. Smith, "China and the Maldives: Lessons from the Indian Ocean's New Battleground", *The Heritage Foundation*, Asian Studies Center Backgrounder No. 3546, October 28, 2020, at <https://www.heritage.org/global-politics/report/china-and-the-maldives-lessons-the-indian-oceans-new-battleground>. Accessed on December 4, 2020.

“without any disclosure of the details” to the public or the members of parliament.⁷ Additionally, the vetting of the document took less than 10 minutes with the government allowing “less than 1 hour for the entire Parliamentary process to approve the 1000+ page document”, which included numerous technical details that would have required closer scrutiny.⁸

Therefore, while China may not have had a direct hand in the bill on the foreign ownership of land, it seeks to gain the most out of this legislation passed by an administration friendly to Beijing. Similarly, the way the FTA was rushed through with minimal parliamentary oversight and due diligence supposes that Beijing has been keeping a close watch on South Asia’s smallest country, which can have disconcerting apprehensions for the country and the wider region.

Economic Concerns

On the surface, there is no doubt that Chinese investments have provided benefits to the Maldives. Nevertheless, they also appear to have economic concerns for the country. The cost of Chinese projects, which the Finance Minister, Ibrahim Ameer, stated was done at “vastly higher prices than originally proposed”, could result in the country sliding into a debt trap, due to the inability to repay loans.⁹ Additionally, many Chinese projects which are facilitated by loans do not generate much revenue, making it tougher for the country whose economy lacks depth and relies primarily on its fishing and tourism industries to repay. Furthermore, continuing to borrow from China would also lead to an increasing influence over Malé, which could have strategic implications in the future.

Cost of Projects

One of the first measures the Ibrahim Solih government took after coming into office in November 2018 was to review the contracts

7. “The MDP is Concerned over Free Trade Agreement with China”, Maldivian Democratic Party, November 29, 2017, at <https://mdp.org.mv/archives/76357>. Accessed on December 4, 2020.

8. Ibid.

9. Sanjeev Miglani, “Maldives says China is building projects at inflated prices”, Reuters, November 26, 2018, at <https://in.reuters.com/article/maldives-politics-china/maldives-says-china-is-building-projects-at-inflated-prices-idINKCN1NV1YF>. Accessed on December 10, 2020.

awarded, most of them to Chinese firms, by the preceding Abdulla Yameen government. Without naming China, President Solih stated the “treasury has endured a colossal blow owing to reckless mega development projects undertaken purely for political gain.”¹⁰ These were feared to be at inflated prices that could leave the country in severe debt. With records and details not transparently laid out, the finance minister stated he used his first week in office “trying to reconcile loans that the previous government took for these projects and the sovereign guarantees that it gave for them”, as the government had no idea how much was owed to China.¹¹ Imperative to this confusion was Yameen not abiding by the proper bureaucratic process resulting in an absence of documents.¹² This also meant bypassing the systemic checks and balances built into the system which would potentially have obstructed some of the more obscure deals going through. The loans with a sovereign guarantee attached would put the onus of repayment on the government if loans taken by private Maldivian entities could not be repaid. This was itself controversial as sovereign guarantees are usually granted only to the state sector and unusual for private companies to receive them. The minister added that since most of the projects were already completed, it would be impossible to go back on the contracts, but efforts were being made to reduce the overall cost of the infrastructure projects. One such project was a hospital in Malé awarded to China that had cost US\$ 150 million, while a rival bid was offering the hospital for US\$ 54 million.¹³ Former president and current adviser to President Solih, and leader of the MDP, Mohamed Nasheed had stated the Chinese ambassador, Zhang Lizhong, had handed the government an invoice for US\$ 3.2 billion. China, however, has denied this and stated the amount owed is closer to US\$ 1.5 billion.¹⁴ Official estimates of the debt owed to

10. Bloomberg, “Maldives moves closer to India, set to scrap China FTA deal”, *LiveMint*, November 20, 2018, at <https://www.livemint.com/Politics/B8QCMbYVdPSnsLC4xwuUeO/Maldives-moves-closer-to-India-set-to-scrap-China-FTA-deal.html>. Accessed on December 10, 2020.

11. Miglani, n. 9.

12. Author interview with an Indian Ambassador, New Delhi, February 10, 2021.

13. Miglani, n. 9.

14. Sanjeev Miglani and Mohamed Junayd, “After building spree, just how much does the Maldives owe China?”, *Reuters*, November 23, 2018, at <https://www.reuters.com/article/us-maldives-politics-china/after-building-sprees-just-how-much-does-the-maldives-owe-china-idUSKCN1NS1J2>. Accessed on December 10, 2020.

China as revealed by the finance minister amount to US\$ 1.4 billion, which is 38 per cent of the country's national debt, and 78 per cent of its external debt of US\$ 1.8 billion.¹⁵ Adding to its economic woes, in March 2020, Fitch Ratings downgraded the country from B+ to B, changing the country's outlook to "negative", stating "a deep recession seems unavoidable"; Moody's also downgraded the Maldives from B2 to B3, having a negative outlook.¹⁶ Furthermore, a 2018 report by the Center for Global Development on the debt implications of the BRI included the Maldives in a list of eight countries that were at particular risk due to continued Chinese lending.¹⁷ Additionally, both the World Bank and International Monetary Fund believe the country is at "a high risk of debt distress due to its vulnerability to exogenous shocks."¹⁸

Debt Repayment

The inability to repay debt has been further exacerbated due to the exogenous shock of the COVID-19 pandemic which devastated the Maldivian tourism industry, reducing the number of incoming tourists by 61 per cent, and having widespread economic impacts.¹⁹ The World Bank also projects the country's GDP to shrink by 19.5 per cent in 2020, becoming the hardest hit South Asian nation due to the pandemic.²⁰ Referring to the impact of the pandemic, Bertil Lintner has stated, "While Maldives grapples with its own coronavirus crisis and mounting losses to its quarantined tourism industry, China can be expected to seek strategic opportunity in the island nation's

15. Bertil Lintner, "Quarantined Maldives needs China to survive", *Asia Times*, March 27, 2020, at <https://asiatimes.com/2020/03/quarantined-maldives-needs-china-to-survive/>. Accessed on December 10, 2020.

16. Marwaan Macan-Markar, "China debt trap fears haunts Maldives government", *Nikkei Asia*, September 15, 2020, at <https://asia.nikkei.com/Spotlight/Belt-and-Road/China-debt-trap-fear-haunts-Maldives-government>. Accessed on December 10, 2020.

17. John Hurley, Scott Morris and Gailyn Portelance, "Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective", *CGD Policy Paper 121*, Center for Global Development, March 2018, at <https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf>. Accessed on December 10, 2020.

18. *Ibid.*

19. Macan-Markar, n. 16.

20. Nectar Gan, "A tale of two bridges: India and China vying for influence in the Maldives", *CNN*, November 26, 2020, at <https://edition.cnn.com/2020/11/24/asia/maldives-india-china-bridges-intl-hnk/index.html>. Accessed on December 15, 2020.

economic crisis.”²¹ This would not only further entrench China into the Maldives and expand their presence in the Indian Ocean, but it would also have serious implications for India’s national security and the regional balance of power. Trying not to let reports of a debt trap affect ties, between 2014 and 2017, the Chinese Ambassador in Malé was active on social media and had 12 op-eds in local media outlets to dispel fears and dispute the debt-trap diplomacy allegations.²² With the Maldives being one of the 73 countries eligible for the G20’s Debt Service Suspension Initiative due to COVID-19, the Chinese ambassador to the Maldives, Zhang Lizhong, stated that China had suspended bilateral sovereign loans to the country under the G20 initiative. Although this does bring some relief to Malé, the fact that “the suspension does not apply to the hundreds of millions of dollars of debt held by Maldivian companies under sovereign guarantee”, is of concern to the country’s debt sustainability.²³ On repayment, former president and current leader of the MDP, Mohamed Nasheed, stated the government needed to pay US\$ 83 million to China by the end of 2020, and US\$ 320 million by the end of 2021, summarising the amount by stating, “Even if we sell our grandmother’s jewellery, we won’t be able to afford these repayments.”²⁴ Additionally, according to Nasheed, 53 per cent of the country’s revenue in 2021 would be used for debt repayment, with more than 80 per cent of it going to China—an enormous amount and burden for a country the size of the Maldives. The financial strain, therefore, will be increasingly felt from 2021 onwards. According to an Indian diplomat, the Maldivians are now realising the long-term impacts of these opaque and overpriced Chinese contracts.²⁵ Furthermore, many of these contracts, including benign ones, are confidential which makes public scrutiny difficult.

Free Trade Agreement

Another economic concern is the FTA that has been signed between

21. Lintner, n. 15.

22. Samantha Custer, Tanya Sethi, Jonathan A. Solis, Joyce Jiahui Lin, Siddhartha Ghose, Anubhav Gupta, Rodney Knight and Austin Baehr, “Silk Road Diplomacy: Deconstructing Beijing’s toolkit to influence South and Central Asia”, *Asia Society*, December 2019.

23. Gan, n. 20.

24. Ibid.

25. Author interview with an Indian diplomat, February 6, 2021.

the two countries. The Solih government has stated they would revisit the agreement and “not pass legal changes required for the zero tariffs agreement to go into force.”²⁶ With a trade balance already significantly in favour of China, the MDP, at the time of its signing, stated the FTA would further exacerbate this deficit. Former president, Mohamed Nasheed also stated the FTA would “deepen the debt trap to China,” thereby increasing Beijing’s leverage over Malé and “undermining Maldivian sovereignty and independence”.²⁷ Presently, over 99 per cent of the more than US\$ 258 million bilateral trade is heavily skewed and consists of Chinese exports to the Maldives which the FTA could only exacerbate.²⁸ However, Beijing’s influence could result in the Maldivians having limited leverage and agency to renegotiate on their terms. Similar to the situation in Sri Lanka where the Sirisena government which came into office in 2015 was unable to take a decisive decision on the BRI projects in the country due to the pressure and influence exerted by the Chinese state-owned enterprises (SOEs) and Beijing, the government in Malé could find its hands tied when taking a strong position detrimental to Beijing’s interests.

Dependence on Tourism

The use of tourism as a soft power tool that can be deployed as an economic instrument by China also raises concern for the Maldives. Introducing the concept of soft power, Joseph Nye Jr. stated it is “the ability to get what you want through attraction rather than through coercion”.²⁹ Outbound tourism is one such aspect of using soft power to achieve a nation’s aims. Due to the importance of the tourism sector for the Maldives, as mentioned above, China promoting tourism to the archipelago could boost government revenues, while cutting off tourism or threats of doing

26. Bloomberg, n. 10.

27. Sachin Parashar, “China FTA undermines Maldives’ sovereignty, bad for region: Former Prez Nasheed”, *The Times of India*, December 3, 2017, at <https://timesofindia.indiatimes.com/world/south-asia/china-fta-undermines-maldives-sovereignty-bad-for-region-former-prez-nasheed/articleshow/61906756.cms>. Accessed on December 4, 2020.

28. Bloomberg, n. 10.

29. Joseph Nye Jr., *Soft Power: The Means to Success in World Politics* (London: Hachette, 2009), p. 11.

so could become another facet of leverage and influence exercised by Beijing. This was adopted to curry favour with the Maldivian government between 2010 and 2014 when tourism from China more than tripled, accounting for around a third of all tourists visiting the Maldives annually. Maldivian tourism further benefited from being labelled as an “approved destination” by the Chinese government.³⁰ This also plays into China’s objectives as interactions with the local population “plays a considerable role in China’s regional positive image and promoting understanding to its partners”.³¹ However, outbound tourism can also become a foreign policy tool to achieve political objectives. Turkey was the first country to face this in 2000 when it did not allow a Ukrainian ship that went on to become China’s first aircraft carrier to transit. China subsequently restricted tourists to the country along with other carrot and stick measures, which ended in Turkey yielding.³² More recently, South Korea was on the receiving end of such measures. Economic coercion through tourism that had significant economic impacts was deployed against Seoul when South Korea installed the American Terminal High-Altitude Area Defence (THAAD) systems in 2016, much to Beijing’s displeasure. One of the ways China retaliated to the THAAD deployment was by curtailing group tours to the country, which, according to estimates, cost the country over US\$ 15 billion in revenues.³³ During this period, average group tourism fell from 130,000 visitors per month to less than 3,000. Similar tactics have also been used against the Philippines over the dispute over Scarborough Shoal in the SCS that resulted in the suspension of

30. AFP, “Maldives now a destination of choice for Chinese visitors”, *South China Morning Post*, September 23, 2013, at <https://www.scmp.com/news/china/article/1315895/chinas-tourists-diplomats-make-splash-maldives>. Accessed on January 20, 2021.

31. Mordechai Chaziza, “China’s Outbound Tourism as a Soft Power Tool in the Middle East”, Middle East Institute, November 12, 2019, at https://www.mei.edu/publications/chinas-outbound-tourism-soft-power-tool-middle-east#_ftnref4. Accessed on December 16, 2020.

32. Anu Anwar, “How China is using tourists to realise its geopolitical goals”, *East Asia Forum*, September 19, 2019, at <https://www.eastasiaforum.org/2019/09/19/how-china-is-using-tourists-to-realise-its-geopolitical-goals/>. Accessed on December 16, 2020.

33. David Josef Volodzko, “China wins its war against South Korea’s US THAAD missile shield—without firing a shot”, *South China Morning Post*, November 18, 2017, at <https://www.scmp.com/week-asia/geopolitics/article/2120452/china-wins-its-war-against-south-koreas-us-thaad-missile>. Accessed on December 16, 2020.

all travel to the Philippines, against Taiwan after the election of Tsai Ing-wen in 2016, and against Australia after the country laid out potential measures to counter Chinese influence in Australian politics.³⁴ Due to the Chinese being the world's largest-spending tourists (having spent US\$ 258 billion globally in 2018), along with this method's ability to 'send a message' and impose real costs on targets with few collateral costs on China, it appears "likely to be an attractive Chinese coercive economic tool in the coming years".³⁵ The ease of using tourism restrictions also arises from the fact that the Chinese are three times as likely to travel as part of a package tour compared to others, which gives the government more control than over individual tourists.³⁶ Thus, for China, "outbound tourism can be used as both as a carrot and a stick".³⁷

For the Maldives, it would be difficult to offset such economic coercion, apart from the fact that restriction on tourism is not against the World Trade Organisation (WTO) rules. To do so, Malé needs to widen its tourism base and ensure it is not dominated by China, which can easily wield tourist restrictions as leverage to increase its influence. In this light, although New Delhi has been trying to convey the importance of diversifying tourism and China's ability to "switch on and off the [tourism] button at any point", the COVID-19 pandemic highlighted this as tourists from China drastically dropped in 2020.³⁸ Subsequently, while the country's economy was hit due to travel restrictions and the pandemic, once restrictions were eased the government in Malé was increasingly comforted with the arrival of Indian tourists after an air bubble between the two countries was established, and with the influx of Russian and Ukrainian tourists

34. Peter Harrell, Elizabeth Rosenberg and Edoardo Saravalle, "China's Use of Coercive Economic Measures", Center for New American Security, June 11, 2018, at https://s3.us-east-1.amazonaws.com/files.cnas.org/documents/China_Use_FINAL-1.pdf?mtime=20180604161240&focal=none. Accessed on December 2020.

35. Ibid.

36. Edoardo Saravalle, "Tourism: China's People Power Tool", *The Diplomat*, June 19, 2018, at <https://thediplomat.com/2018/06/tourism-chinas-people-power-tool/>. Accessed on December 16, 2020.

37. Daniel Meesak, "How China Uses Tourism as a Foreign Policy Tool in Asia", *Jing Daily*, February 7, 2017, at <https://jingdaily.com/china-uses-tourism-foreign-policy-tool-asia/>. Accessed on December 16, 2020.

38. Author interview, n. 25.

(which in January 2021 accounted for over 30 per cent of all tourists).³⁹ Chinese tourists are yet to make a comeback in terms of accounting for the largest set of overseas tourists into the Maldives in the first half of 2021, as the country is not yet open for travel.

INDIA'S ENGAGEMENT WITH THE MALDIVES

Previously, there was a lack of consistency from New Delhi towards Malé and the bilateral relationship revolved around the security aspect. The Maldives was given a similar priority to a country like Tanzania, which albeit an important East African partner, was much further away.⁴⁰ The reason for this outlook stems from the religious and cultural aspects of the Maldives not having a direct impact on Indian politics like other countries in South Asia do (for example, the Tamil population in Sri Lanka). Nevertheless, India has always been an important partner of Maldives. Apart from President Waheed's administration and, to an extent, during President Yameen's tenure, all Maldivian Presidents have "recognized the importance of India's strategic role in Maldives and worked towards strengthening [the] bilateral relationship with India".⁴¹ An important impetus for the Maldivian posture was India's swift assistance during the 1988 coup attempt which laid the foundation for trust and long-term friendly bilateral ties. At the behest of Malé in November 1988, the Indian armed forces launched a military intervention, Operation Cactus, to rescue President Gayoom and restore the democratically elected government.⁴² India was also the first to respond in terms of humanitarian and disaster relief efforts during the 2004 tsunami and the 2014 water crisis which struck the Maldives.

Over the past few years, however, India's relations with Maldives have revitalised and become increasingly multifaceted, encompassing virtually all domains where collaboration is possible. There have been numerous high-level visits, and multiple projects and development

39. "Daily Updates—31 January 2021", Ministry of Tourism, Republic of Maldives, January 31, 2021, at <https://www.tourism.gov.mv/dms/document/e95e149ac95f698093e27c9d7dc80aa2.pdf>. Accessed on February 8, 2021.

40. Author interview, n. 25.

41. "India-Maldives Bilateral Relations", High Commission of India Malé, August 2020, at <https://hci.gov.in/male/?pdf1185?000>. Accessed on March 10, 2021.

42. For more details see, Ashok K. Chordia, *Operation Cactus: Anatomy of One of India's Most Daring Military Operations* (New Delhi: KW Publishers, 2018).

cooperation has been an institutional pillar of bilateral ties along with numerous economic packages, grants, lines of credits, and currency swaps from the Indian side. Defence cooperation between India and Maldives is another important aspect where New Delhi has met Maldivian equipment requirements along with joint exercises taking place, and training and capacity building of the Maldivian forces.

With China now being a permanent entity in the Maldives and opportunities to impact India's engagement with the archipelagic nation, New Delhi's approach has been to block out Beijing politically, ensure India's interests are not blindsided, and try to make sure the country does not go down the path Sri Lanka did with China. To do so, there has been a realisation to diversify Indian cooperation and entrench itself in as many areas as possible by working with a friendly Solih government. Multiple new avenues have been established which include cooperation amongst the civil service, customs, judiciary, police, and election commissions, amongst others, between the two countries. India's thrust has been to sign Memorandums of Understanding and implement them.⁴³ Having learnt from the Yameen government's tilt towards China, this approach plays a dual role in not only increasing cooperation and strengthening bilateral relations but also aims to broadcast the Solih government as a successful one and entrench democracy in the country. Furthermore, by diversifying cooperation and developmental aid, as New Delhi has done by entering the housing sector, one position is also to squeeze out opportunities for China and fill the space. According to an Indian diplomat, this has been done in terms of the COVID-19 pandemic, where India was the first to send a consignment of 100,000 vaccine doses as a gift to the country, earning widespread appreciation.⁴⁴ Nevertheless, India's overall engagement and capacity for bilateral cooperation have been impacted by China's increasing inroads into the Maldives.

IMPLICATIONS FOR INDIA

Despite the pro-India incumbent government in Malé, and other reassurances from the country to assuage New Delhi's concerns

43. Author interview, n. 25.

44. Ibid.

about a growing Chinese footprint, there remain potential avenues of concern that can reduce New Delhi's agency in the country, have an impact on a Maldivian voice in India's favour, and lose overall ground in a strategically located country. Thus, what may seem like benign actions, could have future consequences that are detrimental to New Delhi's interests.

Malé's Potential Debt Trap

The most pertinent implication of China's presence and investments in the Maldives is the possibility of the country falling into a debt trap. The growing debt and unstable financial sustainability on Malé's part could lead to handing Beijing a firmer financial grip over the archipelagic nation. Apart from the multiple negative implications, this would have on the Maldives itself, it could play out in two ways that would have implications for New Delhi. First, like in Sri Lanka, Beijing could push for an equity swap due to the inability to repay debt. If this results in taking over an island and having sovereignty over it, China could mimic their strategy in the South China Sea and build military installations on it that would act as a base for power projection in the Indian Ocean and bring their Navy to India's doorstep. While this is unlikely to happen soon, Beijing is not averse to playing the long game and reaping the benefits to put the Middle Kingdom back on the path of becoming a global Superpower. Second, increasing debt would result in an increasing dependence on China. Beijing could leverage this to withhold future loans to the developing nation, or use the dependence to influence Maldivian policy. This could already have taken place with the FTA and the Maldivian law that allows foreign ownership of land due to the nature of their rushed implementation. Increasing dependence could also be used as leverage to get support from the Maldives on various issues, and could result in Malé becoming reluctant to issue statements of condemnation of Beijing. For India, Beijing's ability to influence policymaking would no doubt be detrimental to New Delhi's interests in the country and region and lead to increasing Maldivian concessions for China.

Link Between Chinese Communist Party and SOEs

Due to the close links, pressures can also be applied in Malé by the SOEs on behalf of the CCP on the political front resulting in favourable outcomes for the Chinese government and their investment opportunities in the country. This ties in with increasing Maldivian debt and dependence on Beijing as it would give the SOEs greater agency and leverage in carrying out the CCP's foreign policy.

Undermining Democracy

Finally, the possibility of China undermining democratic institutions in the Maldives through continuous interference in domestic politics and influence could also have a long-lasting impact on the stability of the region and disrupt New Delhi's ties with Malé, amalgamating all the previous implications and concerns. This could result in the CCP financing and aiding a pro-Chinese party to power, which would then further cement Beijing's presence in the country, resulting in increasing concessions for Chinese investments and, potentially, also allow it to expand, leading to China having a military presence in the country.

Impact on Maldivian Foreign Policy

From the Maldivian perspective, the size of the country combined with its strategic geographic location and the vulnerabilities it faces requires the country to follow a foreign policy that secures its interests without being overly dependent on any one larger power. However, the government under President Solih has realigned its foreign policy prioritising New Delhi above Beijing, and scrutinising the many investments signed by the previous governments with China. Summing up the foreign policy of the archipelagic nation, one analyst has stated the country "looks to benefit from everyone, but without ceding ground to anyone. However, what is different ... is that now there are too many players in the great game to be managed."⁴⁵ Still, the Maldivian government under President Ibrahim Solih recognises China's interests and the fact that they are not identical to those of India. Thus, they have been thinking of the role their country can

45. Anand Kumar, *Multi-party Democracy in the Maldives and the Emerging Security Environment in the Indian Ocean Region* (New Delhi: Pentagon Press, 2016), p. 153.

play in protecting the Indian Ocean and, at the same time, ensuring they have room to manoeuvre.⁴⁶ An important and welcome distinction from the previous government in the Maldives is the fact that decisions relating to foreign aid and investments are “based on rational and nationalistic calculations rather than preconceived notions and biases”, focusing on the development of the country rather than for personal profit.⁴⁷ However, unlike other countries in India’s neighbourhood, Maldives lacks a ‘think tank culture’ and a wider geopolitical consciousness is confined to the political and journalistic elite. In terms of forthcoming investments and economic development, the Maldivians have a similar outlook to the Sri Lankans and readily compare and contrast the Indian and Chinese approaches, often overlooking the capabilities of both countries. The former Maldivian ambassador to China, Mohamed Faisal, had stated that his country had “taken a lot of our projects to India as well, but we did not receive the necessary finance,” comparing it to China who “is like a long-lost cousin that we have found ... who is willing to help us.”⁴⁸

WHAT CAN INDIA DO?

While bilateral ties with Malé are on the upswing for New Delhi, a potential way forward that could have dual benefits of generating goodwill among the Maldivian government and people, and also ensure and enhance India’s engagement with the country is by focusing on the importance and effects of climate change. By prioritising green growth, defined by the Organisation for Economic Cooperation and Development (OECD) as “fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies”, and sustainable development, India’s development initiatives in the country will contribute to economic development

46. Anand Kumar, “Chinese Engagement with the Maldives: Impact on Security Environment in the Indian Ocean Region”, *Strategic Analysis* 36, no. 2 (2012): 276-89.

47. P. K. Balachandran, “Jaishankar’s visit to Male enhances India’s economic engagement with the Maldives”, *Southasian Monitor*, February 22, 2021, at <https://southasianmonitor.net/en/sam-special/jaishankars-visit-to-male-enhances-indias-economic-engagement-with-the-maldives>. Accessed on February 22, 2021.

48. “Maldives admits China interest in building port”, *Avas*, March 24, 2018, at <https://avas.mv/en/46702>. Accessed on January 22, 2021.

along with having a positive impact on the environment and the Maldives' rich biodiversity.⁴⁹ During Prime Minister Modi's visit to the country in 2019, the first after being re-elected, he emphasised an approach to minimise the adverse effects of climate change. India has already assisted the Maldives in lighting up the streets of Malé with long-lasting environment-friendly LED lights and provided over two hundred thousand similar LED bulbs to the country that will reduce electricity consumption leading to the lowering of electric bills.⁵⁰ Although a relatively small gesture, a similar approach can also be taken towards the larger Indian projects in the country. Furthermore, New Delhi has also supported the Maldivian green energy plan by developing renewable energy projects to reduce their dependence on oil imports.⁵¹ With India being the only G20 country that is on track to achieve the targets laid out in the 2015 Paris Agreement, New Delhi is in an advantageous position to offer its expertise to others. A good place to start should be with the US\$ 500 million infrastructure projects India committed to the Maldives in August 2020 to support the Greater Malé Connectivity Project.⁵² Being the largest infrastructure project in the country, New Delhi should set high environmental standards for the project and ensure other environmental concerns are taken into account. By doing so, India's developments in the Maldives would affirm the commitment to climate change and win bipartisan support for the projects, all the while slowly reducing Malé's dependence on Beijing.

49. "Green growth and sustainable development", OECD, at <http://www.oecd.org/greengrowth/>. Accessed on January 25, 2021.

50. ANI, "Bring change in approach to tackle climate change: PM Modi in Maldives", *The New Indian Express*, June 8, 2019, at <https://www.newindianexpress.com/nation/2019/jun/08/bring-change-in-approach-to-tackle-climate-change-pm-modi-in-maldives-1987703.html>. Accessed on January 25, 2021.

51. Sunjay Dutta, "India offers support to Maldives green energy plan", *The Times of India*, November 28, 2020, at <https://timesofindia.indiatimes.com/business/india-business/india-offers-support-to-maldives-green-energy-plan/articleshow/79468392.cms>. Accessed on January 25, 2021.

52. Subhajt Roy, "India announces \$500 million infra project, \$250 million financial aid for Maldives", *The Indian Express*, August 14, 2020, at <https://indianexpress.com/article/india/india-announces-500-million-infra-project-250-million-financial-aid-for-maldives-6553755/>. Accessed on February 1, 2021.