

7 CHAPTER

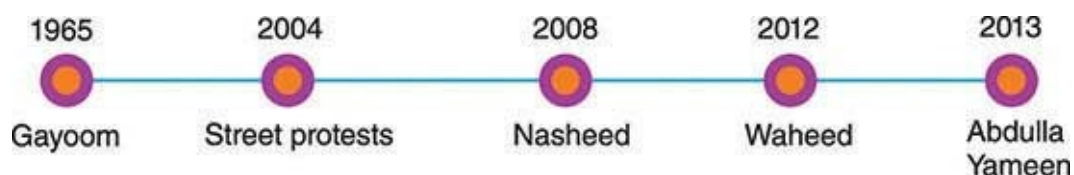
India and Maldives Relations

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Historical background
- Role of Navy in diplomacy
- Islamic extremism and Maldives
- Strategic importance of Maldives for India
- Commercial diplomacy
- GMR controversy
- Water aid diplomacy
- Analysis of recent visits

HISTORICAL BACKGROUND

Maldives was a British colony since mid-1880s, and became a British Protectorate on 6th December, 1887. It gained independence in 1965. Since then, India and Maldives have a diplomatic relation. There have been regular visits from each side. As Maldives is an island state, it is significant for the maritime security of India. Maldives is also a victim of piracy and favours a collective engagement to tackle it, making India a partner in providing leadership. Maritime security leadership by India for Maldives is crucial for its size. Maldives stretches out as a huge expanse in waters and has a tremendously large exclusive economic zone (EEZ) but lacks the defence capacity to ensure surveillance over the marine zone. Maldivian cooperation is also significant for preventing gun running and terrorism.



Indian Navy and Maldives

In 2007, when Eelam war–IV was being fought, a lot of the LTTE cadres reached over up to Maldivian waters. In fact, the Maldivian waters were used by the LTTE for illegal supplying of weapons, drugs and money. In this context, Maldives, in April 2007, sought Indian help and India sent assistance to Maldives to prevent this security threat. This also opened up future scope for naval cooperation between the two states. Post the 26/11 Mumbai attacks, Maldives has become concerned about the

safety of tourists on this coast.

ISLAMIC EXTREMISM AND MALDIVES

A serious cause of concern in the recent times for Maldives is the rise of radical Islam. The concern is felt as Maldives itself is an Islamic Republic. Rise of extremism in Maldives has its origin since independence. Since Maldivian independence, literacy has been high but there was an absence of higher education institutions. Many Maldivian students were indoctrinated with the Salafi-Jihadi ideology. On their return to Maldives, the gradual spread of Salafi-Jihadi ideology through these students began to take place. Ibrahim Sheikh practised a neo conservative Salafism and was jailed in 1983 by Gayoom. Ibrahim Fauzee preaches Islam through his foundation linked to Jamia Salafiya. The Maldivian–Pakistan axis has also been of concern to India. In 2007, the Maldivian police detonated a homemade bomb in Sultan Park which was kept to target tourists. This incident exacerbated fears of radical Islam in Maldives.

STRATEGIC IMPORTANCE OF MALDIVES FOR INDIA

The strategic importance was realised for the first time during British rule. The Indian Ocean (hereafter referred to as the IO) was literally a British lake and the British presence in the IO was specifically directed at protecting its empire in India. As World War–II ended, rivalry began between Russia and the US and the geostrategic role of Maldives increased. The British introduced the US to Maldives during Cold War to use it as needed to contain India and ensure strategic defence of the gulf. For India, the IO was a lifeline and it has always wanted the IO region to be a zone of peace. India always aspired to protect the sea and its channels of communication as it is a crucial route for India's energy security. The problem in Indian Ocean continues to be of lack of a unified transoceanic community in the IO region. Almost all states witness challenges but due to difference in military and economic capabilities, convergence for security cooperation becomes a challenge. India has used mechanisms like BIMSTEC and Indian-Ocean Rim Association (IORA) to boost strategic cooperation and has also undertaken Milan naval exercises. The US presence in the IO is perceived by India as a stabilising factor. As the region will remain important for communication, fishing and minerals exploration, India needs to ensure that no external power dominates the region.

COMMERCIAL DIPLOMACY

The bilateral trade has been in existence since 1981. In the same year, both signed a trade agreement for export of commodities essential to both. India exports agriculture, poultry, sugar, fruits and vegetables while importing scrap metals. Since 1974, the State Bank of India (SBI) has been instrumental in the economic development of Maldives. Tata Housing and Taj are examples of Indian investments in Maldives.



GMR Controversy

Maldives is a tourist destination. The then President Nasheed began to invite bids internationally to privatise and redevelop the Ibrahim Nasir International Airport. The bid was on the idea that any bidder willing to share maximum profit with the

government shall be eligible. The Indian multinational company, GMR group, participated in the bid overseen by the international financial corporation (IFC). The IFC is a World Bank arm, formed to assist investors in doing business in developing nations and boost investments. In 2010, the contract was won by GMR which gave it a 25 year right to run the Maldives airport. An agreed point in the contract was that, in case of a dispute, the victim party can approach the High court of Singapore or London. A coup against Nasheed in 2012, and the coming of Waheed changed things. The GMR had been levying 25 Dollars Aviation Development Fees and two Dollars as insurance, which a local Maldivian court nullified as it declared it as a tax that had been charged without Parliament authority. But GMR asserted this right as part of contract. Waheed decided to take over the airport to be managed by Maldivian Airport Company Limited (MACL). In December 2012, GMR approached Singapore Arbitration, where the ruling came in favour of Waheed. GMR thereafter filed an 800 million Dollars suit for losses. The Singapore court admitted the suit for damages and in 2014 finally gave relief to GMR and instructed MACL to pay 4 million Dollars in damages. In another order on 23rd February, 2016, the International Arbitration Tribunal also directed the MACL and the Maldives government to pay GMR the money that GMR owed to Axis Bank of Singapore under the agreement.

Analysis of President Yameen's Visit to India, 2016

In April 2016, President Abdulla Yameen came to India on an official visit. The basic thrust was to revive the relations that had plummeted post the GMR issue. He was appreciative and thanked India for their help in 2014 for water aid (see case study below). India has not been very appreciative, however, of the Maldivian propensity to politically align with China. China is building bridges and ferry terminals in Maldives, and Maldives is, further, a part of China's Silk Road project. In order to revitalise its special relations with India, Yameen visited India. A deference cooperation plan was agreed to, and long term cooperation with respect to South Asian Satellites, taxation, conservation of ancient mosques and monuments, tourism and education was envisaged. Considering the fact that radicalisation is on the rise and the ISIS influence is visible in Maldives, with more than forty Maldivian nationals arrested for ISIS related activities, India needs to maintain its bilateral relations with Maldives very closely.



Water Aid Diplomacy

In 2014, a fire broke out at Male Water and Sewage Company, originating in their generator control panel. It damaged the cables of the generator and ended up disconnecting their water supply. Maldives has no permanent rivers and streams for drinking water. Thus, suddenly there was a severe water crisis. Maldives gave a distress call to India. India immediately responded by sending 5 plane loads of drinking water and INS Sukanya and Vivek were pressed into service to purify water through reverse osmosis. India supplied 20 tonnes of fresh water for 1.5 lakh Male residents.