

Restoring the Balance

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(This editorial is based on the article "Restoring the Balance" which appears in The Hindu on 19th December)

Maldivian President Ibrahim Mohamed Solih's three-day visit to India this week seems to have brought a unpredictable phase in India-Maldives ties.

President Ibrahim Mohamed Solih defeated Abdulla Yameen in a surprise victory in the Maldivian presidential elections in September 2018, since then, he has recalibrated Maldives' ties with India. While Mr. Yameen had drawn the Maldives closer to China and brutally crushed the Opposition, Mr. Solih's victory has been a shot in the arm for those who favour strengthening democratic forces in the island nation.

The <u>recent elections</u> in the Maldives represented the collective aspirations of the people for democracy, the rule of law and a prosperous future. India also desired "to see a stable, democratic, prosperous and peaceful Republic of Maldives".

Points of Engagement between India and Maldives

- Mr. Solih's India visit has seen the two sides emphasise their traditionally close bond. He called India the island nation's "closest friend" and "reaffirmed his government's 'India-First' Policy", committing to working together closely with India.
- India, for its part, announced a financial assistance package of \$1.4 billion for the Maldives in the form of budgetary support, currency swap agreements and concessional lines of credit.
- Both have agreed to ensure that they would keep other's security interests in mind as they consolidate cooperation in the Indian Ocean Region (IOR).
- They have agreed to strengthen maritime security cooperation in the IOR through coordinated patrol and aerial surveillance.
- Areas such as fisheries development, tourism, transportation, connectivity, health, education, information technology, new and renewable energy and communications were earmarked for enhancing bilateral cooperation.

Importance for India

- It is important from New Delhi's perspective that Mr. Solih succeeds in the Maldives.
- Under Mr. Yameen, the Maldives had veered too close to China for India's comfort, welcoming Chinese money for major infrastructure projects and signing a controversial free trade agreement (FTA).
- India's entreaties for political moderation and closer security ties were summarily ignored. China's role in the Maldivian economy is under the scanner today amid growing concerns about the money the Maldives owes to China for infrastructure projects undertaken by Chinese construction companies. These infrastructure projects include the China-Maldives Friendship Bridge, which connects Malé's eastern edge to the western corner of the island of Hulhulé.
- It is now estimated that China's loans to the Maldives total at least \$1.3 billion, or a quarter of the island nation's gross domestic product. Faced with this crisis, the new Maldivian government is looking to India for more budgetary support to help meet its development goals and is also planning to revise the FTA with China.

Way Forward

- India is also trying to ensure help reaches Male in time so that New Delhi regains some of its lost space in the Maldives' foreign policy and politics. Malé has also made it clear that while the neighbourhood will clearly be a priority for the Solih government, China will continue to play an important role as an economic partner. So, China is not going to disappear from the Maldivian foreign policy matrix. Nor should India expect it to. But the logic of geography dictates that India's role will be critical in determining the trajectory of political developments in the Maldives.
- India's patient handling of the Maldives crisis over the last few years has positioned it
 well. By coordinating its response with other like-minded regional and extra-regional
 players, India underscored that there are options available to the Maldives should it
 decide to move away from China.
- Going forward, the Maldives would need the support of India as its challenges remain acute. The institutional fabric of the country has been battered under Mr. Yameen's assault even as the threat of Islamist extremism has grown in potency.
- India should not be deterred by temporary setbacks. Instead of perpetually
 viewing the dynamics from a China-centric perspective, it must keep its eyes firmly on
 the long term.
- The more invested New Delhi is in strengthening democratic institutions in its neighbourhood, the better returns it will get in its foreign policy.