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The Maldives: Lessons for Small States in a Changing World

By Han Fook Kwang

Synopsis

The Maldives is facing both internal political turmoil and external challenges from the changing geopolitical landscape in the Indian Ocean. There are lessons here for small states seeking to protect their sovereignty.

Commentary

THE MALDIVES is the perfect holiday getaway that is hard to beat. Take your pick from among 200 coral islands out of the 1,200 spread across 90,000 square kilometres in the warm waters of the Indian Ocean with some of the finest accommodations on earth, many with their own dedicated majordomo (butler).

Here you can get as far away as you want from the hustle and bustle of city life, the hurly burly of national politics and the ebb and flow of big power geopolitics. Or so it used to be. All that changed in recent years when the Maldives became an arena of political competition, pulled in different directions by powerful neighbours. It is a classic example of the fragility of small states.

Challenges for a Small State

For four decades since independence, the Maldives was ruled by two autocratic leaders. President Ibrahim Nasir and Mamooun Abdul Gayoom ruled firmly, brooking little opposition. Allegations of corruption and abuse of power surfaced from time to time, but these were also years of relative peace and progress in the country.

Its fisheries and tourism industries were modernised, the Male International Airport opened, and world class resorts sprouted all over the islands. Most of all, there was political stability, even if it was imposed through tight control of the population.

Its foreign policy was as straightforward – the Maldives fall under the Indian sphere of influence in a strategic location which its powerful northern neighbour considered vital to its interests.

For India, the vast waters surrounding it were both a vital asset offering huge opportunities, as well as a vulnerability that it had to secure: In 2014, more than 90,000 ships passed through the Indian Ocean, carrying nearly 10 billion tonnes of cargo including 36 million barrels of oil.

There are also rich fishing and mineral resources, accounting for 40 per cent of the world's offshore oil production. The Indian Navy ruled the waves in this part of the world, and the Maldivians were realistic enough to accept their place in this established order.

Tsunami of Disruptions

But small states have to live with another reality: Circumstances can change quickly, internally and externally, and then everything changes. For the Maldives, the confluence of these changes created a tsunami of disruptions.

First, autocratic rule that brought three decades of stability slowly gave way to a more competitive political environment as other leaders emerged and Islamist radical ideology spread its influence among the predominantly Muslim population. In response to these developments, the Constitution was changed in 2008 allowing opposition parties to be formed and to contest in the elections.

Since then Maldivian politics has been anything but stable. The country's first democratically elected leader, President Mohamad Nasheed, was ousted from office in 2012 after only four years in office, allegedly at gunpoint, charged with terrorism and later exiled to Britain.

The current President Abdulla Yameen recently declared a state of emergency, after the country's Supreme Court ruled that the arrests of nine of his political opponents was unlawful. He has also detained ex-President Gayoom and the Chief Justice.

The political turmoil is threatening the tourism business after several countries including the US, China and India issued travel advisories warning of potential trouble. The Maldives' experiment with multi-party politics has been a rocky one, and is still playing out towards an uncertain future.

Changing Geopolitical Landscape

But it is likely to get even messier with the changing geopolitical landscape, a result of China's growing power and influence and India's response to the threat to its hegemony.

A growing power keen to invest beyond its borders to expand its economic space is bound to unsettle the equilibrium, and the Maldives is no exception. The speed with which the Chinese have moved though has been remarkable.

Since establishing an embassy in 2012 its investments have poured in by the billions, including a US\$830 million project to upgrade the airport and a \$400 million two kilometre bridge linking it to the capital.

China recently signed a free trade agreement, and reportedly, leased an island Fevdhoo Finolhu for 50 years to develop it as a tourism destination. All this is part of its ambitious Belt and Road Initiative (BRI), to link it with the rest of the world, recreating the old Silk Route.

Worries About China

But opposition leaders have accused President Yameen of moving too quickly to promote the Chinese connection, warning of the dangers of being too indebted to Chinese loans, as is the case in many countries along the BRI route.

The BRI offers unique opportunities to develop infrastructure as long as recipient countries exercise prudent financial considerations for the long term. The geopolitical ramifications are harder to manage. Some experts believe that when there is competition among hegemonic states, smaller ones have more room to manoeuvre, able to play one against the other. For the Maldives, the entry of China as a counterweight to Indian power can seem like an attractive proposition.

But there is a downside to playing this game. It opens the country to foreign action when major powers try to influence domestic actors, playing one against another, to further their own interests. The Maldives might well become such an unwitting arena.

Playing the India Card

If critics of President Yameen accuse him of playing the Chinese card, his supporters might also level the same charge against his opponents for seeking Indian support. Indeed both Nasheed and Gayoom have called on India to intervene, presumably to provoke regime change.

India has stayed its hand, so far, but no one expects it to sit idly by if it believes its strategic interests are threatened. It is often said that small states are more greatly influenced by changes in the international order than by their own domestic politics. But the two are interlinked.

Major powers will take advantage of a country's domestic situation, especially one undergoing change, influencing local actors to advance their own interests. But changes in the geopolitical landscape also have a great bearing on local politics especially in small states which are more greatly affected by big power shifts. It remains to be seen how these forces play out in the Maldives as it undergoes both internal and external change.

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