



India's Dilemma in Maldives

Sanjay Kapoor

Source: Flickr/Dying Regime

ABSTRACT

Maldivian President Yameen Abdullah Gayoom's rejection of the Supreme Court's decision to release the jailed opposition leaders to ensure a free and fair presidential elections later this year has brought to head the country's brewing estrangement with its traditional ally, India. India faces a dilemma: How must it

Observer Research Foundation (ORF) is a public policy think-tank that aims to influence formulation of policies for building a strong and prosperous India. ORF pursues these goals by providing informed and productive inputs, in-depth research, and stimulating discussions.



To know more about
ORF scan this code

deal with the situation in Maldives? This report examines India's options in the context of China's expanding power in the South Asian region.

INTRODUCTION

During an election rally in August 2017, Yameen Abdul Gayoom, the President of Maldives, admitted that he was a recipient of the slush funds that were obtained by his deputy and former Vice President Ahmed Adhib. The money was brought in black plastic bags to his place. He had promised to return the fortune embezzled while leasing out islands by the company, Maldives Marketing and Public Relations Corporation (MMPRC). In any other democratic society, President Yameen's admission (which his party would later say had been misinterpreted) would have been made before a court of law; but not in Maldives or its tiny five-square-kilometre capital, Male.

Yameen's alleged corruption and his attempts to firewall himself from scrutiny is the reason why the strategically important nation has recently been in turmoil. The Supreme Court had attempted to pave the way for a free and fair election, instead of a "Mugabe-type democracy", when it gave the judgment to release nine incarcerated politicians and dozens of MPs. Former President Mohamed Nasheed, who is in exile, was to benefit from this order. However, Yameen declared an Emergency, arrested the Supreme Court judges, and forced the judges to reverse the ruling. It was a clear show of contempt not only of the Maldives' own judiciary, but of the international community that has been concerned about Yameen's activities. Yameen's intransigence is perhaps rooted in an awareness that if he fails to manage elections and the courts in his favour, he could end up in jail and his ill-gotten wealth could be confiscated.

Allegations by of corruption by the president and his cohorts were first made public in a June 2016 Al Jazeera documentary, *Stealing Paradise*, by close associates of the president and his deputy. Though President Yameen tried to show in various public pronouncements that his conscience was troubling him, there is nothing in his conduct to show that he would be willing to be scrutinised. He has also become emboldened by Chinese President Xi Jinping's visit to Male in 2014, and by the investments that are being made in the country by Chinese and Saudi Arabian companies. He has antagonised old-time ally, India, which came to the country's aid during the devastating tsunami in 2004, and the terror raid by Sri Lankan Tamil militants. Earlier, President Yameen had also broken the Maldives' bond with the Commonwealth and had shown indifference towards western powers.

TURMOIL IN PARADISE

At a press conference held in Colombo this January, exiled ex-President Nasheed called attention to the land-grabbing ways of the Chinese and said, "A large

emerging power is busy buying up the Maldives, buying up our islands, buying up our key infrastructure, and effectively, buying up our sovereignty.” His press conference emphasised what was at stake in the August 2018 presidential elections. In addition to the land-grabbing allegations, he also said, “The Maldives is threatened by a religious extremist takeover. It is again not an exaggeration to say that there is now a parallel state in the Maldives. A state within the state. A network of religious radicals that have infiltrated strategic institutions, the government and street gangs.”

Nasheed also said that President Yameen was trying to deny the opposition parties the opportunity to contest the August 2018 polls as their leaders were either in jail or in exile. Politicians have been arrested on charges of giving speeches against the President in the Independence Square like it happened in the case of the leader of Adhaalath party. Some MPs were also arrested for entering the Parliament when they tried to move an impeachment motion against the new Speaker, Abdullah Maseeh Muhammad, a close associate of President Yameen. Distressing sights such as the police or the Army entering the House had become common under Yameen.

On 28 January, the joint Opposition filed a petition in the Supreme Court demanding that President Yameen be asked to temporarily step down for the “unprecedented corruption, including unjust enrichment from appropriation of state properties and funds for personal benefit, for the benefit of his family and political associates.” They requested the court to intervene, saying the Parliament had become dysfunctional, as so many MPs had been jailed on some pretext or the other.

In early February, the Supreme Court announced that all incarcerated political leaders, including in-exile President Nasheed should be released after due process. Yameen, who had given the impression that he was in control of the Supreme Court did not expect such an order, particularly because the CJI had been arrested under Nasheed’s rule. Yameen did not follow the court’s order, and sacked the police chief who tried to. Two MPs were arrested as protesters stormed into Male’s Independence Square.

India, which normally avoids commenting on the internal affairs of any friendly government, uncharacteristically supported the SC ruling. So did the United Nations, and countries such as the United States and UK. Their support for the court’s decision was perceived by Yameen as a conspiracy to impeach him—a charge echoed by his Attorney General. Yameen promised early elections, but did not give any indication that he would abide by the SC directive. Judges complained of threats and for reasons of personal safety decided to sleep inside the court premises. Aware that he was losing control of the situation, Yameen eventually imposed an internal emergency for 15 days. After arresting the Chief Justice, he

promised in a televised address to find out why the Chief Justice and the other judges only ordered the freedom of nine people and not the rest. Later, government alleged that they had proof that millions of dollars exchanged hands to pass the order to release the opposition leaders.¹

There is a demand that India should intervene and restore democracy in the Maldives. India, however, is treading carefully in a country that is strategically important in preserving freedom of navigation in the Indian Ocean. China, which has been raising the stakes in the engagement since 2011, has invested massive funds in the construction of the Maldives' airport, a bridge from Male to Hulhumale airport—to give meaning to the Belt and Road Initiative (BRI), which represents a challenge that India has been viewing with discomfort. Interestingly, China has followed India in issuing an advisory to its tourists travelling to the Maldives, but it has made it clear that it does not want to interfere. This has served as a caution for India and other countries to stay clear of Male's problems.

THE GEOPOLITICS OF THE MALDIVES

The Maldives was under the authoritarian control of Muhammad Abdul Gayoom for 30 years, until he agreed to hold free elections in 2008. Gayoom has since been jailed by President Yameen, his half-brother. Maldives is small in size—its capital, Male, is barely five square kilometres in area. Under threat from global warming and rising sea levels, environmentalists have warned that Male is in danger of sinking. A city with a population of 2.5 lakh, Male's density is one of the highest in the world, and people are quick to mobilise in a political protest. Images of the demonstration at the Independence Square, which can barely find space for 25,000 people bear testimony to this.

The Maldives is located strategically at the centre of the Indian Ocean and is critical for India's maritime activities and its endeavour to be a net security provider in the region. It has a large exclusive economic zone due to the spread of its islands, some of which are closer to India than they are to Male. When Nasheed was president, he had announced that the Indian Ocean is "Indian". He repeated this view recently in Colombo.

The tiny nation has in several occasions surprised observers. When Nasheed was in jail in Male, his party mates had mounted a campaign to get him released. Human rights lawyer Amal Clooney had agreed to work pro bono for Nasheed. Clooney was challenged by the Maldives government lawyer, Cherie Blair. Clooney managed to secure Nasheed's release on medical grounds and succeeded in showing the Maldives government as a violator of human rights.

The Maldives, however, is not known for the frenetic chaos of Male nor the fierce political or big power contestation that is taking place in the Indian Ocean, but for its picturesque private islands with water villas sitting atop stilts. It has

1,200 islands, out of which around 80 have highly exclusive water villas, with some priced as high as US\$11,000.

THE CHINESE FOOTPRINT

Celebrities and well-heeled travellers are not the only ones landing at Male's international airport located at an artificial island named Hulhamal. The flight that brought this author to Male came from Colombo and other passengers were mostly Chinese. Indeed, China sends the maximum number of tourists to Maldives — a quarter of all the million-odd tourists to the country every year. Indians, in comparison, sent 83,000 tourists in 2017. Their numbers, according to an Indian tourism official, are growing and may reach 1 lakh this year.

Chinese tourists do not live in expensive resorts, but mostly in tourism facilities being built in the apartment blocks in the artificial island of Hulhamal. China has reportedly taken up many islands on lease from the Maldivian government. In some ways this is at the centre of the allegations levelled by former President Nasheed against China — that it has grabbed land in the island nation. For the first-time traveller, it would seem that China is everywhere in the Maldives. Taking the ferry to Male from the airport, one sees an illuminated signboard on the bridge under construction, hailing the friendship between China and the Maldives. Every menu has a Chinese section; there are travel brochures and signages in Mandarin everywhere in the island. Ali Zahir, deputy leader of Adhaalath party said, "China and Maldives always had close ties, but Yameen feels comfortable dealing with them as there is no accountability."²

A former speaker, Shahid Abdullah, told this author, "Do you think that India can give a few million dollars to Yameen without being accountable to many of its supervisory bodies?" Indian companies such as Tata-owned Taj Group has investments in hotels, but have no political clout. China, on the contrary, is doing everything to control the government and the political environment. Yameen's close ties with China created circumstances where he managed to consolidate his hold over key decisions. Ali Zahir says, "We do not see anyone in the government except one person- the President. There are no cabinet meetings. People of Maldives have no clue on how important decisions are taken." There is no public accounts committee of the Parliament that keeps a watch on how government funds are being spent. There are also no Cabinet meetings where decisions are taken on project costs and whether they are needed or not. Former Vice President of the Maldives who is living in exile in London, Muhammad Jameel Ahmed, told this author in a telephone interview, "President has usurped the power to give land or contract to a company. This is the reason why many rogue companies were sold islands and land in the Maldives. This is the reason why the Chinese companies came to our country."³

A Western diplomat who did not want to be named corroborated Jameel's submission. He said key decisions are taken by an Economic Council, which means the President and his closest associates. The same diplomat also revealed that most of the projects are subjected to massive over-estimation. For instance, the contract for the much-celebrated Velana airport project which was earlier given to an Indian company, GMR, was eventually cancelled by Yameen. Later, the contract was given to the Saudi Bin Laden group and the Chinese Beijing Urban Construction Group. According to the same diplomat, the cost of the project, which could not have been more than US\$350 million, went up to US \$1.2 billion, only because of padding. Much of these funds went to Yameen and his associates. Jameel also says, "If there is a free and fair probe then it will show that all the money trails lead to the President."

Similarly, the cost estimate of the project to build the bridge between Male and the airport was hiked to benefit the President and his people.

For a small country, the amount of money that is being allegedly siphoned out by Yameen and his family, including his wife, is huge. The Al Jazeera sting suggested large pay-offs.⁴ All these figures, as Jameel points out, may in fact be underestimated. He says there are fisheries and other development projects where funds are also being siphoned off.

THE POWER PLAY

For now, President Yameen gives the impression that he will remain in his position. He believes that his close ties with China and Saudi Arabia will give him financial heft and military protection. The signing of the Free Trade Agreement (FTA) and BRI were done to realign his country with China and move away from its giant neighbour, India. However, India did not need to sign the FTA as Maldives is a member of South Asian Association for Regional Cooperation (SAARC) and the two benefit from the privileges accorded by the FTA. The speed with which Male signed up with China had more to do with symbolism than anything else. The agreement is set to give decidedly more benefits to China than Maldives: a US\$12-trillion economy signing up with a country that has virtually only tourism and tuna, and a budgetary outlay of about US\$1 billion. "After Maldives signed the Belt and Road Initiative with China, we fear that our country will be taken over by them," said⁵ Ali Zahir, leader of Adalaath Party to this author.

India has been cognizant of these developments, but has found few options to rein in Yameen. In the streets of Male, there is a recognition that India is an important neighbour and Yameen has been unfair to New Delhi. A tourist guide took this author to the memorial that stands to remind the people of the Maldives of "Operation Cactus," where Indian Special Forces ousted Tamil militants in the late '80s. The guide said, "How can we forget what the Indians have done for us?" According to him, Indians came to the rescue of the island nation during the Tsunami and also when in 2014 the Maldives ran out of drinking water due to a fire

in its desalination plant. This view is endorsed by top politicians too, who are convinced that Yameen has deliberately antagonised New Delhi so that he is not made accountable for his corruption. Why could India not stem this drift? There are many reasons, as the same Western diplomat explained to this author, besides the fact that the Indian investment in the Maldives is limited and not driven by a strategic vision. The Tatas, for instance, have two resort islands, but have not done enough to build their influence in Male. There is a strong case for Indian businesses to get into tourism and other infrastructure activities to counter what the Chinese are doing.

There are, though, 23,000 Indians who work in Male and other islands — mostly in the tourism industry. These workers have come from all parts of the country and are generally comfortable with the working conditions in the hotels. They all aspire to work in exclusive private resorts where salaries and gratuity are much higher. The hospitality industry, though, is threatened by the rise of radical Islam. Earlier this year, the law enforcement authorities raided a resort owned by a former presidential candidate, Qasim Ibrahim, and seized liquor bottles. In an Islamic society, this is a big setback for resorts, where liquor is allowed in an extremely Islamised society.

THE RISE OF RADICAL ISLAM


Yameen has been consciously flirting with radical Islam for many reasons. As former President Nasheed and other politicians have alleged, he has created a “parallel state” comprising these Islamic militants to scare his opponents. In April 2017 a blogger, Yameen Rasheed, who was critical of Yameen’s government, was stabbed to death. Some writers and journalists too have been threatened. The extent of radicalisation in the Maldivian society can be gauged by the fact that more than 250 Maldivians have fought for the Islamic State in Syria.⁶ This is a big number, taking into consideration the fact that the population in Male is barely 2.5 lakh. Old timers say that the Wahhabi influence in Maldives has grown since 2001. Before that, Maldives practised a more liberal version of Islam that, for example, did not compel women to wear hijab and men, long beards.

Yameen is also using Islamic radicalisation to distance Maldives from India and move closer to Saudi Arabia. A newspaper close to Yameen, Vaguthu, called Indian Prime Minister Narendra Modi as “anti-Muslim” and “not a friend of Maldives”. The article was criticised by the joint opposition and eventually withdrawn. The article also resurrected a demand in India and its allies that India should do something about Yameen and his arrogance. There was a view that India should manage its own backyard rather than expect the US or UK to intervene.

CAN INDIA PROVIDE A SOLUTION?

After the botched intervention in Sri Lanka against the Tamil Tigers, New Delhi is not particularly comfortable with the idea of committing troops to align smaller

countries to its foreign policy objectives. In fact, managing the neighbourhood has become the biggest challenge for the Modi government. It has found to its discomfort that countries of South Asia are not heeding its warning against accepting large loans that may compromise their sovereignty. It has happened in Sri Lanka, where the Hambantota port was virtually gifted to China under a 99-year lease after the country defaulted on its debt payments. In Pakistan, the involvement of China may be more nuanced, as it plays a stronger hand by leveraging grievances against the Indian State and enlarging its political and economic footprint. China has been convincing India's neighbours to sign up on the BRI without carefully considering its consequences.

What can India do in the Maldives to prevent its slide towards Chinese control and radical Islam? Nasheed has been beseeching India to send its envoy backed by its Army to rescue the imprisoned judges and save Maldives' democracy. It is a tricky path for India as it could set wrong precedents and raise flawed expectations. India now has to carefully read the way different actors, including Pakistan, react to China's enlargement, and aggressively assert Maldivian independence. The South Asian neighbourhood values Indian cultural influence, and cannot visualise a situation where they get unhinged from it. That is what India's strength is; it is a pillar of the country's neighbourhood policy. 

ABOUT THE AUTHOR

Sanjay Kapoor is the Editor of *Hardnews* Magazine and is an analyst of South Asian issues.

ENDNOTES

1. Associate Press, The Latest: Maldives police say detained judges were bribed. Male, Maldives, February 7, 2018. <http://abcnews.go.com/International/wireStory/latest-maldives-police-detained-judges-bribed-52908247>
2. Kapoor, Sanjay. 'Parliamentary democracy smothered in Maldives'. Male, Maldives. February 12, 2018. <https://hnfp.in/2018/02/12/parliamentary-democracy-smothered-in-maldives/>
3. Kapoor, Sanjay. 'Maldives is a failed State where no institution is working'. Male, Maldives, February 8, 2018. <https://hnfp.in/2018/02/08/maldives-is-a-failed-state-where-no-institution-is-working/>
4. Jordan, Will. 'Stealing Paradise' <http://www.aljazeera.com/investigations/stealing-paradise/>. Male, Maldives. June 2016
5. Kapoor, Sanjay. 'We don't see anyone in the government except Gayoom'. February 08, 2018. <https://hnfp.in/2018/02/08/we-do-not-see-anyone-in-the-govt-except-gayoom/>
6. Swami, Praveen. 'Maldives Political Crisis is an opportunity for Jihadists. February 2018. <http://www.hardnewsmedia.com/2018/02/maldives-political-crisis-opportunity-jihadists>



Ideas • Forums • Leadership • Impact