

MP-IDSA Issue Brief

Muizzu as the Eighth President of the Maldives: Implications for India-Maldives Relations

Gulbin Sultana

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Under the new government of Mohamed Muizzu, Maldives may see enhanced Chinese investment in sectors like housing, tourism, and infrastructure development. At the same time, it is unlikely that ongoing Indian projects will be cancelled. While maintaining security and defence cooperation with India, Maldives is likely to enhance maritime security cooperation with countries like the US and Australia to remove the public perception of Maldives' excessive dependence on India.

The fourth Presidential election in the Maldives under a multi-party system was held in two rounds on 9 September and 30 September 2023. The Progressive Alliance (PA)¹ candidate Mohamed Muizzu defeated the Maldivian Democratic Party (MDP) candidate and the incumbent President Ibrahim Solih by securing 54.04 per cent of the total valid votes (239,027) polled on 30 September.

The president-elect is perceived as pro-Chinese by the international media² and thus concerns have been raised about his government's foreign policy approach. There is a view that Muizzu's foreign policy will be similar to that of the Abdulla Yameen administration during 2013-18 when the country relied more on China and Saudi Arabia, severed ties with the Commonwealth and deemphasized Maldives' relations with India and Western countries.

This concern is expressed due to several factors- i) Muizzu was the Minister of Housing in the Yameen administration and played a crucial role in strengthening ties with China during those years; ii) he has been an active participant in the "India Out" campaign propagated by the PA, and has vouched for initiating efforts to remove the Indian military personnel from the Maldivian soil immediately after assuming power on 17 November 2023; and iii) he has also said publicly that he was going to take Yameen's counsel to run the administration.³ Yameen is known for his pro-China approach and repugnance for India as he believes that India had played a key role in his defeat in the 2018 Presidential elections.

This Brief argues that given the economic obligations and situation of the Maldives, the Muizzu administration may not like to replicate the foreign policy approach of the Yameen administration. While Maldives' economic engagement with China is likely to increase in the next five years, there will also be an effort to reach out to several other countries for assistance and maintain friendly relations with India.

To substantiate the argument, this Brief analyses the contributing factors that determined the outcome of the election, examines the possible challenges Muizzu is likely to face in fulfilling his election pledges and analyses the possible direction Maldives' foreign policy would take and the impact these might have on India-Maldives bilateral relations.

¹ Progressive Congress Alliance also known as Progressive Alliance comprises the Progressive Party of Maldives (PPM) and the People's National Conference (PNC). The Alliance was formed in 2019. Muizzu belongs to the PNC.

² "Who is Mohamed Muizzu, Maldives's pro-China president-elect?" <u>Aljazeera</u>, 1 October 2023; Ece Goksedef, "Maldives election: Pro-China candidate Muizzu wins presidency", <u>BBC</u>, 30 September 2023; "China congratulates Mohamed Muizzu: Pro-Beijing winner of Maldives election", <u>The Hindustan Times</u>, 2 October 2023; Maahil Mohamed and Mujib Mashal, "Maldives President Is Defeated, in Vote Overshadowed by India and China", <u>The New York Times</u>, 30 September 2023.

³ "Muizzu: Will be pleased to receive Yameen's counsel", SunOnline, 5 October 2023.

2023 Presidential Elections

The fourth Presidential election in the Maldives was conducted in two rounds as per the Presidential Election Act 2008 of the Maldives.⁴ In the first round of the election held on 9 September 2023, eight candidates contested for the post of Presidency. 79 per cent of the total 2,82,804 eligible voters voted in the first round. By securing 46.06 per cent votes, Muizzu emerged as the highest recipient of the votes polled in the first round. However, since he could not cross the 50 per cent mark, a second run-off election was conducted on 30 September 2023. The contest in the second round was between Muizzu and Ibrahim Solih who secured second-highest votes (39.05 per cent) in the first round. A total of 245,915 people amounting to 87 per cent of eligible voters voted in the runoff. 54.04 per cent of the 239,027 valid votes cast voted for Muizzu and 46 per cent voted for Ibrahim Solih.

Presidential Election 2023 Results			
Party /Alliance	Presidential Candidate	Results of First Round	Results of First Round
Progressive Alliance (PPM+PNC)	Dr. Mohamed Muizzu	101,635 (46.06%)	129,159 votes (54.04%)
MDP	Ibrahim Solih	86,161 (39.05%)	109,868 votes (45.96%)
Democrats	Ilyas Labeeb	15,839 (7.18%)	
JP	Gasim Ibrahim	5,460 (2.47%)	
MNP	Mohamed Nazim	1,907 (0.86%)	
Independent	Umar Naseer	6,343 (2.87%)	
Independent	Faris Maumoon	2,979 (1.35%)	
Independent	Hassan Jameel	327 (0.15%)	

Factors that Determined Election Outcome

While four Presidential elections have been held in the country since the multiparty system was established in 2008, Solih was the only President so far who could maintain the ruling coalition formed during the Presidential election for the longest period. The Solih administration was hailed by the international community for effectively managing the COVID-19 pandemic.⁵ Maldives relations with the international community have improved significantly under the Solih administration. Maldives was elected as the President of the UNGA for the year 2021-22. While

⁴ "Presidential Election Act, 2008", Text is available at <u>Election Commission of Maldives</u>.

⁵ "WHO Regional Director for South-East Asia Dr Poonam Khetrapal Singh's official visit to the Republic of Maldives", *World Health Organisation*, 19 December 2022.

President Solih was received well by the international community, he failed to get elected for the second term due to several cumulative factors.

Split of the MDP

The power struggle between the two leaders of the ruling MDP - Ibrahim Solih and Mohamed Nasheed, led to split in the party. The Nasheed faction decided not to support Solih in the Presidential election after the party primary voted against nominating Nasheed as a Presidential candidate of the MDP. The loyalists of Nasheed formed a new party called Democrat and contested the Presidential election by nominating Ilyas Labeeb as the Presidential candidate. Labeeb secured 7.18 per cent vote in the first round of the election. The difference between Muizzu and Solih in the first round of the election was 7.01 per cent and in the second round, was 8.08 per cent. This shows that the split played a significant role in the vote share received by the two contestants in the election.

Failure to Deliver Election Promises

During the election campaign in 2018, Solih pledged to end presidential tyranny, injustice and corruption by bringing changes to the constitution and implementing institutional reforms, strengthening national security by taking effective counter-radicalism, violent extremism and counter-terrorism measures. Solih promised to initiate new projects to develop tourism, housing facilities, and employment opportunities and to protect the heritage and Islamic identity of the country. Special emphasis was also pledged to be given to the education sector, health sector, environment protection, agriculture sector, fishermen community and women's rights.

During the 2023 Presidential elections, Solih claimed that he had been able to fulfil over 90 per cent of his election promises made in 2018.6 However, the people of Maldives are dissatisfied with the facts that the incumbent President failed to deliver on many of the key issues of people's concerns such as addressing the issue of corruption, providing justice to the unexplained death of journalists during the Yameen administration, institutional reforms, and affordable housing facilities. Solih administration initiated 21 housing schemes, out of which only six have been completed so far.⁷

Action was promised by Solih to address the issue of mismanagement by the Yameen administration in the allocation of the Hiya housing flats. Nevertheless, the failure of

⁶ Malika Shahid, "90 percent pledges fulfilled, coalition aims for 90,000 members", <u>The Edition</u>, 10 July 2023.

⁷ Mohamed Rehan, "Government launched 21 housing projects, 6 completed", *The Edition*, 4 October 2023.

the incumbent government to address issues associated with Hiya projects disappointed the beneficiaries of the housing scheme.⁸ The government's failure to fulfil several other election promises included the repeal of the restriction on freedom of assembly act, the completion of the project to develop flats for police personnel and so on.

Despite considering radicalism and violent extremism as the topmost national security concern, the government has failed to provide justice to the victim of the terrorist attack in 2021 and the relatives of journalists assassinated in the past.⁹ There was no satisfactory explanation from the authorities for the delay in the trial. The required judicial reform was not brought under the Solih administration.

People were also dissatisfied with the government's prison reform policy. As per this policy, the government has released convicts. Common people, however, are of the view that many of the released were among those convicted of heinous crimes and the government has released them in exchange for bribes.¹⁰

Economic Slowdown

Due to the global pandemic, Maldives' economy deteriorated significantly. While the government may not be entirely responsible for the impact of a pandemic on the country's economy, people were disappointed with the fact government failed to prevent corruption and mismanagement of the economy. It is believed by many within the country that instead of managing debt, the incumbent government continued to take unnecessary loans for infrastructure development from foreign countries and thereby, enhanced the economic burden with huge debts.

A scam on the procurement of ventilators to treat the Covid 19 patients also came to light where the Health Ministry made 90 per cent (MVR 30 million) advance payment to a Dubai-based company to procure ventilators without securing an advance payment guarantee causing a huge financial loss to the country as the company failed to deliver. Even though an investigation was done, no action was taken against anyone in connection with the scam. 12

⁸ Aishath Azmeela, "Hiya Flats: A dream for many, a political tool for some!" <u>The Press</u>, 20 July 2021.

⁹ Malika Shahid, "Maldivian president accused of delaying justice in Nasheed attack", <u>The Edition</u>, 7 May 2023.

 $^{^{10}}$ "President Solih Releases Life-Sentenced Drug Offenders", $\underline{\it The~Maldives~Journal},$ 5 September 2023.

¹¹ Fathimath Aruma Hussain, "Auditor General orders probe into ventilator contract awarded to Dubai-based company", *SunOnline*, 16 August 2020.

¹² Mohamed Muzayyin Nazim, "Minister refuses to answer MPs questions", <u>Atoll Times</u>, 6 March 2023.

Concerns about Sovereignty and Strategic Autonomy

Like any other small country, Maldives is sensitive about its sovereignty and strategic autonomy. There has been a concerted effort by the PA to iterate the point that Maldives' sovereignty was undermined by the President Solih administration. It is alleged that the Solih administration was undermining sovereignty i) by strengthening defence and security relations with India and by allowing Indian military personnel to be present in the Maldives; and ii) by accepting Mauritius's sovereign rights on Chagos Island and accepting International Tribunal for the Law of the Sea (ITLOS) decision on maritime boundary delimitation between Maldives and Mauritius. ¹³

Since 2020, PA spearheaded an "India Out" movement which could instill the concerns of strategic autonomy and sovereignty of the country under the Solih administration. The "India Out" movement eventually attracted support from the youth of the country, even though PA could not mobilise the support of other political parties.

At the beginning of 2023, however, the maritime boundary delimitation issue became more prominent and a joint opposition political protest was organised against the Government. Except for JP, all the political parties participated in the protest march against the Solih administration on the issue. However, this issue subsided when the election campaign started, but interestingly as the first round of the election date was nearing, all the candidates in addition to Muizzu started talking about the need to reduce Indian influence which allegedly increased significantly under the Solih administration.

Even though India's defence and security cooperation hardly undermines Maldives sovereignty, MDP did not put much effort into sensitising people through adequate information about the facts of the security and defence cooperation agreement with India or the issue on Chagos Island. Instead of countering the disinformation, President Solih criminalises the "India Out" movement. The act of criminalising the movement backfired as it was seen as a suppression of freedom of speech or media freedom.

All these factors cumulatively played a role in the Presidential elections. Solih was considered by a section of Maldivians as a weak leader. Due to the anti-incumbency factor, the majority of voters preferred to vote for Muizzu who submitted his nomination as the PA candidate at the last moment.

¹³ Mohamed Muzayyin Nazim, "Reclaim Chagos and 'lost' sea or face lawsuit, opposition warns pres", *Atoll Times*, 3 June 2023.

Muizzu's Domestic and Foreign Policy Priorities

Mohamed Muizzu promised all-round development and protection of sovereignty by making policy changes in the domain of foreign affairs, the economic and financial sector, education sector, the judiciary and so on. As part of his election manifesto, Muizzu presented an ambitious economic plan by initiating a three-pronged approach to national development, which includes establishing a stable economy, revolutionary transformation, and economic expansion. Some of the highlights of his economic plan are given below:14

- Total state debt recovery and an increase of the Maldives' Gross Domestic Product (GDP) to MVR 150 billion (around US\$9.74 billion).
- Reducing the state budget's deficit to a single digit, and increase the country's reserve within the next five years.
- Enhancing new SEZ opportunities across Maldives, and establishing a new investment bank to facilitate in bringing foreign investments to finance economic sectors and their growth.
- 39 promises relating to the housing and urbanization sector, including the pledge that no citizen will be without housing under his rule.
- Development of seven urban regions nationwide, as well as the establishment of a transhipment hub in Addu, Fuvahmulah, and Huvadhu atolls.
- Expansion of tourism.
- Developing a seaplane hub to benefit the four southern atolls.
- Increment of salary in three phases.

The international media has labelled Muizzu as pro-Chinese and speculated in imitation of President Yameen's approach. Maldives' foreign policy was heavily tilted towards China and Saudi Arabia under the Yameen administration during 2013-18. Maldives' foreign policy underwent a significant shift after Ibrahim Solih assumed Presidency in 2018. In the last five years, Maldives maintained friendly relations with all with an obvious tilt towards India.

Given PA's "India Out" campaign, it is certain that a significant shift will be witnessed in Maldives' existing pro-India foreign policy approach under the Muizzu Presidency. Nonetheless, it is unlikely that Muizzu would blindly follow Yameen's foreign policy approach of relying on one or two powers. It is expected that while the engagement with China will be enhanced significantly, Muizzu will also try to reach out to other

¹⁴ Mohamed Rehan, "PPM/PNC candidate announces economic manifesto", *The Edition*, 27 September 2023.

countries including India as Muizzu might have to take into account several factors as a President of the country.

Muizzu has presented an ambitious economic plan. Given the ongoing economic situation of the Maldives, it will be practically not possible for the new administration to achieve those economic goals relying only on one or two countries. While China and Saudi Arabia have deep pockets and can emerge as significant economic partners, their partnership alone cannot resolve all the economic issues of the Maldives.

The global pandemic has shown the necessity for diversification of trade and investment particularly for an import-dependent country. Before the pandemic, China was the largest source market for the Maldives' tourism sector. However, for two years, Maldives did not receive a single Chinese tourist. As the Maldives has started receiving Chinese tourists, it would be before long that China may emerge as the largest source market for its tourism industry. However, the sole revenue and foreign exchange earning sector cannot thrive only on a select few countries.

Severing ties with the Commonwealth and deteriorating relations with India during the 2013-18 period did impact the Maldives negatively. After restoring the relations with the international community under the Solih administration, Maldives is having cooperation in a variety of fields with these countries. Maintaining those security, economic, developmental and capacity-building relations is crucial for the growth and development of the Maldives.

Debt servicing is a huge burden for the Maldives. According to the World Bank, Maldives' external debt servicing will reach around US\$ 1 billion by 2026. The Sri Lankan case has proven that maintaining good relations and understanding with creditors is extremely crucial for a country with a debt burden. Mohamed Muizzu has already sought favour from India on the issue of debt restructuring.

In the current geopolitical and geostrategic competition in the Indo-Pacific, Maldives' unbalanced relations with the competing stakeholders will make it vulnerable to emerge as a potential theatre of power competition

Hence, while Muizzu would like to see enhanced Chinese investment in sectors like housing, tourism, infrastructure development, and improvement in trade relations by finalising the Free Trade Agreement, he would also like to reach out to other countries for assistance to materialise his election promises. During interactions with diplomats from China and Japan after the elections, President-elect Muizzu sought assistance from these two countries to fulfil his election pledges. ¹⁵ Muizzu

¹⁵ "Chinese envoy calls on Maldives president-elect Muizzu", <u>SunOnline</u>, 4 October 2023; "Muizzu meets envoys from Bangladesh, Japan and Pakistan", <u>SunOnline</u>, 5 October 2023.

has also expressed his desire to revive relations with India, the UK, Bangladesh, and Pakistan on the condition that the sovereignty of the Maldives is respected.

Implication for India-Maldives Bilateral Relations

According to the PA, Maldives sovereignty is undermined by the presence of the Indian military personnel for maintaining and operating the helicopters. Muizzu therefore vouched to take the removal of the Indian military as the first task after he took over the Presidency on 17 November 2023. He has already conveyed his concern to the Indian High Commissioner during their first interaction after the election on 4 October 2023. ¹⁶

The Progressive Alliance earlier also mentioned that three defence and security agreements signed between India and Maldives during the Solih administration, which allegedly violated Maldives' sovereignty, would be reviewed if it assumed power. These three agreements include an agreement on the development of the Coastguard Harbour in Uthuru Thila Falhu (UTF), an Agreement on the Dornier Aircraft, and a Hydrographic Survey. Later, however, Muizzu on record said that the main issue with those agreements is that they were not disclosed to the public by the outgoing administration. So Muizzu has pledged to disclose them within the limits of the law. Hence it can be assumed that he may not like to repeal the three agreements.

All three agreements are beneficial for the Maldivians even though they have been projected as threats to Maldives' National Security. A hydrographic survey is being done by India free of cost. Maldives does not have a dry-docking facility. The Agreement on UTF will provide Maldives with a dry-docking facility. Dornier Aircraft is being used for surveillance purposes. Even though as an opposition party leader Muizzu criticised these agreements, as President of a country, he may find it difficult to scrap them completely keeping national security interests in mind.

Nonetheless, on the issue of the presence of the Indian military, there will be negotiations at the diplomatic level. As per Muizzu's remarks, he would not prefer the presence of any foreign military force, but he has also said that he would sort it out diplomatically. Muizzu will have to deal with several practical questions and issues if he asks India to immediately withdraw all the Indian military personnel present in the Maldives.

Indian military personnel are there to operate and maintain the helicopters gifted by India. These two helicopters are used for medical evacuation. So far, around 500

¹⁶ "Indian envoy calls on Maldives president-elect Muizzu", SunOnline, 4 October 2023.

patients have been successfully evacuated. India is also training Maldivian personnel to operate those helicopters. So far two Maldivian pilots have been trained. Two pilots alone cannot operate and maintain the two helicopters. For the effective functioning of the helicopters, Indian armed forces must be present there until the Maldivians are fully trained.

However, if the new administration insists on the withdrawal of the Indian military personnel, India would do so along with the two helicopters. In such a scenario, either the Maldivian population would be left without a medical evacuation facility or an alternative has to be arranged from a foreign country. Muizzu has been repeatedly saying that he opposes the presence of any foreign military in the country. Moreover, replacing India with another country will impact India-Maldives bilateral relations.

During 2013-18, President Yameen cancelled a couple of projects with India including an airport development project by the GMR and a waste management deal made with Tatva Global Renewable Energy. India was also asked to take back the two helicopters. The Maldivian government's decisions not only negatively impacted bilateral relations with India but also caused an economic burden. Maldives had to pay US\$270 million in compensation for cancelling the GMR project. Following the cancellation of the project, India tightened the visa requirements for the Maldivians and revoked a special quota for the import of aggregate and river sand.

Today, the stakes of deteriorating relations with India are relatively much higher. India's financial involvement in the Maldives in terms of both loans and grants is to the tune of US\$ 2.2 billion. Muizzu wants India to restructure the debt servicing for the loans taken by the Solih administration. India is the third-largest source for its tourism sector. A large number of Maldivians come to India to avail medical facilities. Indian expats are contributing significantly to Maldives' services sector. Maldives' dependency on India for its food and oil imports is immense. The island has a strong maritime security cooperation with India.

As far as the developmental assistance project is concerned, Muizzu has said that he does not want to discontinue any of the projects undertaken by the Solih administration. Currently, India's ongoing developmental projects include the Greater Male Connectivity Project (GMCP), the Gulhifalhu Port Project among many others. ¹⁷ While Muizzu has ensured that he did not have any intention to stall the projects, it is important to keep in mind one of the pledges mentioned in Muizzu's election manifesto. His manifesto talks about the relocation of the planned commercial port in Gulhifalhu to the industrial island Thilafushi. According to

¹⁷ "India-Maldives Bilateral Relations", High Commission of India, Male, Maldives.

Muizzu, "The port project in Gulhifalhu must be stopped just for the sake of housing for Male City citizens. The construction of the port in Gulhifalhu is cruelty for the citizens of Male City. The permanent solution for the port will always be Thilafushi". ¹⁸

Any obstruction from the Maldivian Government to the port construction may lead to disappointment. Post-elections, Muizzu has not yet talked about his policy on the issue. As of now, he has talked about raising two issues with India i.e., removal of the Indian military personnel present in the Maldives and debt restructuring.

Conclusion

In the coming days, India-Maldives might have to deal with uncomfortable negotiations. Keeping the ground realities in mind, both sides may agree to scale down the presence of Indian military personnel instead of complete withdrawal. It is unlikely that the new administration will cancel the ongoing Indian projects in the country, but engagement with India for new development infrastructure projects in the next five years may reduce.

On the other hand, economic engagement with China will increase significantly. Unlike Yameen, Muizzu however would be cautious about the geostrategic repercussions of getting too close to the Chinese. He, therefore, would try to reach out to other countries including Japan, Saudi Arabia, and Kuwait to avoid making the island an overt theatre for strategic competition between China and India. While maintaining security and defence cooperation with India, Maldives is likely to have maritime security cooperation with countries like the USA and Australia to remove the public perception of Maldives' excessive dependence on India.

In other words, while it is unlikely that India-Maldives relations will deteriorate drastically, there will be hiccups or headwinds in certain aspects. Increased Chinese economic involvement in the Maldives will not and should not be a serious concern for India. However, the Muizzu administration will turn the island into a space for geostrategic competition if it allows China to enhance its strategic presence in the Maldivian territory. Muizzu in his interview with several media houses has articulated that he will keep Maldives away from strategic power competition. His only priority will be national interests. It is to be seen how Muizzu sticks to his commitments and walks the talk.

¹⁸ "USD1 Million Gulhifalhu Port- An Economic Boom or Environmental Destruction?" *Corporate Maldives*, 23 August 2020.

About the Author



Dr. Gulbin Sultana is Associate Fellow at the Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

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Manohar Parrikar Institute for Defence Studies and Analyses
1, Development Enclave, Rao Tula Ram Marg
New Delhi 110 010 India
T +91-11-2671 7983 F +91-11-2615 4191
www.idsa.in
Twitter @IDSAIndia
www.facebook.com/ManoharParrikarInstituteforDefenceStudiesAnalyses