



Strategic hedging in small state diplomacy: A study of the Maldives between India and China

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Abstract

Small states such as the Maldives have become pivotal in the strategic calculus of the big powers in the Indian Ocean Region, such as India and China, in the changing geopolitical environment. This paper will discuss how the Maldives, though having limited material potentials, employs agency by the strategy of strategic hedging, which is keeping relations with other competitive powers to enjoy maximum economic and security gains at minimum dependency and risks. The study by examining the foreign policy choices, economic interactions and security alignment of the Maldives under different political regimes show how successive governments have been able to balance the traditional influence of India with the increasing influence of China with the Belt and Road Initiative (BRI). The paper relies on the theories of small state behaviour and strategic hedging and presents a detailed case study in order to learn the complexities, constraints, and opportunities that small states have in dealing with asymmetric relationships. The results provide some very useful information about the general trends of the regional diplomacy and emphasize the necessity of large states to interact with small states on the premises of equality, independence, and cooperative sustainability.

Keywords: Small state diplomacy, strategic hedging, India-Maldives relations, China-Maldives engagement, Indian Ocean Region (IOR)

Introduction

The strategic hedging has become an essential approach to foreign policy, especially in the case of small and vulnerable states in an uncertain international system, as it can enable states to evade making any final strategic decisions between rival major powers and gain as much as possible and as little as possible (Kuik, 2021) ^[7]. As opposed to the conventional balancing or bandwagoning, hedging helps states to have the freedom to retain their autonomy and flexibility in a fast polarizing world (Lim & Mukherjee, 2019) ^[9]. The significance of small states in geopolitics in the world has gained importance in the 21st century. Though small states have very limited military and economic capacities, they can leverage their strategic position due to the geographic location, maritime routes, or balancing capacities through diplomacy to protect the sovereignty, economic development, and to alleviate external pressure (Kuik, 2021) ^[7]. The Maldives is a small island country found in the centre of the Indian Ocean Region (IOR) which demonstrates such a strategic importance. Its geographical location in the major sea lines of communication makes it centre of interest among rival regional and extra regional powers especially India and China. India used to have strong historical and security relations with the Maldives, and economic investments and infrastructural projects of China have changed the balances of power in the area. In these regards, the foreign policy decisions of the Maldives are a strategic hedging behaviour because the country aims to strike a balance between the economic gain associated with China and retaining its independence and traditional relationships with India (Lim & Mukherjee, 2019) ^[9].

Conceptual Framework

Small states, which are commonly characterized by their small army or military forces, small economies, and small populations, have a different role in international politics

(Baldwin, 2016) ^[1]. Although often perceived to be passive actors, the contemporary international relations research seems to acknowledge the growing role of small states as agile participants in the regional politics by means of diplomacy, international law, multilateralism, and economic alliances (Thorhallsson, 2012) ^[14]. The primary focus of small state diplomacy is to maintain national security, protect national sovereignty, and achieve the national developmental agenda in a complex international system that is dominated by the great powers (Cooper *et al.*, 2013) ^[3]. These are the states that tend to resort to intelligent diplomacy, establishment of alliances and normative positioning to navigate asymmetrical power order (Keohane, 1969; Thorhallsson, 2012) ^[5, 14].

Theoretical Foundation of Strategic Hedging

Strategic hedging is a foreign policy strategy that aims to reduce the unpredictability and maximize the strategic freedom, i.e. not being tied to a single dominant power (Kuik, 2021) ^[7]. It means involving several great powers at the same time, gaining economic or security advantages out of both, and not relying on a particular player excessively (Lim & Mukherjee, 2019) ^[9]. The philosophy of hedging is based on the realist and liberal theories of international relations, combining the power balancing and a pragmatic cooperation. Although realism focuses on survival in an anarchic system (Mearsheimer, 2001) ^[10], the liberal concept of interdependence and institutional interaction to reduce risks is also incorporated in hedging (Keohane and Nye, 1977) ^[6].

Balancing, Bandwagoning, and Hedging: Key Differences

Strategically, balancing is an act of aligning against an apparent threat by forming alliances or arms strengthening and bandwagoning is an act of aligning with a more

powerful power as a means of reaping the rewards or evading war (Walt, 1987) ^[15]. Hedging is however situated in between these two extremes. It involves a more uncertain, risk-averse approach in which a state will enter various relations with its opponents without making a commitment to either (Kuik, 2021; Lim and Mukherjee, 2019) ^[7, 9]. Hedging enables small and medium states to maintain independence, minimize risks to their strategies and reap the benefits of several powers at once.

Key Characteristics of Hedging Behaviour in Small States

Usually, the hedging policy of small states has the following features:

- 1. Dual Engagement-** having diplomatic and economic relations with enemy countries.
- 2. Strategic Ambiguity** - not committing resources totally to either bloc or power.
- 3. Autonomy Preservation-** giving precedence to sovereignty and flexibility in foreign policy.
- 4. Risk Diversification** - pursuing the gains (benefit in the form of aid, investment or security) of a number of partners.
- 5. Issue-Specific Alignment-** alliances grounded on supporting different powers on different issues instead of comprehensive alliances.

Relevance to the Maldives

The Indian Ocean Region (IOR) provides a good example of hedging by small states, such as that of the Maldives. The Maldives has been swinging between becoming a part and remaining independent, caught between the influence of traditional influences of India and the emergence of China via the Belt and Road Initiative (BRI) (Lim & Mukherjee, 2019; Kuik, 2021) ^[7, 9]. The administrations have followed different strategies of intimacy with India or China, yet, generally, the Maldivian foreign policy has been characterized by a definite hedging posture. It is trying to get economic benefits out of China without losing security and cultural connections with India to retain national independence and not fall into the grand power politics (Basrur, Mukherjee & Paul, 2019) ^[13].

Strategic Importance of the Maldives in the Indian Ocean

The Maldives occupies the centre of the Indian Ocean between southwest of India and Sri Lanka. It is located close to international sea routes that over 80% of oil trade in the world and 60% of marine trade transit, linking the Strait of Hormuz with the Strait of Malacca (Mishra & Sen, 2022; Pant, 2019) ^[11, 12]. As a natural maritime outpost with 26 atolls spread on 90 thousand square kilometres of sea area, Maldives can affect movement and surveillance in the centre of the IOR (Basrur, Mukherjee & Paul, 2019) ^[13]. It is also endowed with the exclusive economic zone (EEZ) resources like fisheries and the possible underwater mineral resources (Mishra & Sen, 2022) ^[11]. It is also useful in the revenue of tourism that welcomes foreign investment, particularly China and Gulf countries (Pant, 2019) ^[12]. The geopolitical aspect of it serves as a buffer zone of India

among outside powers working in the Indian Ocean, particularly China and the U.S. that provides it with more diplomatic leverage than its minimal size (Lim & Mukherjee, 2019) ^[9].

Role in Maritime Security and Sea Lines of Communication (SLOCs)

The Maldives is a strategically important country of the Indian Ocean that borders some of the most important Sea Lines of Communication (SLOCs) of the world. These sea routes play a critical role in world trade and shipments of energy, particularly to such nations as China, India, and countries of the Gulf (Pant, 2019; Mishra & Sen, 2022) ^[11, 12]. The Maldives offers control or considerable control to the surrounding or extra-regional power to observe, seize, or even interfere with the maritime traffic by these congested routes. Therefore, the Maldives is actively involved in maintaining the security and stability of these business routes (Basrur, Mukherjee & Paul, 2019) ^[13]. Maldives is also engaged in regional activities that are designed to mitigate non-traditional maritime threats, in addition to its geographical strategic location. It is involved in combating piracy, human trafficking, and smuggling in Indian Ocean (Pant, 2019) ^[12]. The nation works in liaison with the Indian coastal surveillance programmes and also has U.S. Indo-Pacific Command to boost maritime security (Brewster, 2014) ^[2]. These alliances have assisted the Maldives to gain the ability to better monitor its expansive sea territory.

The Exclusive Economic Zone (EEZ) of the Maldives is vast with a huge range in relation to the land area, thereby giving a chance to the regional powers to potentially operate. This has seen an increased interest in developing dual use infrastructure which includes ports, radars and surveillance infrastructure. These bases are not only useful in terms of economic and civilian purposes, but also may help the external actors to improve their strategic stakes in the region by increasing their access to the information about the maritime domain and naval reach (Mishra & Sen, 2022) ^[11]. Furthermore, being a low-lying island state which is very susceptible to effects of climate change, the Maldives has gained international notoriety on environmental grounds. In most cases, there are several international players that offer climate aid to the Maldives with the aid usually being accompanied by strategic reasons, such as access to important maritime points in the long term. In this way, the Maldives is becoming more and more involved in the relations with the greater powers, which are directly connected to both environmental security and strategic interests (Pant, 2019; Brewster, 2014) ^[2, 12].

Interests of Major Powers in the Maldives

India is also interested in preserving its local hegemony in South Asia with its policy of Neighbourhood First and the Maldives stands at a critical juncture to this play. To India, the Maldives is not only a close maritime ally but also a major contributor of providing security and stability in the Indian Ocean Region (IOR) (Pant, 2019; Brewster, 2014) ^[2, 12]. The Indian interests are associated with thwarting the growing power of China, protecting the maritime trade routes, and increasing the awareness of the maritime domain by means of the coastal radar systems and naval logistics support. New Delhi has also been investing in significant infrastructure and construction projects like the Greater Malé Connectivity Project and has also been offering

military assistance and capacity-building programs to Maldivian defense forces (Mishra & Sen, 2022) ^[11].

China is the other country that has grown its presence in the Maldives mainly through the Belt and Road Initiative (BRI). It has funded a number of massive projects in infrastructural development, such as the Sinamalé Bridge, and has issued a sizeable amount of loans, which has become a problem of debt dependency (Basrur, Mukherjee & Paul, 2019) ^[13]. Strategically, China regards Maldives as an important node in its String of Pearls plan of action - a chain of ports and stocks to improve its naval presence in the Indian Ocean. The fact that China is interested in obtaining access to deep-sea ports and building airstrip facilities means that it intends to develop semi-permanent logistical bases that it could use to support its long-term maritime activities (Lim & Mukherjee, 2019) ^[9].

The United States is also particularly interested in the Maldives, which is mostly in the context of having free, open and rules based Indo-Pacific. Its priorities are to support freedom of navigation, strengthening counter-terrorism cooperation, and preventing the influence of authoritarianism in the area. Most recently in 2020, the U.S. signed a defense and security agreement with the Maldives to enhance bilateral collaboration and encourage maritime security in the region, as a sign of growing Washington involvement in South Asia (Brewster, 2014) ^[2].

There is also the increasing interest of other regional and extra-regional powers in the Maldives including Japan, Australia, the United Kingdom, and Saudi Arabia. The priorities of these countries are on advancing democratic governance, increased climate resilience, sustainable development, and on violent extremism. This has frequently overlapped their strategic interests in India and China and created a complicated balance between collaboration and rivalry of the two countries in achieving economic partnerships, influence, and access in this strategically located island country (Pant, 2019; Basrur, Mukherjee & Paul, 2019) ^[12, 13]

India's Engagement with the Maldives

India and Maldives have a very old historic relationship based on civilizational and cultural affiliations. All of this has been accompanied by very strong historical, linguistic, cultural closures between the two countries, which went back to the early days when maritime trade was thriving in the Indian Ocean (Pant, 2019; Brewster, 2014) ^[2, 12]. Such early contacts formed the basis of a relationship of mutual understanding and cultural exchange, and have formed long-term relationships between their peoples. Relations between the two countries have been consistently good on the diplomatic level. India was one of the first countries to acknowledge Maldives when it became an independent state in 1965. Since then, the bilateral relations have been close, with cooperation in the fields of diplomacy, trade, development aid, and defense (Mishra & Sen, 2022) ^[11].

India has a long history of being a security ally to the Maldives. This was best illustrated in 1988, in the course of operation Cactus, India intervened promptly to assist the Maldivian government in its bid to stem a coup attempt on its side. The fast and successful engagement of the Indian troops gained massive recognition and enhanced the strategic relevance and goodwill of India in the region (Pant, 2019) ^[12]. Interpersonal relations are also a source of India-Maldives relations. Most Maldivians study in India to get

higher education, quality medical services, and professional jobs. Bollywood films and television programs have been very popular in the Maldivian homes and this has further strengthened the cultural relationship between the two countries. Such personal relationships have been useful in building confidence and creating goodwill on the ground (Brewster, 2014) ^[2].

The Neighborhood First Policy of India emphasizes the need to strengthen the relationship with the neighboring nations in the economic context, the improvement of the connectivity level, and capacity building programs. In this context, the Maldives is centralized since it is strategically located in the Indian Ocean and is a key to regional maritime security and economic collaboration (Pant, 2019; Brewster, 2014) ^[2, 12]. The close level of diplomatic activities have greatly enhanced in the past years between India and Maldives. It is worth noting that the fact that Prime Minister Narendra Modi made the first visit to the Maldives in 2019 as his first foreign visit in his second term of office indicated how important India is to this bilateral relationship. These ties are also solidified by frequent visits, bilateral agreements, and cooperative projects (Mishra & Sen, 2022) ^[11].

India has also been on the forefront in giving humanitarian and disaster relief aid to Maldives. India is also among the first countries to respond to help and rescue operations in the aftermath of the 2004 Indian Ocean tsunami. In 2014, a severe drinking water crisis hit Malé but India sent a mission called Operation Neer to bring fresh water to the island country in more than a thousand tonnes. Through the initiatives such as Vaccine Maitri and Operation Sanjeevani, India provided a lot of support, including vaccines, medical equipment, and monetary support during the COVID-19 pandemic. Those moves have strengthened the position of India as a stable ally and emphasized the real use of the Neighborhood First Policy in the area (Basrur, Mukherjee & Paul, 2019) ^[13].

The Maldives and India have a strong military and maritime security association. India is a major contributor to the training of Maldivian security staff and provision of needed defense equipments as part of the agreement of bilateral defense cooperation. The interoperability and coordination of the armed forces between the two countries is boosted through joint military exercises like the Exercise Ekuverin which is conducted annually. Besides, India has assisted in the setting up and functioning of sea radars in the Maldives to enhance the domain awareness and the surveillance of the seas. The Indian military officers are also based in the Maldives to use aircrafts and helicopters provided by India that can be utilized in humanitarian aid, medical evacuation and also maritime patrolling (Brewster, 2014; Pant, 2019) ^[2, 12].

India is also one of the greatest economic partners of the Maldives. One such project under this partnership is the Greater Malé Connectivity Project that is being undertaken under a 500 million fund consisting of grants and a Line of credit. This infrastructural project is likely to bring a big difference in the connectivity and economic integration in the capital area. India has also been contributing very broadly to other developmental activities in the Maldives such as housing schemes, water and sanitation, renewable energy infrastructure, building ports and roads (Mishra & Sen, 2022) ^[11].

Moreover, India has given various Lines of credit to fund development projects in the Maldives. During economic suffering, India has offered currency swap contracts in order to stabilize the Maldivian economy and secure liquidity. These actions highlight how India has been committed to the sustainable development and economic sustainability of the Maldives in the long term and strengthens how bilateral cooperation has been multifaceted (Basrur, Mukherjee & Paul, 2019) ^[13].

China's Strategic Entry into the Maldives

In 2014, the Maldives officially became a part of the Belt and Road Initiative (BRI) of China under the rule of Abdulla Yameen. This ruling was a major change of direction of the foreign policy of the country and the road to a flood of Chinese investments. China started funding and developing several important infrastructure projects in the Maldives according to the BRI framework, including roads, bridges, residential development, and airport expansion in order to enhance connectivity and stimulate economic growth (Li, 2020; Brewster, 2014) ^[2, 4]. This has increased the economic influence of China in the island country and made Maldivian development intertwined with Chinese capital and technology. The Maldives forms an essential part of the overall architecture of the 21st Century Maritime Silk Road, which is a key part of the BRI, in terms of its geostrategic position. This maritime route is to be used to connect the Chinese ports to Africa, Middle East and Europe via the Indian Ocean. Centrally based along the Indian Ocean Region, the Maldives is a vital sea route that helps China to increase its presence over the key chokepoints and transit routes (Basrur, Mukherjee & Paul, 2019) ^[13].

Besides, Maldives is strategic in the quest by China to diversify its sea paths. One of the major problems that are of concern to Beijing is the Malacca Dilemma its reliance on the Strait of Malacca a small yet important shipping route through which most of its imports of trade and energy are imported. The Maldives geographical position presents China with a possible second way or axis of influence that might assist in reducing the dangers of this dependency. With control and presence in the Maldives, China will be better positioned to protect its maritime interests and secure the unimpeded movement of goods and energy along the Indian Ocean, which will integrate its strategic independence in global trade logistics (Li, 2020) ^[4].

The increased presence of China in the Maldives through the BRI has caused a tremendous infrastructure development of the archipelago. The China-Maldives Friendship Bridge, now widely known as the Sinamalé Bridge is among the flagship projects. Built in 2018, this 2.1-kilometer bridge links the capital city Malé to the Hulhumale Island where the main international airport of the country Velana international Airport is situated. The bridge has enhanced the traffic within the country and the bridge is frequently referred to as a sign of China-Maldives collaboration. Chinese firms have also participated in upgrading the Velana International Airport and housing developments, resorts, roads and water and sanitation infrastructure and harbor infrastructure on multiple islands (Brewster, 2014) ^[2].

Financing of such projects has however resulted in increasing worries regarding the sustainability of debts. Most of the Chinese funded infrastructure projects in the

Maldives have been done on loans as opposed to grant. Based on different estimates, the debt by the Maldives to China is estimated to be between 30 and 40 percent of the total external debt of the country, which is causing alarm among economists and policymakers. This accumulation of debt has caused concerns regarding the economic consequences of this in the long-term regarding the Maldives due to its small revenue base and reliance on tourism (Basrur, Mukherjee & Paul, 2019) ^[13].

The scenario has raised an enlarged discussion on the involvement of China on what critics term as debt-trap diplomacy. This can be defined as the approach of giving too much money to developing nations by a creditor nation, in this case China, and having a strategic edge in the cases where the developing nations default on repaying their debts. The situation when the Sri Lankan government has sold its Hambantota port to a Chinese corporation is mentioned as a warning about such practices on a regular basis. In the example of the Maldives, the assets seizure was not directly evident, but the increasing level of debt creates a threat of economic reliance on China. This dependence may interfere with policy independence of Malé and its efforts in attaining a balanced foreign policy. It further strains the long term fiscal health of the country making future borrowing and investment deals to be scrutinized with more attention (Li, 2020) ^[4].

Infrastructural development projects funded by the Chinese in the Maldives has become a strategic issue because of the fact that some of these developments might be dual use. Analysts have often considered such projects like ports, airports, and radar systems as military in use even though they were officially meant to serve civilians. During a conflict or strategic requirement, the infrastructure may be dual-use, with military logistics, surveillance, or deployment potentially supported by the infrastructure and hence changed the security in the Indian Ocean Region (Brewster, 2014) ^[2]. Though no formal military footprint of China has been set up in the Maldives, there is speculation, though, that one day, Beijing might demand some logistical access or support bases to its Peoples Liberation Army Navy (PLAN). It is seen as one of the elements of the larger jointly known as the String of Pearls strategy of China, which entails the creation of a web of commercial and military sites along the Indian Ocean to ensure its maritime interests and increase its power projection capabilities (Basrur, Mukherjee & Paul, 2019) ^[13].

The political value of a stronger Chinese presence in the Maldives is considerable. The Maldives positions provide good points of view to monitor the activity of the sea including the activity of the Indian navy. The ability of Chinese to gain access to these routes would allow Chinese to have a closer monitoring ability and this would provide China with the possible strategic advantage in the region. Such a prospect concerns not only the countries of the Indian Ocean, which perceive the Indian Ocean as its strategic backyard, but also the western powers, including the United States, and its allies, who also see the region as the key in ensuring the rules-based international order (Li, 2020) ^[4].

China's Soft Power and Diplomatic Overtures in the Maldives

Besides the economic and strategic interactions, China has been actively trying to use the soft power policy in

developing its influence over the Maldives. This has been facilitated by cultural diplomacy where China has been supporting the teaching of Mandarin language, cultural exchange programs and the formation of Confucius institutes. These measures are supposed to facilitate the establishment of people-to-people relationships and the creation of a positive image of China in the eyes of Maldivian people, especially young people and the academic community (Rana, 2022; Brewster, 2014) ^[2, 8].

Another relevant aspect of the soft power strategy of China is education and training programs. Beijing has provided many scholarships to the Maldivian students to get higher education in China in different areas like medicine, engineering and technology. Also, Maldivian professionals have received special training programs, as well as short-term technical courses, thus elevating local capacity, but at the same time, generating a goodwill towards China (Rana, 2022) ^[8].

Tourism has also been an influential means through which Chinese influence has taken place. Before the COVID-19 pandemic, China had ranked as the biggest tourist coming to the Maldives and it brought in a significant level of income to the island country. Chinese tourists helped local businesses as well as promote Maldives economic dependence on China which strengthen bilateral relationships by encouraging market-driven relations (Brewster, 2014) ^[2].

The COVID-19 crisis had seen China step-up its diplomatic outreach, which has been termed as pandemic diplomacy. It provided the Maldives with personal protective gear, medical equipment, and vaccines framing itself as a responsible great power ready to help in needy developing countries. This humanitarian aid contributed to the enhancement of the China image and offsets the view of China as a strictly strategic player in the area (Rana, 2022) ^[8].

Moreover, China has developed a good political relationship in the Maldives especially when President Abdulla Yameen was under power. The top-tier diplomatic visits, partying collaboration and the niche diplomatic intervention enabled the establishment of the more political presence of Beijing. Those attempts allowed China to not only find an adequate set of policies but also become an inseparable part of Maldivian politics, which guaranteed the long-term strategic influence via soft power and diplomacy (Brewster, 2014; Basrur, Mukherjee & Paul, 2019) ^[2, 13].

Strategic Hedging by the Maldives

The Maldives being a small island state located in a strategic geopolitical place in the Indian Ocean has employed the foreign policy approach that can only be termed as strategic hedging. Strategic hedging is a tendency where smaller states do not over rely on a single great power and instead strive to gain economic, political, and security advantages out of the rival powers. In the case of the Maldives, this will enable it to retain sovereignty and autonomy to enjoy the maximum benefits of both India and China and without being entangled in the strategic rivalry between the two. Instead of becoming ideologically aligned, the Maldivian foreign policy is pragmatic, flexible and transactional in nature and is influenced by domestic political changes, economic requirements and regional events (Basrur, Mukherjee & Paul, 2019; Brewster, 2014) ^[2, 13].

The Maldives has discovered opportunities and threats in the process of balancing its relationship with India and China. On the opportunity side, China Belt and Road Initiative (BRI) provides huge infrastructure funding and Indian assistance in form of development aid, grants, concessional loans and invaluable services such as humanitarian aid and disaster relief. India is still critical to the Maldivian maritime security and China offers the prospects of the economic diversification and long run infrastructure development. Tourism and trade are other sources of Maldivian economy in both countries. Nevertheless, this balancing process is not devoid of its dangers. A heavy dependence on the Chinese loans has caused the fear of debt trap and eventual loss of sovereignty. Likewise, the visible aspect of the Indian military has elicited a domestic response like the India Out campaign. Furthermore, political instability, often accompanied by frequent changes of regimes, interferes with the long-term strategic planning and contributes to the swings of policies that find it difficult to conclude partnerships with external parties (Rana, 2022; Brewster, 2014) ^[2, 8].

This hedging strategy is depicted in two case studies. The Maldives was characterized by a strong move towards China under the administration of Abdulla Yameen (2013-2018). It became a BRI member, signed a Free Trade Agreement with Beijing and it carried out significant infrastructure developments such as the Sinamalé Bridge and the airport expansion which were financed in large measure by obscure Chinese loans. This period was called by critics as China-dependent, and it created red flags regarding the sustainability of the debt and lack of transparency (Basrur, Mukherjee & Paul, 2019; Rana, 2022) ^[8, 13]. Conversely, the Maldives re-calibrated its foreign policy during the tenure of President Ibrahim Mohamed Solih (2018-2023) because he welcomed India under the so-called India First policy. India has become a central partner development partner, initiating community-oriented projects, aiding urban infrastructure as well as a critical contributor of humanitarian and maritime security. The government of Solih focused on transparency and a more equalized attitude to foreign relations (Brewster, 2014) ^[2].

A domestic politics also plays a significant role in shaping hedging behavior of the Maldives. Party politics directly influences foreign policy decisions- governments under Progressive Party of Maldives (PPM) and Dhivehi Rayyithunge Party (DRP) have preferred strong relations with China and governments under Maldivian Democratic Party (MDP) favored India. The issue of nationalist rhetoric and issues of sovereignty are often used in the mass media, usually to justify the changes in the foreign policy. Social media movements such as the India Out have been spread to various parts of the population, affecting the opinion of the people and political choices. Also, there are the networks of elites who have business interests in Chinese-backed initiatives and thus, they influence foreign policy to include further activity with Beijing. In other instances, religious and media discourses, especially those of the conservative Islamic entities, have determined the presence of India as invasive, thus projecting China as a more respectful, non-interfering partner (Rana, 2022; Basrur, Mukherjee & Paul, 2019) ^[8, 13].

Implications of the Maldives Hedging Strategy

The policy of strategic hedging adopted by the Maldives to balance the relations with the key players such as India and China has a number of consequences on its sovereignty and independence. On the advantageous end, such policy increases the negotiating room of the Maldives diplomatic team, and it can interact with rival forces at its own convenience and protect its national interests. Although very small, the Maldives uses its geostrategic value in the Indian Ocean as an agency in regional politics (Brewster, 2014; Basrur, Mukherjee & Paul, 2019) ^[2, 13]. This flexibility however can be expensive. When reliance on a single actor starts to limit policy autonomy, e.g. when Chinese debt or Indian military assistance start to tie sovereignty up, then sovereignty is conditional. In this situation, the sovereignty can be formal, but the strategic autonomy is undermined (Rana, 2022) ^[8].

The concept of sovereignty is also a politically charged weapon in the domestic politics. The campaigns like the one that is called the India Out show how the discourses of sovereignty are becoming more and more instrumentalized by political actors to drive popular feeling into opposing foreign intervention. Such stories are frequently influenced by domestic politics of the struggles more than actual dangers to national independence. In addition, the volatility in the policies has been created by shifts in leadership and the change in foreign orientation which has shifted to pro-China and then to pro-India. This subverts institutional capacity and hinders the power of the Maldives to maintain consistent, long-term foreign policy choices, which enhances effective sovereignty (Basrur, Mukherjee & Paul, 2019) ^[13].

There are also dangers of over-reliance on external actors that strategic hedging generates. In the case of China, the Maldives has racked up huge debt through BRI-funded projects and this raises the issue of debt-trap diplomacy. The excessive borrowing is causing concern that when repayment pressure mounts the Maldives may feel forced to lease strategic assets or compromise policy as has been seen in the Hambantota port case in Sri Lanka. Security wise, the Maldives has had to depend on India as its main defense ally; in form of maritime patrols, radar, and humanitarian efforts and this is something that has brought about some suspicion among parts of the population. Although the Indian assistance is essential, the long-term reliance can negatively impact the self-defense of the Maldives and will trigger a nationalist reaction, particularly in case the Indian military footprint can be considered an invasion (Brewster, 2014; Rana, 2022) ^[2, 8].

The other effect of hedging is the loss of neutrality. The Maldives runs a risk of being sucked in the geopolitical conflict between India and China as the Maldives strengthens its relations with both nations. An escalation of strategic interests can compel the Maldives to join one side in the disputes of the region or tie itself to a specific power more strictly, which will restrict its freedom in diplomacy. This quandary is emphasized by the fact that China is increasingly developing strategic interests in the Indian Ocean and India is also determined to reassert its dominance in the region. When not handled well, making the Maldives a balancing act may result in the country becoming a strategic overstep by the outside players, thus affected by external influences that undermine its role of a neutral and independent player (Basrur, Mukherjee & Paul, 2019) ^[13].

There are also wider implications on the regional stability at the Indian Ocean region (IOR) as a result of the strategic location of the Maldives. It lies in the heart of major maritime routes; hence it presents a potential point of conflict in the India-China rivalry. The dominance in the IOR may be influenced by the rivalry in the arena of freedom of navigation, entry to ports and military logistics. With the growing influence of the two powers, a security dilemma can arise whereby India is becoming more engaged with its military presence and China is also consolidating its economic presence. This may lead to an arms race or proxy war that will disturb regional balance. In addition, greater power competition may jeopardize the multilateral organizations in the region, such as Indian Ocean Rim Association (IORA), SAARC, and BIMSTEC. This competition undermines the cooperation mechanisms that are required to deal with common challenges such as climate change, economic integration, and maritime security (Brewster, 2014; Rana, 2022; Basrur, Mukherjee & Paul, 2019) ^[2, 8, 13].

Conclusion

The example of the Maldives shows that any small states, even with less material power, can successfully operate in the complex geopolitical world to strategic hedging. The Maldives is a key point on an important maritime junction in the Indian Ocean, which makes the country the center of competition between India and China. Instead of siding with either power, the successive Maldivian governments have chosen to pursue the strategy of hedging, i.e. they have tried to ensure that they benefit the most, with both India and China without depending on one of them heavily. This strategy emphasizes the effect of small states in international relations and dispels the view that they are passive actors who receive the influence of great powers.

In the past, India has been a dominant force in the affairs of the Maldives and this has been so because of its historical, cultural and geographical closeness to the Maldives. This is indicated in its Neighborhood First Policy and strategic alliances such as military assistance and development aid, which show their desire to maintain influence in the island state. The increasing domestic opposition to perceived Indian intrusion and the emergence of a sense of nationalism have however complicated this dynamic. The problem that India is experiencing is balancing between its involvement to acknowledge Maldivian sovereignty and being an ally with being a supportive and non-interfering state.

The strategic landscape has been changed by the entry of China into the Maldives especially through the Belt and Road Initiative (BRI). There have been large-scale investment in infrastructure, soft loans, and top-tier diplomatic visits that have made Beijing have a larger presence in the country. Nonetheless, this increasing Chinese occupation has also given rise to the issue of sustainability of debt and the possibility of dual-use organizations. The Chinese investments have been welcomed and at other times turned towards India which the Maldivian leadership has adopted this form of hedging behaviour.

The political changes within the Maldives have an effect on the strategic decisions which are made by them, but external forces also affect them. The government tends to change its foreign policy with certain governments inclined to India and others to China. This internal turmoil also underlines

the necessity of a reasonable and adaptive foreign policy strategy that would protect the national interests and maintain independence and sovereignty. Strategic hedging offers the Maldives with a process to navigate through these uncertainties.

To sum up, the diplomatic policy of the Maldives provides significant insights to any other small state between two warring countries. Hedging though not devoid of risk allows the small states to improve their bargaining power, diversify partnership and exercise strategic independence. In the case of bigger powers such as India and China, the Maldivian example demonstrates the need to implement the policy that is not coercive but more cooperative, attentive to the situation at home, and oriented at the mutual benefits. With the Indian Ocean increasingly becoming a peacemaker, the Maldives will remain to be a crucial factor not just in terms of a strategic factor but also as a collective player in the formation of regional diplomacy.

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