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# Imperatives of Foreign Policy and Security Dynamics of Small Island Nations in the Indo-Pacific

CSS DIALOGUE REPORT

THE CENTRE FOR SECURITY STUDIES

# Emerging Geopolitical and Security Concerns of the Indo-Pacific

The geopolitical, economic, and security significance of the Indo-Pacific region has captivated the attention of policymakers, leaders, and academicians worldwide. From the eastern shores of Africa to the western coasts of the Americas, the Indo-Pacific comprises some of the world's most dynamic societies, influential economies, vibrant cultures, and strategic maritime routes. Small Island Developing States (SIDS) are countries characterised by their small land area, their location within oceans and seas, scarce resources, and growing economies. Given their geographical location and natural endowments, SIDS are highly susceptible to the impacts of climate change, including rising sea levels, frequent and severe storms, and ocean acidification, among other threats. These environmental challenges threaten their ecosystem, economies and often their very existence. It is against this backdrop that this report aims to delve deeper into their contemporary challenges, their international relations, and in general, their role in the Indo-Pacific region.

This report, divided into 3 parts, is the work of 11 Research Interns at CSS, who examined critical security and foreign policy issues pertinent to 11 Small Island Developing States (SIDS) in the Indo-Pacific region. It aims to offer valuable insights and perspectives that contribute to a more profound comprehension of these countries within the region's evolving geopolitical and security landscape.

This report is a product of the Centre for Security Studies, Jindal School of International Affairs.

## Centre for Security Studies

Jindal School of International Affairs

O.P. Jindal Global University



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*For queries kindly contact [css@jgu.edu.in](mailto:css@jgu.edu.in)*

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# Prologue

## **Sri Lanka**

The report on Sri Lanka talks about the factors influencing security and foreign policies of the island nation, such as vulnerability to natural disasters and maritime security concerns, among others. It highlights the security dynamics and military capabilities of the nation while also highlighting its foreign policy goals. It sheds light on how Sri Lanka decided to join this race to claim its influence on the IOR and to bank on its strategic location in the region.

## **Marshall Islands**

Republic of Marshall Island Dialogue Report talks about the historical background and security strategy of the island. It highlights the issues faced by the island, the US Assistance to it as well as its membership in the international organisations. The report concludes by stating that if the Marshall Islands sides with China, they may escalate tensions between the U.S. and China, as the U.S. will feel threatened.

## **Seychelles**

While Seychelles holds the distinction of being the smallest country in Africa, its significance is amplified by its strategic position in the Indian Ocean. This document centers on Seychelles' fundamental geographical attributes, encompassing matters of maritime security, transnational criminal activity, prevalent drug usage within the nation, and pertinent considerations regarding climate change. The report concludes by outlining Seychelles' foreign policy of non-alignment, as well as its diplomatic relations with a range of nations, including France, India, China, and others.

## **Palau**

Palau is small island nation in the Micronesia subregion of Oceania in the western Pacific. This report refers to the strategic location of Palau due to the Indo-Pacific Security Complex and discusses the reasons for American interests in the country. The author sheds light on the USA's financial assistance to Palau and the latter's relations with Taiwan despite increasing pressures from China. It also discusses the risk posed by climate change and its bilateral relations with important US allies like India, Australia, and South Korea.

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# Sri Lanka

*Samyak Banerjee*

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## Introduction

The following report shall shed light on the imperatives of foreign policy and security dynamics of Sri Lanka. It explores several factors and situations faced by the country that influence and impact the policies of this island nation. The country's response to the crisis as well as any policy changes made to deal with the crisis are outlined as part of its foreign policy. Sri Lanka is a small island nation located in the Indian Ocean and unlike some of its neighbours, Sri Lanka lacks military and economic power needed to influence the international community in order to further their national interests. This report is going to delve into the steps taken by Sri Lanka to not only manage its territorial and maritime security, but also its attempts to leverage its strategic location to gain some advantage over other nations which in turn leads to domestic progress and prosperity.

## Factors Influencing Security and Foreign Policies

- 1. Vulnerability to Natural Disasters and Environmental Vulnerability-** As an island nation, Sri Lanka is prone to tsunamis and cyclones which can have devastating effect on their coastal areas and can lead to a substantial loss of life and property, leading to some long-term damages.
- 2. Maritime security concerns-** Sri Lanka has a small navy which limits their ability to deal with issues such as drug and human trafficking across the Indian Ocean and in waters near to their marine boundary.
- 3. Limited land and resource constraints-** The island nation does not have enough space to set up large-scale manufacturing units needed to process the already limited resources they possess thus leading to an economic disadvantage.
- 4. Heavy dependence on imports-** Due to Sri Lanka not possessing enough manufacturing power, it has to rely on imports, one e.g., being the import of Mineral Fuels and Oil worth \$3.9 billion which was 22.4% of their total imports in 2022 (Workman 2023).

## Military Capability

Sri Lanka, recognizing the importance of aligning its security policies with the ever-evolving

manpower and technical capabilities of its esteemed security forces, has strategically devised comprehensive measures to ensure a robust and dynamic defence system. The nation holds a PwrIndx (Power Index) score of 1.2478 as of 2023 (Global Fire Power 2023). Based on the information currently accessible, the aggregate count of military personnel in Sri Lanka stands at 266,500 individuals, of which 250,000 are actively engaged in service while the remaining portion comprises reservists (Global Fire Power 2023). The military arsenal of Sri Lanka consists of 182 tanks, 234 towed artillery pieces, and 7,588 armoured vehicles, in addition to a fleet of 5 fighter jets, 9 attack helicopters, and 5 frigates (Global Fire Power 2023). In comparison to other small island states, Sri Lanka maintains a relatively substantial military force. However, when placed side by side with neighbouring nations such as India, Pakistan, and China, the strength of its military remains significantly inferior, posing a significant concern for this small island state. The current defence budget of Sri Lanka is \$1.45 billion which is 1.88% of their GDP (Kuruwita 2022). This lack of sufficient resources and a relatively smaller military budget can impede the acquisition of advanced military equipment and technology, which in turn poses challenges in maintaining a robust defence capability.

## **Security Dynamics**

Over the course of its history, due to the 3 decade long civil war raging in the country, Sri Lanka had adopted an internal security policy aimed at addressing acts of terrorism committed by the Liberation Tigers of Tamil Eelam (LTTE) and other Tamil nationalist movements. Simultaneously, the country has undertaken counterinsurgency operations in response to the activities of these groups. Until the end of the civil war Sri Lanka primarily focused on its internal security. Since the end of the civil war in 2009 however, Sri Lanka has started paying a great deal of attention to its maritime security. In recent years, Offshore Patrol Vessels and other patrol crafts have become essential to maintaining Sri Lanka's maritime border security. Sri Lanka has also acquired some Advanced Offshore Patrol Vehicles which has substantially increased the Sri Lankan Navy's blue-water capabilities, with the latest Offshore P-627 Patrol Vessel it acquired from the US Coast Guard in 2022 (Adaderana 2022). These AOPVs have helped in interdiction of persons and organisations engaging in criminal maritime activities such as piracy, drug trafficking, and arms smuggling. As an illustration of the positive impact of the AOPVs on Sri Lanka's maritime security, it is noteworthy that the country's efforts led to the seizure of 430 kilograms of heroin in 2020, a figure twice the amount confiscated in 2019.

In response to the increasing occurrence of cybercrimes, Sri Lanka has directed its focus towards enhancing cyber security measures. To this end, it has put forward the Cyber Security Act as a comprehensive framework aimed at effectively preventing and managing cyber security threats and incidents, with the goal of safeguarding critical information infrastructure. Through the provisions of this act, Sri Lanka can conduct cyber risk assessments and identify liability to easily mitigate future risks.

## Foreign Policy Goals

Currently, Sri Lanka actively pursues three crucial foreign policy objectives, driven by its commitment to advancing comprehensive progress and prosperity for its populace. These objectives embody the diverse aspirations of the nation and reflect its strategic vision in the pursuit of its international endeavours.

1. **Economic Development-** Sri Lanka is committed to fostering economic growth and development by employing a range of strategies, including the attraction of foreign investments, the cultivation of trade partnerships, and the pursuit of financial assistance and cooperation from international organizations and partners. The main goal is to create a favourable environment for economic growth and encourage beneficial partnerships with other countries around the world.
2. **Regional Cooperation-** Sri Lanka actively engages in regional forums and organizations like SAARC and BIMSTEC, with the goal of strengthening regional stability, fostering cooperation, and promoting integration among member countries.
3. **Peace and Reconciliation-** Given Sri Lanka's history of ethnic conflict, it aims to engage with international actors to seek support and assistance in post-war reconciliation efforts.

## Obstacles to these Foreign Policy Goals

When a country like Sri Lanka sets forth a series of ambitious foreign policy objectives, it is inevitable that it will encounter obstacles along the way. These obstacles may emanate from specific nations, organizations, or the prevailing circumstances in which the country operates.

1. The process of post-war reconciliation in Sri Lanka remains a challenging endeavour as the country grapples with effectively addressing the grievances of both the majority and minority groups, all while navigating international scrutiny.

2. Owing to its strategically advantageous location, Sri Lanka has emerged as a focal point for geopolitical rivalries involving nations like India and China. Consequently, Sri Lanka faces difficulties in striking a balance between the interests of these nations and ensuring its own security.
3. Obstacles arise in achieving Sri Lanka's economic diplomacy objective of attracting foreign direct investments (FDIs) due to trade imbalances, restricted market access, and difficulties in diversifying exports.

### **Tussle in the IOR**

The IOR or the Indian Ocean Region in recent years has been rising in terms of its geopolitical importance mainly due to the rise of China and the emergence of emerging powers such as India using the region in order to establish its naval prowess. Witnessing this, Sri Lanka also decided to join this race to claim its influence on the IOR and to bank on its strategic location in the region. Following the conclusion of the war, Sri Lanka has made a strategic decision to broaden its sphere of influence in the Indian Ocean region as they now had resources and manpower available for it to focus on the IOR and its security implications which it earlier could not due to the civil war. Sri Lanka faces distinctive challenges specific to its own circumstances, such as its proximity to critical Sea Lanes of Communication (SLOCs) and the nuclear capabilities of its neighbouring South Asian countries.

There had been speculation and conjecture surrounding the possibility of Colombo contemplating an alignment with Beijing. One of the key reasons for the emergence of this speculation was the 3-year \$1.5B currency swap deal between Sri Lanka and China (MALLAWARACHI 2021). Sri Lanka has strategically leveraged the competition between India and China to its own benefit by presenting competitive projects to both nations. One example is the hydro power project which was with China, but the Chinese government suspended this project in 2022 which India took up immediately from the Chinese.

### **The Size Advantage**

Small states like Sri Lanka are confronted with inherent military limitations stemming from their small landmass and relatively small population. This, coupled with the absence of a buffer against potential threats, exposes them to external coercion. An exemplification of such coercion can be observed in Sri Lanka's experience with China's debt trap, wherein the country



found itself unable to repay its debts and subsequently had to lease the Hambantota port to China for an extended period of 99 years. Given its modest population and economy, Sri Lanka's political influence on the global stage may be comparatively restricted, making it challenging to achieve its foreign policy goals. The government is actively trying to address this issue. Moreover, the constraints of limited land availability and high population density can hinder infrastructure development, including the establishment of military infrastructure, thereby impacting the nation's security. Additionally, the small population size limits Sri Lanka's capacity to maintain a diverse and influential diplomatic force required to exert significant influence in the international arena.

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# Marshall Islands

*Sankalp Wadhvani*

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## Introduction

The Republic of Marshall Islands is located north of the equator in the western Pacific Ocean, halfway between Hawaii and Australia. With the Federated States of Micronesia, Kiribati, and Nauru, RMI is a group of 29 atolls, five low coral islands, and 1,151 islets. The land area of RMI is 113 square kilometers, dispersed throughout a 1.2 million square kilometer exclusive economic zone. Majuro serves as the capital of the RMI.<sup>1</sup> The Nitijela (Parliament) of 33 members, elected by universal suffrage every four years, was established by the constitution of RMI in 1979.<sup>2</sup> The Pacific island country has democratic values as there has been an independent press, an impartial judiciary, and peaceful transfer of power after every election. The parliament speaker formally appoints the cabinet ministers that the president, chosen by the unicameral legislature from among its members for four-year terms, nominates.<sup>3</sup>

Men and women enjoy equal rights and freedom, and the country has no discriminatory laws. Fisheries and development aid, such as subsidies under its Compact of Free Association with the United States, are vital components of its economy.<sup>4</sup> Small farms provide for the majority of agricultural production, which is primarily for subsistence. The most significant commercial crops are breadfruit and coconuts. Only handicrafts, tuna processing, and copra are produced in the sector. There is some potential for a tourism based economy as well.

Under the terms of the original Compact of Free Association (Compact), the United States provided the Marshall Islands with aid totaling over \$1 billion between 1986 and 2001.<sup>5</sup> Citizens of the Marshall Islands are permitted to enter the country without a visa, live, and

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<sup>1</sup> Australian Government Department of Foreign Affairs and Trade. "Republic of the Marshall Islands Country Brief," n.d. <https://www.dfat.gov.au/geo/republic-of-marshall-islands/republic-of-the-marshall-islands-country-brief>.

<sup>2</sup> Australian Government Department of Foreign Affairs and Trade. "Republic of the Marshall Islands Country Brief," n.d. <https://www.dfat.gov.au/geo/republic-of-marshall-islands/republic-of-the-marshall-islands-country-brief>.

<sup>3</sup> Freedom House. "Marshall Islands: Freedom in the World 2022 Country Report | Freedom House," n.d. <https://freedomhouse.org/country/marshall-islands/freedom-world/2022>.

<sup>4</sup> Asian Development Bank. "Marshall Islands: In-Depth," January 1, 2000. <https://www.adb.org/countries/marshall-islands/overview>.

<sup>5</sup> Analytics, Moody's. "The Marshall Islands | Economic Indicators|Moody's Analytics." Marshall Islands | Economic Indicators|Moody's Analytics, n.d. <https://www.economy.com/marshall-islands/indicators#ECONOMY>.

work there.<sup>6</sup> Many islanders have moved to the United States in search of better prospects due to the effects of climate change, and most Marshallese people enlist in the American military. A 93.6% literacy rate and 63,174 people make up the population. The official languages are English and Marshallese.<sup>7</sup> The U.S. has a cultural influence on Marshall Island as most U.S. products and a similar education system are in the markets, so the Marshallese can quickly shift to the U.S. for work. Lastly, the country was a U.S. territory from 1947 to 1986, with the signing of the Compact of Free Association with the United States in 1983.

## Historical Background

Marshallese have German, Japanese, and American ancestry due to their colonial rule over the island. The Marshallese people of today are descended from immigrants who came to these tiny islands from Southeast Asia some 5,000 years ago.<sup>8</sup> The Marshall Islands' namesake who was a British captain came there in 1788.<sup>9</sup> Later, when Americans came to the island, they came as Christian missionaries and converted the Island population to Christianity. The islands had earlier been a part of the German overseas territory for about 30 years. By the time World War I broke out, the Japanese had control of the islands, and they were under their dominion until the United States invaded them during World War II.<sup>10</sup> Japan made a significant effort to build ports and airports with at least dual-use capability in the 1930s. Additionally, it installed sophisticated communications and defensive structures and expedited resource extraction.<sup>11</sup>

Under the supervision of the United Nations and as a component of the Trust Territory of the Pacific Islands, the United States assumed complete administrative administration of the Marshall Islands.<sup>12</sup> The pact led the U.S. to protect the island and promote socio-economic development. The islands became a testing ground for military technology in the Pacific.

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<sup>6</sup> Asian Development Bank. "Marshall Islands: In-Depth," January 1, 2000. <https://www.adb.org/countries/marshall-islands/overview>.

<sup>7</sup> Marshall Islands. "The Marshall Islands," n.d. <https://www.aacrao.org/edge/country/marshall-islands#:~:text=Education,a%20U.S.%2Dpatterned%20educational%20system>.

<sup>8</sup> Marshall Islands — History and Culture. "Marshall Islands — History and Culture," n.d. <https://www.iexplore.com/articles/travel-guides/australia-and-south-pacific/marshall-islands/history-and-culture>.

<sup>9</sup> Ibid

<sup>10</sup> Ibid

<sup>11</sup> Paskal, Cleo. "Preserving U.S. Interests in the Indo-Pacific ." *Congressional Testimony: Foundation for Defense of Democracies*, May 16, 2023. <https://www.fdd.org/wp-content/uploads/2023/05/05-16-23-Paskal-Written-Testimony-FINAL.pdf>.

<sup>12</sup> U.S. Embassy in the Republic of the Marshall Islands. "Policy & History," n.d. <https://mh.usembassy.gov/our-relationship/policy-history/>.

Kwajalein served as the site for a missile range and housed thousands of soldiers and their families. Between 1946 and 1958, 66 nuclear tests were conducted on Bikini and Enewatak. Despite being relocated to different atolls, the Marshallese were nonetheless affected by nuclear fallout. Birth deformities, cancer, radiation sickness, and other illnesses spread like wildfire.<sup>13</sup> These nuclear tests have played a dominant role in the island's history and also a deciding factor in the recent negotiations between the U.S. and the Republic of Marshall Islands on the Compact of Free Association, which was initially signed in 1983 and came into force in 1986 when the island gained independence from the U.S. The Marshall Islands now have the freedom to exercise self-determination thanks to the Compact, while the United States will remain in charge of regional defense. The Compact ended the Trusteeship Agreement between the United States and the Marshall Islands. The U.S. received permission to continue using the Kwajalein Atoll for military purposes in exchange.<sup>14</sup> The United States maintained its commitment to the islands. It developed the compacts due to Soviet action in the Pacific region and the losses incurred by the country during World War 2. The Pacific islands, including the Marshall Islands, were seen as USA's real Pacific coast. As former U.S. President Ronald Reagan said in 1984, "[Guam] may be nearly 9,000 miles from our Nation's Capital, but it is a real pleasure to know that we are among fellow Americans. ... In times of crisis, few Americans have been more steadfast in the defense of our shared values, and few have made more sacrifices to preserve them."<sup>15</sup>

## **STRATEGIC IMPORTANCE:**

The Republic of Marshall Islands are strategically located and were used by Japan in World War 2 to choke U.S. access to Australia, as the Pacific islands are an entrance to Southeast Asia. Island countries in the Indian and Pacific Oceans are strategically at a crossroads for the

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<sup>13</sup> RNZ. "Marshall Islands - a Brief History from 13 - Marshall Islands | RNZ," n.d. <https://www.rnz.co.nz/collections/nff-marshall/about-marshall-islands>.

<sup>14</sup> Marshall Islands - Countries - Office of the Historian. "Marshall Islands - Countries - Office of the Historian," January 1, 1986. <https://history.state.gov/countries/marshall-islands>.

<sup>15</sup> Paskal, Cleo. "Preserving U.S. Interests in the Indo-Pacific ." *Congressional Testimony: Foundation for Defense of Democracies*, May 16, 2023. <https://www.fdd.org/wp-content/uploads/2023/05/05-16-23-Paskal-Written-Testimony-FINAL.pdf>.

rivalry between great powers due to their location.<sup>16</sup> Taiwan is acknowledged by the Marshall Islands, which also houses the Ronald Reagan Ballistic Missile Defence Test Site used by the U.S. military.<sup>17</sup> 28% of the world's exclusive economic zone are located in the Pacific Islands. Hence, Marshall Island is strategically important not only for the U.S. but for China to establish itself as an enormous power in the Indo-Pacific region and stop U.S. entry into its region. Due to this, two Marshallese nationals with ties to China may have participated in one operation, according to the U.S. government, in "a multi-year scheme that included establishing a nongovernmental organization and allegedly bribing officials in the Republic of the Marshall Islands to establish a semiautonomous region, akin to Hong Kong, in the U.S.-defended Marshall Islands."<sup>18</sup>

The Pacific Islands, including the Marshall Islands, would have a critical role in case of potential conflict for the U.S. as the island is close to Guam, which is a U.S. territory. The island and Guam will be a logistical center for American military resources. It is in the second island chain, away from most Chinese weapons, and, more importantly, will be more reliable than the first island chain like the Philippines. However, except Chinese DF-26 missile, also known as the "Guam Killer." A "corridor of freedom" (which includes the freedom of deployment) connects the waters of treaty allies Japan and the Philippines to the American Pacific islands of Hawaii.<sup>19</sup>

Marshall Island is also one of the few nations recognizing Taiwan, harming the interests of the People's Republic of China. On Kwajalein Atoll, the RMI already houses significant missile and space assets, while Palau is home to a radar system with ambitions to develop further military infrastructure.<sup>20</sup> Hence, if China gets aggressive on Taiwan or harms U.S. interests in any way, the island will be front in the conflict for defensive and offensive means.

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<sup>16</sup> Understanding the Indo-Pacific: The island way - carnegie endowment for ... (n.d.). <https://carnegieendowment.org/2023/03/28/understanding-indo-pacific-island-way-pub-89384>

<sup>17</sup> Paskal, Cleo. "Preserving U.S. Interests in the Indo-Pacific ." *Congressional Testimony: Foundation for Defense of Democracies*, May 16, 2023. <https://www.fdd.org/wp-content/uploads/2023/05/05-16-23-Paskal-Written-Testimony-FINAL.pdf>.

<sup>18</sup> U.S. Immigration and Customs Enforcement, Press Release, "ERO New York City remove noncitizen aggravated felon to the Marshall Islands," April 27, 2023. (<https://www.ice.gov/news/releases/ero-new-york-cityremoves-noncitizen-aggravated-felon-marshall-islands>)

<sup>19</sup> Paskal, Cleo. "Preserving U.S. Interests in the Indo-Pacific ." *Congressional Testimony: Foundation for Defense of Democracies*, May 16, 2023. <https://www.fdd.org/wp-content/uploads/2023/05/05-16-23-Paskal-Written-Testimony-FINAL.pdf>.

<sup>20</sup> U.S. Compacts of Free Association Are Key to Detering a Taiwan Contingency – The Diplomat. "U.S. Compacts of Free Association Are Key to Detering a Taiwan Contingency," August 9, 2022. <https://thediplomat.com/2022/08/us-compacts-of-free-association-are-key-to-detering-a-taiwan-contingency/>.

## MARSHALL ISLAND CONCERNS:

The Republic of Marshall Island has concerns about nuclear waste, climate change, the inability to access finance for sustainable development infrastructure, and maritime security.

The Bikini and Enewetak atolls sustained the most severe direct physical damage from the testing. Over 60 years later, contaminated areas still exist in the land, lagoons, coral reefs, and ocean environment. For the disposal of enormous quantities of radioactive waste from the Nevada Test Site and the Marshall Islands, the Runit Dome at Enewetak Atoll was built. The Enewetak lagoon has nearly 100 times more plutonium than the stockpile under the Runit Dome, and it is leaking.<sup>21</sup> The Marshall Islands' negotiators are pleading with the United States to offer more significant financial and technical assistance to solve ongoing health, environmental, and economic problems brought on by the Cold War-era testing in their country due to this challenging experience.<sup>22</sup> In addition, due to nuclear waste, fishing is difficult as the fish are contaminated in the Kwajalein near the U.S. base. The U.S. Army discovered in 2019 that PCB and arsenic levels in the fish on the atoll posed serious cancer risks to Marshallese families.<sup>23</sup> Thus due to nuclear waste, there has been a risk of cancer and other diseases, which led many Marshallese to leave their home for better life and opportunity. The nuclear legacy is challenging in Marshall Island's relationship with the U.S.

The second issue faced by the Marshall Islands is climate change. The Marshall Islands and other Pacific islands face immense threats from climate change. There is a mismatch between what is happening in the region and how it is perceived outside of it because industrialized, non-island nations cannot see climate change as a danger to national security.<sup>24</sup> Due to land-based pollution, the coral reefs are being damaged. Furthermore, land-based pollution is disturbing the maritime ecosystem and those dependent on the maritime. This island nation is

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<sup>21</sup> U.S., Marshall Islands Sign Deal on Nuclear Testing Impacts | Arms Control Association. "U.S., Marshall Islands Sign Deal on Nuclear Testing Impacts | Arms Control Association," June 2, 2022. <https://www.armscontrol.org/act/2023-03/news/us-marshall-islands-sign-deal-nuclear-testing-impacts>.

<sup>22</sup> Ibid

<sup>23</sup> Hofschneider, Anita. "New Study Of Marshall Islands Fish Highlights Peril Of Using Oceans As Dumping Grounds." Honolulu Civil Beat, January 16, 2023. <https://www.civilbeat.org/2023/01/new-study-of-marshall-islands-fish-highlights-peril-of-using-oceans-as-dumping-grounds/>.

<sup>24</sup> Understanding the Indo-Pacific: The island way - carnegie endowment for ... (n.d.). <https://carnegieendowment.org/2023/03/28/understanding-indo-pacific-island-way-pub-89384>

more susceptible to tropical storms, typhoons, spring tides, and drought due to rising sea levels and temperatures.<sup>25</sup> Marshall Island has also taken initiatives to fight against climate change. RMI unveiled its 2050 Climate Strategy in 2018, the nation's long-term, low-emission, and climate-resilient development strategy per the Paris Agreement. The strategy highlights how RMI intends to develop a more resilient and prosperous RMI by facilitating adaptation and climate resilience and by achieving its goals of net zero emissions and 100% renewable energy.<sup>26</sup> Due to the rising sea level, some of the Marshall Islands' parts are disappearing. As a World Bank disaster risk management specialist said, "With a 1-meter sea level rise, we project that about 40% of buildings in the capital, Majuro, would be permanently inundated, permanently flooded"..<sup>27</sup> This will harm Marshall Island on two levels. First, it will affect Marshallese individual's life as their homes and infrastructure will relocate. Secondly, sea level rise also poses a legal dilemma for the Marshall Islands, which might result in the loss of its expansive, exclusive marine zone and access to vital fisheries that supply much of the nation's food and greatly boost its GDP.<sup>28</sup>

The inability of Marshall Island to get private market financing is the island's third problem. The following nations are classified as upper-middle-income or high-income nations by the World Bank: Fiji, Maldives, Marshall Islands, Mauritius, Nauru, Palau, Seychelles, and Tuvalu. Therefore, indicators of high- or middle-income status do not adequately reflect tiny island countries' vulnerability or financial limitations.<sup>29</sup> Furthermore, the islands lack large economies of scale and administrative capability for international development funding. The funding is also a time-taking process. Only \$76 million, or 2%, of the bilateral money promised to small island developing states (SIDS) is delivered.<sup>30</sup>

The last major issue faced by the Marshall Islands is their maritime security. Twenty-eight percent of all EEZs worldwide are located in the Pacific Islands. A country in the Pacific

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<sup>25</sup> U.S. Agency for International Development. "U.S. Agency for International Development," n.d. <https://www.usaid.gov/>.

<sup>26</sup> Ibid

<sup>27</sup> the Guardian. "Rising Sea Levels Threaten Marshall Islands' Status as a Nation, World Bank Report Warns," October 16, 2021. <https://www.theguardian.com/world/2021/oct/17/rising-sea-levels-threaten-marshall-islands-status-as-a-nation-world-bank-report-warns>.

<sup>28</sup> Ibid

<sup>29</sup> Understanding the Indo-Pacific: The island way - carnegie endowment for ... (n.d.). <https://carnegieendowment.org/2023/03/28/understanding-indo-pacific-island-way-pub-89384>

<sup>30</sup> Ibid

Islands typically has 55 times as much water as it has land.<sup>31</sup> The Marshall Islands maritime zone has concerns with illicit fishing, drug trafficking, and other marine crimes. Despite their need for more monitoring gear to tackle crime and illicit fishing, island states are concerned that they may end up hosting the surveillance gear of strategic competitors.<sup>32</sup> As long as it cooperates with the island states, island nations welcome cooperation from all partners in enhancing marine security and capacity building.<sup>33</sup> Marshall Island has taken initiatives. Numerous 'MDA' workshops exist, but enforcement still needs to be improved.<sup>34</sup>

## U.S. ASSISTANCE TO THE REPUBLIC OF MARSHALL ISLANDS:

The U.S. has close ties to the Marshall Islands, the relationship has been mutually beneficial, and both countries have maintained their closeness with each other through the Compact of Free Association. Nearly \$100 million is provided yearly by more than 40 federal departments under the Compact of Free Association. The top three priorities are in the areas of infrastructure, education, and health.<sup>35</sup> Through U.S. Coast Guard training programs for the RMI Sea Patrol, foreign assistance plays a significant role in addressing the protection of RMI fisheries resources. Additionally, USAID's Foreign Assistance program financing is essential in helping the RMI prepare for natural catastrophes, especially those brought on by climate change, such as sea level rise, typhoons, and drought.<sup>36</sup> Without requiring a visa, the United States permits Marshallese to work there and actively seeks out Marshallese for military service. Both countries' economic ties improved as a result of the CompactCompact. The Army Garrison on Kwajalein Atoll is the RMI's second-largest employer.<sup>37</sup> The U.S. is also one of the largest trading partners of the Marshall Islands. The Marshall Islands were the destination of \$120 million worth of American exports in 2020, and the United States was the source of \$30.8 million worth of imports.<sup>38</sup> Additionally, the Marshall Islands make money by selling

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<sup>31</sup> Ibid

<sup>32</sup> Ibid

<sup>33</sup> Ibid

<sup>34</sup> Paskal, Cleo. "Preserving U.S. Interests in the Indo-Pacific ." *Congressional Testimony: Foundation for Defense of Democracies*, May 16, 2023. <https://www.fdd.org/wp-content/uploads/2023/05/05-16-23-Paskal-Written-Testimony-FINAL.pdf>.

<sup>35</sup> "Integrated Country Strategy Marshall Islands." Department Of State United States Of America, February 22, 2022. [https://www.state.gov/wp-content/uploads/2022/07/ICS\\_EAP\\_Marshall-Island-\\_Public.pdf](https://www.state.gov/wp-content/uploads/2022/07/ICS_EAP_Marshall-Island-_Public.pdf).

<sup>36</sup> Ibid

<sup>37</sup> U.S. Embassy in the Republic of the Marshall Islands. "Policy & History," n.d. <https://mh.usembassy.gov/our-relationship/policy-history/>.

<sup>38</sup> "U.S. Relations with the Marshall Islands - U.S. Department of State." U.S. Relations With Marshall Islands, December 9, 2021. <https://www.state.gov/u-s-relations-with-marshall-islands/>.



the United States' fishing rights. The South Pacific Tuna Treaty between the United States and 16 Pacific Island nations includes the Marshall Islands. The agreement permits fishing by American purse seine boats within the exclusive economic zones of the Pacific Island signatories.<sup>39</sup>

Presently, the Compact of free association is under negotiations as the U.S. funding programs are going to expire in 2023, and Marshall Island is the only Freely Associated State left to renew the contract. As the U.S. holds fundamental sovereign rights over the strategic Marshall Islands and due to China trying to increase its influence, the U.S. will be increasing the funding to the Marshall Islands. Joseph Yun, a special presidential envoy for the United States, proposed the idea of the repurposed trust fund, which will enable the Marshall Islands government to finance its objectives, such as aiding those impacted by past nuclear tests, continuing military operations, and climate change.<sup>40</sup> With new times, there are new challenges which are related to technology, and unfortunately, in the Marshall Islands, there is a lack of basic infrastructure against threats posed by cyberattacks. The Embassy will continue to collaborate with the government to develop laws, procedures, and a robust framework to reduce dangers and external threats to improve the RMI's overall national security. The mission's top emphasis continues to be consular services, particularly for American citizens. Providing citizen services in the Marshall Islands is sometimes tricky logistically due to the enormous number of small islands and islets that make up the country.<sup>41</sup>

## **REPUBLIC OF MARSHALL ISLANDS MEMBERSHIP IN INTERNATIONAL ORGANISATIONS:**

The Republic of Marshall Islands is a member of the United Nations, International Monetary Fund, World Bank, the International Atomic Energy Agency, and Asian Development Bank. The Marshall Islands is a member of the Pacific Islands Forum, the Pacific Regional Environment Programme (SPREP), and the Pacific Community (SPC). The Marshall Islands

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<sup>39</sup> Ibid

<sup>40</sup> Hofschneider, Anita. "Marshall Islands Could Receive Billions Under Renegotiated U.S. Treaty." Honolulu Civil Beat, January 22, 2023. <https://www.civilbeat.org/2023/01/marshall-islands-could-receive-billions-under-renegotiated-u-s-treaty/>.

<sup>41</sup> "Integrated Country Strategy Marshall Islands." Department Of State United States Of America, February 22, 2022. [https://www.state.gov/wp-content/uploads/2022/07/ICS\\_EAP\\_Marshall-Island\\_Public.pdf](https://www.state.gov/wp-content/uploads/2022/07/ICS_EAP_Marshall-Island_Public.pdf).

also is a member of the Western and Central Pacific Fisheries Commission (WCPFC). Moreover, the Marshall Islands is one of the eight nations that have ratified the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest. This agreement's signatories collectively harvest about 55% of the available tuna in the western and central Pacific, making up a significant fishery that accounts for 30% of the global tuna supply.<sup>42</sup>

## **CONCLUSION:**

The Marshall Islands would not like to participate or play any role in launching a conflict. The island has the same interest as other Pacific islands: tackling the climate change issue and sustainable development. As there is a race between U.S. and China for these islands, the Marshall Islands want to get as much benefit as it can. The Marshall Islands is deeply integrated with the U.S. from lifestyle to security. As China is often blamed for illegal fishing and is the largest emitter of carbon dioxide gas in the world, it will not be liable for the Marshall Islands to go under the Chinese umbrella. Additionally, if the Marshall Islands sides with China, they may escalate tensions between the U.S. and China, as the U.S. will feel threatened. Therefore, like other Freely Associated States (the Federated States of Micronesia and the Republic of Palau), the Marshall Islands is expected to renew their Compact of Free Association with the United States to focus on climate change and will likely not interfere with the geopolitics of the big powers in the Indo-Pacific.

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<sup>42</sup> "U.S. Relations with the Marshall Islands - U.S. Department of State." U.S. Relations With Marshall Islands, December 9, 2021. <https://www.state.gov/u-s-relations-with-marshall-islands/>.

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# Seychelles

*Satyansh Tomar*

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Seychelles, officially known as the Republic of Seychelles, is an archipelagic state and country consisting of 115 islands in the Indian Ocean. Its capital and largest city is Victoria, which is 1,500 kilometers east of mainland Africa. It was discovered by the Europeans in the 16<sup>th</sup> century and led to a lengthy struggle between Britain and France for its territory. Britain eventually won the conflict and consolidated it under its territory in the year 1814. Under colonial rule, Seychelles became a plantation-based economy, which was mostly dependent on the imported labour from European colonies in Africa to sustain its growth. It eventually got independence in the year 1976. It became a socialist one-party ruled state until a new constitution was adopted in the year 1993, eventually leading to a free and fair election. It is the smallest country in the African continent, both area and population-wise. The largest island in the archipelago is Mahe Island, which houses the capital, Victoria. Its main resources are fish, coconuts, and cinnamon. The nation has no indigenous population, and it was first settled by the French planters, African slaves, and South Indians in 1770. It is a high-income Indian Ocean Island economy, with a rapidly growing tourism industry. It is also a major Tuna exporter and has a delicate ecology. It also has the world's smallest military, with only 500 personnel serving in the armed forces. These forces are primarily responsible for the maritime security of the nation, carrying out operations to counter illegal fishing, piracy, and drug smuggling. Seychelles is a close ally of India as well.

The major issues it faces are mentioned below:

1. **Maritime Security:** It has a vast maritime boundary, and this induces various security challenges. These challenges are mainly illegal fishing, drug trafficking, and smuggling. It can be controlled by having a tough and robust maritime security structure and by effective patrolling.
2. **Transnational Crime:** Seychelles is a major hub for traffickers due to its location and lack of strict laws against the same. It is easier to indulge in human trafficking in Seychelles' territory as it lacks a strong force to tackle the same. It is an origin point as well as a destination for sex and labour trafficking victims. Most of the time it works as a transit country. It also plays a very important role in the global arms trafficking which uses Seychelles as a safe haven for these traffickers due to which it is prone to illicit brokering of arms in its territorial waters. Seychelles has a very high number of registered shell corporations that have been involved in the trafficking of arms all around the world. There have been reports of arms shipments to North Korea which pose a serious threat to world peace, especially to South Korea. In addition to this, there have also been reports of illegal reptile trade, threatening the environmental balance of the country. Illegal fishing is another issue that poses a serious threat to ecological balance.

3. **Drug Consumption:** It is mostly a destination market for Heroin, a psychotropic drug used for recreational purposes. Cannabis, Cocaine, and other synthetic drugs are also present in Seychelles, but none of them are as prevalent as Heroin. An extremely high percentage of the working population of Seychelles is used to the consumption of this drug and it is often described as the Heroin epidemic. It has been a challenge for the security forces to create an ecosystem free of these drugs, especially due to the limitations posed by their strength and tough geographical landscape.
4. **Environmental Security:** Seychelles is highly vulnerable to the impacts of climate change. Due to rising sea levels, it faces a risk of losing its territory to sea, and it could create a humanitarian crisis for the country. In addition to that extreme weather events and loss of biodiversity could also lead to environmental issues. Policies and initiatives related to environmental protection and the implementation of sustainable practices need amendments and strict enforcement.
5. **Border Security:** To prevent illegal migration, new reforms are needed. In addition to that, more personnel need to be recruited to create a safe ecosystem in the country. It would also help in bringing down the smuggling and infiltration of the criminal elements into society.

As for the foreign policy of Seychelles, it follows the policy of non-alignment. It is a neutral country and is not associated with any bloc or military alliance. It has friendly relations with most countries. It believes in regional integration and cooperation, as Seychelles is an active member of regional organizations and initiatives like the Indian Ocean Commission (IOC) and the African Union (AU). It believes in addressing common challenges such as maritime security, climate change, and sustainable development and feels that these platforms can be used to bring a change. It also puts a very strong emphasis on environmental conservation and sustainability in its foreign policy. Seychelles participates actively in international forums that are related to climate change and biodiversity conservation. It is recognized worldwide for its efforts in the field of marine conservation, the establishment of marine protected areas, and the blue economy concept. Seychelles has diplomatic ties with numerous countries and seeks to foster bilateral trade. Its main motive is to expand trade and engagement opportunities and enhance cultural ties. As Seychelles relies heavily on tourism, it promotes itself as a prime tourist destination. It uses the concept of tourism diplomacy to boost its economy. To maintain a healthy balance between tourism and the ecosystem, it has pledged to develop sustainable tourist practices that will help the country in the longer run.

Countries that Seychelles has main relations with are:

1. **France:** Seychelles is a former colony of France, and it enjoys strong diplomatic ties with the country. France has provided development assistance and has given its support to various

sectors, like education, health, and infrastructure. French Navy also provides assistance to the Seychelles' forces to help the maritime security of Seychelles.

2. **India:** Seychelles has a very strong and strategic relationship with India. India has helped Seychelles by providing developmental assistance and technical cooperation. Both countries have collaborated with each other in various fields like maritime security, defense cooperation, trade, and investment. India has also assisted Seychelles in the infrastructural development by constructing the Seychelles parliament.
3. **China:** It has recently developed significant relations with the Chinese. China has provided economic assistance and helped with infrastructural development and investment. It is a participant in the Belt and Road Initiative of China. There has been cooperation in the field of tourism and fisheries and renewable sources.
4. **United Arab Emirates (UAE):** It is a growing relationship, with a main focus on areas such as tourism, investment, maritime security, and the development of infrastructure. UAE played a significant role in the construction of Victoria Port. They have also collaborated in the fight against piracy and at the same time are looking for cooperation on renewable energy and sustainable development.
5. **African Union:** Seychelles has strong ties with fellow member states of the African Union and fully stands by the African Union initiatives like regional integration efforts. There is cooperation among countries on issues such as climate change, Sustainable Development Goals, and Trade.
6. **United States of America:** A strong partnership, with cooperation in the Indian Ocean region. By working together, efforts are being made to promote maritime security, combat drug and other forms of trafficking, eventually helping the nation.
7. **United Kingdom:** Seychelles has historical ties with the United Kingdom, due to its colonial legacy. Both countries have friendly relations. The UK has collaborated with Seychelles on various fronts, with the most prominent fields being education and cultural exchanges. The UK also supports Seychelles in maritime security and environmental conservation.

It remains to be seen how Seychelles would be affecting other countries in the Indian Ocean region. Seychelles is on a way forward and wishes to keep it the same way.

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# Palau

*Shatakshi Tyagi*

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## Introduction

The rise of globalization has resulted in increased interactions between states; positive or negative. While the subsequent results of such a change in world order have led to more cooperation, it has also opened up more space for conflict. Therefore, security as a concept not only branched into traditional and non-traditional complexes but also transcended boundaries. A prime example of this has been the Indo-Pacific security complex. The keen eye on Pacific Island countries and their stakes in the issue, while global powers such as the USA and China compete to establish hegemony in the Indo-Pacific, is a very relevant topic that requires much dialogue. This Dialogue Session Report looks to analyze Palau, a country mostly pro-USA, and how the security crisis in the Indo-Pacific has shaped its foreign policy.

## The Indo-Pacific Security Complex

The Indo-Pacific is one of the most strategic regions of the world. Economically, it is stated that the region oversees 50% of global trade pass through sea routes in the region<sup>43</sup>. The vast expanse of the ocean also includes the highly contested South China Sea area, the Taiwan Strait, and Sea Lines of Communications (SLOCs) for most of the world's biggest economies, via routes such as the Malacca Strait. Therefore, it comes as no shock that world powers try and dominate the region. With China's meteoric rise ever since the early 2000s, the post-Cold War American hegemony has been under constant threat, specifically in Asia.

China, wanting to use to its advantage the aforementioned information, has turned to using the Indo-Pacific as its own backyard. Increasing interaction with Pacific Island Nations and subsequent agreements with them, for example, the recent one with the Solomon Islands is one of the ways how China has established its influence in the region.<sup>44</sup> As a result, there has been a re-ignition of states' interest in the Indo-Pacific, resulting in the publishing of many "Indo-

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<sup>43</sup> Kavaljit Singh, "The What, How and Why of the Indo-Pacific Economic Framework". The Wire, 2022. <https://thewire.in/economy/the-what-how-and-why-of-the-indo-pacific-economic-framework>

<sup>44</sup> Zongyuan Zhe Liu, "What the China-Solomon Islands Pact Means for the U.S. and South Pacific". Council on Foreign Relations, 2022. <https://www.cfr.org/in-brief/china-solomon-islands-security-pact-us-south-pacific>

Pacific” strategies across the world; Japan, India, and South Korea are only to name a few. While global economies struggled to maintain their influence in the region, it was realized soon that it would not be possible without the support of the Pacific Island nations in the region. While they do not share a coherent, unilateral security architecture, the countries are effective pinpoints for global powers to secure their position in the Indo-Pacific. In this context, Palau and its shared history with the USA make it a crucial “anchor”<sup>45</sup> for America and its allies against the growing Chinese power in the Indo-Pacific.

## **Palau in the Indo-Pacific: Foreign Policy Imperatives**

Palau was a territory that was administered to the USA post World War II through the UN Trust Territory of the Pacific Islands program. Today, it is an independent republic with Guam, the Philippines, and New Guinea as neighbours. By default, this makes Palau’s location extremely strategic in the region, with Guam already being a base for the USA along with its more passionate strengthening of maritime security facets with the Philippines.

The Compacts of Free Association is how the USA and Palau’s relationship is governed. Under this, Palau’s residents are allowed to work in the USA as “lawful non-immigrants”<sup>46</sup>; it remains a big employer. Palau’s currency is also the US Dollar, with a comparatively higher GDP per head per capita than its neighbours, at around \$13,230. It is, therefore, very important to keep in mind Palau’s relationship with the USA, as it has a significant impact on Palau’s foreign policy and its interactions with other states.

### **Key Foreign Policy Pillars**

Palau is one of the most consistent Pacific nations when it comes to taking positions that are of American interest in international organizations such as the United Nations. Considering that the USA takes care of not only Palau’s defense but is also its biggest donor, it is inevitable that Palau would deem the USA’s interests as its own, as they guarantee Palau’s stability. Palau’s bilateral cooperation with the USA extends even to climate change, as the USA is looking forward to deploying resources to allow Palau to adopt more sustainable methods of utilizing its economy.<sup>47</sup> The security aspect of their relationship will be delved into later in the

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<sup>45</sup> Department of State, Government of the USA, “Integrated Country Strategy, Palau”.  
[https://www.state.gov/wp-content/uploads/2022/07/ICS\\_EAP\\_Palau\\_Public.pdf](https://www.state.gov/wp-content/uploads/2022/07/ICS_EAP_Palau_Public.pdf)

<sup>46</sup> Congressional Research Service, “The Compacts of Free Association”.  
<https://crsreports.congress.gov/product/pdf/IF/IF12194/1>

<sup>47</sup> Department of State, Government of the USA, “Integrated Country Strategy, Palau”.  
[https://www.state.gov/wp-content/uploads/2022/07/ICS\\_EAP\\_Palau\\_Public.pdf](https://www.state.gov/wp-content/uploads/2022/07/ICS_EAP_Palau_Public.pdf)

report.

The USA's financial assistance to Palau was \$32 million. The USA, Australia, Japan, and Taiwan are some countries that also provide generous financial assistance to Palau<sup>48</sup>, and therefore have emerged as some of its strongest partners in the international system. Despite continuous pressure from China, Palau has refused to cut ties with Taiwan and remains one of the strongest supporters of the latter's claims to sovereignty.

In terms of its foreign policy, a lot of Palau's interactions with states are based on development. For example, the Palau International Airport was built in 2003 with Japanese Grant Aid<sup>49</sup>, and recently, Japan also supervised renovations to the airport. Under Prime Minister Kishida, as Japan looks towards being a more prominent player in the Indo-Pacific, there is significant promise in seeing growing ties between Japan and Palau. This can be seen with Japan's infrastructure endeavour to develop Palau's tourism industry.<sup>50</sup>

Pacific Island countries are at the most risk of climate change, and the Philippines' private sector has shown considerable interest in Palau. Alternergy, a Philippines-based company, inaugurated a \$29 million Solar Project in Palau<sup>51</sup>, making this one of the largest instances of Foreign Direct Investments into the country in recent times. Not only will this prove beneficial for Palau's economy but also allows it to switch to cleaner energy. Such steps may also allow Palau to become one of the leading nations in the region to hold dialogue on climate change and how the Pacific Island nations can inculcate certain measures to reduce the damage.

Palau and Australia's bilateral ties are also forged deeply by security cooperation. The Australian Defence Force has helped Palau in the surveillance of its Exclusive Economic Zones, and the capabilities have only increased ever since the commission of the PSS President

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<sup>48</sup> Department of State, Government of the USA, "2022 Investment Climate Statements: Palau". <https://www.state.gov/reports/2022-investment-climate-statements/palau/#:~:text=Palau%20receives%20additional%20aid%20from,Bank%2C%20ADB%2C%20and%20OUDP.>

<sup>49</sup> Embassy of Japan in the Republic of Palau, "A New Terminal Building Opens at Palau International Airport". [https://www.palau.emb-japan.go.jp/itpr\\_ja/11\\_000001\\_00367.html](https://www.palau.emb-japan.go.jp/itpr_ja/11_000001_00367.html)

<sup>50</sup> Japan International Cooperation Agency. "Palau International Airport Terminal now fully open: Utilizing Japan's expertise in airport operations to help develop Palau's tourism industry". [https://www.jica.go.jp/english/news/press/2022/20220509\\_30.html](https://www.jica.go.jp/english/news/press/2022/20220509_30.html)

<sup>51</sup> Alena Mae S. Flores, "Alternergy inaugurates solar project in Palau". Manila Standard, 2023. <https://manilastandard.net/business/power-technology/314336728/alternergy-inaugurates-solar-project-in-palau.html>



HI Remeliik II.<sup>52</sup> As Australia has growing concerns over Chinese influence over its island neighbours, Australia has significant growing stakes in Palau. The Australian naval force has received significant assistance through AUKUS, so it would be interesting to see how Australia keeps cooperating with Palau on maritime security issues.

While India's relation with Palau has covered various facets of international cooperation such as scholarships, technology, and aid,<sup>53</sup> India too has boosted its presence in the region and continues to develop stronger ties with Pacific nations such as Palau through security and diaspora diplomacy.

Lastly, another emerging partner of Palau is South Korea. South Korea is the destination of 71.8% of Palau's exports in 2018 and remains one of its biggest trading partners. The country has recently held its first "Korea-Pacific Island summit"<sup>54</sup>, along with the fact that South Korea is still one of the USA's security partners in the region, there is scope for a lot of cooperation between Palau and South Korea.

All these countries have formed a systematic web to counter Chinese presence and have indulged in multiple partnerships such as QUAD (USA, Japan, India, Australia) among others. Together, all security aspects of the foreign policies of the mentioned nations are integrated through cooperation. Palau's location and its own stance have made it a crucial partner for some of the biggest powers in the world. However, this comes at a cost: worsening relations with China.

### **Palau's Growing Dissent with China**

Palau's resistance to China has not only made it an ideal partner for other countries that have long wanted to have influence in the Indo-Pacific but has also put it at a disadvantage, with the potential of being distanced from other smaller Pacific nations under Chinese influence. This was seen with the President of Palau, Surangel Whipps Jr., claiming that his officials were not able to reach out to the President of Kiribati.<sup>55</sup> Kiribati is one of the few island nations that have cut ties with Taiwan in favor of China.

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<sup>52</sup> Lily Lancaster, "Palau's patrol boat supports Pacific priorities". Australian Government, 2022. <https://www.defence.gov.au/news-events/news/2022-04-08/palaus-patrol-boat-supports-pacific-priorities>

<sup>53</sup> Ministry of External Affairs, Government of India. "Brief on India-Palau Bilateral Relations". [https://www.mea.gov.in/Portal/ForeignRelation/bilateral\\_brief\\_Palau\\_feb\\_2020.pdf](https://www.mea.gov.in/Portal/ForeignRelation/bilateral_brief_Palau_feb_2020.pdf)

<sup>54</sup> Korea-Pacific Islands Summit, <https://2023rokpisummit.kr/?menu=67>

<sup>55</sup> Fumi Matsumoto, "Palau maintains Taiwan ties despite Chinese pressure". Nikkei Asia, 2022. <https://asia.nikkei.com/Editor-s-Picks/Interview/Palau-maintains-Taiwan-ties-despite-Chinese-pressure>

It is no surprise that Palau's strong ties with Taiwan, and constant refusal of submitting to China's "One China Policy" has resulted in souring relations between Palau and China. While China and Palau do not share conventional relations, the latter had been a popular destination for Chinese tourists. To put this into context, Palau's economy benefits greatly from its tourist industry, relying heavily on it. Chinese tourists made up to 50% of the total arrivals into Palau<sup>56</sup>. Once the relations between the countries soured more, the Chinese government restricted tourism agencies from selling packages to Palau in 2017<sup>57</sup>. There was a significant drop in the number of Chinese tourists to Palau henceforth. Consequently, this restriction caused a drop in income received by Palau's economy, and this only worsened when Covid-19 hit only a few years later. China's apparent weaponisation of tourism against Palau did end up working out. Furthermore, in its Integrated Country Strategy plan for Palau, the USA claims,

*"Under the defence provisions of the COFA, the United States is responsible for the defence and security of Palau, both of which are under increasing threat by the PRC, which has increased its ships' transits of Palau's EEZs and PRC nationals who export malign influence like gambling, human trafficking, and other vices to Palau. By increasing U.S. security cooperation with Palau, and across the region, the United States will be better able to protect and defend Palau from emerging threats and, in doing so, help protect the American homeland."*<sup>58</sup>

Hence, if the USA's claims are true, then Palau's Exclusive Economic Zones are under threat from Chinese maritime activities, which also has played a part in the apparent corruption issue that plagued Palau at one time. Therefore, China's strategy with Palau has become more aggressive, though Palau still maintains its stance and places a lot of its trust in the notion that the USA has a duty to protect Palau from China.

Considering how the USA has amped up Palau's role in the region by using it to install many devices and weapons that would allow the USA to achieve its security goals in the region, China has yet to retaliate with another move to convince, or threaten, Palau into becoming

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<sup>56</sup> A. Finin, Gerard. "Associations Freely Chosen: New Geopolitics in the North Pacific." *The China Alternative: Changing Regional Order in the Pacific Islands*, edited by GRAEME SMITH and TERENCE WESLEY-SMITH, 1st ed., ANU Press, 2021, pp. 167–96. JSTOR, <https://doi.org/10.2307/j.ctv1h45mkn.9>. Accessed 20 June 2023.

<sup>57</sup> Ibid.

<sup>58</sup> Department of State, Government of the USA, "Integrated Country Strategy, Palau". [https://www.state.gov/wp-content/uploads/2022/07/ICS\\_EAP\\_Palau\\_Public.pdf](https://www.state.gov/wp-content/uploads/2022/07/ICS_EAP_Palau_Public.pdf)

more open with cooperation.

## **Palau: A Pacific Security Stronghold**

As mentioned above, the USA has been using Palau as a security stronghold in the Pacific. This comes with the USA planning on implementing an Over the Horizon Radar<sup>59</sup>, along with A-10C Warthog aircraft in Palau.<sup>60</sup>

An Over Horizon Radar can operate at a range of 5 to 30 MHz, which is much more than conventional radar, thereby allowing the radar to pick up signals from an even bigger expanse of area. Another highlight of the Over the Horizon Radar is that the data collected can be sent to an operations center via a “secure, undisclosed receiver site”<sup>61</sup>, which will allow the USA to gather and send data around the Indo-Pacific without the fear of Chinese interception.

Such a step is crucial to maintain the safety of the Indo-Pacific, as China has been reported to develop many Anti-Ship Ballistic Missiles (ASBMs). Most of the concerns are raised on DF-26, an Intermediate-range Ballistic Missile (IRBM) nicknamed the “Guam Killer”, due to its 4000 km range that could make it easy to attack Guam<sup>62</sup>. Guam is one of the USA’s most important strongholds in the Pacific and is also Palau’s neighbor. Therefore, the commission of such an advanced radar on Palau is important, as this would allow the USA to keep a check on China’s maritime activities along with giving a heads-up to a missile deployment way in advance due to the nature of the Over the Horizon Radar.

Additionally, the A-10C Warthogs are usually kept in Guam, however, some were placed in Palau for a small period of time in late 2022 as part of an aerial exercise that allowed the USA to figure out how to execute aerial expeditions from locations other than Guam<sup>63</sup>. Considering China’s growing resentment towards Palau, and the latter’s own strategic location, it makes

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<sup>59</sup> "Upgraded Missile System For Guam, Advanced Radar On Palau | US Boosts Pacific Defence Against China." CRUX. January 1, 2023. Video, [https://www.youtube.com/watch?v=vMM\\_KLOSXgw](https://www.youtube.com/watch?v=vMM_KLOSXgw).

<sup>60</sup> Joseph Trevithick, “A-10 Warthogs Are Operating From A Tent Village In Palau”. The Drive, 2022. <https://www.thedrive.com/the-war-zone/a-10-warthogs-are-operating-from-a-tent-village-in-palau>

<sup>61</sup> "Upgraded Missile System For Guam, Advanced Radar On Palau | US Boosts Pacific Defence Against China." CRUX. January 1, 2023. Video, [https://www.youtube.com/watch?v=vMM\\_KLOSXgw](https://www.youtube.com/watch?v=vMM_KLOSXgw).

<sup>62</sup> Missile Defense Project, "DF-26," *Missile Threat*, Center for Strategic and International Studies, January 8, 2018, last modified August 6, 2021, <https://missilethreat.csis.org/missile/dong-feng-26-df-26/>.

<sup>63</sup> Joseph Trevithick, “A-10 Warthogs Are Operating From A Tent Village In Palau”. The Drive, 2022. <https://www.thedrive.com/the-war-zone/a-10-warthogs-are-operating-from-a-tent-village-in-palau>

sense why the USA has chosen the island country for such activities. This poses the question, of whether in the future Palau would also become home to American airbases; an apparatus that would be deployed to deter Chinese presence in the region.

## **Conclusion**

Palau is well on its way to becoming a key stakeholder in the Indo-Pacific security complex. With deepening ties with countries such as Australia, Japan, and India, Palau has become more involved in the activities of countries that are now working on an individual and cooperative front to counter China. The reignition of interest in Palau should be used wisely by its policymakers, who can use this opportunity to extract more economic benefits on the forefront, as security developments follow with USA's growing involvement in the country's security architecture.

The Pacific Island nation is crucial to the USA's bloc of island nations in the Indo-Pacific, and the USA and its allies must maintain the flow of funding into Palau while also helping it with security, or they risk losing Palau to China. This also puts more pressure on Taiwan, who must prove to Palau that maintaining diplomatic ties with it is worth Chinese aggression. All this only proves that a country like Palau, which one may not have heard of much on the international front, can be classified as an under-dog, an important ally that could help countries satisfy their Indo-Pacific strategies and dispel their fears of excessive Chinese presence in the region. Therefore, Palau's leaders must also make decisions not just for the sake of its prominent allies, but also in its national interests and make the most of the international limelight it has.

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# Maldives

*Shehaan Sahni*

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Even though it is the smallest Asian country in both land area and population, the Maldives thrives in the Indian Ocean as a paradisaical archipelago, spanning over 26 atolls or coral reefs enclosing a lagoon, and almost 1,200 coral islands, extending to over 820 kilometres. The pristine white sandy beaches as well as the impeccably clear waters, paired with a diverse marine life attract large numbers of tourists from across the world. Besides its inherent natural charm, the Maldives emanates a loud voice in international relations, voicing their concerns on key issues such as climate change and sustainable development while advocating human rights, promoting democracy, and ensuring peace and security. It prides itself in its diplomatic capabilities, pursuing friendship, understanding and cooperation, and portraying the interests and aspirations of the Maldivian community to the international community. While working towards this goal, the Maldives boasts a robust foreign policy that functions on a set of principles and goals that best serve its national interest, helping it provide valuable contributions to the global community.

## **The Foreign Policy of the Maldives**

Just like any other nation in the world, the Maldives has an intricate foreign policy that dictates its efforts in reaching its national interest, ensuring the security and well-being of its residents, and upholding a peaceful rules-based world order. This foreign policy is guided by some principles or norms that first and foremost, work towards ensuring the sovereign equality of states in accordance with international law. The Maldives preaches a rule-based global system that is inclusive in nature to each and every nation within the world. It also indoctrinates the importance of non-interference within the internal affairs of another country. Moreover, it recognizes the need to maintain friendships with all countries based on a level of mutual respect and reiterates the supremacy of diplomacy in identifying, managing, and resolving global problems (The Maldivian Ministry of Foreign Affairs, 2021). Being guided by these principles, the Maldives also strives to reach many goals through its foreign policy. These include:

- Enhancing the security and national sovereignty of the Maldives through increased bilateral and multilateral engagement.

- Protecting the Islamic identity of the Maldives and helping to promote the values of Islam internationally.
- Increasing the economic resilience of the Maldives.
- Promoting greater regional cooperation in South Asia.
- Providing quality consular services for Maldivians.
- Promoting efficiency and professionalism in the service (The Maldivian Ministry of Foreign Affairs, 2021).

Hence, in order to reach these foreign policy goals in adherence to the principles, the Maldivian government has a set of strategies. These strategies have been reiterated by the Maldivian government as follows:

- Consolidating the Maldives' bilateral relationships with key regional and global powers.
- Strengthening the Maldives' engagement with South Asian and Indian Ocean rim countries to combat terrorism, piracy, and other non-traditional security threats.
- Bolstering the active participation of the Maldives at UN General Assembly, the UN Human Rights Council, and other UN bodies, and actively contribute to collective problem solving.
- Enhancing the active participation of the Maldives at key international organisations that enhances the country's diplomatic outreach and promote greater global recognition for the Maldives.
- Increasing the Maldives' participation in international efforts at promoting and maintaining stability, peace, and security.
- Deepening the bonds of friendship and cooperation with key international civil society organisations and international foreign policy think-tanks.
- Fortifying regional cooperation in South Asia.
- Heightening the Maldives' capacity and reporting to the international conventions it has ratified (The Maldivian Ministry of Foreign Affairs, 2021).

## **Factors Affecting the Foreign Policy of the Maldives**

### **Geopolitical Location**

The Maldives holds a position of strategic importance within the Indian Ocean, southwest of India and Sri Lanka, acting as a gateway to maritime trade routes paving the way to connect East Asia, the Middle East, and Africa. This location provides the Maldives access to incredibly important sea routes such as the Strait of Malacca, the Bay of Bengal, and the Arabian Sea, which facilitate the movement of energy resources, varieties of goods, and commercial shipping, establishing the Maldives as a focal point for global trade networks. At the northern and southern parts of the Maldives lies two greatly significant sea lines of communication (SLOCs) that are critical for maritime trade flow between the Gulf of Aden and the Gulf of Hormuz in West Asia and the Strait of Malacca in Southeast Asia. In the Indian context, the Maldives acts as a toll gate within the Indian Ocean as nearly 50% of India's external trade and 80% of its energy imports transit these SLOCs. The Maldives is also an integral partner in India's role as the net security provider in the Indian Ocean Region.

### **Religion (Islam)**

According to the constitution of the Maldives, which defines Islam as being based on Sunni doctrines, the nation is a republic founded on Islamic values. It claims that it is the "duty" of citizens to uphold and defend Islam. This shapes its diplomatic engagements with other countries, prioritizing the maintenance and bolstering of ties with other Muslim-majority nations, particularly those that share its religious and cultural values. Moreover, the Maldives also seeks to portray itself as a voice for the causes and issues of the Muslim community on a global scale. As a result, this often influences the Maldives' alignment and cooperation on global platforms such as regional cooperations and international organizations.

### **Climate Change**

As has been stated by the Intergovernmental Panel on Climate Change (IPCC), Small Island Developing States (SIDS) such as the Maldives are likely to be the first ones to be hit by the terrors of climate change and the impact is supposedly felt the largest as well. Moreover, SIDS remain to be a part of the least equipped countries to tackle, improvise, and adapt to the changes brought by climate change. The rising sea levels constantly put them at risk of being submerged, while food and water security remain to be hampered due to land loss and beach erosion increase. Furthermore, as one of the most land-scarce and low-lying fragile island nations, the Maldives is vulnerable to the danger of worsening severe weather events such as droughts, flooding, and storm surges. As a result, the Maldives is a massive advocate of climate

change and the inherent need for protection on a global scale (The Government of the Maldives, 2014, pp. 3-4).

## **Security**

The Maldives is concerned with defending its territorial seas, its Exclusive Economic Zones, and the safety and security of its maritime boundaries. To address marine risks such as piracy, illicit fishing, and smuggling, the Maldives participates in bilateral and multilateral cooperation with neighbouring nations and international organisations. The Maldives works swiftly with regional and international partners to combat terrorism, share intelligence, and tighten border controls. Its government aspires to form partnerships with nations and organisations that can help strengthen its capacity for counterterrorism activities and promote regional security.

### **Challenges to the Security of the Maldives**

#### **Radicalisation**

Although the Maldives has always been a peaceful state, the rise of radical ideology and instances of individuals joining extremist groups have generated worries about internal radicalization and its consequences for national security. The radical elements working within the social fabric of the country are going strong. Organizations such as the United Islamic Society have been suspected to have run rampant as a platform to spread radical ideologies through social media. Moreover, criminal gangs have also been reported to be involved in the recruitment and brainwashing of youth with radical ideologies; a comprehensive report on which, “Prison Radicalisation in the Maldives”, has been published by Transparency Maldives, collaborating with the Maldives Ministry of Home Affairs. Moreover, these radical ideologies have also found their way into the politics of the nation, particularly through Islamist parties, such as the Progressive Party of Maldives which is headed by the country’s former President, Abdulla Yameen Abdul Gayoom. His Presidency had reported a giant increase in radical mobilisation in the Maldives, paired with the migration of over 250 Maldivians to Iraq and Syria, to join the Islamic State (South Asia Terrorism Portal, 2023).

#### **Maritime Security and Transnational Crime**

Piracy is prevalent in the waterways surrounding the Maldives, particularly in the greater Indian Ocean region. Piracy occurrences, albeit infrequent in recent years, have traditionally disrupted maritime commerce routes and endangered the safety of sailors, fishermen, and tourists. The Maldives faces transnational criminal concerns such as human trafficking, drug



smuggling, and gunrunning. Moreover, illegal, unreported, and uncontrolled fishing is a severe threat to the Maldives' marine security and fishing sector, which provides a vital source of income for many Maldivians. Foreign vessels illegally fishing in the Maldivian Exclusive Economic Zones decrease fish populations, harm marine ecosystems, and jeopardise the country's economic interests. (defenceWeb, 2012).

### **Natural Calamities**

Being an archipelago, the Maldives geographically composes of significantly more water than land mass, and as a result, any minuscule change within the ocean and the waters nearing it, is felt all across the island. As a result, the country is incredibly vulnerable to natural disasters such as tsunamis, floods, high winds, and increasing sea levels. Recognising that the Maldives is one of the world's lowest-lying countries, and hence one of the most vulnerable to climate change, the environment has been at the forefront of Maldivian political debate for the past three decades. Since the inaugural gathering of leaders from other island nations in 1989, environmental degradation and climate change have been top priorities for every government (Orłowska, 2018). Moreover, phenomena such as coral bleaching and ocean acidification, both caused by the most potent natural disaster, climate change, pose substantial dangers to the Maldives' marine ecosystems. Since the coral reefs operate as natural barriers, shielding coastal communities of the Maldives from the effects of storms and erosion, their degradation not only has an adverse impact on the marine biodiversity, but it also tremendously weakens the natural defence mechanisms against natural catastrophes, leaving the Maldives more exposed to their consequences.

### **Political Instability**

Paired with rapid spreading radicalization and heightening terrorism, the Maldives also experiences torrents of political instability, weakening government structures and institutions and leading to ineffective decision-making processes which ultimately undermines the security of the nation. The Maldives, having recently undergone a transition from autocracy to democracy in the year 2008, there still exist many challenges to democracy due to a lack of proper democratic institutions paired with an inherent lack of experience among the political candidates. Furthermore, a political crisis that had occurred recently in the nation in the year 2018, wherein, after disobeying the order of the Supreme Court, the then President of the nation, Abdulla Yameen, had ordered the arrest of two judges of the Supreme Court as well as had declared a state of emergency within the nation for fifteen days. These domestic

tensions had severely undermined the security of the nation at the time and this instability can still be felt in waves in today's time.

### **Counter-terrorism Efforts**

The Maldives has taken a robust stance to combat the rising terrorism and violent radicalism within the nation, which had first been facilitated by a high-level conference on peace and security held at cabinet level, in 2019. This specific conference helped provide integral guidance and amendments for the proper functioning of the country's Anti-Terrorism Act by embracing and defining the presence of violent extremism in the local context, while also designating Conflict Zones and Foreign Terrorist Organizations. This also pioneered the promotion of intelligence agencies and mandating the sharing of intelligence at a national level, while further empowering the abilities to investigate, prosecute, and adjudicate (Naeem, 2021, pp. 1-2).

To further alleviate the effectiveness of combating terrorism, the Maldives utilises a two-pronged approach wherein there are two distinct types of responses towards terror threats. Firstly, the kinetic response, which entails the usage of traditional military and security responses, is being spearheaded by the Joint Inter-Agency Operation Centre, established in 2021. This kinetic response is guided by the National Terrorism Response Plan and coordinated by the Counter Terrorism Steering Committee of the Maldives. Secondly, the soft approach is utilised which focuses on the prevention and combating or countering aggressive extremism. These efforts of prevention include spearheading efforts to decrease the vulnerability of the Maldivian society by advocating durability and resilience to radical ideologies and brutal extremism. This is achieved through putting special emphasis on addressing the push and pull factors that might or might not lead to the radicalization of ideologies as well as the identification and prevention of any individuals that might be advancing towards the possibility of committing communal or political atrocities within the nation. This soft approach is guided by a supreme document known as the National Action Plan on Preventing and Countering Violent Extremism, wherein the prevention efforts are led by the Counter Radicalization Committee of the Maldives (Naeem, 2021, p. 3).

### **Regional Cooperation**

#### **India and the Maldives Security Cooperation**

Defence and security cooperations between India and the Maldives have been prominent ever since 1988 wherein India has flexibly accommodated Maldivian requirements of defence training and equipment. Furthermore, a comprehensive Action Plan for Defence had been

formulated and signed between the two countries in April 2016 to consolidate the defence partnership. Within these cooperations, India also meets around 70% of the defence training requirements of the Maldivian National Defence Force, providing it with the largest number of training opportunities (Indian Ministry of External Affairs, 2022, pp. 4-5). The Indian Navy has deployed 10-member marine commando Mobile Training teams to the Maldives in 2017, 2018, 2019, and 2021 while also providing the Maldivian National Defence Force with air assets for the purpose of air surveillance, MEDEVAC, and Helicopter-borne vertical insertion capability. Furthermore, the Maldivian National Defence Force has also been participating in various military-to-military activities such as joint Exclusive Economic Zone patrols, anti-narcotic ops, the sea-rider programme, and the sailing regatta (Indian Ministry of External Affairs, 2022, pp. 4-5). India and the Maldives have also been conducting Exercise Ekuverin, meaning ‘friends’ in the Maldivian language, ever since 2009, being held alternatively in the Maldives and India for a period of two weeks, focusing on bolstering interoperability between the two nations for carrying out counter-terrorism and counter-insurgency operations in a semi-urban environment under the mandate of the United Nations (Press Information Bureau of Delhi, 2021). India, the Maldives, and Sri Lanka also conduct the biennial trilateral coast guard exercise “Dosti”, which had been first initiated in 1991, between the Indian and Maldives Coast Guard with Sri Lanka joining for the first time in 2012. Exercise Dosti aims to further enhance the friendship, alleviate mutual operational capabilities, and exercise interoperability and to build cooperation between the coast guards of the three countries. The Exercise has primarily focused on exercises and drills on engaging assistance in sea accidents, eradicating sea pollution, as well as the coast guard’s procedure and conduct during situations such as oil spills. Through this cooperation, the three countries have also agreed to work on the four pillars of security cooperation including the areas of marine security, human trafficking, counterterrorism, and cyber security (Banka, 2021).

### **South Asian Association for Regional Cooperation**

The Maldives recognises the value of regional cooperation in solving shared issues and attaining common objectives. The Maldives' participation in the SAARC aims to improve trade and economic integration in the South Asian area, encourage cultural understanding, increase people-to-people interactions, and address regional issues such as poverty, climate change, and terrorism. The Maldives has made a significant contribution to the SAARC's activities and objectives. It has held multiple SAARC summits and ministerial meetings, giving a forum for regional leaders to deliberate and establish regional development policies. In addition, the

nation has participated in a number of SAARC working groups and specialised committees focused on specific sectors of cooperation including as agriculture, health, education, and tourism (The Government of the Maldives, Maldives at SAARC, 2020).

### **Indian Ocean Rim Association**

The Maldives had joined the IORA in 2019, as its 22<sup>nd</sup> member state. It takes an active role in IORA's many working groups, committees, and ministerial meetings, participating to talks and initiatives on marine security, commerce and investment, tourism, fisheries, and sustainable development, working on six major priority areas which include Maritime Safety and Security; Trade and Investment Facilitation; Fisheries Management; Disaster Risk Management; Academic and Scientific Cooperation; and Tourism Promotion and Cultural Exchanges, along with two cross-cutting areas, which entail Women's Economic Empowerment and Blue Economy. Furthermore, the Maldives has also hosted major IORA events, such as Council of Ministers meetings and the IORA Indian Ocean Conference, providing a venue for member states to discuss and promote the organization's agenda. These conferences promote regional understanding and collaboration by encouraging member-nation discourse, cooperation, and the exchange of ideas (The Maldivian Ministry of Foreign Affairs, Maldives participates in the Eleventh Bi-Annual Meeting of the Committee of Senior Officials of IORA, 2021).

### **Conclusion**

Inherently, the Maldives recognises the need to manage the complex international scene effectively, balance ties with regional and global powers, and combat new challenges to its security and stability. As the Maldives advances in its foreign policy and security goals, it recognises the importance of strong governance structures, democratic institutions, and inclusive decision-making procedures. For the Maldives, building domestic institutions, supporting good governance, and guaranteeing the rule of law is critical for tackling political instability, protecting human rights, and creating an atmosphere favourable to foreign policy and security objectives. Moreover, the imperatives of foreign policy and security dynamics are linked to the Maldives' goal of regional and global participation, security and stability, and economic progress. The Maldives aspires to build a foreign policy agenda that supports its national interests while contributing to regional peace, stability, and prosperity by successfully tackling security concerns, prioritising sustainable development, and engaging in regional and international collaborations. The Maldives meticulously utilises regional platforms to spread awareness about an integral issue such as climate change, advocating for immediate action. Furthermore, the Maldives' engagement in international climate change discussions

demonstrates its commitment to global climate action as well as its willingness to preserve its fragile environment and population. The Maldives' active participation amplifies the voices of tiny island states and pushes for aggressive climate objectives, adaptation measures, and assistance to vulnerable countries. The country's actions indicate its leadership and willingness to address the serious issue of climate change and ensure a sustainable future for the Maldives and the rest of the world.



**Centre for Security Studies**

Jindal School of International Affairs

O.P. Jindal Global University

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