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Maldives' Foreign Policy and its Effect on the Tourism Industry

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Abstract

The Maldives, a republic of 185 islands home to 550,000 people, has made the most of its geographic location to become a well-liked tourism destination during the past 50 years. Recent events demonstrate the Maldives' dramatic change in foreign policy. Though the scenario may be best understood as representing a smaller state's unease with a revived age of strategic rivalry, a desire to broaden its range of relationships, and an atmosphere of heightened nationalism, the leadership shift is sometimes presented as a zero-sum, pro-China turn. This will be an experiment since the Maldives' security forces will need more capability to carry out independent missions including hydrography, medical evacuation, and marine surveillance. The most recent catalyst was the use of crude language by Maldivian officials against Indians in general and Prime Minister Narendra Modi in particular. President Mohamed Muizzu's new administration requested that India remove its military soldiers, and he made China the destination of one of his first foreign trips. During his visit, Maldives President Muizzu also exhorts China to retake the top rank in tourist arrivals, which India has been holding for the past few years.

Objectives

This paper has the following objectives:

- 1. To study in detail Maldives' old and new Foreign Policy*
- 2. To get an overview on Maldives' International relations*
- 3. To analyze the functioning of Maldives' tourism industry*
- 4. To evaluate the factors impacting Maldives' tourism industry*

Keywords: *Power bloc, Archipelago, Sovereignty, Diplomacy, Foreign Policy, Climate Change, Bilateral relations, Net Zero, Islamic Identity, SAARC, Regional Stability, UN, ILO, MIGA, Non-Aligned, Gross Domestic Product, Geopolitical, Human Rights, Infrastructure, Hydrographic, Consular Services, Multilateral, Adaptability, Shipping Lanes, Boycott, Expatriate, Radicalization, Sustainability, Public Service, Emissions, Cooperation, Security, Tourism, Economic Development, Policy, Derogatory remarks, Favouritism, Hydrographic survey agreement.*

Introduction

In the north-central section of the Indian Ocean, there exists an independent archipelago called the Maldives. The country is made up of several islands that are separated by more than 510 miles (820 km) in the north and 80 miles (130 km) in the east. Approximately 370 miles (600 km) to the south-southwest of the Indian mainland is the furthest atoll in the north. In terms of foreign affairs, the Maldives often takes a neutral stance. It has maintained a non-aligned position historically. The Maldives has never sided with a significant political organisation. Rather, it has prioritised the advancement of its sovereignty. It also gives priority to its economic interests. Maldives contributes to regional stability as well.

The predominant religion in the Maldives is Islam. The majority of Muslims follow Sunni Islam. The language has been shaped by influences from the Arab world, Southeast Asia, and South Asia. They have also influenced Maldivian food and art. Tourists are very important. The clean beaches are what draw people in. The rich cultural diversity and the undersea marvels also entice them. There are 172 countries with which the Maldives has diplomatic connections. It maintains 17 ongoing diplomatic posts overseas. These relationships are particularly noteworthy with China, India, and Pakistan.

Maldives' International Relations

Maldives-China Relations: China and the Maldives enjoy a robust partnership based on the values of respect and assistance for one another. The Maldives is adamant on upholding the one-China policy. One of the main trading partners is China. It serves as the Maldives' main tourism hub as well.

China contributes significantly to the Maldives' growth. 2018 saw the opening of the Friendship Bridge between China and the Maldives. This illustrates how well they get along. The Belt and Road Initiative benefits economic expansion. It also enhances connection.

Maldives- Pakistan Relations: With a shared faith, set of values, and mutual regard, the Maldives and Pakistan have maintained diplomatic relations for more than 50 years. With a 10.2% yearly rise from \$707k in 1995, Pakistan's exports to the Maldives reached \$9.73M in 2022, primarily in the form of packaged medications, rice, and other processed fruits and nuts. \$145k worth of integrated circuits, raw iron bars, and scrap iron were sent by the Maldives to Pakistan.

Maldives relations with India: There are longstanding historical ties between India and the Maldives in the areas of ethnicity, language, culture, religion, and trade. Their connection has always been close-knit, affectionate, and complex. One of the first countries to recognise the Maldives' independence in 1965 and build diplomatic relations with the country was India. With large-scale commerce and infrastructural initiatives under progress, India is one of the Maldives' top tourist destinations and investment pools. Additionally, since 1988, military and security have been important areas of cooperation between India and the Maldives, with estimates indicating that India provides 70% of the Maldives' defensive training.

China's increasing influence in the Indian Ocean area worries India, particularly in nations like Sri Lanka, Pakistan, and the Maldives. India's strategic interests and the security of the region are directly threatened by the establishment of Chinese-controlled ports and military installations in these areas. India is under a lot of strain and has its sphere of influence in the Indian Ocean region disrupted by the rising alliance between China and Pakistan. Due to a transfer in power, this may have an impact on the interests of other countries that hold sway over the Maldives. By May 10, 2024, Indian military troops overseeing three aviation sites must return to the Maldives, according to President Mohamed Mizziu.

Maldives Old foreign Policy

Since gaining independence, the Maldives' foreign policy has been founded on ideas such as respect for the rules-based international order, the sovereign equality of all nations, refraining from meddling in the internal affairs of other countries, resolving disputes through diplomacy, and upholding amicable relations based on respect with other nations. They also view diplomacy as the primary means of resolving any international dispute. Their primary goal is to safeguard its Islamic identity and advance Islamic principles globally, all the while enhancing its security and national sovereignty through expanded bilateral and multilateral agreements. Additionally, the nation wants to increase its capacity for economic adaptation, foster better regional collaboration in South Asia, and offer Maldivian nationals first-rate consular services. In order to promote successful governance, efficiency and professionalism in public service are given more weight.

The Maldives' primary approach to achieving these objectives is to engage in international affairs by becoming a member of several international bodies to strengthen their ties with other countries. The Maldives joined a number of groups after gaining their independence, including the United Nations (UN) in 1965. In 1985, they were instrumental in the formation of the South Asian Association for Regional Cooperation (SAARC). They became members of the World Trade Organisation ten years later. They then became members of the International Labour Organisation (ILO) in 2009, and the Multilateral Investment Guarantee Agency (MIGA) in 2005. The Maldives actively participates in 63 international organisations as a member today. Getting investments from other countries to improve services was another tactic the Maldives employed to strengthen its ties.

Maldives' New Foreign Policy

The Maldives' foreign policy has undergone significant changes under the new administration. The main objectives of the government are now to promote economic investments, preserve and balance close ties with other nations like China, India, and Pakistan, and support national development that promotes the Maldives' internal growth while putting the interests of its citizens and human rights first. In order to address their problem on that front, the new administration has implemented measures including legislation reforms with the purpose of upholding international human rights accords and providing greater protection for certain populations. Even though tourism will remain the main engine of growth, the Maldives also uses other tactics to ensure national development, such as promoting increased eco-tourism and fisheries development, allocating funding for infrastructure to remote areas, and encouraging more private sector investment to ensure inclusive growth.

The Maldives' plan will include actions to protect the environment and advance sustainable development methods. The Maldives continues to uphold all of the tenets of its previous foreign policy. The goal of the country's new foreign policy is to help the Maldives grow and prosper while preserving its unique religious and cultural heritage and looking out for the interests of its people. Nonetheless, the two Maldivian opposition parties decided to work together on a number of governance-related topics and expressed worries about other things, such as inadequate transparency and foreign policy. Since the two parties together hold a majority of the 87 seats in the legislature, there is a chance that the opposition will approve whatever modifications the administration makes to its foreign policy.

Maldives' Significance

To India: The Maldives, a group of 1200 islands in the Indian Ocean, are situated near major shipping lanes, ensuring a steady supply of energy to countries like China, India, and Japan. The Maldives' geopolitical relevance has grown over the past ten years due to China's naval involvement in the Indian Ocean, particularly in the Gulf of Aden for anti-piracy operations. Given its participation in SAARC, an institution that the Maldives assisted in founding, India has a duty to collaborate with the Maldives in the areas of security and defence as a prominent supplier of security in the Indian Ocean. The importance of preserving solid bilateral

connections is highlighted by the historical relationship between India and the Maldives, which extends back to the latter country's independence in 1965.

Notwithstanding contemporary obstacles, such as radicalisation under Yameen's rule and the existence of a sizeable Indian expat population, the Maldives and India have a complex connection that encompasses cultural, economic, and interpersonal interactions. There are 6,000 Indian visitors in the Maldives each year, out of the country's total of 25,000 resident Indian tourists.

To China: China views the Maldives as strategically significant due to its proximity to international sea routes, which are essential for the movement of oil and containers. Since China gets 80% of its energy from the Indian Ocean, any disruption to these marine channels would be a serious danger to the country's economic progress. China has additional incentive to expand its footprint in the Indian Ocean because to the rising significance of the Indo-Pacific concept, which involves alliances with nations including the US, India, Australia, and Japan. These nations are alarmed by China's assertive actions in the South China Sea. The littoral states of the Indian Ocean, including the Maldives, Sri Lanka, and Seychelles, are strategically important to Beijing because of their location and potential to work with them to counter perceived containment efforts, especially in light of perceived containment strategies by the United States against China. China is another significant investor in Maldivian developments; it has contributed \$830 million towards the building of a new airport.

Tourism industry of Maldives

History: George Corbin, an Italian travel agent, came to the Maldives in 1971 with the intention of discovering a new, exotic place. He was mesmerised by the island's beauty upon arrival and believed it would be a nice vacation spot. The issue was that, at the time, not many people knew about the Maldives. He had met an employee of the Maldivian embassy in Colombo named Ahmed "Kerefa" Naseem. In order to launch a resort, there, they travelled to the Maldives together aboard a cargo ship. They visited many islands in search of the ideal spot for the resort. Hussain Afeef and Muhammad Umar Manik, two companions, assisted them in selecting Vihamanafushi, which was subsequently dubbed Kurumba. On February 16, 1972, Corbin delivered the resort's first guests, who were primarily Italian. On October 3, 1972, the Kurumba resort formally opened to the public. After fifty years, the Maldives has developed 172 resorts, and by 2023, 170000 visitors are expected to come.

Development of Tourism Industry: Over the past 50 years, the Maldives has grown to be a well-liked tourist destination. Today, tourism accounts for 25% of its GDP. When tourism in the Maldives first started to take off in 1972, there were just 3 hotels; five decades later, there are now 172 resorts. The Maldives have made considerable infrastructural improvements to facilitate tourism, such as building a massive friendship bridge and upgrading Velena International Airport. The Maldives caters to a specialised market that is extremely specialised in satisfying the demands and aspirations of tourists since it has established a reputation as an upscale, expensive resort. The Maldives Marketing and Public Relations Corporation, which uses a 360-degree marketing approach to promote the nation internationally, has improved its tourist industry marketing efforts, as well. Events include PR campaigns, trade exhibitions, internet marketing, and agent training, among others. In addition to major worldwide tourist accolades and awards—such as the World's Leading Destination title for four consecutive years—MMPRC has established representation in fifteen global markets.

Climatic threat to Maldives

The Maldives' tourism industry greatly increases the dangers associated with climate change, which include floods, storm surges, beach erosion, rising sea temperatures, temporary water shortages, and damage to coastal infrastructure. Since 70–90% of the infrastructure supporting the tourism industry is located within 100 meters of the shore, the industry in general is quite vulnerable to weather-related occurrences. Given that the Maldives is expected to become uninhabitable owing to climate change and global warming, this will all likely put pressure on the tourism sector due to changes in traveller behaviour and tastes worldwide. Should the government fail to address these climate change implications, there might be yearly economic losses exceeding 12% of GDP.

As a reaction to these problems, the Maldives government is strengthening the country's climate resilience on February 15, 2024, by working with the United Nations Environment Programme (UNEP) to create a National Adaptation plan (NAP).¹⁵ The NAP project will reduce the susceptibility of the Maldives to the effects of climate change by determining and addressing the needs for long-term adaptation via strategic planning that is guided by the most recent estimates from climate research. The Green Climate Fund is providing funding for this 2.8 million dollar initiative, which will assist the Maldives in developing their adaptation strategy. As a result, the Maldives will be better able to organise and carry out strategies that will increase the country's and its citizens' resilience to climate change.

India's Contribution and cooperation to Maldives Tourism Industry

With 63,000 Indian visitors to the island nation in 2020, India was the country from which the Maldives received the most number of visitors during the epidemic. With 291,000, 241,000, and 209,000 visitors, respectively, India continued to be the Maldives' top source of tourism in 2021–2023. In those years, the percentage of Indian visitors in the market was 23%, 14.4%, and 11.1%, respectively. India has been the main source of new visitors to the Maldives over the past several years, according to data from the ministry of tourism there. There are now eight direct flights from anywhere in the nation to the Maldives thanks to improvements made by the Indian government in the connectivity of air travel. This facilitates Indian travellers' visits to the Maldives. In order to reduce the burden of obtaining a visa for visitors and increase traveller traffic to both countries, the governments of Male and India have reached an agreement on a simplified visa application process.

Reasons for recent stranding relationship between India and the Maldives

The results of the 2023 Maldives presidential election show that Mohamed Muizzu defeated Mohamed Salih. With his "India First" platform, Salih was perceived as a pro-Indian candidate, whilst Mizziu's "India out" campaign painted him as a pro-China candidate.

India sent a low-profile minister to represent the nation to the president's swearing-in event after Mizziu was ultimately chosen, expressing dissatisfaction with the outcome. Meanwhile, Modi personally attended the former president's Salih oath-taking ceremony.

Muizzu had asked the minister in writing to have their military personnel recalled. In addition to pushing for the Indian troops to leave the Maldives, Mizziu's administration chose not to extend an agreement for a hydrographic study with India. This decision is consistent with Mizziu's election-year vow to sever all connections with other countries, particularly with India. India sees the hydrographic ships' pullout from the Maldives as a calculated move to aid China's marine surveys in the region. This indicates that China's presence in the Maldives will pose a danger to India-Maldives ties, as does Mizziu's most recent official visit to China. In spite of this, India will continue to have cordial ties with the Maldives in accordance with its "Neighbourhood First Policy." The Maldives cannot ignore India because of its economic dependence on tourism. Indian travel to the Maldives has decreased recently as a result of the "boycott Maldives" movement, which was started by Indians in protest for Maldives officials' disparaging statements about Prime Minister Modi on social media. According to data, there were 42% fewer Indian tourists visiting the Maldives in the first four months of 2024 than there were in the same period in 2023 (73785 vs. 42638). The Maldives' tourism-based economy would suffer greatly as a result of this.

Impact on Maldives economy

The tourism industry in the Maldives is expected to suffer losses of 1.8 billion to 2 billion dollars due to the decrease of Indian visitors. This is significant since it represents over 40% of the Maldives' marginal GDP of 5 billion dollars. Due to the Maldives' 1.37 billion dollar debt to China and 400.9 million dollar debt to India, the fall in tourism will not assist in paying off those obligations. Businesses in the Maldives are also impacted by this downturn; as of March 15, 2024, travel agencies and operators reported an 80% decline in income. In general, Indian tourism is critical to the Maldives because it keeps the tourism industry alive during off-peak times when European traveller demand declines. The Maldives' Minister of Tourism begs Indians to "be a part of tourism again," demonstrating the country's attempts to strengthen its democratic ties with India and draw in more Indian visitors in the future.

Review of Literature

“The Sweet and Sour nature of India-Maldives Relations” -Sumant Kumar,(2017),India’s Relations with the World under the leadership of Narendra Modi, ISBN- 978-93-8183-994-2: Even after the Maldives gained independence from the British in 1965, it took a long time for them to strengthen their bilateral commercial ties with India. Following Operation Cactus's success, a cooperative relationship between the two countries started to develop. India and the Maldives had strong relations from 1978 to 2008, when M.A. Gayoom was president of India. Even under Mohamed Nasheed's administration, when India was one of the Maldives' top allies, the two countries' connections were upheld. However, once Abdulla Yameen became president in 2013, things started to go south. Maldives have claimed that India was meddling in their domestic affairs, creating a gap between the two countries. India continued to back Yameen prior to the election, but his win still resulted in a ban on Indian contracts and a change in foreign policy that favoured China and West Asian nations like Pakistan.

“Dynamic of Diplomacy: Unravelling The Tapestry Of India-Maldives Relations Across Time”, Aman Bora,(2nd February 2024),International Journal of Creative Research Thoughts,ISSN-2320-2882: The relationship between India and Maldives has reached an all-time low with the recent developments. The Maldivian President has shown no signs in taking steps to mend the conflict. The Indian Prime minister Modi has refrained from commenting about these events or even about the Maldivian President, Muizzu. Since both the Maldives and India share a strategically important region and are known to have long standing ties the sudden rift will be detrimental for both countries. India's long term interests in the Indian Ocean Region is dependent on Maldives being a strong and independent country just as much as Maldives' security and economic well-being is dependent on friendly relations with India. Given its already strained economy, exacerbated by the covid-19 pandemic, it is not beneficial for Maldives to enter China's 'debt trap diplomacy'. India's economic assistance of 'no-strings-attached' has been a huge relief to the Maldives. Therefore both nations need to address their issues through effective communication as strained relations will negatively affect both parties. Domestic Political Agendas should not include the mutual relationship between the two countries.. President Muizzu should strive to work for a prosperous region with ideals of mutual respect and cooperation upheld, keeping the political agendas aside. Trade, investment, and development initiative must be effectively examined as they are essential for the economic cooperation and the growth trajectory for both countries

“Ideas, Maldives-China Relations And Balance Of Power Dynamics In South Asia”, Athaulla A Rasheed,(6th February 2018), Journal of South Asian Studies, ISSN-2307-4000:This article explores a constructivist perspective on China-Maldives relations within South Asia which will help us understand the progressive development of the partnership. This article gives a constructivist interpretation of China's involvement in the Maldives and its impact on South Asia. Both the OBOR initiative and the potential of mutual gains envisioned by the leaders of both nations have influenced their foreign policies. The article gives a political aspect of China-Maldives relations and their impact on regional power dynamics, which emphasises that the changes in the foreign policy have been shaped by shared ideas rather than negative realist perspectives. This article not only emphasises the importance of ideas but also other elements, such as China's military and strategic prowess, which have the potential to change India's power dynamics and have an impact on the Maldives' foreign policy. Since the Maldives aspires for international collaboration and political stability, it may investigate bilateral and multilateral relations in order to preserve the status quo. The political objectives and interests of the administration are strongly related to the current foreign policy of the Maldives. Since the outcome of the Maldives' presidential election may affect political interests, more research becomes necessary. There could be other reasons than India's lack of interest in the Maldives for the country to withdraw from OBOR projects. There could be other reasons than India's interest in the Maldives as to why the nation abandoned the OBOR projects.

“India-Maldives Relations: Its flux through decades”, Samim Aktar and Sabyasachi Palain, (March 2022), Journal of Emerging Technologies And Innovative Research, ISSN-2349-5162: Although India has a very strong relationship with Maldives within the South Asian region, there still remains an underlying layer of mistrust from the Maldives towards India. Historical occurrences such as Bangladesh’s establishment with the help of India and the Sikkim’s merger with India in 1975 have made India’s smaller neighbors fearful of Indian dominance. However, India and Maldives have still maintained positive relations, exemplified by India’s 1988 intervention to prevent a coup in the Maldives. Maldives cannot afford to be cut off from international trade and investment as the nation is focused on economic development. In the last couple of years the nation has developed closer relations with China. China’s growing influence in Maldives in trade, investments and geopolitics poses a serious threat to the security of India. In recognition of this problem, Indian Prime minister Modi has emphasised India’s “Neighbourhood First Policy”. To strengthen relations with the Maldives, this policy will require India to provide bilateral assistance, increase investment and leverage soft power in the Maldives. That way, India focuses on mutual trust, understanding, and sensitivity with the Maldives so as to improve their bilateral relations with the nation.

“Maldives’ Evolving Diplomacy Navigating Between India and China”, Waseem Shahzad Qadri, (11th January, 2024), Peace for Asia: As the Maldives undergoes diplomatic transfer, The newly elected President Muizzu’s stance, suggests a withdrawal from his predecessor, Mohamed Solih’s ‘India first’ policy. The changing relationship with India and strengthened relations with China put questions into the geopolitical strategy of the Maldives and its overall impact on the regional stability. The international community closely watches these developments and anticipates the future directions of the foreign relations for the Maldives.

“Maldives lays red carpet for Indians after 42% dip in tourists”, Abhishek De, 8th May, 2024, India Today: According to data there is a 42% decrease in the number of tourists from India visiting the Maldives in the first four months of 2024 compared to that of the previous year. The number of tourists from January to April had decreased from 73785 to 42638. In January we saw 15,006 Indians had visited the Maldives. In February and in March we had seen a decline from 24632 to 11252 and 16141 to 7668 respectively. April too had seen a big decline from 18662 to 8712. As a result, this decline has caused Maldives to suffer a significant loss of revenue. It’s a big blow for the country since 28% of its GDP relies on tourism. To give you some perspective, the average cost for an Indian person visiting Maldives is around Rs 1.5 lakh for a week-long stay. So, with a decrease of 31,147 Indian tourists, the revenue would drop by about Rs 468 crore or \$56 million. It’s a substantial hit for the economy. This estimated figure could be even greater as the Indian High Net worth Individuals usually spent between 2500 \$ to 5000\$ per night. Therefore the Maldives is reaching out to India to attract more tourists. They plan to launch extensive roadshows in big Indian cities and organising influencer and familiarisation trips to the Maldives. This efforts were backed by Maldives describing India as a “Crucial Tourists Market”. Many people believe that the Maldives behaviour towards India is coming in the wake of deteriorating relations between the two nations, accentuated by derogatory remarks made by Maldivian ministers about Prime Minister Modi on social media while addressing the pictures shared by Modi in Lakshadweep in which he had commented about the natural beauty of the pristine landscapes in Lakshadweep. The remarks by ministers were due to the fact that they had perceived those posts as promoting Lakshadweep as a competing tourist destination to the Maldives. These remarks led to significant backlash as many Indian celebrities began to cancel their plans to visit the Maldives and initiated a movement to go to Lakshadweep instead.

“Indian tourists ditch Maldives amid row as numbers drop 40%; China arrivals up 200%”, Akriti Anand, 19th April, 2024, Mint: According to Maldives ministry of Tourism the percentage decrease in Indian Tourists in the Maldives was nearly 40% in the first three months of 2024 whilst the percentage increase in Chinese tourists in Maldives was 200%. During the January to March period the number of Indian tourists decreased from 56208 in 2023 and 34847 in 2024 and the number of Chinese tourists increased from 17,391 in 2023 to 67399 in 2024. India ranks sixth in the top ten markets for Maldives tourism, whilst China leads with an 11% market share. This is significant as India was previously known to be a major contributor in tourism statistics of the Maldives from January to November 2023. Since 2020, after surpassing Chinese tourists, Indian tourist’s arrivals have been increasing in the Maldives. Before 2020, the largest tourist group in the Maldives were Chinese tourists and China had and 18.31% market share of the ‘Top Ten Market Arrivals’ in the Maldives, which was the highest of any nation that year. After 2020, India dominated the Maldives tourism market until December 2023 where the position started to decline. On January 2nd 2024, India fell two places in the top ten countries for Maldives tourism, then they fell 2 more on January 21st and by March 3rd India was ranked sixth. The decrease in Indian tourists and increase in Chinese tourists could be due to Maldivian President Muizzu’s policies and agreements which favour China over India.

“India Drops to 5th In Maldives Tourism Rankings, Was No. 1 In 2023”, Samiran Mishra, 30th January, 2024, NDTV: As of December 31st, India was the leading nation in terms of tourists in the Maldives, making 11% of the market share of the Maldives Tourism Industry. Nevertheless, a major decrease in Indian tourists had been initiated by Prime Minister Modi’s trip to Lakshadweep on 2nd January and the tensions with India-Maldives relations. The situation got worse when Maldivian ministers accused India of undermining the Maldives as a tourist destination. The tensions have risen, especially when President Mohammed Muizzu was elected in November, this change in presidency led to Maldives developing closer relations with China and giving less importance to the previous ‘India First Policy’. These tensions have led to impeachment proceedings against President Muizzu by the main opposition party, the Maldivian Democratic Party. After the disputed docking of a Chinese spy ship in Male, Muizzu has been accused of his poor- China stance. Therefore, a dispute arose in which a decision was to be made on Muizzu’s impeachment. Muizzu’s anti-India stance has spiralled, with his demand to withdraw Indian troops from the Maldives by mid-March. The Maldivian Democratic Party has centred this change in policy, as they had called it detrimental to the long term development of the country. The strategic location of the Maldives in the Indian Ocean region continues to be an important feature in India’s ‘SAGAR’ and ‘Neighbourhood First Policy’ initiatives.

“Social media uproar may cost the Maldives millions, as feud with India intensifies”, Monica, 10th January, 2024, CNBC : Social Media comments by 3 Maldivian officials could lead to significant losses in tourism revenue for the Maldives as Indian tourists continue to boycott travel to the island nation. According to reports thousands of Indian tourists have cancelled trips to the Maldives, and Ease my trip a travel booking website has suspended all flight bookings from India to Maldives. According to Indian Express, Indian travel agents are cancelling bookings to the Maldives, removing the country's images from their websites, and suggesting alternative tourist destinations such as Lakshadweep, Sri Lanka or even the Andaman and Nicobar islands. This controversy has promoted tourism to Lakshadweep. In 2023 Maldives was a favourable destination for Indian tourists with over one in ten arrivals in the Maldives being Indian however in January 2024, British and Italian tourist's surpassed Indian tourists. Indian tourists are vital to Maldives economy as they had generated 380 million in revenue in 2023.

After the Maldivian elections of 2023, President Mohammed Muizzu favours the 'India Out' policy over the previous 'India First' policy. Tensions have risen as Muizzu's first state visit was to China instead of India. Additionally, the comments of the Maldivian officials have resulted in a boycott Maldives movement. Chaturvedi notes that they are unsure whether Indian travellers are rescheduling trips to Lakshadweep due to their only being 13 hotels listed on TripAdvisor. According to him, he believes that the courage on social media will not last very long, however the push for domestic travel which is promoted by Bollywood celebrities will have a more lasting effect. This is supported by the government agenda that has gained popularity with Modi's photos in Lakshadweep.

“Drivers of Maldives' Foreign Policy on India and China”, Athaulla A. Rasheed, 2024, World Scientific, ISBN-978-981-12-6371-2: The changing foreign policy of the Maldives with respect to India and China has been influenced by the political ideologies of the current and past governments. Actual. Experts of south Asian policy are concerned about the economic expansion of China in the region, specifically the growing diplomatic and economic relations with the Maldives. Over the years, the closest ally to the Maldives has been India who has supported and protected the island nation's territorial integrity. For this support, the Maldives has maintained an 'India First' policy in regional alliances. However, this support can be perceived as political expansionism. The increasing involvement of China in the Maldives is leading to political competition with India. The previous government of Yemen established strong relations with China and this shifted Maldives' development cooperation away from India. Under Solih's administration, however, the Maldives maintained close relations with India and the country even expanded India's military presence. India must address Maldivian government's motivations to seek development cooperation with China in order to effectively counter China-Maldives relations. Maldives aims to coordinate maximum aid benefits, while India's strategic interest in suppressing China's influence has increased the military projects in the Maldives. The manner in which the Maldivian government and public control their arrangements with India will be vital in maintaining the political system's integrity, political independence and territorial integrity.

Research Methodology

The concept of gathering information for decision-making is known as research methodology, and it deals with the issues of what information to get, from whom to gather it, and how to assess it. It entails a range of methods for gathering, organising, and evaluating data on a particular subject of study. Potential readers can critically assess a study's validity and reliability by using research technique. Restricting the research's scope also aids in keeping it on course. Before selecting any research technique, you should evaluate the general limits of doing research on a certain topic as well as any ethical issues that might have a big impact on your study.

Types of research methodology

Qualitative and quantitative research are two categories of research methods. When a researcher wants to verify a claim or a theory, they employ quantitative methods. This methodology's primary focus is on gathering, analysing, and testing data. In qualitative research, textual data or written words are gathered and analysed. It provides a thorough explanation by concentrating on body language and visual cues. Exploratory study looks at subjects and research concerns that haven't been thoroughly examined before. It might be quantitative as well as qualitative. Characteristic Research is utilised to provide a description of the population or phenomenon under study. Those about what, when, how, and where are addressed, but those about why are left unanswered.

Statistical tools adopted

In this Research paper, the data was evaluated with the help of different graphs and charts presentations.

Sampling Technique

A general questionnaire consisting of 11 simple questions was prepared with the intention of collecting data on the most important aspects of the analysis

Hypothesis

The Hypothesis proposed year is as mentioned below

H0: The new foreign policy has not impacted the tourism industry in Maldives

H1: The new foreign policy has impacted the tourism industry in Maldives

Data Types and Sources

Any information that has been gathered, seen, produced, or even manufactured with the intention of validating the results of earlier study is referred to as data. It may take the shape of data, names, numbers, or even figures.

Primary data is information that researchers have gathered directly from sources like surveys, experiments, interviews, and so on. The materials are selected and modified to satisfy the needs of a certain study.

Data that has previously been gathered from primary sources and made accessible for use by researchers in their own work is referred to as secondary data. Common sources of secondary data include questionnaires, surveys, in-person interviews, and so on.

Population

Highest number of people having knowledge about Maldives' foreign policy and its Tourism industry.

Sampling Frame

For carrying out non profitability random sampling, a list of different people belonging to different professions was generated from a specified area.

Sample Size

Sample size of 76 respondents was selected for an effective study.

Study Area

The study is conducted throughout the city of Mumbai. Mumbai being the financial capital of India is expected to have knowledge of Maldives foreign Policy.

Limitations

Limitations of the research are as under which can impact the validity and reliability of the findings:

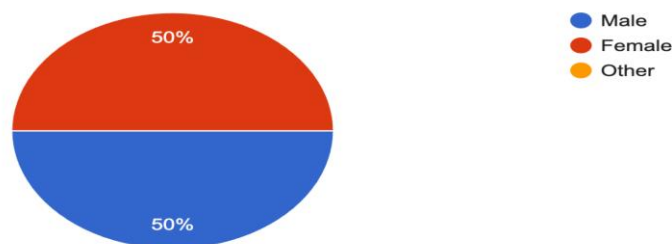
1. My lack of knowledge with primary data collecting might lead to approaches being applied incorrectly.
2. Small sample size may reduce its statistical power and restrict how broadly the findings may be applied.
3. My inability to travel long distance has restricted personal interactions with respondents.
4. Difficulties in obtaining pertinent literature or data might have impeded research.
5. Due to multiple responsibilities, I struggled with insufficient time for conducting thorough research

Data Analysis and Presentation

WE TOOK THE SURVEY: QUESTIONNAIRE METHOD AND RESULTS WERE AS FOLLOWS: WE GOT 76 RESPONSES TO THE COMPULSORY QUESTIONS ASKED BELOW:

What is your gender?

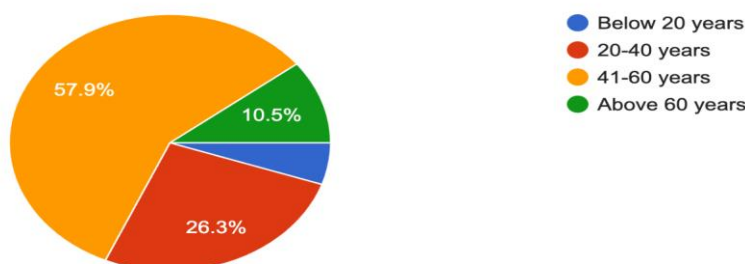
76 responses



Commenting Statement- There was an equal amount of respondents from both genders , to give a well-balanced perspective on the research topic.

What is your age?

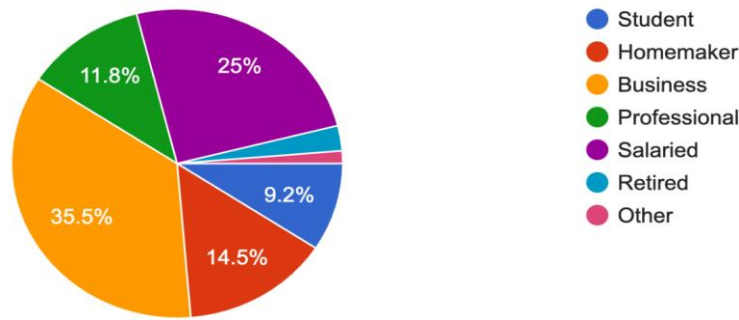
76 responses



Commenting Statement- It is clear from the graph that majority for the 41-60 years old age groups, the next highest is the 20-40 years old group and following that is above 60 years. From these results we interpret that the older age groups are better versed on the topic at hand as compared to below 20 age group

What is your Profession?

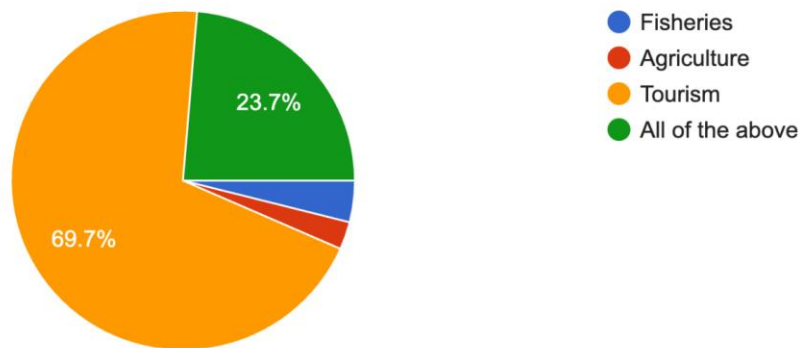
76 responses



Commenting Statement-From the above it's clear that respondents belong to different professions. This makes the data collection more effective and meaningful.

What does Maldives economy rely on?

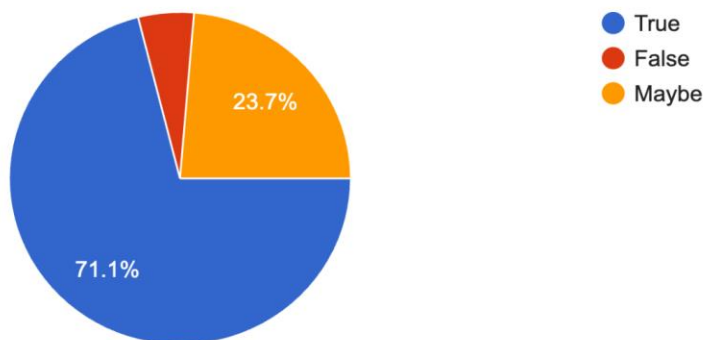
76 responses



Commenting Statement- As high as 70% of respondents believe that Maldives economy relies on Tourism, and rest believes that it relies on fisheries, agriculture, and Tourism as well.

Tourism Contributes to one third of Maldives GDP

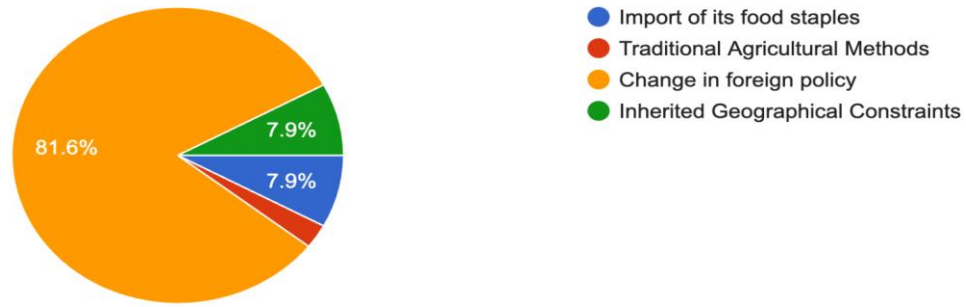
76 responses



Commenting Statement- It can be concluded from above that respondents agree with the fact that Maldives' Tourism contributes to one third of Maldives GDP. With some more confident than others,

What led to the drop in Maldives GDP growth rate from 13.9% in 2022 to 5.4% in 2024?

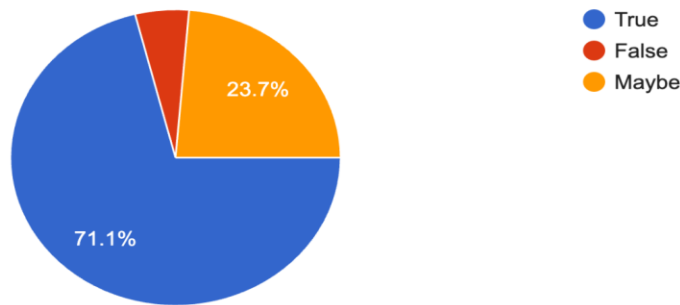
76 responses



Commenting statement- There is a clear majority here of 81.8% people believing that the change in foreign policy played the most significant role in the drop in growth rate for the Maldives

The Derogatory remarks by Maldives officials to the Indian Prime Minister have led to a decline in Indian tourists in Maldives

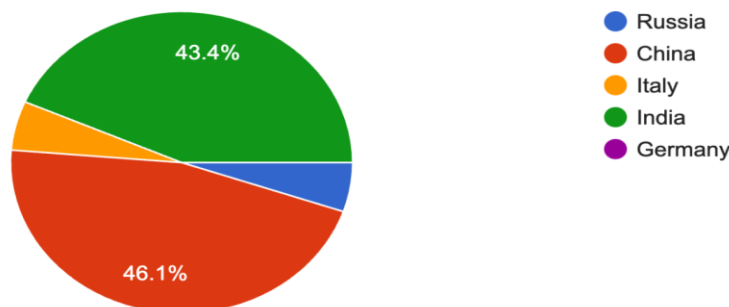
76 responses



Commenting Statement- Majority of the respondents either agree with the statement or do not deny the reason which shows that this is one of the major reasons that has caused a decline in tourism.

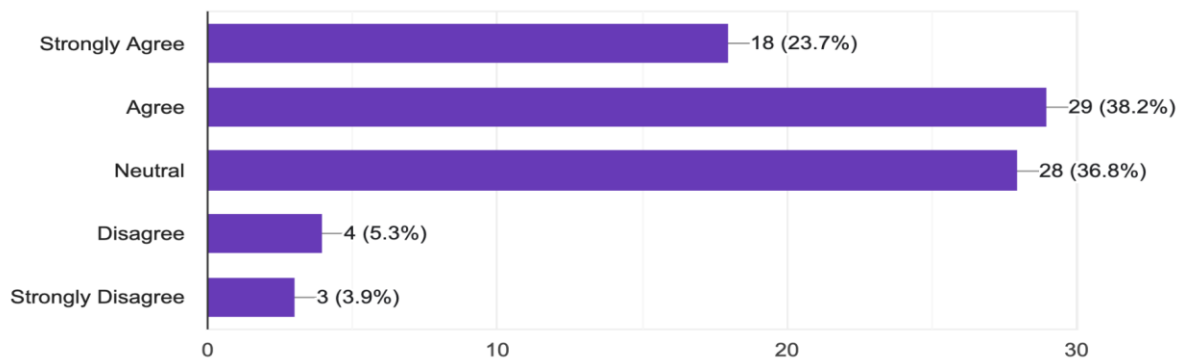
From China, Russia, Germany, India, Italy, the UK which nation ranks first on the list of Maldives tourists as per the latest report?

76 responses



Commenting Statement- This above data shows that there is a clear majority between India and China, accentuating the idea that these two countries have contributed significantly to the Maldives.

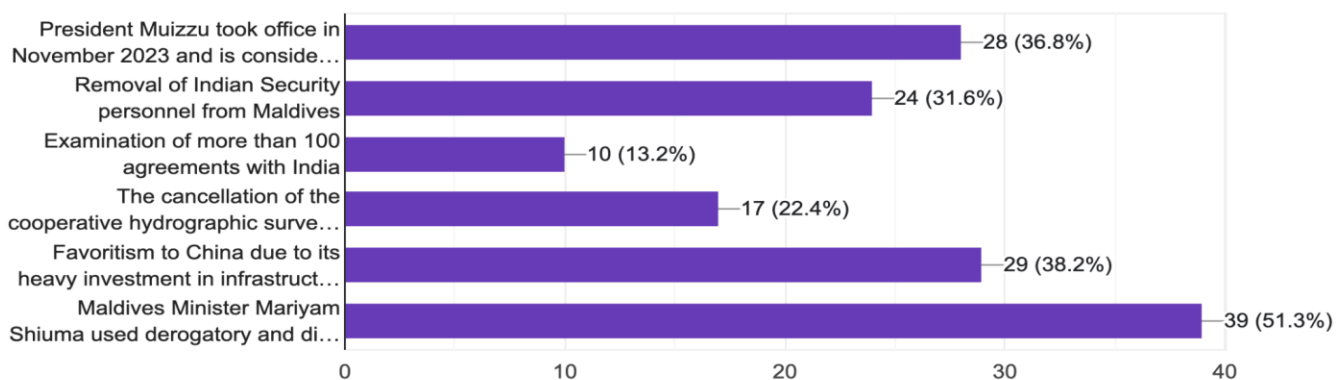
The fact that fewer visitors are traveling to the Maldives from India and more are coming from China is consistent with Muizzu's new foreign policies a...agreements, which appear to favor China over India
76 responses



Commenting Statement- The majority of respondents believe that Maldives favour China.

The reason behind the stranded relations between India and Maldives are

76 responses

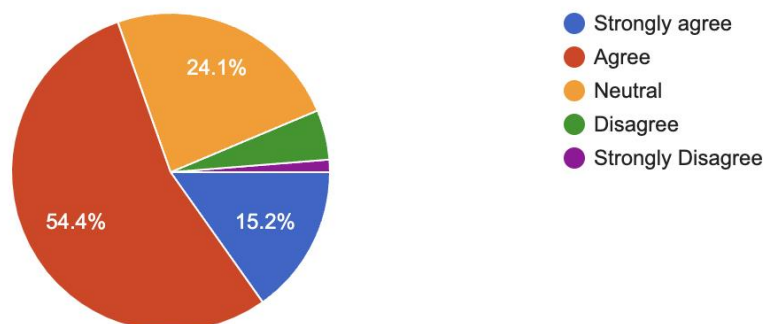


Commenting Statement-We see a variability in the response so it shows that the main reason for the stranded relations is highly subjective and all these reasons have contributed to stranded relations.

Maldives' Tourism Industry is predicted to have a severe blow as a result of its new foreign policy



76 responses



Commenting Statement- It is evident from the above that Maldives' new foreign policy has certainly negative impact on its economy

Conclusion

In past years, India has been one of the Maldives' most significant economic, development, and security partners. After the MDP administration in Male was formed in 2018, India gave \$1.4 billion in financial aid to help handle the post-pandemic economic requirements of the nation in terms of budgetary support, currency swaps, lines of credit, etc. Given that India and the Maldives are closest neighbours, it is impossible to discount its previous involvement in disaster relief efforts. Help provided by India to the island country in protecting its sovereignty and territorial integrity through operations to combat the effects of the 2004 tsunami, losses due to the pandemic, management of the water crisis, etc., is a significant gesture in fostering mutual trust and goodwill between the two nations

Both in India and the Maldives, recent changes in the foreign policy of the new administration have caused anxiety, especially with relation to India. Neglecting the advantages of cooperative efforts in economic and security domains might have negative consequences for the stability and safety of the area. As a result, collaboration is required not only on development projects but also through current defence cooperation structures and regional security organisations like the CSC. Ignoring the role played by regional security organisations like the CSC can cause a communication breakdown when it comes to addressing common risks that both nations confront, such the rise in extremism and drug and people trafficking, among other things.

Although the "India Out" campaign rhetoric was depressing for New Delhi, India appreciates diversity in its foreign policy and defence purchasing decisions, thus it makes sense that the Maldives would want more independence. Surprisingly, this changed circumstances may actually provide New Delhi with a chance to show how it can modify its security cooperation and diplomatic approach in accordance with the Neighbourhood First and Security and Growth for All in the Region policies to a new political government in a smaller South Asian neighbour.

Due to changed foreign policy, Maldives' gross foreign reserves were severely impacted by high import costs and repayment of external debt, falling from \$790 million in January 2023 to \$594.1 million in July 2023. The Maldives' import-dependent economy need outside assistance to diversify its revenue streams. It is unclear how the new Male administration would carry out its foreign policy going forward, which is crucial for the Maldives' economic development, investments, and security given these domestic obstacles.

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Appendix

Questionnaire

- 1) What is your gender? *
 - o Male
 - o Female
 - o Other

- 2) What is your age? *
 - o Below 20 years
 - o 20-40 years
 - o 41-60 years
 - Above 60 years

- 3) What is your Profession? *

- Student
- Homemaker
- Business
- Professional
- Salaried
- Retired
- Other

4) What does the Maldives economy rely on? *

- Fisheries
- Agriculture
- Tourism
- All of the above

5) Tourism Contributes to one-third of Maldives GDP. *

- True
- False
- or Maybe

6) What led to the drop in Maldives GDP growth rate from 13.9% in 2022 to 5.4% in 2024? *

- Import of its food staples
- Traditional Agricultural Methods
- Change in foreign policy
- Inherited Geographical Constraints

7) The Derogatory remarks by Maldives officials to the Indian Prime minister have led to a decline in Indian tourists in Maldives.*

- True
- False
- or Maybe

8) From China, Russia, Germany, India, Italy, and the UK, which nation ranks first on the list of Maldives tourists as per the latest report? *

- Russia
- China
- Italy
- India
- Germany

9) The fact that fewer visitors are travelling to the Maldives from India and more are coming from China is consistent with Muizzu's new foreign policies and agreements, which appear to favour China over India*

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

10) The reason behind the stranded relations between India and Maldives are*

- President Muizzu took office in November 2023 and is considered a pro-China leader
- Removal of Indian Security personnel from Maldives
- Examination of more than 100 agreements with India
- The cancellation of the cooperative hydrographic survey agreement
- Favouritism to China due to its heavy investments in infrastructure development in the Maldives
- Maldives Minister Mariyam Shiuma used derogatory and disrespectful language against the Indian Prime Minister

11) Maldives' Tourism Industry is predicted to have a severe blow as a result of its new foreign policy*

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree