Seychelles: How a Small Island State is Navigating Through the Emerging Competition Between India and China

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Introduction

This article explores how much Seychelles, a small island state located in the Western part of the Indian Ocean off the African coast, enjoys ‘agency’ amongst the rivalries of great powers, and in particular China and India. Competition between great powers in the Indian Ocean is nothing new.¹ It is well known that India considers the Indian Ocean region (IOR) as an area where it wants to exercise a dominant influence; and other great powers’ ambitions need to be, if possible, contained and, if not, at least reined in and balanced. China’s rise and growing presence in the IOR since the late 2000s has alarmed the Indian government. Many Indian experts have rapidly reacted, adopting the US-originated ‘String of Pearls’ theory, according to which Beijing is deliberately building numerous port infrastructures in the Indian Ocean to keep in check India’s own ambitions in this area. The construction by large, Chinese, state-owned enterprises of multiple ports in the IOR, Gwadar in Pakistan, Hambantota in Sri Lanka, Kyaukphyu in Burma, and Djibouti on the east coast of Africa, are the most often cited illustrations of this strategy. The launching by President Xi Jinping of the Belt and Road Initiative (BRI) in 2013 and the opening of a Chinese naval base in Djibouti in 2017 have confirmed India’s fears.²

The India-China competition in the IOR affects all the countries, including the smallest or apparently the most marginal of them, for example Maldives, Mauritius and Seychelles.³ Initially motivated by a willingness to exclude Taiwan from the international community, Beijing’s strong and steady interest in small states has already been demonstrated.⁴ In this article, the focus will be put on Seychelles, a scattered but beautiful archipelago where the author conducted fieldwork in early January 2020.

There is clearly a deepening competition between India and China in Seychelles as well as in the rest of the Indian Ocean. China’s longstanding interest and presence in this small country (less than 100,000 Seychellois for a landmass of around 455 square kilometres) has forced India to wake up and do more for the security and the economy of a partner that it sees as ‘special’. Reacting to Beijing’s decision to open a naval ‘logistic facility’ in Djibouti, Delhi has tried but failed to date to set up its own naval base in Assumption, a southern island of Seychelles. Similarly reacting to China’s impressive assistance to Seychelles, India has increased its own aid and infrastructure projects. In spite of Xi’s BRI, Delhi has clearly kept a closer partnership with Seychelles, demonstrating how much it is ready to invest in order to prevent Beijing from weakening its dominant position in this
island state and, more generally, in the Indian Ocean. Yet, Victoria has tried to limit its dependence upon Delhi and shown a willingness to cooperate with everyone, demonstrating in so doing small states’ capacity to keep some agency in the growing competition among great powers that the world has been witnessing since the end of the Cold War.

Seychelles’ position and interests

Seychelles is an archipelagic micro-state strategically situated in the India Ocean just below the equator, around 1,600 km east of the Kenyan coast. Although its landmass is very small, its territory is very scattered across 115 islands, some of them as far as 1,000 km southwest (Farquhar and Aldabra groups) of Mahé, the main island where Victoria, the capital city, is located. As a result, Seychelles’ Economic Exclusive Zone (EEZ) is immense – 1.4 million square kilometres – but hard to control. Known for its high-end tourist industry, Seychelles is arguably the richest country in Africa, ahead of Mauritius with a GDP per capital of around $17,000. Being, since 2015, for the World Bank a high-income country, it is no longer eligible for development assistance from OECD countries.

Independent since 1976, Seychelles aligned with the Soviet bloc until the end of the Cold War while keeping links open with the United States, which was allowed to continue to operate a satellite tracking station on the main island of Mahé. Working relations were also maintained with the United Kingdom, its former colonizer, and fruitful links were developed with both China and India. Converted to multiparty democracy in 1991 – the first democratic election took place in 1993 – Seychelles has moved closer to the West since then, mainly thanks to the promotion of tourism. Most of Seychelles’ visitors are European (Germany, France and Italy) while a growing number of them also come from Russia and the Gulf and Asia.

Seychelles’ political scene has been dominated since 1977 by one political party, the socialism-leaning grouping set up by France-Albert René in 1964 and then called Seychelles People’s United Party (SPUP). It was the sole legal party until 1991 when René, president from 1977 to 2004, introduced multi-party democracy. The SPUP changed names several times (since 2018 it has been called United Seychelles) but managed until 2016 to remain the country’s ruling party. René was succeeded in 2004 by one of his close allies, former vice-president James Michel. Michel stayed in power until his party, then called People’s Party (or Parti Lepep in Créole, one of the three official languages with English and French) lost in October 2016 the parliamentary election against a coalition of opposition parties, the Linyon Demokratik Seselwa (LDS or Seychelles Democratic Union) led by opposition chief Wavel Ramkalawan (14 against 19 seats in the 33 seat Parliament). Michel then resigned and was succeeded by Vice-President Danny Faure, who had previously held various ministerial portfolios including the Finance Ministry. The leader of Seychelles National Party (SNP), LDS’s main component, Ramkalawan nearly
defeated Michel in the 2015 presidential election, when the results were contested. He finally won over Faure in October 2020, becoming president in a context of economic difficulties caused by the sharp reduction of tourism because of COVID-19. Elected at the same time, the National Assembly is dominated even more than before by the LDS (25 against 10 for United Seychelles in a 35 seat Parliament). The former claims to be social-democratic while the latter is probably more liberal and attached to democracy and human rights, but it is also more nationalist. On many issues, there is little to distinguish their respective positions, the main exception being that the LDS represents the views of opponents of René’s regime, when land was confiscated and people disappeared.

Seychelles’ foreign policy is strongly non-aligned. It still has good relations with its friends of yesteryear, such as Russia and Cuba, which all have kept an embassy in Victoria. At the same time, since democratization it has moved closer to the West as well as new emerging powers and neighbours. Today, Seychelles is active in regional organizations, such as the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), the Indian Ocean Commission (IOC) and the Alliance of Small Island States (OASIS). It gives priority to promoting its blue economy. While on good terms with all its ‘major bilateral partners’ including China, it is keen to protect international norms, including the Law of the Sea and human rights. It usually votes in line with the European Union and other like-minded countries in the United Nations (for example on Syria).  

As in most micro-states, Seychelles hosts only a very few diplomatic representations: eleven including the Sovereign Military Order of Malta (an international body which is not a country). Only two European nations have an embassy in Seychelles – the United Kingdom (actually a High Commission) and France: the UK for historical reasons and Seychelles’ Commonwealth membership; France because of its long-term interests and possessions in the Indian Ocean (Réunion, Mayotte, Îles Éparses) and because Seychellois are (partly) francophone. The other countries having a diplomatic representation in Victoria are China (since 1977), India (since 2008 although it set up relations in 1979 and has had a resident mission since 1987), the United Arab Emirates (2011), Sri Lanka (2014), and Japan (2018). Although the United States Ambassador based in Mauritius is also accredited to Seychelles, which he visits every two months, and probably stimulated by Japan’s recent initiative, the US government is strongly thinking of reopening an embassy in Victoria.

Yet, what dominates Seychelles’ geostrategic landscape is the growing competition between India and China, and behind these two growing powers, between Washington and Beijing.
India’s ‘special’ relationship with Seychelles

An old and structural relationship

India has been an important and complicated partner of Seychelles since its independence both because of the density of its human relationship and its relative geographic proximity. Before 1976 there was already a noticeable Indian community that is now completely integrated, many holding a Seychelles passport: today there are around 10,000 Seychellois of Indian origin (11% of the population). For example, long time opposition leader and newly elected president Ramkalawan has Indian roots through his grandfather, who was born in Bihar. But there has also been in Seychelles a growing number of Indian contractual workers, estimated at above 11,000, contributing not only to the tourist industry but also, increasingly, to the construction of housing and infrastructure projects. Yet, the Indian community in Seychelles is much smaller than in Mauritius (66% of the population).

Since Seychelles' independence, the Indian government has developed a close relationship, often qualified as ‘unique’ and ‘special’, with this country. While the presence of an Indian community has played a role, Delhi’s diplomatic and security interests in the Indian Ocean have been the main drivers of cooperation with and development assistance to Seychelles. Since the early 1980s, India has trained Seychelles’ civil servants and military officers and provided lines of credit to acquire all sorts of items from India. Since 2001, it has also organized biennial joint military exercises with the Seychelles armed forces and in 2005 donated a first patrol boat (PS Topaz).

In other words, India has, very early on, helped Seychelles secure its maritime domain; a country, as we have seen, smaller than Andorra or Singapore but that possesses, contrary to these two states, a huge EEZ and a large number of uninhabited islands. Piracy off the coast of Somalia, illegal fishing and drug trafficking have been the three main challenges that the Seychelles authorities have had to fight, particularly in the last twenty years.

Having said that, China’s growing presence in the Indian Ocean - the People’s Liberation Army (PLA) Navy’s decision to participate in anti-piracy operations in the Gulf of Aden in December 2008 and Xi Jinping’s BRI – has directly boosted Indian’s cooperation programmes and generosity. For example, in February 2011, Delhi and Victoria agreed to station an Indian Navy’s Dornier surveillance plane in Seychelles; in 2014, India donated a second patrol boat (PS Constant) and in 2016 a Fast Interceptor Boat C-405 (rechristened ‘PB Hermes’). Similarly, it gifted a first Dornier maritime surveillance aircraft in 2013 and a second one in 2018 (at the cost of US$6 million each). In 2014, Seychelles, together with Mauritius and Maldives, participated for the first time in India’s biennial joint exercise MILAN in the sea of Andaman. These developments laid the ground for a major development. In March 2015, in Mauritius, and just after visiting Seychelles for the first time, Prime Minister Shri Narendra Modi announced a new maritime vision for the Indian Ocean, the so-called ‘Security and Growth for All in the Region’ (SAGAR). He took this
occasion to invite these two countries to join the security cooperation arrangement between India, the Maldives and Sri Lanka.\textsuperscript{13}

Underscoring Delhi’s ambition to remain ahead of other powers in the IOR, the SAGAR has had direct implications for Seychelles-India security cooperation. For example, in March 2016, for the first time as well, India deployed a submarine-hunting surveillance aircraft, the P-8I Neptune, to Seychelles. Prior to that, the Indian Navy only conducted surveillance missions by dispatching, twice a year, ships to this country’s vast EEZ. Better monitoring of the growing presence of PLA submarines in the IOR is part of this aircraft’s mission, sending a strong message to China’s ambition in the area.\textsuperscript{14}

No less important, in February 2012, the Indian government agreed to provide Seychelles with a Coastal Surveillance Radar System (CSRS). This is part of a larger Indian CSRS project, also including Maldives, Mauritius and Sri Lanka, aimed at improving surveillance and security in the Indian Ocean. Altogether, 32 Coastal Surveillance Radars (CSRs) have been planned for these countries. Defence analysts have argued that ‘this project will enable the Indian Navy, through its allies, to monitor the movements of all ships operating in the Indian Ocean’, openly alluding to the fact that India is in a position to fully use the data gathered by these CSRs.\textsuperscript{15}

In Seychelles, in March 2016, India completed the construction of six CSRs on various parts of the archipelago; one on Mahé, and five on more remote groups of islands: Farquhar (1), Alphonse (1), as well as Astove (1) and Assumption (2) which are both part of the Aldabra group and considered a very sensitive area.\textsuperscript{16} Assumption is Seychelles’ most southern island, strategically located on the northern extremity of the Mozambique canal, close to Comoros and Madagascar and even closer – around 50 kilometres – to France-controlled Îles Eparses' Glorieuses (Glirioso) islands.

These CSRs are handled by Seychelles Coast Guard (SCG), which is the country’s only naval force, and coordinated by the SCG central station in Mahé. Managed by the Island Development Corporation (IDC), a semi-governmental company focusing on marine environmental protection, and situated 1,135 km southwest of Mahé, Assumption can be reached by boat, although the small wharf is today out of order, or by plane. At 0.8 km long, the airstrip can accommodate IDC’s Dornier. The IDC has only around 20 to 30 personnel there on a permanent basis, while the two coastal radars are manned by two SCG officers. The different stakeholders and contractors involved in the project include the joint monitoring committee, BEL, Airtel, TIL, the SCG, and the IDC.\textsuperscript{17} India gets data directly from the radars via the joint monitoring committee.\textsuperscript{18}

\textit{An Indian naval base on Assumption?}
Nonetheless India wanted to go further. As indicated above, in March 2015, just before announcing his SAGAR vision, Modi paid an historical visit to Victoria, the first visit of an Indian Prime Minister in 34 years, indicating, while there, that ‘India considers
Seychelles not only as a maritime neighbour but as a trusted friend and strong strategic partner’. He even called Seychelles India’s ‘vital partner’ sharing the same ‘values of democracy and inclusiveness’. While Modi formally inaugurated on Mahé the first CSRS, he also signed an ‘agreement on the development of facilities on Assumption Island’. This agreement led to the conclusion in January 2018 of another accord, negotiated behind closed doors, a twenty-year pact to build, free of charge, a longer airstrip (2.4 km) and a new jetty on Assumption for the Indian Navy. Although totally financed by India, this facility was presented by Barry Faure, the then Secretary of State for Foreign Affairs, not as a lease but as jointly controlled by Seychelles and submitted to the law of Seychelles. And in order to reassure the public, the Seychelles government indicated that it would be set up on ‘a designated part of the island’ and would not be used to transport or keep nuclear arms. Moreover, it guaranteed that ‘Seychelles can suspend the utilisation of the military facilities if India is at war because this is not a military base’.

However, even before the conclusion of this second agreement, concerns had emerged in Seychelles about the exact status of what would have become a joint military facility. Assumption’s proximity to the Aldabra atoll, a UNESCO world heritage site, was also raised as an issue. After January 2018, criticism intensified. In the name of non-alignment more voices opposed a project that would ‘involve Seychelles in conflict of superpowers’. Michel, the former president had declared in earlier negotiations that not only India but other countries in the region, such as France, would be able to gain access to the facility, but his successor stopped making that commitment. On its side, the Indian government indicated that it wanted to invest US$550 million in the construction of this ‘joint military facility’ operated both by SCG and the Indian Navy, while some other reports claimed that India would position around 500 military personnel there, feeding those concerns. Moreover, the Indian military who were involved in the negotiations were outspoken about the strategic benefit for their own country of this new facility. Expecting to rotate its ships and aircraft through Assumption on a regular basis, it indicated in particular that this pact was ‘a big step in extending the reach of India’s Navy’. And Captain Gurpreet Khurana of the Indian Navy’s National Maritime Foundation went as far as saying that this development was ‘a clear indicator that India’s geo-strategic frontier is expanding in tandem with China’s growing strategic footprint in the Indo-Pacific’. The fact that the full text of these two agreements as well as a ‘secret side letter’ were leaked in early March 2018, a day before it was supposed to be ratified by the Seychelles Parliament, did not help either.

China’s decision, made public in November 2015, to establish a naval base in Djibouti (that opened in August 2017) had clearly sped up the conclusion of the Assumption pact. But at the same time, the China factor is likely to have fed concerns in Victoria about a closer security and strategic association with India that would have complicated Seychelles-China relations. Although Beijing remained silent about the Assumption project and apparently did not try to influence Seychelles’ political opposition, the issue was probably raised when President Faure visited China in 2018. Moreover, this rather
opaque negotiation gave an occasion to Seychelles’ political opposition, that then already held a majority in, and therefore controlled, the National Assembly since 2016, to criticize the government and, in March 2018, to freeze this agreement.\textsuperscript{30}

However, not long after this political defeat, in June 2018, the Seychelles government announced that it would build a SCG facility on Assumption by itself.\textsuperscript{31} A few days later, on the occasion of President Faure’s first visit to India, Modi offered a US$100 million credit line to Victoria; he promised to help Seychelles rebuild the Police Headquarters and a new office for the attorney general; and discussions on the Assumption project went on. Moreover, both sides signed six agreements on issues such as infrastructure development in Seychelles, cyber-security and, more importantly as far as China is concerned, sharing of white shipping information, an accord that would enable both countries to exchange data on the identity and movement of non-military commercial vessels.\textsuperscript{32}

For these reasons, it is likely that the newly elected president Wavel Ramkalawan will be asked to consider at least part of India’s plan, for example the modernization of the jetty and the construction of a brand new longer airstrip (1.2 km) that would cross the old one.\textsuperscript{33} On his side, for obvious diplomatic reasons, the current Indian High Commissioner, general Dalbir Singh Suhag, tends today to downplay his country’s strategic interests in the Assumption project and presents it as India’s response to Seychelles’ request.\textsuperscript{34} But the fact that Modi appointed a former Army Chief as High Commissioner to Seychelles adds evidence to the belief that India has a growing interest in this archipelago.

Yet, demonstrating agency, the Seychelles government has good reasons not to put all its eggs in the same basket. And while it has accepted the need to develop close and even ‘special’ relations with India since its independence, Seychelles prefers to keep this country at a certain distance in order to maintain its room for manoeuvre, and to develop new partnerships with other great powers, including China.

By leveraging its strategic value, not only in the eyes of India, Seychelles has tried to take advantage of China’s own growing interest in the Indian Ocean to diversify its foreign relations, at least up to a point.\textsuperscript{35}

**China’s relations with Seychelles**

At first glance, for China, Seychelles is a small and remote micro-island state that does not sit high on its foreign policy priority list. On the other hand, Seychelles is located in a part of the world that has been increasingly important for Beijing. Since 1993, China has been a net importer of oil, mainly coming from the Middle East and Africa. As a result, the security of its lanes of communication in the Indian Ocean before reaching the Malacca Strait chokepoint has become an obvious security concern for the PLA Navy. Beijing’s growing ambitions in Africa, its participation in anti-piracy operations in the Gulf of Aden,
Xi’s BRI, and the opening of a PLA base in Djibouti, could have only enhanced its interest in Seychelles.

It is true that although China set up diplomatic relations with Seychelles in 1976, the year of this country’s independence, for around thirty years relations remained relatively low-key. Of course, the Chinese government demonstrated the same kind of generosity as with other African or developing countries, completing over the years, free of charge, various assistance projects (swimming pool, polytechnic and middle schools, housing projects). And the Seychelles president visited China several times, particularly on the occasion of the Forum on China-Africa Cooperation (FOCAC)’ summits. Nonetheless, it was only in 2004 that relations intensified: then both countries signed a memorandum of understanding on military cooperation, which among other things secured PLA vessels’ rights to dock in Victoria.36 Three years later, Hu Jintao’s visit in February 2007, the first visit of a Chinese president to Seychelles, boosted the relationship and increased the value of grants and cooperation projects funded by concessionary loans.

Relations continued to develop apace. In June 2007, Haikou, Hainan island’s provincial capital, established sister-city relationship with Victoria. More importantly, in 2009, Zhou Yongkang, then No. 9 of the Chinese Communist Party (CCP) Politburo Standing Committee in charge of national security, paid an official visit to Seychelles and established party-to-party relations with the ruling party (Parti Lepep).37 In the same period, China completed the construction of the country’s National Assembly building in 2009 (for a total cost of 51 million yuan or US$7.5 million including 45 million yuan given by China) and decided to fund the construction of the Palais de Justice, or Supreme Court, (US$6.5 million) and an extension of Anse Royale’s hospital (US$3 million), both inaugurated in 2013.

Yet, it is only since 2012 that Chinese presence in Seychelles has increased. The intensification of Sino-Indian competition has played a part in this evolution. Although China’s methods of influence have continued to be mainly economic and cultural, it has tried to increase its security cooperation, sometimes using indirect methods, and more generally its political footprint in this country.

**A growing Chinese economic and cultural presence**

Since 2012, Chinese economic cooperation projects have become more substantial. For example, in an accord signed in August 2016 China provided a US$15 million grant for the construction of Seychelles Broadcast Corporation (SBC) House in Victoria.38 The grant is part of the three-year action plan agreed by China and African countries at the FOCAC in Johannesburg, South Africa, in December 2015, in which China pledged $60 billion in aid to infrastructural and human capacity development of African countries over a period of three years. Under the agreement SBC will also purchase from China new and modern equipment needed for radio, television and their online site. Started in March 2018 and realized by a Hunan company, this project was supposed to be finished in 2020.
However, in part because of the COVID-19 health crisis, it will only be completed in April 2021. The building will accommodate the administrative, radio and television broadcasting sectors of SBC all under one roof. Although Chinese assistance has concentrated on the hardware, this project puts China and its propaganda apparatus in a privileged position to influence Seychelles’ radio and television programmes’ content and sell the CCP’s own political narrative.

This increasing number of projects has fed Seychelles’ total external debt (110% of its US$1.6 billion GDP at the end of 2018). In order to alleviate its debt load but also encourage this country to accept fresh loans from it, the Chinese government decided in August 2018 to write off a loan to Seychelles worth 37,816,400 renminbi—or $5.5 million.

A month later, on the occasion of President Faure’s visit to Beijing to take part in FOCAC and after meeting with Xi Jinping, both countries signed two memorandums of understanding (MOU) aimed at ‘opening up trade connectivity, deepening investment and industrial cooperation’. The first MOU ‘addresses cooperation between the two countries within the framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative’ and aims at ‘promoting socio-economic and infrastructural development between China and Seychelles’. The second MoU concerns ‘Marine Cooperation towards Blue Partnership’ and ‘will establish closer relations between ocean-related agencies in Seychelles and China to improve the understanding of the ocean and climate change, and strengthen marine environmental protection and integrated marine management’. Then a new Chinese grant of US$7.5 million was provided to Seychelles to implement projects mutually agreed by both governments. Through this latter agreement, one can see China’s ambition to deepen its strategic understanding of the Indian Ocean and intention to capitalize on its closer relationship with Seychelles to achieve this goal.

Among the small projects entirely funded by China, it is worth mentioning the Phase Three Corgat Estate redevelopment project, in Mont Fleuri, Victoria, launched in July 2017 (budget unavailable). In addition, in October 2017, Seychelles and China signed an Economic and Technical Cooperation Agreement which provided a US$7.3 million grant for the construction of a post-secondary commerce and visual arts school in Anse Royale.

In June 2019, China gave Seychelles an additional envelope of $22 million in financial assistance for several projects, including a new technical and vocational school. These projects are funded by a grant administered by the Central Bank of Seychelles.

Trade between the two countries has remained small and slightly lower than India-Seychelles exchanges. China represents only around 5% of Seychelles’ imports ($57 million against $60.5 million for India in 2018) and a minuscule portion of its exports (less than 1%). Seychelles still mainly trades with Europe (tuna) and the United Arab Emirates (oil). But Chinese statistics in the last few years have indicated a rather substantial level of Chinese utilized direct investments ($246 million in 2016 and $204
million in 2017), amounts that are actually higher than the overall foreign direct investment (FDI) inflows registered for these two years by Seychelles ($155 and $192 million respectively).⁴⁵

Among the other features of China’s growing presence in Seychelles, one can mention its medical and agricultural assistance. China has dispatched medical teams to Seychelles since 1985. Up to 2019, it has sent eight batches of 102 medical personnel. In 2019, there were six Chinese medical team members working in Seychelles and training local medical personnel. At the end of 2018, China had trained 1,500 various personnel, sending 8 batches of 106 young volunteers and 2 agricultural technology experts to Seychelles. In addition, China donated five ambulances in 2013.⁴⁶

As elsewhere in Africa, China has recently been putting a lot of emphasis on student training. While up to 2017, it welcomed 160 Seychelles students, in 2018 alone 91 Seychellois were sent to China to study, 49 of them with a scholarship.⁴⁷

Finally, competing with India’s cultural activities (see below), since 2014, the Chinese Embassy has organized, every year, a China Day. In June 2014, a Confucius Classroom run by the University of Seychelles and Dalian University was officially unveiled at the University of Seychelles on the campus located in Anse Royale. The following year, the classroom became an Institute. Including two teachers and two volunteers, the Confucius Institute also provides some language training to the Tourism Academy, in the eastern side of Mahé island.⁴⁸ In addition, two Chinese institutions, the Shanghai Institute of Tourism in 2013 and Beijing Union University in May 2015 signed a memorandum of understanding for exchanging lecturers and students with this academy. In 2013 as well, Shanghai set up sister city relations with Victoria. In order, again, to compete with India’s cultural heritage, to symbolize the Chinese community’s 150 years presence in Seychelles, and strengthen the cultural connection between Seychelles and China, Guangzhou municipality and the local branch of Chinese company (Shengyang Corporation) subsidized the construction of a Guangzhou Garden in the Botanical Gardens in the central district of Mont Fleuri. The Garden opened in December 2016.⁴⁹

However, the Seychelles tourist industry has so far not been very successful in attracting Chinese visitors, mainly because of its high-end prices. China has tried to help, designating Seychelles as a country of destination for Chinese citizens traveling abroad. In May 2013, the two countries signed a mutual visa exemption agreement. But in 2017, the number of Chinese citizens traveling to Seychelles was only 12,006 against 14,549 the previous year (the number of German tourists was over 50,000 in 2017 for a total of around 350,000 visits). And it fell below 10,000 the following year (against around 14,000 Indians).⁵⁰ In February 2015, Seychelles opened two direct charter flights from Beijing to Mahé but these flights were suspended in 2018 because of the lack of customers.
There is a small Chinese community in Seychelles, between 1,000 and 2,000, depending on the estimate. The Chinese presence in Seychelles goes back to 1863 and includes Hakka and Cantonese from Mauritius who later mixed with the local population (Seychelles’ first president, James Mancham, was descended from Chinese ancestors on his father’s side). However, in the last 15 years or so, there has been a more recent wave of Chinese migrants who have largely settled in Plaisance, a southern district of Victoria. The Sino-Seychellois community is well integrated, mainly involved in retail and restauration. It usually keeps a low profile and has good but distant relations with the Chinese embassy. In 2019, the local Chinese Association of Seychelles funded the construction of a Chinese Cultural Centre in Victoria, and was due to be opened (but has been delayed) in March 2020. ²¹

The COVID-19 crisis has had a dramatic impact on tourism, including from China. Nonetheless, it has offered Beijing an opportunity to compete with Delhi in providing assistance. In Seychelles, the Chinese government, the Jack Ma Foundation and Guangzhou municipality delivered anti-epidemic protective equipment. For example, in July, the Chinese embassy in Victoria offered 18,000 masks and 120 infrared thermometers to Seychelles’ Ministry of Family Affairs. ²²

**A Chinese naval base in Seychelles?**

Simultaneously, the PLA developed a more focused interest in Seychelles. In 2010, China’s military hospital ship, the Peace Ark, paid a highly publicized visit on her way back from Tanzania. A year later, Dai Bingguo, the then state councillor in charge of foreign affairs, visited Seychelles at a time when the PLA Navy started to make port calls in Victoria. And in 2011, president Michel went to Beijing where he was given two Y-12 aircraft (worth US$11 million), one given to Seychelles Air Force for anti-piracy surveillance, the other one to the IDC. ²³ This was a major development for Seychelles: for the first time China had decided to play a role in this country’s security in providing two planes that would contribute to better controlling its EEZ and also improving communication with the archipelago’s outer islands. ²⁴ Around the same time, China offered to donate to Seychelles a patrol ship. Built in 2013, the Shanghai II patrol ship Type 062C was delivered to Victoria in June 2014. Named *Etoile* (the star), it was then integrated in the SCG. ²⁵

It was in this context that China started to envisage establishing a ‘resupply and recuperation facility’ for its PLA Navy ships in Victoria Harbour. This was announced in December 2011 just after China’s then Defence Minister, general Liang Guanglie, had paid a visit to Seychelles. On that occasion, the Seychelles government had invited China to ‘set up a military presence on Mahé to fight the pirate attacks that the Seychelles face on a regular basis’. ²⁶ However, Beijing rapidly cut short speculation that had emerged, especially in India, about its intention to establish a ‘naval base’ there, indicating that it already had resupply facilities in Djibouti, Oman and Yemen for the PLA fighting against piracy in this area. In any case, then China did not have the intention to station troops in Seychelles. ²⁷
Yet, Liang’s visit and China’s growing naval footprint in Seychelles alarmed India, compelling Victoria to reassure Delhi about India’s crucial role in the country’s security.\textsuperscript{58} It also convinced the Indian government to do more to help Seychelles control its maritime space: it was then, in February 2012, that it publicly agreed to build the coastal radar system that is mentioned above.\textsuperscript{59}

As it is known, the PLA Navy later abandoned its plan to use Victoria as a resupply facility, preferring to set up a logistical naval base in Djibouti. India’s fierce opposition, the loose security of Victoria Harbour, and the distance between Seychelles and Africa’s mainland where most of the Chinese interests are located, probably convinced Xi Jinping in 2013 to opt for Djibouti.\textsuperscript{60} And since then PLAN ship visits to Victoria have been relatively rare, except one in 2013 (see below).

**A more substantial Chinese military cooperation, and a renewed military base ambition?**

Yet since 2012, China has continued to develop military cooperation with Seychelles, both as a way to enhance its overall influence in this country and to counterbalance India’s role in this area. In addition, China may have revived another more ambitious objective: setting up a military logistical support facility.

Cooperation has naturally concentrated on anti-piracy. For example, in May 2012, both countries signed a ‘Memorandum of Understanding on the Transfer of Suspects of Pirates and Armed Hijackers and Their Property’. Exchange visits have been another important feature of this cooperation. Among China’s military diplomacy initiatives, in June 2013, an escort fleet of the PLA Navy made a well-publicised port call in Victoria for replenishment. The fleet hosted a reception on deck and a public open day. Moreover, it sent an infantry square formation to join the Seychellois National Day parade at the invitation of Seychelles’ government.\textsuperscript{61} In November 2016, General Wang Guanzhong, deputy chief of staff of the Joint Staff Department of the PLA, visited Seychelles to explore new avenues of cooperation, including exchange of personnel, training and equipment.\textsuperscript{62}

After the first Chinese patrol ship was delivered in 2014, China has also kept providing, free-of-charge, equipment to Seychelles’ armed forces, and exchanging military delegations. For example, in April 2019, the Chinese government donated a ‘fleet of military vehicles’, including fifteen troop carriers and eleven trucks together with a ‘considerable consignment of essential spares’, to the Seychelles People’s Defence Forces (SPDF) although ‘a few (of them) will be issued to other law enforcement agencies’. A group of Chinese technicians, present at the same time in the country, gave technical support for the vehicles and ‘carried out planned maintenance on Patrol ship Etoile’.\textsuperscript{63} Moreover, as in many African countries, China has contributed to training SPDF personnel. According to some reports, it has, to date, trained 50 SPDF soldiers.\textsuperscript{64}

Nevertheless, China is also suspected, particularly by India, of using its allies in the IOR to boost its security influence in Seychelles. For example, while Sri Lanka is training SCG
personnel, in February 2019, two Sri Lanka coast guards visited Seychelles. And in January 2020, two Pakistani naval ships made a port call in Victoria.65

But China may have kept in mind its plan to set up a naval base in Seychelles. Leaked reports have confirmed China’s interest in setting various kinds of port facilities in the IOR, including in Seychelles.66 Although Beijing has remained particularly discreet about its ambitions, some sources have indicated the existence of a Chinese plan to build 18 ‘overseas strategic support bases’ of three distinct types in the IOR: 1) for logistical support in peacetime; 2) logistical support, warship berthing, aircraft landing strips and onshore R & R; 3) comprehensive range of facilities, including large warship weapons maintenance. While China has opened a category-one base in Djibouti and may soon open a category-three base in Gwadar, it seems willing to set up a second category base in Seychelles.67

Whether this plan can materialize remains to be seen, especially in view of Seychelles’ own hostility to hosting foreign military bases and the new president’s stronger pro-Western inclinations as well as willingness to renegotiate some of the loans granted to his country, because of COVID-19.68

**Clouds over China’s growing footprint**

Seychelles’ relations with China are not without clouds but they have remained far from being threatening. The fact that most Chinese infrastructure projects are realized by Chinese workers has not created much tension as it is widely understood that these are donated to the people of Seychelles. Also it is not unusual to see ex-patriate workers filling up job vacancies, including in the tourist industry (which hires contractual workers from various countries).69 Criticism has occasionally concentrated on the quality of some of the infrastructure built by China, for example the National Assembly and the Supreme Court, which have revealed maintenance issues.

More importantly, the SNP (one of the opposition parties prior to the formation of LDS and which was led by Wavel Ramkalawan) has several times expressed its concerns about the influence of China. For example, in December 2009, the SNP boycotted the inauguration of the new Chinese-built Seychelles National Assembly building. Its chairman, the already mentioned Wavel Ramkalawan, then declared that ‘receiving a building which houses our democracy from a foreign government that doesn’t believe in a multi-party democracy and where the leaders are not freely elected is a slap in the face to the people of the Seychelles’. A year later, he objected to his government’s acceptance of China’s offer to build the Supreme Court, given the PRC’s ‘questionable judicial system’.70 Now the ruling party, LDS is likely to mellow its criticism and keep a balance similar to the previous government between both Asian giants. Nonetheless, having been invited to Taiwan’s president Ms. Tsai Ing-wen’s inauguration in 2016, Ramkalawan is likely to adopt a more cautious policy towards China and renegotiate some of the loans provided by this country.
Another problem that may potentially complicate bilateral relations is Chinese illegal fishing in Seychelles’ EEZ. According to local sources, China’s fishing fleet, the largest in the world, is taking advantage of the difficulty the Seychelles government has in controlling its vast EEZ, in spite of its SCG’s improving capabilities. While the EU signed a formal fishing agreement with Seychelles, this is not the case with China (nor Taiwan, nor South Korea) whose seiners are strongly suspected of regularly operating illegally in Seychelles waters. Small Sri Lanka fishing boats are often caught by the SCG; however, this has never been the case with any Chinese fishing boat. It should be remembered that the observer coverage in the Indian Ocean is only at 5% which raises questions about compliance and oversight.

In November 2019, Victoria and Beijing signed an agreement facilitating the export of tuna to China but carefully avoided discussing this issue. Actually, it is suspected that Seychelles’ close relations with China have contributed to preventing any stricter scrutiny of Chinese illegal fishing activities. How long Victoria can remain silent on this issue remains to be seen.

India-China’s competition in Seychelles

As we have seen, this competition is multifaceted: it includes political, development and cultural facets but also a geo-strategic dimension. For obvious diplomatic and practical reasons, both India and China’s representatives in Seychelles tend to minimize this competition, but its existence is an objective fact, very much factored in by Indian and Chinese analysts in Delhi or Beijing. And the Sino-Indian border clashes that occurred in June 2020 have contributed to intensifying both countries’ rivalries in the Indian Ocean, including in Seychelles.

India’s first reaction to China’s growing activism in Seychelles has been to intensify the number of official visits and exchanges. The second one has been to increase its assistance and the number of its projects in Seychelles. India and China’s often gratis infrastructure projects are part of a deliberate strategy aimed at enhancing their respective influence in the IOR, particularly in insular states. Many of the projects, be they Chinese or Indian, are of a small dimension but their symbolic value is well publicized by both countries. In view of the size and population of these states, they do not need to be big anyway.

In March 2018 India announced that it would give Seychelles financial support for five new civilian projects amounting to US$8.36 million, including a $3.45 million Magistrates Court presented as an extension of the $6 million Supreme Court built by the Chinese a few years ago and a $3.5 million grant to purchase 71 Tata buses. In November, it gave another much bigger grant of US$68 million to finance a new police station with a forensic laboratory, a new building for the Attorney’s Office and a new Government House of around 400 offices. In order to strengthen its country’s footprint, since 2019, the Indian
Foreign Ministry has started funding a number of small projects in each of the archipelago’s 25 districts with a financial envelope of 7 million Seychelles Rupees ($0.5 million) for each project (if the project costs more, the balance is paid by the Seychelles government).

On the cultural front, in addition to the Seychelles-India day organized since 2013 (and which inspired the Chinese), in 2017, the Indian High Commission (IHC) celebrated the Third International Day of Yoga 2017. On 2 October 2019, the IHC solemnly commemorated the 150th anniversary of Mahatma Gandhi’s birthday in Victoria. It has, on the whole, increased the number of cultural activities, leveraging on the local Indian community and the proximity between Indian and Seychelles’ créole cultures. Moreover, to stimulate Indian and overseas tourism, in 2014 Air Seychelles started to fly to Mumbai thrice a week.

Often taking advantage of cultural events, the Indian Navy’s port calls in Seychelles have also increased. In June 2017, copying the Chinese PLA, part of INS Sunayna’s crew participated in Seychelles National Day. A few months later, in November 2017, INS Mumbai visited Victoria to undertake the bi-annual EEZ and anti-narcotics patrol for Seychelles. In June 2019 (just after Modi’s visit to Malé, the capital of the Maldives) it was announced that India, Sri Lanka and the Maldives were likely to revive their national security adviser-level dialogue on maritime trilateral cooperation and invite Mauritius and Seychelles to join it. Moreover, in February 2019, Sri Lanka donated to Seychelles two patrol boats which were delivered by an Indian naval ship a year later. Finally, as we have seen, COVID-19 has been the latest illustration of competition between India and China in Seychelles, the former insisting in being the ‘first responder’ to the crisis in this country (as in Mauritius).

In other words, while continuing to give priority to regional strategic and military objectives, India’s reaction to China’s growing presence in Seychelles has been multifaceted, trying to compete with the former on every front. So which side is winning? And what about Seychelles’ agency in this battle? To answer these questions, we need to look at the broader economic and security environment.

### Seychelles’ broader economic and security environment

China’s economic weight and financial capacity will remain hard for India to match. As a result, the former’s economic weight in Seychelles will probably continue to grow faster than the latter’s. Yet, while China has become in recent years an important investor in Seychelles, it is not its major trade partner. Economically, Seychelles is likely to keep closer links with Europe and the Middle East. For example, in 2011, the UAE funded the construction of the SCG Headquarters ($15 million). And on the security front, India has clearly kept an advantage, because of its geographical proximity to Seychelles, but also...
because of the strategic importance of the IOR for its own security and the current international security environment, in particular the priority given by the US to the Indo-Pacific and to balancing, if not containing, China.

China’s naval presence in the IOR is now a given and will keep growing, not only because of the Djibouti base. In 2017 alone the PLA Navy deployed fourteen ships to the region. But at the same time, the PLA Navy has been under a much closer watch in the IOR and needs to coexist with other navies, including the US and the Indian Navy, that have become more present as well and will continue to dominate. Diego Garcia US Navy Support Facility (5,000 personnel) is situated 1,900 km east of Victoria. As India’s Admiral Singh noted at the January 2020 Raisina Dialogue in New Delhi, ‘they [the Chinese] have 7–8 warships in the Indian Ocean at any given time […] We are watching. If anything impinges on us, we will act’.

As we have seen, India has enhanced its surveillance systems in the IOR, in Seychelles and also in the Maldives, Mauritius and Sri Lanka. It has developed with the US a closer security cooperation, of which President Donald Trump’s visit to Delhi in February 2020 is just the latest manifestation. For example, in 2016, India and the US signed an important Logistics Exchange Memorandum of Agreement (LEMOA), which gives access, to both countries, to designated military facilities on either side for the purpose of refuelling and replenishment. As Ashley Tellis wrote, the US ‘assists the growth of Indian power. On the assumption that New Delhi and Washington share a common interest in preventing Chinese hegemony in Asia, the US has sought to bolster India as a counterweight to China’.

India has also reached out to other stakeholders such as France, signing with that country a similar agreement in 2018 that opens French ports in the Indian Ocean at Réunion or Djibouti to Indian naval ships and vice-versa. This closer French-Indian security cooperation in the IOR is taking place in the broader context of a growing involvement of the European Union (EU) in this region’s security since the beginning of the Atalanta anti-piracy operations in the Gulf of Aden (formally known as the European Union Naval Force (EU NAVFOR) Somalia) in 2008.

Moreover, there is more coordination between many of the IOR stakeholders. For example, the Raisina Dialogue hosted by India since 2016 has moved from bilateral US-India maritime cooperation, to trilateral India-Japan-US cooperation, to still wider Australia-India-France-Japan-UK-US focus on maritime cooperation in the Indo-Pacific. In 2019, France joined the Quad (Australia, India, Japan, US) partners. Throughout this process, the tangible rising concern has been China’s growing challenge to the region. Reluctant to participate, China has only been represented by scholars in the Raisina Dialogue.
This increasing US and European involvement has had direct consequences for Seychelles that has benefited from additional military cooperation and assistance from all the partners. For instance, in January 2018, Seychelles welcomed and participated in a US Navy-led Cutlass express exercise and did it again in November 2019. In September 2019, for the first time, the US Coast Guard and the SCG conducted a combined maritime law enforcement subject expert exchange as part of Operation Junction Rain (OJR). In the same period of time, the US helped Seychelles to improve Victoria Port’ security so that it can meet international standards, particularly in preventing terrorist actions. This potentially allows US ships to once again make port calls in Seychelles. Likewise, not very efficient because close to the equator, Indian coastal radars are currently being modernized by an American firm with Japan’s financial support in order to improve their capability.

France’s military cooperation has also helped, in coordination with Réunion-based FAZSOI (Forces armées de la zone sud de l’Océan Indien). For example, in May 2018, on the occasion of FAZSOI commander Éric Vidaud’s visit to Victoria, France and Seychelles decided to re-develop and renew their military and security ties. General Vidaud also proposed to set up the first Indian Ocean regional hub for the coordination of maritime surveillance in Seychelles, which was accepted the following year. In 2018 alone, 232 Seychellois military personnel were trained by FAZSOI French militaries based in Réunion. Growing EU-Seychelles military cooperation (MASE maritime security programme cooperation against piracy) has also helped Seychelles improve its security environment and information sharing via the Indian Ocean Commission and the Regional Centre for Operational Coordination based in Seychelles.

Said differently, in spite of its small size, Seychelles has here again shown a genuine ability to exert agency and find the right balance among its major economic and security partners.

**Conclusion: Seychelles’ agency**

China’s rise and growing presence in Seychelles has been a game changer for the archipelago as well as its major partners, first of all India. The growing Sino-Indian competition observed in Seychelles is visible in the whole IOR as well as in a number of Eastern African countries which include substantial Indian communities and interests. Beyond this competition, the Sino-US deepening strategic rivalry present risks for Seychelles. As Dennis Hardy stated: ‘Seychelles now finds itself caught up in this proxy battle of the titans’.

To some extent, both Delhi and Beijing have tried to bridle their competition or to hide it. India has for its part adopted what some have called a ‘non-escalatory strategy’ towards China. China has also shown some caution, avoiding openly challenging Seychelles-India security cooperation, including the Assumption issue, or provoking too directly
India’s core interests in the IOR. In other words, in spite of the growing tensions on their land border, the security dilemma between India and China is not as acute as feared.99

This behaviour has directly helped Seychelles to keep both a privileged security relationship with India and a balanced foreign policy between Delhi and Beijing.

But this has not been enough. If Seychelles has been able to mitigate the risks attached to India-China competition and Sino-US rivalry, and to date navigate rather safely through these rougher seas, it is because of its own agency, particularly its awareness of the narrow room for manoeuvre that it enjoys and its own prudence.

First of all, it is clear that, being a Lilliputian state, Seychelles cannot antagonize China. On a number of issues, it has more frequently sided with Beijing. For example, in 2019, it voted for the Chinese candidate in the latest election of the Food and Agriculture Organization Director General. And on human rights, it prefers to remain silent. More generally, Seychelles has sometimes been perceived as adopting an opportunistic foreign policy, for instance looking at the majority that would emerge in the United Nations or in other international fora before making its decision. Yet, Seychelles sticks to a diplomacy which has so far worked well: it has allowed Seychelles to remain on good terms and develop close cooperation with both India and China, and more broadly to keep close relations with all of its Western and non-Western major partners; the US, the UK, France, the UAE and Japan in particular. And from a security point of view, Seychelles has adapted well to the new strategic environment that surrounds it. While accepting China’s assistance, it has kept close security, economic, and human relations with India. It has also enhanced its partnership with the US and other Western nations, such as France.

Can Victoria afford to act differently? It would probably not be in its interest. Being a small state, even hedging against China would be risky. Nonetheless, not unlike Djibouti, Seychelles has taken advantage of its strategic location, its geopolitical importance, as well as the interest all powers present in the IOR have shown in it to strengthen its hand in the negotiations with them. And it can rely on its major security partners, particularly India, the US and France, to indirectly balance China’s growing interest in its strategic location and blue resources. In other words, in this discussion on India-China competition in Seychelles, one should not understate the Seychelles agency and more generally the ability of small island states to influence events, especially events that concern their own security and future.100

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Notes


8 Interview with Secretary of State for Foreign Affairs, Barry Faure, 7 January 2010.

9 France also represents the European Union in Seychelles. Since 2013, France has been providing technical assistance to Seychelles’ armed forces in order to help them better control the country’s Exclusive Economic Zone which borders France’s in the Glorioso Islands area, ‘Seychelles and France strengthen military co-operation’. This cooperation has been strengthened since 2018 around the fight against drug trafficking and illegal fishing, *The Economist,* 25 June 2018. http://country.eiu.com/article.aspx?articleid=1096866693&Country=Seychelles&topic=Politics&subtop_2 (accessed 19 January 2020); and see below.

10 Diplomatic source, Mahé, January 2020. The US Embassy was closed in 1996.

11 Interview with foreign diplomat, Mahé, January 2020.
12 Sharma. *India: The Indian Ocean Region and Engagement with Four Littoral States (op. cit.),* p.6.


18 Interview with naval expert, Victoria, 6 January 2020.


24 Harris. *Seychelles (op. cit.),* p.141.

26 Reuters, 31 January 2018 (op. cit.).


33 Interview with Wavel Ramkalawan, Victoria, 6 January 2020.

34 Interview, Victoria, 6 January 2020.


37 Zhou is now in jail, arrested and sentenced to life imprisonment for corruption in 2015.

http://www.seychellesnewagency.com/articles/8850/President+of+Seychelles+congratulates+President+of+China+on+renewed+mandate (accessed 21 January 2020).


China-Seychelles Relations. China’s Ministry of Foreign Affairs (op. cit.).

Interview with Ms. Wang Dongxia, the Director of the Confucius Institute, 8 January 2020.


Seychelles-China Relations. GlobalSecurityorg (op. cit.).


Gadhoo is an island of the Maldives located 437 km south of Malé where Chinese companies conducted some infrastructure work in 2016.


In addition, Seychelles suffers from a high level of drug addiction (9% of the population).

https://www.globalsecurity.org/military/world/indian-ocean/se-forrel-prc.htm

Diplomatic sources, interview with Nirmal Shah, President, Seychelles Fishing Board; and Chairman, Seychelles Fishing Authority, 8 January 2020.


Interview with foreign diplomats and Seychellois journalists, 8 January 2020.

Interview with the Indian High Commissioner, 6 January 2020. Although the Chinese Ambassador, Ms. Guo Wei, a perfect francophone and former Consul General in Lyons, France, ‘was too busy’ to meet with me, she interacts regularly with her Indian counterpart. See also Liu Siwei. China not target of India’s Oceanic Efforts. Global Times, 10 March 2015. https://www.globaltimes.cn/content/911276.shtml


http://www.seychellesnewsagency.com/articles/10018/India%27s+++million+grant+to+help+Seychelles+fund+police+station%2C+Attorney+General%27s+office%2C+community+projects (accessed 27 February 2020).

Interview with the Indian High Commissioner, Victoria, 6 January 2020.

India-Seychelles Relations (op. cit.).


http://www.seychellesnewsagency.com/articles/12387/Deux+nouveaux+patrouilleurs+donn+s+par+l+Sri+Lanka+arrivent+aux+Seychelles+grce+%+l%27Inde


90 Scott. *The Raisina Dialogues* (op. cit.).


92 Interview, Victoria 6 January 2020.

93 Seychelles FAA 2020.


99 Basrur et al. *India-China Maritime Competition* (op. cit.). Introduction.


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