

## **Hedging in the Western Indian Ocean: Perspectives from Small Island States**

Dua Hamid\*  
Dr. Asia Mukhtar\*\*

### **Abstract**

*The evolving geopolitical contestation between China, India and the United States (US) in the resource-rich and strategically significant Western Indian Ocean has steered the smaller states towards the policy option of hedging. Being home to important maritime chokepoints such as the Strait of Hormuz and Bab-al-Mandeb, the region has become non-negligible for the policymakers of major powers. To navigate this complex geopolitical environment, small island states such as Mauritius, Seychelles and Comoros have tried to implement the strategy of hedging that would allow them to maintain flexibility and strategic manoeuvring in their international relations. The concept of hedging gained prominence in the post-Cold War era in contrast to the balancing and bandwagoning strategic approaches of the Cold War era. Hedging occurs when a smaller state simultaneously cooperates with two or more major powers while maintaining its own strategic leverage and avoiding the dominance of any one major power. Based on a qualitative research methodology, this study highlights the multifaceted strategies of the small island states of the Western Indian Ocean as they try to hedge between China, India, and the US by simultaneously engaging in economic cooperation, institutional collaboration, and strategic partnerships. Besides the multiple opportunities presented by hedging, a main challenge is to maintain the delicate balance between the multiple major powers with whom the smaller states are engaging. Once the smaller states are adept at this, they might reap multiple benefits.*

**Keywords:** Western Indian Ocean, Island States, Hedging, China, US, India.

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\* Lecturer, Department of International Relations, Lahore College for Women University, Pakistan.  
She can be reached at [duahamid97@gmail.com](mailto:duahamid97@gmail.com).

\*\* Assistant Professor, Department of International Relations, Kinnaird College for Women, Pakistan.

## **Introduction**

The concept of hedging lies in the middle of the spectrum of balancing and bandwagoning foreign policy options. In unipolar and bipolar world orders, it's comparatively easier for smaller states to decide who to bandwagon with and who to balance against. However, in evolving global orders, the situation becomes more complicated owing to the high levels of risks and uncertainty involved. This article begins by discussing the scope of hedging as a foreign policy option in the evolving geopolitical landscape of the 21st century, in which China and India are also emerging as potential great powers. The increased attention and involvement of China and India in the Western Indian Ocean, which has also reignited the US interest in the region, has steered the small island states of the region towards a hedging foreign policy. Through a qualitative research study, this article highlights the geopolitical and geostrategic significance of the Western Indian Ocean. Additionally, with the case studies of Mauritius, Seychelles, and Comoros, the article aims to highlight how these small island states have been successfully instrumentalising the hedging strategy while simultaneously maintaining their relations with China, India, and the US.

## **Hedging in International Relations**

The international system, for the most part, has been characterised by the existence of a multitude of great powers, middle powers, and smaller states. Depending on the power distribution, the international system and global order can be unipolar, bipolar or multipolar. Borrowing from the neorealist or the structural realist theory, the international system is inherently anarchic, where each state is responsible for ensuring its survival. For the most part of history, two viable options have been considered available for the smaller states and middle powers who wanted to ensure their survival. These options included either balancing power or bandwagoning. In an anarchic world, states prioritise their survival by employing the strategy of balance of power. In an anarchic system, an exponential increase in the power of any one of the states threatens other states and leads to a security dilemma. Balancing can be internal or external, with internal balancing referring to self-help strategies employed by states, such as increasing their own military strength, and external balancing indicating the formation of alliances to coordinate with each other to offset the dominance by a potential hegemon.

Bandwagoning, on the other hand, is the tactic to deal with the rising power of a potential hegemon by aligning with the threat itself. Usually, it occurs when smaller states, having lost hope of any possible strategy to counter the aggressive power's increasing influence, decide to join it, with the expectation of receiving a portion of the war spoils. Hedging occupies the middle ground on the spectrum, with balance of power at one end and bandwagoning at the other. Borrowed from the subject of financial management, hedging is described as an optimal strategy of simultaneous engagement with the adversaries or competitors in situations of high risk and uncertainty. In international relations, hedging would be described as a foreign policy option usually

employed by smaller states and middle powers in their relations with great powers, particularly in situations of uncertainty in the international system. As discussed by Evelyn Goh, the hedger states occupy a middle position between two or more great powers without forming a formal alliance with any one side in situations where it is hard and risky to decide between balancing or bandwagoning. According to the 2015 publication of Joint US-Korea Academic Studies, the hedging foreign policy includes some core traits, including abstaining from aligning with any of the major powers, adopting opposing and counteractive measures, and making efforts to preserve gains while also cultivating a fallback position (Rozman, 2015).

Kiuk Cheng Chwee has further elaborated on hedging by claiming that instead of being a binary position, it is an enmeshment of multi-layered policy options that combine economic pragmatism, binding engagement, limited bandwagoning, dominance denial, and indirect balancing. It involves small states maximising economic gains through trade and investment deals with great powers, irrespective of political rivalries. Additionally, it also includes political collaboration, military and defence cooperation, and involving other partners in regional affairs to avoid a loss of autonomy in decision-making (Silva, 2020). Furthermore, as states refrain from complete alliance with any of the great powers, hedging is also considered as an ‘ambiguous foreign policy’ (Lim & Cooper, 2015). The table below demonstrates key differences between hedging vs balancing and bandwagoning.

<b>Policy Option/ State Behavior</b>	<b>Hedging</b>	<b>Balancing and Bandwagoning</b>
Alliance	Lack of rigid alignment with any side	Clear alliance with any one of the great powers
Ambiguity in foreign policy	Pursuit of opposite and contradictory measures to maximise gains and minimise risks. Ambiguous foreign policy.	Unambiguous and clear-cut policy of either countering a threat (in balancing) or maximizing profits (in bandwagoning with the threat)
Dependence in state-behaviour	Cultivation of a fallback position by not disturbing ties with any of the major powers	Putting all policy options in accordance with the aligned great power

Source: Developed from (Kuik, 2021).

As discussed above, hedging is the foreign policy option undertaken in situations of high risk and uncertainty, as it allows states to maintain their position as somewhat ‘equidistant’ or ‘neutral’ to prevent either being pulled into the sphere of influence of any great power or being engaged in a hostile encounter with any of them. In the arena of modern-day international relations, a classic example of hedging came from the Non-Aligned Movement during the Cold War era. Led by India, newly independent and decolonised states such as Egypt, Yugoslavia and Indonesia refrained

from aligning with either the US or the USSR to maintain their strategic autonomy and independence. While refraining from rigid military or security alliances with any of the blocs, these hedging states participated in diplomatic and economic engagement with both blocs, hence minimising their risks and maximising their economic and diplomatic gains. With the disintegration of the USSR and the end of the Cold War, the international system became unipolar. With the US as the sole hegemon of the uncontested geopolitical order, the logical and almost the only option available for the smaller states was to align/bandwagon with the US. Multiple different scholars have postulated several theories to predict the future of the international system with US hegemony.

Scholars such as Robert Gilpin and Stephen Krasner, in the Hegemonic Stability Theory, emphasise the existence of one hegemon in the system to maintain order and stability, while A.F.K. Organiski's power transition theory argues that the hegemonic power of a state is soon challenged and contested by a dissatisfied great power in the international system. However, three decades after the end of the Cold War, the US does not appear to be an unrivalled actor in an uncontested global geopolitical landscape. With the rise of China, a strand of scholars have opined that the world has entered a 'New Cold War' era. China's engagement with more than 150 states through the Belt and Road Initiative (BRI), its investments in the Middle East, and its enhancing developmental role on the African continent have made it a considerable alternative to the US with some exceptions. Additionally, some regional powers have also arisen that have begun engaging beyond their immediate neighbourhood and making an impact on the world order. This evolving order has led to a resurgence of the 'hedging strategy' as the logical and viable option for small states and middle powers. An increasing number of scholars such as Wang Yuzhu, Cheng Kuik, Vinodan and Kurian and Chan have written about how states such as Malaysia, Singapore, India and Australia hedge between the US and China. The following sections demonstrate how hedging has been used by the small island states of the Western Indian Ocean as they navigate their relations between China, the US and India.

### **Geopolitical Importance of the Western Indian Ocean**

With the Obama administration's 'Pivot to Asia' and the responsive 'March West' of China, the Indian Ocean region has become a central competing stage for the two great powers in the 21st century. While an excessive amount of attention has been paid to the Indo-Pacific region, the increasing focus on the Western Indian Ocean is comparatively nascent. However, the factors enhancing the geopolitical, geostrategic, and geoeconomic significance of the Western Indian Ocean (WIO) are equally important, as they range from energy supply lines to strategic chokepoints, vital marine resources, massive potential for a blue economy, and strategic rivalry between great powers. The WIO is an expansive geographical space located between the Suez Canal, South Africa and Oman. As a part of the Indian Ocean, the Persian Gulf and Arabian Sea are also in proximity to the WIO. The WIO region is comprised of ten countries,



out of which four are small island states, including Comoros, Reunion Islands, Mauritius and Seychelles (Obura, 2017).

Positioned at the crossroads of Asia, Africa and Europe, the WIO has become an attractive space for the greater powers of the international system. With the close proximity of the energy hub of the world, i.e., the Middle East, while hosting important sea lanes of trade and communication in the region, the WIO region has become crucial for the energy security of the world. The region also hosts crucial maritime chokepoints, including the Bab-al-Mandeb, Straits of Hormuz, Cape of Good Hope, and the Mozambique Channel (Gurjar & Dutta, 2021). Additionally, the WIO also retains prominence owing to its economic potential that derives from the marine resources and potential for blue economic development. According to the report of WWF, two concepts that have been used to highlight the oceanic value include the gross marine product and the shared wealth fund. While the gross marine product refers to the annual economic production of all ocean-related sectors, the shared wealth fund indicates the total productive assets of the sea. The gross marine product for the WIO region amounts to an annual estimate of USD 20.8 billion.

Although this is a relatively smaller contribution to the global economy, it is still significant for the region because most of the African states of WIO are the poorest in the world. In the WIO region, coastal tourism makes a substantial contribution of USD 10.4 billion annually, while fishing and agriculture give an annual output of USD 1.9 billion. The shared wealth fund, calculated by evaluating the assets of mangroves, seagrass, coral reefs and carbon absorption, amounts to over USD 333.8 billion (Obura, 2017). While the seabed of WIO has not been explored to its full potential, it is believed to have some rare earth minerals and polymetallic nodules that can be useful in technological applications. With a large number of least developed littoral states and islands, the WIO has been subjected to an increasing trend of human trafficking and smuggling, making the region volatile for security. Additionally, with unprecedented levels of climate change, the region is vulnerable to adverse impacts, such as rising sea levels and extreme weather patterns that can negatively impact coastal communities. These non-traditional security challenges have also attracted the attention of great powers since the region holds immense geostrategic importance.

### **Hedging by the small island states in the WIO**

#### **➤ Mauritius**

In the age of Pax Britannica, Britain dominated the Indian Ocean Region, with Mauritius becoming a British colony that got liberated in 1968 to become a part of the British Commonwealth. Despite claiming non-alignment, Mauritius maintains close relations with Britain, the US, India, and France. Mauritius has a territorial dispute with Britain over Diego Garcia, a strategically significant island in the WIO region. The US has maintained a naval presence in the region since the Cold War, including in the Kuwait war and Operation Iraqi Freedom (Ho, 2019). With the rise of China, the

geopolitics of WIO have been transitioning with an increase in Chinese engagement in the region. China has been maintaining close relations with Mauritius, with China being the second-largest trading partner of the latter. The trade dimensions between both states have expanded since the conclusion of the Mauritius-China Free Trade Agreement. The graphs below elucidate the dynamic and abundant growth in Mauritius' exports to China and vice versa:

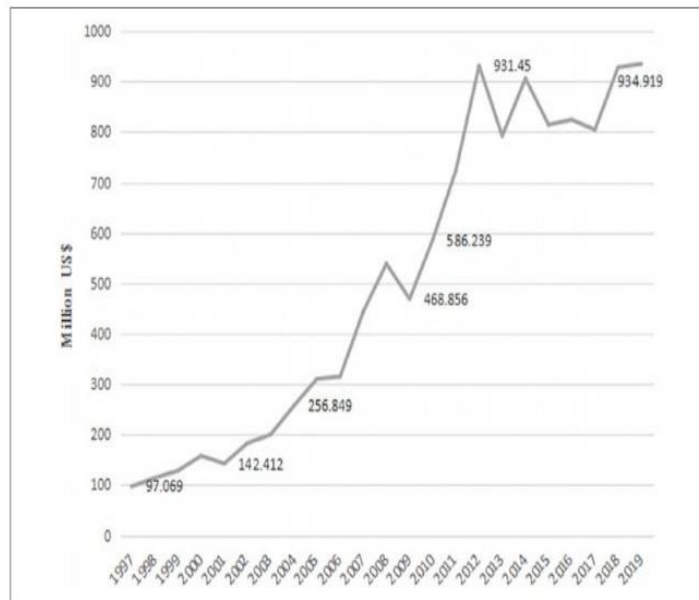


Figure 1. Mauritius imports from China.

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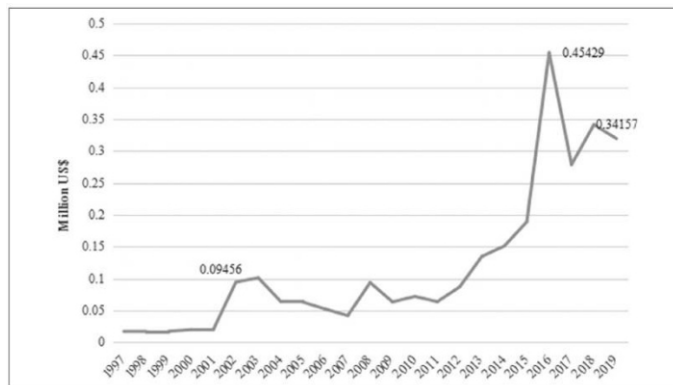


Figure 2. Mauritius exports to China.

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Source: (Guan, Zhang, & Sheong, 2021).

According to the data from UN Comtrade, electrical machinery, nuclear reactors, and mechanical appliances have been the main imports for Mauritius from

China. On the other hand, the main exports from Mauritius to China include fisheries and sea products, copper and copper goods, clothing supplies and cotton. As depicted in the graphs above, the bilateral trade between both the states had already been increasing dynamically when the Mauritius-China Free Trade Agreement was concluded. The agreement has been the first FTA signed by China with any African state and has resulted in the volume of bilateral trade being increased to over 25.8% (EDBM, 2022). Additionally, China has been making huge investments in the infrastructure development sector of Mauritius by developing seaports, sewage networks, airports and housing societies. Both the states have also agreed to expand cooperation in the sectors of green economy for sustainable development and in blue economy with a focus on deep-sea fishing, port construction and scientific research.

Furthermore, China has also invested in the development of smart cities in the Jinfei Zone in west Mauritius. Structured over 200 hectares of land, the smart city is an emblem of China's commitment to capital investment and technological and skills advancements. Moreover, a Sino-African financial service center has also been built near the Jenfei Zone in order to act as a guide for Chinese investors interested in tapping into the African market (Zheng & Hao, 2018). More recently, the Mauritius government has expressed the intention of 'going green' for its energy production by sourcing over 60% of its energy from sustainable sources, which the Chinese investors see as a potential opportunity. Many of the China-based solar panel companies have approached the Mauritius government with proposals to facilitate the transition towards solar energy (Jennings, 2024).

Owing to its developmental initiatives and its abstinence from intervening in the internal and domestic affairs of governance in African nations, China has been welcomed as a lucrative opportunity by the African littoral as well as island states. As China aims to connect the Indian Ocean with the Red Sea and the Mediterranean Sea, Africa acts as an important transit route for the massive volume of traded goods. In this situation, China considers the development of Africa as important for its gains (Hanauer & Morris, 2014). As China begins the infrastructure development and investment in Africa, the continent's leaders are able to clearly differentiate between the Chinese style and the Western style, where the Western states hardly brought any economic engagement but raised concerns about the governance and human rights status in Africa.

Chinese investments in Mauritius have certainly not hindered the small island from fostering close economic and strategic ties with the former's contender in the region, i.e., India. India has a long history of close ties and sociocultural relations with Mauritius, with a large population of the island being of Indian descent. To the offence of some of the Mauritian nationalists, the island is also sometimes referred to as 'Little India'. Mauritius has robust economic ties with India, with the latter being one of the top trading partners and investors of the island. In addition to the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) signed between Mauritius and India in 2021, India has also announced a defence Line of Credit for the island state

that is worth over USD 100 million. In return for these investments, Mauritius has facilitated India in the development of an airstrip and jetty on the Mauritius-owned archipelago of Agalega. As a part of Narendra Modi's SAGAR policy that aims at security and development for all of the maritime partners of India, the inauguration of this airstrip has dramatically bolstered India's position as a maritime power in the Indian Ocean.

While previously India had closely collaborated with France to station its aircraft in the French Reunion Islands, this airstrip has granted India a base of its own in the Western Indian Ocean (Pant & Bhattacharya, 2024). The airstrip has enabled India to station its P-81 maritime surveillance aircraft, along with the Dornier aircraft, in Mauritius. This will allow India to closely monitor developments in the Western and Southern Indian Ocean, as well as Africa (Sen, 2024). Additionally, as a part of the MoU mutually signed by Mauritian and Indian governments, India aims at establishing intelligence centres and communication facilities that will not only help to maintain the maritime order and stability but will also provide the opportunity for India to counterweight the Chinese presence in the region.

The US is striving to stay ahead of the intensifying geopolitical rivalry between China and India. Considering the growing competition between the two emerging great powers, the US has revisited its approach to the WIO region, which had initially not been prioritised since the end of the Cold War. In a historic visit to the small island states of WIO, the Deputy Secretary of State Richard Verma participated in a groundbreaking ceremony for a US embassy in Mauritius while vowing to enhance cooperation in maritime security, sustainable development, the blue economy and tourism (Pecquet, 2023). While newer avenues for cooperation between Mauritius and the US are being explored, both states have retained important economic relations since the Trade and Investment Framework Agreement (TIFA) was signed between them in 2006.

The US exports to Mauritius have witnessed a significant increase, with the total exports amounting to USD 102 million, which depicts an increase of USD 23 million as compared to the stats of 2021. The US imports from Mauritius have also witnessed an increase of approximately 11.6% in 2022, with the total exports of Mauritius to the US amounting to USD 285 million (USTR, 2023). Additionally, Mauritius has also become the recipient of preferential trade benefits under the African Growth and Opportunity Act (AGOA) of the US. In addition to the training provided to the Mauritian security officers for counter-terrorism and maritime law enforcement, the US has also extended help to the small island state during Covid-19 by means of the provision of vaccine doses and lab equipment.

#### ➤ **Comoros**

Comoros, an archipelagic state, consists of three islands and a fourth one that France is disputing. The Comoros Islands were colonised by France during the era of European imperialism and became independent in 1975. One of the most important

factors in making Comoros strategically significant is its close location to the Mozambique Channel, where offshore oil reserves have been discovered. Despite the massive economic opportunities deriving from the vast Exclusive Economic Zone, Comoros is one of the least developed countries in the world and stands as low as 165th position on the Human Development Index. Marred with political instability owing to more than 20 coups, the political and economic fabric of Comoros is highly volatile. The economy of Comoros is highly dependent on its foreign trading partners and investors due to its lack of domestic employment opportunities, energy insecurity, poor digital connectivity and scarcity of basic necessities and commodities. In these highly unstable socio-economic and political circumstances, China has been a reliable trading partner and investor for Comoros. In 1975, China was the first state to recognise Comoros as an independent state. Since then, the relations have been steady between both the states, as China remained a reliable investor in exchange for Comoros's endorsement of the One-China policy by claiming that Taiwan is an integral part of mainland China. The bilateral relations of Comoros-China witnessed a considerable surge in 2018 when China intended to strengthen its position in the WIO against the growing Indian influence in Madagascar and Mauritius. A number of Chinese investors have found inroads in Comoros.

For instance, in 2018, a commercial contract was signed between the Comoros government and the China Road and Bridge Corporation that aimed at constructing a deep-water port by redeveloping the existing port in Moroni. Similarly, the Comoros government assigned the contract for the development of the Port of Moheli to the China Communication Construction Company. Additionally, China has also been leading some mega-infrastructure development projects, such as the construction of an international airport at Moroni, the development of roads and highways, and the construction of a large stadium on one of the islands. China has also been keenly involved in the healthcare sector of Comoros, as it has facilitated the archipelago in its struggle against malaria. The digital and internet connectivity of Comoros is also owing to China's contributions, as the latter has installed a sea fibre-optic network between East Africa and Comoros (Shakti, 2022).

In comparison with the massive Chinese investments in the archipelago, India's presence is minuscule. Despite India's limited engagement with Comoros, its ambitions are high. India has been considering Comoros a part of its extensive neighbourhood. In a counteractive response to the growing Chinese involvement, India has begun to pay attention to the small island state as it signed six memorandums of understanding in 2019. The MoUs have been aimed at enhancing bilateral cooperation in multiple domains, including defence, health, culture, tele-education (e-Vidya Bharati) and tele-medicine. As the Indian Vice President, Venkaiah Naidu paid a high-level visit to Comoros; he was awarded the 'Order of the Green Crescent', which is the highest civilian honour in Comoros (Press-Information-Bureau, 2019). In response to the vows of coordination, cooperation and economic investment, the President of Comoros alleged to support India in its stance on Jammu and Kashmir by claiming that 'we

inherit the wisdom of Gandhi'. Subsequently, the aim of strengthening bilateral cooperation in the fields of energy, tourism, and infrastructure development has been rejuvenated with the visit of Indian Ambassador to Comoros, Abhay Kumar, in 2022 (ANI, 2022).

In a manner similar to that of Mauritius, American attention has been diverted towards the islands of Comoros owing to the growing Chinese presence. Once neglected in the foreign policy of the USA, the WIO and its island states have dramatically captured American attention. As a critical maritime trade route that facilitates the transit of over 30 per cent of global tankers, the Americans have begun to consider investment and development of bilateral cooperation with Comoros (Bashir, 2023). Most recently, on the occasion of the 248th anniversary of the American Declaration of Independence, the USA has reaffirmed the intention of strengthening bilateral ties with the Union of Comoros. For this, an aid package of USD 5 million under the auspices of USAID will be launched. This programme would emphasise sustainable development, food security, energy security, civic education and financial governance. Additionally, an MOU has been scheduled for signing between the governments of the USA and Comoros aimed at facilitating Comoros in improving its rescue capacities, protection of borders from illegal trafficking and illegal fishing in the territorial waters of Comoros (US-MISSION-COMOROS, 2024).

### ➤ **Seychelles**

The archipelago of Seychelles, spread over 115 islands, had remained uninhabited until being discovered by the European colonial powers. From the 19th century till its independence in 1976, it had remained a British colony. Seychelles made an effort to maintain its non-alignment during the Cold War after gaining its independence. Although ideologically it was inclined towards the USSR, it still kept its ties open with the US. The non-alignment style of Seychelles has been carried forth to date as its attempts to hedge between China, India and the US. Owing to its geographical proximity, India had been keen to establish relations with Seychelles soon after its independence in 1976. By training the civil servants and military officers of Seychelles while also providing a line of credit for acquiring commodities from India, India has tried to develop 'unique and special' relations with the country.

The India-Seychelles relations witnessed significant growth in 2011 when the two states agreed to station an Indian Navy surveillance plane on the island state. In return, India gifted a series of valuable military and defence materials to Seychelles, which included a patrol boat named PS Constant, an interceptor boat C-405, and two maritime surveillance aircraft between 2014 and 2015. As Seychelles joined the SAGAR initiative of the incumbent Prime Minister Narendra Modi, the bilateral security cooperation reached a new high when India deployed a submarine-hunting surveillance aircraft to Seychelles in 2016. Additionally, as the Indian government had committed to the provision of a Coastal Surveillance Radar System, six radars were placed on the islands of Seychelles by 2016. Lastly, since 2015, India has been aiming



to establish a naval base on the Assumption Island of Seychelles. While the agreement had initially been concluded under the condition that the base would not be leased but rather would remain under the law of Seychelles, serious concerns have been raised about the sovereignty of Seychelles, hence stalling any progress in this regard (Cabestan 2021).

While China had established diplomatic relations with the 115-island-based archipelago, the Sino-Seychelles bilateral relations have only been revamped since 2012. Prior to that, China had been involved to a limited extent in the development of infrastructure, such as the construction of the National Assembly building and the building of the Supreme Court in 2009. Adding substantiality to the Chinese economic projects, in 2016, China agreed to facilitate the provision of Seychelles Broadcast Corporation by granting a package of USD 15 million. Additionally, China will also provide modern equipment to SBC for the improvement of electronic media in Seychelles. Considering the mounting debt on the archipelago, China also wrote off a loan worth USD 5.5 million in 2018. Both the states have also signed two MOUs aimed at enhancing trade connectivity, industrial linkages, and deepening financial investments.

While one of the MOUs has been in the context of infrastructural development under the Maritime Silk Road Initiative, the other has focused on ‘Marine Cooperation for Blue Partnership’ to address issues such as climate change and marine management. Other smaller-scale projects include the development of vocational educational schools by China in Seychelles, as well as the medical and agricultural assistance provided by China to Seychelles. While Seychelles has been robustly gaining defence equipment from India, it has not hesitated to do the same from China, as it received two aircraft for the Seychelles Air Force and for the anti-piracy surveillance operations. While China had initially intended to establish a resupply facility at the Victoria Port of Seychelles, it abandoned the plan due to increasing scrutiny and opposition from India. Despite the Sino-Indian rivalry, Seychelles has continued to foster beneficial relations with both emerging great powers. Continuing with the pattern of US engagement with Mauritius and Comoros, the US involvement with Seychelles had been historically negligible. Since 1996, the US has not even had a permanent diplomatic presence in the archipelago (Joubert-Lawen, 2023). The US involvement with Seychelles remained limited to the provision of marine security and training in order to make the IOR a stable region. However, with the increased Chinese and Indian involvement, the US has rekindled its relations with Seychelles by reopening the embassy in Victoria in June 2023 to establish a permanent diplomatic presence (US State Department, 2023).

### **Geopolitical Implications of the Hedging Strategy of Western Indian Ocean Island states**

The preceding sections have highlighted the details of the engagement of Mauritius, Comoros and Seychelles with China, India and the US. As these states have simultaneously engaged with the great powers without curating a formal alliance, it is

a clear illustration of the hedging strategy in which none of the major powers can overtly dominate a smaller state. Additionally, while the strategic interests of the US and India have reignited in response to increasing Chinese presence in the WIO region, the pursuit of a hedging strategy by the small states can have geopolitical implications for the wider Indo-Pacific as well. As the island states engage in economic partnerships, military agreements, and diplomatic initiatives, the global great power competition can intensify. Additionally, the increasing presence of great powers may lead to increased military influence, as India's SAGAR Project, the US's Indo-Pacific Command, and China's dual-use ports reflect. Such instances can lead to an excessive militarisation of the region and can transform into an active theatre of great power competition.

## **Conclusion**

Hedging is a foreign policy strategy that occupies the middle ground between balancing and bandwagoning and is considered more viable in situations characterised by risk and uncertainty. The current world order is in a transitional phase that is diverging away from the US-led unipolar order and witnessing the rise of states such as China, Russia and India. A transitional world order increases the risks and uncertainties associated with balancing or bandwagoning foreign policies, thus inclining states to opt for hedging. The hedging strategy is based on five elements: economic pragmatism, binding engagement, limited bandwagoning, dominance denial and indirect balancing. The small island states of WIO have opted for hedging in the context of growing Chinese and Indian presence as well as the rekindled US interest in the region. The first case study discussed is that of Mauritius. While having leased the base of Diego Garcia to the US since the Cold War era, Mauritius has been engaged in robust economic relations with both China and India. Extensive infrastructure development, technological cooperation and substantial bilateral trade have been the defining features of China-Mauritius relations. It has also signed an Economic Partnership Agreement and joined India's SAGAR policy. The second case study is that of Comoros, one of the poorest states on the African continent. Owing to its domestic impoverishment, Comoros has been highly dependent on the Chinese investments, in exchange for which it has extended support to China's One-China narrative.

On the other hand, Comoros has simultaneously signed over six MOUs with India in multiple domains ranging from trade to technological cooperation. The US has been a late entrant in the struggle of expanding geopolitical influence in the WIO and has recently allocated a multi-million-dollar aid package for Comoros. Lastly, we have discussed the case of Seychelles, a relatively small island state with a better economic situation. China and India have been cooperating with the Seychelles in the economic and defence sectors. But the emergence of both great powers has cancelled each other's influence in Seychelles, which has not been forced to give either of them naval bases. And this, precisely, is the crux of the hedging strategy: that multiple great and emerging great powers are engaged simultaneously by smaller states in order to gain the benefits of partnership from all while avoiding the risk of offending any one of them.

Additionally, with the engagement of multiple great powers, the states can switch between limited bandwagoning and soft balancing while ultimately denying complete dominance of any one power. Last, but not least, the hedging strategy applied by the small states has wider geopolitical implications, as it can intensify great power competition through simultaneous engagement and can also lead to the militarisation of the region.

### **Disclosure Statement**

No potential conflict of interest was reported by the authors.

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