Policy Sovereignty: The role of endogenous policy formulation and policy autonomy in the survival of small island developing states in the global world; case study on the Maldives.

A thesis submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy (PhD)

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November 2017
Abstract

The world as we know it today, is not only made up of the various countries and the populations who live in them, but also consists of systems, rules and regulations not just at the national level, but at a global scale as well. While some of these global systems, concepts and regulations bring many folds of benefits to those countries who can access them, there are those who are left behind, forever reaching out but not quite reaching it. These would be the smaller states, who remain disadvantaged from their geolocation to their socioeconomics within which they struggle to survive.

Although the sovereign state is very much a real concept, on the economic and political front, the ‘bigger’ countries transcend their geographic boundaries through their economic and political institutions, and systems. And although for these countries the world is becoming a smaller place, for the smaller countries the world is becoming a bigger place, with a multitude of economic and political actors who make rules, regulations and legislations by which the smaller countries have to abide, and hence, the question needs to be asked as to how the smaller countries would survive in the ever increasing globalisation of the world.

One of the main arenas within a country that can sculpt the way in which it acts and reacts in the global system is its policy arena, where the policies the country adopts, or can adopt, impacts not just the survival in the global world, but lay the foundations to compete in it. In this respect, this thesis takes a new outlook on the old concept of policy formulation and implementation by the country’s own people, to address their ground reality, through the concept of ‘policy sovereignty’ such that smaller states can address their many policy issues that remain overlooked by the global system.
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There have been many potential reasons to quit........
But only two main reasons to carry on.............

For all the children and women out there, who have never had the opportunity of education.... let alone higher education.

For my visionary parents who taught me how much more there is to life than just living it....

Acknowledgements

I'd like to extend many thanks to my supervisors and examiners for their support and guidance, and to the department as well. I’d like to thank all the interview participants who took time out of their busy and important schedules to make this research possible for me, as well as my financial sponsors. I’d like to show much thanks and appreciation to the late Mr. David Watts for his keen interest in my thesis and for the opportunity to publish my article on democracy and Maldives.

I’d like to thank all my friends in England who helped provide a home away from home, especially at the low points in life. I’d like to express many a thanks to Rob Western for all his support, and the late Nick Todd who was family away from home. And of course many a thanks to my friends in Maldives who shared their love and support across the globe.

I’d like to honour the late Abdul Sattar Moosa Didi for the impartation of his knowledge and wisdom at a personal level, as well as for his honest and impartial service to the country as a state dignitary, a rare practice even at the global scale.

I’d like to express my sincere gratitude to the late Mr. Ahmed Manik, a valued member of my family who will be very much missed, and my gratitude to his lovely family. And from the bottom of my heart, I’d like to thank my whole family, for cheering me on and supporting me from across the continents! And of course, my lovely nieces and my little nephew who bring much joy into my life!

Most of all, I’d like to extend boundless gratitude to both my parents and my brother for being a spine of steel for me when I needed them most!
**ABBREVIATIONS:**

ADB  Asian Development Bank
CGD  Center for Global Development
CSO  Civil Society Organisation
DAC  Development Assistance Committee
DER  Department of External Resources
DFID  Department for International Development
EU  European Union
FAO  Food and Agricultural Organisation
FDI  Foreign Direct Investment
GATT  General Agreement on Tariffs and Trade
GCC  Gulf Cooperation Council
GDP  Gross Domestic Product
GNI  Gross National Income
GNP  Gross National Product
GSM  Global Social Movement
GSP  General Scheme of Preferences
IDA  International Development Association
IFAD  International Fund for Agricultural Development
IFI  International Financial Institutions
ILO  International Labour Organisation
IMF  International Monetary Fund
INGO  International Nongovernmental Organisation
ISI  Import Substituting Industrialisation
JICA  Japan International Cooperation Agency
JOCSV  Japanese Overseas Cooperation Volunteers
LDC  Least Developed Countries
MDG  Millennium Development Goals
MEI  Multinational Economic Institution
MIC  Middle Income Country
MNC  Multinational Corporation
MNDF  Maldives National Defence Force
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<td>Multinational Enterprise</td>
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<tr>
<td>MNU</td>
<td>Maldives National University</td>
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<tr>
<td>MPE</td>
<td>Ministry of Planning and Environment</td>
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<td>MPHRE</td>
<td>Ministry of Planning, Human Resources and Environment</td>
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<tr>
<td>MPND</td>
<td>Ministry of Planning and National Development</td>
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<tr>
<td>NDP</td>
<td>National Development Plan</td>
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<tr>
<td>NGO</td>
<td>Nongovernmental Organisation</td>
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<td>NPA</td>
<td>National Planning Authority</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries</td>
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<td>OPP</td>
<td>Office for Projects and Programmes</td>
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<td>PMU</td>
<td>Project Management Units</td>
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<td>PSIP</td>
<td>The Public Sector Investment Programme</td>
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<td>SAARC</td>
<td>The South Asian Association for Regional Cooperation</td>
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<td>SAP</td>
<td>Strategic Action Plan</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>SSC</td>
<td>South-South Cooperation</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>UN</td>
<td>United Nations</td>
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<td>VAT</td>
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<td>VPA</td>
<td>Vulnerability and Poverty Assessment</td>
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<td>WB</td>
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Chapter One: Introduction


1. Introduction:

This research is conducted within the realms of how economic globalisation, global elitism, and dependency within the global system affect the policy arena in terms of the socioeconomic development of small states and the survival of small states, such as Maldives in the global world. Influential factors include the problems that an emerging democracy faces, as well as the cultural and historical aspects of political and economic development such as: the impact of the thirty year rule of the same president, the culture of political coalition in the Maldives, and the struggle to maintain a presence within the international markets. This research addresses the sustained political and economic consequences at the domestic level caused by the global policy phenomena, the influential policy actors at the domestic level, the existing policy proceedings at the domestic level that would functionalise the country at the global level, and towards a way forward for the survival of the country in the global arena, giving rise to the concept of ‘policy sovereignty’.

Setting The Scene:

The divide between the ‘developed countries’ and the ‘under developed countries’ or the ‘third world’ or the more recent term ‘developing countries’, which is deemed more politically correct terminology, gained focus in the post colonial period. From the 1960s, the idea of ‘development’ gained recognition at the micro as well as the macro levels, where development mainly comprised of economic development (Freistein and Mahlert 2016). This concerned economic competition between countries, giving rise to global stature of economic prominence, and fuelling economic globalisation. Although the early theories of
development have had a focus mainly on economic growth, the more recent theories seem to include a more ‘holistic’ approach including the political economy, cultural and social dynamics as well as environmental and sustainable development factors (Potter 2014) which has lead countries to adopt policies in these fields, contributing new aspects to the world order.

Increasingly the policy literature includes debate about who the best actors are to be involved in the policy arena of a country (Wu 2010). However, one consensus that is rapidly increasing is the purpose of research and ‘analytical tools’ (Radin 2013) that should be used in the entire policy process (Howlett 2011) from the initial policy formulation stage to the implementation level (Dunn 2004). The process would allow the recognition of the issues on the ground, and hence, better target the policies and achieve better results. While this would allow the policy process to be well informed to reflect the ground reality and thereby target the actual needs of the society, one factor that is increasingly creating complexities in the policy scenario by transcending the boundaries of the nations is increasing economic globalisation. Although it has been argued that globalisation would integrate all economies in principles of neoclassical free market, the system did not conform to the expectations (Berry 2010; Mosley 2007; Vreeland 2003). As the rate of globalisation increased, a prevalence of poverty has been seen in developing countries, especially in small states, with increasing inequality (OECD 2011). Hence, the small states are increasingly being deprived of their right to exercise policy autonomy, especially in the global world, with increasing conformity to global rules and regulations that have been systemised for the advantage of the devisors who remain the large powerful states.

Although more countries have been seen to adopt more democratic values, the benefits towards the people have not materialised as had been expected (Fox and Stoett 2016). For instance, while democratic theory encourages accountability towards the citizens, the global institutions do not reflect such political theory in practice (Fox and Stoett 2016). According to policy analysts, at the global level, ‘authoritarian regimes’ have used their foreign policy as a means
of retaining power in the weaker democracies. (Hagan 2001; Weeks 2012).

In order to achieve success in macroeconomics, the country's internal institutions, both private and public institutions, have to function well, and without corruption (Rose-Ackerman 2014). In order for weaker democracies and small countries to attain the ability to function well within the global economy, it is essential that the appropriate policies are in place in order to achieve access to the global system, such as to gain market access, and once achieved, to maintain position within the global system (Jolly and Ricardo 2016). In terms of access to the global system, it has been argued that the question should not be which countries should contribute to economic globalisation, but of how countries could participate. This has been a continuing debate, to no avail (Kaplinsky 2013; Gereffi, Humphrey and Sturgeon 2005; Schmitz 2005).

In the literature, prominence is given to the fact that the capacity of the country, especially the government, to formulate and implement policies would increase economic performance, (Charron, Dahlström and Lapuente 2016; Reinsberg, Kentikelenis, Stubbs and King 2016; Cingolani, Thomsson, and de Crombrugghe 2015; Evans and Rauch 1999; Weber 1978) in both the domestic and international spheres.

2. The Case Study: The Republic of Maldives

The Republic of Maldives, is an archipelago nation in the Indian Ocean, on the South West of India. The country consists of about 1190 coral islands, of which 200 islands are inhabited. Each island is about 2.5 – 3 sq. kilometres. The islands are very low lying with the highest recorded point being 2.4 meters\(^1\), placing Maldives in the vulnerable group in terms of sea level rise. The island formation of the country is politically divided into 21 atolls for administrative purposes, with a few islands in each atoll. Local councils in each atoll and in the capital Malé were established in 2008, replacing the “island chief who reported to atoll chief” process of administration. The capital Malé is the more urban island with

better health and education facilities as well as employment opportunities. The rest of the country has remained largely rural. Most tourist resorts have been established on uninhabited islands.

According to the National Bureau of Statistics of Maldives, the total resident population of the country is 402,071, of which, the capital Malé accounts for 39 per cent of the country’s population. Given the capital Malé is about 2.5 sq kilometres the population remains a high figure in terms of congestion. It also means that more than one third of the population lives on the capital island. According to UNDP ‘Human Development Report’ (2014), over the last 15 years, there has been an increase in income inequality on the capital Malé, but has declined in the rest of the country. The report also shows that while most of the opportunities are on the capital, poverty is also prevalent in Malé. It is suggested in the report that in order to address the increasing poverty on the capital, urbanisation would need to be addressed. The report further mentions the main reason for the high in-migration to Malé is due to disparities in the social and economic sector, such as education and health, to an extent that people are willing to live in a congested state on the capital in order to access services such as health and education.

Being a small island nation, Maldives depends highly on imports for economic activity as well as food, while exports remain tourism, fish and fish products. According to the World Bank, Maldives is now classified as an Upper Middle Income Country. The country GDP remains US$ 3,062 billion. According to the World Bank, 17% of the population lives below a poverty line of 2 (US) dollars per day, which is less than about £1.32 a day. UNDP states governance is a vulnerable area in Maldives, including rising inflation, which leaves the country faced with obstacles and challenges in its

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socioeconomic sector. They further state that the country has performed rather well in achieving the MDGs in the region\(^5\).

Given the low lying formations of the islands in Maldives, the country has been actively participant in the issue of sea level rise. The former president Gayoom, as well as former president Nasheed had raised the issue internationally. However, it could be deemed unjust that the countries that are most vulnerable to climate change (such as Maldives) are at the receiving end of the environmental damage that is caused mostly by the invulnerable countries (Satterthwaite 2014).

2.1 The Cultural and Political History of The Maldives

Due to the early trade route that passed through Maldives, there are records of travels of several seafarers and tradesmen since 500B.C., mostly from and around the Middle Eastern regions\(^6\), followed by European seafarers as well. The first recorded settlers had been from Sri Lanka, but trade drew in Indian traders known as the Borah traders in the 1880s\(^7\), some of whom had settled in the country. Although the Maldivian cultural practices and language have remained largely unique to the country, there is a significant influence of the Middle East, India and Sri Lanka on the country's local language Dhivehi, the culture, and the cuisine as well.

The Maldives had been a sultanate until 1953, when the first president, Mohamed Amin Didi took office, which was short lived from January 1953 till August the same year. In August, the country went back to monarch rule following a revolution. Through a referendum the country became a Republic in 1968, and Ibrahim Nasir became the second president. His second term in office ended in 1978, succeeded by president Maumoon abdul Gayoom. Gayoom's

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http://www.mv.undp.org/content/maldives/en/home/countryinfo/


7 Borah Traders http://maldivesindependent.com/politics/timeline-story-of-independence-115638
presidency lasted 3 decades with limited freedom in terms of media, public speech, political opposition as well as multiparty politics. Towards the end of his 30 year ruling, political parties had been established despite government efforts to control it, and demonstrations began for a multiparty presidential election. Gayoom’s government decreed the more democratic multiparty system, following which, on the 11th of November 2008 the first ever multiparty presidential election was held and president Mohamed Nasheed won the election through a coalition of the main political parties, against Gayoom’s political party. Despite the restrictions during his rule, Gayoom still had an incredibly high percentage of supporters throughout the country that had joined his political party. In January 2012, the arrest of a supreme court judge that was deemed unconstitutional by the public had triggered a 22 day long riot throughout the capital, with protestors calling on president Nasheed to step down. President Nasheed resigned in February 2012, succeeded by vice president Dr. Mohamed Waheed Hassan who assumed office till the 2013 election. The current president, Abdulla Yameen Abdul Gayoom, brother of former president Maumoom Abdul Gayoom, was elected in 2013.

The country has been a republic for 49 years. However, democratic values such as freedom of media, freedom of speech, political opposition and multiparty politics have existed for just 9 years. Between 2008 and 2017, within a span of 9 years, The Maldives has had 3 presidents. Since 2014, there have been allegations by the opposition against President Yameen and the then vice president Ahmed Adeeb, such as corruption within the government, violence by gangs that allegedly are run by the current president and the then vice president Adeeb. The president had denied the claims, although following a bomb explosion on the official ‘presidential yatch’ in 2015, the then vice president Ahmed Adeeb, having tried in court for the incident, has been charged with treason and been jailed, along with further charges of corruption as well.

There has been a history of political elitism in the country, perhaps exacerbated by President Gayoom’s 30 year regime. During the 30 year period it had mostly been the same officials in the cabinet of ministers and most high level posts in
the government, with periodic reshuffles within the ministries. Hence, those who grew up within the 30 year period, myself included, in our younger years, never entertained even the possibility of new people becoming ministers, or parliament members, or in any other high post. Further, being the political elite in the Maldives also meant, for the most part, being the economic elite as well, as most opportunities would be taken up by those who held the power of decision making. One significant example remains real estate ownership, where the larger houses on the capital Malé have been and are owned mostly by the political elite.

Most of the rural islanders earn a very subsistence level of income. The more urban islands offer better incomes, however, due to the high rents on the urban capital Malé and the greater Malé area of the country that are comparable to rent in countries such as Hong Kong and England, savings are not a common circumstance among the huge percentage of the population who rent accommodation in the greater Malé area, and especially in Malé where the rent is the highest in the country.

3. The Political Scenario:

Clientelist politics and voting is seen to exist in Maldives on a wide scale, through which sudden policy interventions are seen close to elections, such as the undertaking of development projects, especially infrastructure projects in various atolls. These projects usually are not part of existing policies or development plans, and hence lack cohesion with long term policy goals and plans. Clientelist politics and clientelist voting has existed over centuries (Lloyd and Turgeon 2017) and have involved offerings of goods and other benefits in order to gain political support or achieve votes during elections (Lloyd and Turgeon 2017; Lloyd 2016; Gans-Morse, Mazzuca and Nichter 2014; Stokes 2013). Although literature indicates poverty and deprivation as the main factors that contribute to the generation of clientelism (Lloyd and Turgeon 2017; Stokes 2013; Hicken 2007; Stokes 2007; Scott 1972; Banfield and Wilson 1963) it is argued that an increase in income does not directly cause a decrease in clientelism. However, it is further argued that the possibility of an increase in
income causing a decrease in clientelist politics would only be possible within an aware and knowledgeable electorate (Lloyd and Turgeon 2017).

Another feature in Maldivian clientelist politics is the idea of vote buying that is associated with all elections, however, it is unclear as to what extent such practices have existed or in which strategies it has been functioning. The main four strategies involved in clientelism could be categorised as ‘vote buying’, ‘turnout buying’, ‘abstention buying’ and ‘double persuasion’ (Gans-Morse, Mazzuca and Nichter 2014). ‘Vote buying’ mainly consists of rewards being offered in order for the voters to switch their preference of vote. These rewards could consist of provision of services, or financial offerings (Gans-Morse, Mazzuca and Nichter 2014), as well as policy manipulations to suit the electorate (Robinson 2013). ‘Turnout buying’ offers rewards for the proportion of the electorate that usually are not active in the voting process (Gans-Morse, Mazzuca and Nichter 2014; Nichter 2008). ‘Abstention buying’ targets the proportion of the electorate that is indifferent as well as the opposition, to abstain from voting (Cornelius 2004). ‘Double persuasion’ offers rewards for the participation in voting and the switching of voter preferences (Gans-Morse, Mazzuca and Nichter 2014; Chubb 1982). It is argued that clientelism is most effective when engaging at least in all of the four strategies (Gans-Morse, Mazzuca and Nichter 2014).

The idea of buying votes has been argued within the literature as a failure of democracy, as the idea of ‘free and fair elections’ is seen to breakdown along with the idea of equality within the electorate as the more resourceful within the electorate are seen to influence the less resourceful and less advantaged proportion of the electorate (Schaffer and Schedler 2007; Stokes 2005). However, there is also the argument that ‘turnout buying’ in fact contributes towards more political equality, as those who would not have participated otherwise are being active in the voting process (Hasen 2000). It is further argued within the literature that within clientelism, politicians have preferred policies that would provide the necessary political support rather than research based policies, and hence, the electorate is left dependent on politicians thereby making the electorate more sensitive to the various rewards in exchange for votes (Robinson 2013). Although clientelism is more prevalent in developing
countries (Nichter 2011), the system has also been seen in countries that are more developed such as Italy and Spain as well (Kitschelt and Wilkinson 2007; Piattoni 2001).

One of the main features in Maldivian politics is the almost ritualistic overhaul of policies with every new president in office. The new policies adopted would reflect the new views of those in power (Koning 2016; Schneiberg and Lounsbury 2008), however, it does not always reflect the actual needs of the country. According to Pierson (2004), when policies take a certain path, it might be difficult to change the course, which might prove one reason to adopt an ‘overhaul’ and start again. However, in the case of the Maldives, irrespective of whether the policies in place have been productive or not, the country undergoes a policy overhaul on the assumption of office by every president.

Another significant feature of Maldives politics remains coalitions. During the first multiparty presidential election in 2008, the former president Gayoom would have won the election if not for the coalition that was formed among the opposition. In 2012, another coalition was formed by the political parties against the then president Nasheed, calling him to step down. During the 2013 election, a coalition had been in place among the political parties against former president Nasheed’s political party. And currently, a coalition that had been formed in January 2017 among the opposition are still active in calling for the resignation of the current president, Yameen. While replacement of policies are regarded as a risky option in a scenario with various players who might not have the same adaptation in coalitions (De Wispelaere 2016), the Maldivian political scene has been in such practice since 2008.

Given the fact that democratic values are still evolving in the Maldives, questions remain towards the public understanding of democratic values, whether they are aware of how far they can be involved in the policy process, whether they realise their rights within the democratic values such as their right towards government and public accountability. While the parliament members are elected by public vote to represent and defend public interests, once elected, the parliament...
members have been seen to defend their political party’s views and rights more than the constituency they represent. One such example would be the revision of the constitution in June 2016 by the parliament, abolishing the process of bidding on islands that the government announces to be developed as tourist resorts. By abolishing the bidding process, the parliament has created the allowance for the government to allocate islands to any investor of their choice, perhaps even to investors that are willing to pay the relevant government officials for the opportunity. It could be said that the parliament and the government almost seem to have a disconnect with the public.

4. The Economic Maldivian Context of The Research

The highest revenue generating industry in Maldives has been tourism. According to the Ministry of Finance and Treasury, tourism industry contributed over 70 per cent of the country’s foreign exchange earnings, and further, contributed to 29.9 per cent of the GDP8 in 2015. The second largest is the fisheries sector, however, in terms of export of fish, the country has to compete and survive within the global markets.

Within Maldives, dual economy is depicted to a great extent, where one sector of the economy is largely capitalist while the other remains mainly a subsistence economy. For overall development to take place, the subsistence economy would eventually dissolve into the capitalist economy, which however, has not been seen in the country. Although it has been argued that small scale agriculture can have a considerable contribution towards development (Potter 2014), perhaps the level of agriculture has been smaller than even ‘small scale’ to contribute towards development in the country. The two sectors have remained distinctly separate in the case of Maldives where the capitalist sector mainly consists of tourism and the hospitality industry, and the real estate industry. Hence, a great proportion of the rural population seek employment in urban areas, or receive

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remittance from relatives who work in urban areas, a trait seen in many low and middle income countries.

With an increasing population in the urban area, one of the key factors in maintaining adequate environment management is ensuring competent governance. The city governments require to have in place adequate infrastructure to support the provision of services such as water and sanitation, as well as proper housing facilities and environment protection (Satterthwaite 2014). However, due to the availability of income opportunities in the urban area there is a constant flow of in migration into the capital Malé and the greater Malé area. Further, to maximise economies of scale, the current government exercises a policy of encouraging more people to migrate into the area as well, causing immense overcrowding on the capital, however, the provision of services such as health, as well as waste management have not particularly improved nor expanded. This could leave the urban poor at increasing risk of health complications if the environment is not adequately managed, with widespread disease and malnutrition (Mitlin and Satterthwaite 2012), as well as the degradation of the environment they live in. Further, traditionally in Maldives, the older generation (grandparents) would look after the grand children should both parents need to be employed, as day care centres are not common and the few that exist on the capital charge high fees. Hence, the three generations of the family functions as one unit, which is increasingly becoming a trend among the urban poor. This phenomenon has seen three generations share even one bedroom in the smaller, less expensive and densely populated accommodations on the capital, which inevitably contributes intensively to social problems within the families and such communities. It has also been seen that the older generations such as grandparents tend to share their incomes within the family unit, whether it is pensions or other income, with the younger generations in order to subsist (Desai 2014).

Transport is a requirement in urban cities for social and economic reasons (Vasconcellos 2014). And given Maldives is made up of very small islands, a lot of people have to travel a lot by sea within the greater Malé area for employment. Although a regular ferry service exists within the greater Malé area, public
transport is not available on the capital Malé itself, which has caused every household to own one or two small motorbikes for the purpose of school runs, transport to work and other purposes, causing severe congestion on the streets. It could be argued that given Malé is just a mere 2.5 to 3 km, there is no need for public transport such as buses. However, a counter argument perhaps is that public transport such as small buses that run frequently around the island could eliminate the need for every house to own one or two motorbikes, especially given the increasing ten storey residential buildings, the number of small motorbikes per household is staggeringly high for the small area of land. Although there are a few ferry services established in certain parts of the country, most of the country is not covered by regular sea or air transport, which means that transport is mainly by privately owned boat that can transport people from various islands to Malé. However, unregulated travel fares on these boats mean travel can be very expensive as there would usually be only one or two such boats per atoll. Hence, given Malé is the main market of the country, one setback in terms of income opportunity that rises from the lack of regular transport services to Malé is that the very small scale businesses are not feasible. For instance, small scale farmers lose their businesses as it would not be feasible to spend a higher amount on transport to the market than potential profit margin from the sales. Further, the lack of transport facilities within the country also mean that during rough weather, the private boats might choose not to operate, causing a potentially dangerous scenario for medical emergencies as well as food supply. Should such a situation arise, it becomes the coast guard duty to attend to the emergency. Although local interisland and interatoll transport is generally poor or lacking, tourist transfer from the airport to the resorts are well organised with an array of choice from speedboats to amphibian aircrafts which offer immense job opportunities to the communities. It also reinforces the fact that it is not impossible to arrange transport facilities for the locals as well, but perhaps lacks the policy initiative towards it.

Tourism in Maldives serves as a development strategy as it is an industry that is fast growing, however, it comes with its own merits and demerits. The small coral islands with their natural clean and clear environment has been the
foundation of tourism in Maldives, however, production of waste has more rapidly increased than the establishment of the necessary policies and mechanisms of waste disposal, resulting in the designation of one uninhabited island primarily for waste disposal. However, the necessary mechanisms have not been established on the island for disposal of waste, resulting in an island overflowing with untreated waste products, which of recent, overflows into the sea around the island. The potential health problems as well as environmental problems that could spring from the situation have not been addressed. Further, the increasing air transport of tourists from around the world to the Maldives, which basically keeps the industry running, contributes to the carbon footprint, which has been argued to contribute to sea level rise. Should the phenomenon of sea level rise materialise, the very marvel islands that triggered tourism and air transport into the country, ironically could potentially disappear (Bishop 2014). Further, despite the major contribution from tourism to the country's economy, local communities, especially the urban areas are increasingly experiencing unsolicited social issues such as prostitution and drug abuse which has become a major secondary industry and is mostly tourism oriented (Haworth 2012).

In order to overcome such environmental, economic and social challenges, the country needs to adopt policies and strategies towards sustainable development. The United Nations Environment Programme (UNEP 2011) has been promoting green economy that merges environment with economic progress, and other concepts such as inclusive development, that needs to be taken on board in the domestic policy sphere to achieve sustainable development (Gupta and Baud 2015). According to Gupta and Vegelin (2016), in order to achieve a growth paradigm that is sustainable, it might be necessary to establish or introduce concepts such as green economy at a legally binding level among the global community. However, in the absence of support at the global level, policies towards concepts such as inclusive development and green economy would need to be adopted at the country level to achieve sustainable economic and social development, (Gupta and Vegelin 2016; Akoi 2001). However, whether adoption of such policies at the country level would be economically viable without global support, is a question that would need further research.
5. **Policy Sovereignty:**

The concept of ‘policy sovereignty’ is defined here as the collective act of endogenous policy formulation and policy autonomy. Here, the term ‘endogenous policy’ refers to policies that are formulated by the country, for the country, based on the reality on the ground. The term ‘policy autonomy’ here refers to the ability to enforce those policies in the domestic and international policy arena. While hundred per cent policy autonomy might prove impossible to achieve, nor necessary to achieve, how far it could be achieved would reflect on how far the country’s interests are being defended within the globalised policy system. Both endogenous policy formulation as well as policy autonomy has to be taken together to mean policy sovereignty, as one without the other would not be able to yield the right results, which is to ensure the policies target the identified targets, and that those targets would not be compromised within the global system.

As human activity is responsible for globalisation, it has been argued that globalisation can be regulated such that there is more inclusion of poorer states and that the benefits can be distributed more equally. However, it is not the usual practice and some states have suffered disadvantages, creating inequalities within the global system, leading some states into elitism (Murray and Overton 2011). According to the World Bank (2002), economic globalisation offers the same opportunities for all countries, given the right policies are being maintained, and it provides the opportunity to reduce global poverty. However, it has to be argued that while opportunities are not level for all countries, it is also unclear what exactly the World Bank declares as the ‘right policies’.

Although economic globalisation has opened up the chance for ‘borderless’ trade globally, and has forced some countries to struggle with globalism, Dicken (2010) argues that the state still holds an important position in globalisation, as the transnational corporations would not be able to function without the state’s role in the maintenance of domestic affairs.
5.1 Endogenous Dimensions of Policy Sovereignty

The first focus of policy sovereignty lies with endogenous policy formulation. The endogenous dimensions of policy sovereignty focuses mainly on building the nation’s policy arena on a solid foundation that would enable the country to progress with high yielding policies. The policy makers usually are the political elites of the country, and though there is little to prove that the public generally would agree with the political elites or not, it is the political elites that more often decide the roles that the country adopts, which could create a division between the elites and the public who might have different ideas towards the role of the country (Egan 2013; Paris 2014). Further, it cannot always be ensured that the decisions made by the political elite, without any degree of public involvement, would always be in the interest of the public and not that of the political elite.

In terms of endogenous policy formulation, a focus is given towards establishing a policy process that is evidence based, more participatory, and ensure that the necessary follow ups are practiced such as impact assessments. One key factor in terms of maintaining such a process would be a knowledgeable public that is aware or educated on the existing policies, development targets for the country, and, broadly speaking, the potential of the country towards achieving those. Hence, the policies could be formulated by the country, and for the country, based on reality on the ground, in order to achieve the set targets. Such policies would prove resilient and robust, and able to stand pressures towards unrequired change, and meet the intended targets (Mahoney and Thelen 2010; Streeck and Thelen 2005).

Endogenous policy formulation would be active in two main ways. First, it would ensure that the domestic policies are planned and targeted, and are implemented within the planned procedures, and hence, better ‘stabilising’ the domestic policy sphere in terms of achieving the policy targets. Secondly, the stabilised domestic policy sphere would provide a strong foundation on which the country would be better able to plan, and better able to adopt a foreign policy that would enable the country to maximise its prominence within the global system. In order to
converge with the global system, the country has to have policies at the domestic level that would enable the domestic sphere to better interact with the global sphere (Dicken 2010).

5.2 Participatory and Evidence Based Policies:

Within democratic theory, participatory methodology is seen to increase in accordance with the democratic ideology of collective decision making (Fox and Stoett 2016). The concept of participatory policy formulation has also been adopted towards more informed policy formulation, hence contributing towards the quality of the policies (Wagle 2000). Further, participatory approaches in policy making have been seen to increase political awareness within communities, as well as contribute towards the development process (Wagle 2000; Berry, Portney and Thompson 1993) and according to Wagle (2000), this has to be a continuous process to ensure increasing participation. Within participatory approaches, building the necessary skills within the country has also been seen to contribute towards the endogenous qualities of a country. For instance, abilities such as good negotiation skills would contribute immensely towards the prominence a country could earn within a competitive system (Bailer 2004), both in the domestic as well as the global sphere. Participatory policy formulation could be said to have immense importance in the Maldives, given the country is an emerging democracy, and given, the country has been under the same government for thirty years. Here, participatory policy would help in determining how much the general public is aware of political issues such as their democratic rights, and of concepts such as the differences that exist between a thirty year rule by the same president and maximum two terms presidencies, and economic concepts such as the potential opportunities that they could be presented with by the introduction of a domestic ferry service.

One of the main justifications for evidence based policy formulation comes from the idea that what works for one country does not necessarily work within another. The main idea behind evidence based policies is the fact that the situation has to be studied in order to make the diagnosis (Cartwright and
and it is based on this diagnosis that the “cure” could be materialised. The “cure” should be one that would fit in with the longer term needs or requirements of the country. Here, prominence is carried by evidence that could prove what would actually work for the given scenario (Gentilini and Omamo 2011; Devereux and White 2010). Hence, the kind of evidence would depend on the circumstances within the respective country. Further, evidence based policy formulation would eliminate the ‘ad hoc’ policies that governments sometimes adopt for their short term gain. With the existence of ‘ad hoc’ policy formulation, a significant proportion of the country’s development budget could be seen to undertake activities that would not materialise any prominence in the long run, hence proving wastage of government budget. However, with the elimination of ‘ad hoc’ policy formulation, government budget would take a better targeted utilisation pattern with longer term goals, providing the country with development that could be sustained. Further, in the case of Maldives, evidence based policy formulation would contribute to concepts such as evaluating the outcome of the thirty year rule in terms of whether there had been the repetition of the same mistakes over the period, if any, what they were and how they had impacted, how the change from the thirty year rule to the maximum two term presidencies had impacted, as well as whether the country has the necessary institutions and structures to combat the political challenges. Further, evidence based policies would also contribute towards a better understanding of the country’s economy and it’s challenges and the potential it holds.

Hence, evidence based policy formulation would allow social inclusiveness and pro poor economic and social policies to be formulated, which at national level have been the most impactful in terms of addressing poverty and development issues (Rakodi 2002). Social inclusiveness helps reduce risks and internal conflicts that could contribute to poverty and vulnerability (Rauniyar and Kanbur 2010) by targeting socio and economic factors such as small scale businesses, basic needs and opportunities in vulnerable societies (Borel-Saladin and Turok 2013; Fritz et al. 2009; Narayan 2009; Gough and McGregor 2007). In order to target these issues, the policies would need to go through an evidence
based policy process (Borel-Saladin and Turok 2013; Fritz et al. 2009).

There is also the idea that the development process is designed according to the scientific knowledge of the North which might not necessarily be consistent with the actual needs of the South, and further, that ‘indigenous’ knowledge is only useful in its own locality, and hence it would not be possible for it to be treated as scientific knowledge (Sillitoe 2012, 2010). However, as Cartwright and Hardie (2012) states, what is important is what actually works in a particular scenario.

5.3 Public Awareness and Education:

One of the fundamental values with regard to participatory theory being successful is the quality of contribution from the public, without which the contributions would carry little meaning. Hence, one of the main attributes of the public who do participate should be that they are aware of, or they have the necessary knowledge of the respective areas they are involved in. For instance, knowledge or awareness on the development processes such as the various policies and projects, as well as awareness towards or knowledge of fundamental issues as democratic values which include accountability and transparency, as well as the knowledge of how much the public can question and to whom questions can be addressed, who is accountable to the public and for what. Further, they should also be aware of, or have knowledge of the development process of the country, the development needs of the country, at least at the local level, which would include the regional level (consisting of more than one atoll), atoll level and island level development plans, and where possible, the development plans at the country level as well. This would allow their participatory contribution to the policy process and development process to reflect the reality on the ground, and hence focus on the actual problems that need targeting. It would also allow the respective people to be held accountable during as well as after a process when the impact is evaluated, which would in turn teach the people what, if any, the mistakes had been, or how development plans could improve further in future (Anyidoho 2010).
The political arena of the country, both domestic and international, would be one of the main areas where a knowledgeable public would play a vital role. In the domestic sphere, in cases where there are conflicting views such as ‘manipulative’ decisions by the political elite, if the public have the awareness to recognise it, such manipulations could be overcome. For instance, actions by the political elites such as undertaking a certain development policy or project without any planning, in an ‘ad hoc’ manner just before an election, in order to simply secure more support and therefore gain more votes, could be eliminated if the public are aware enough to recognise that such policies and plans do not fit into the existing policy and plans, and that such practices would not help the community in anyway in the long run, and would further waste either government budgets or procured funding (Dragu 2016; Aragones 2015; Feld, Merrill, and Grofman 2014; Colomer and Llavador 2012).

In terms of the international arena, a public that is more aware of the government policies and development plans would be able to follow the government foreign policy, and hold the government accountable. Further, a more aware public would be able to recognise policies that are ‘imposed’ on developing countries by the leading influential countries and even donor organisations (Deveroux, Roelen and Ulrichs 2016). The several ‘impositions’ of structural adjustments by organisations such as the International Monetary Fund (IMF) and World Bank perhaps might serve as an example in this scenario. Such international elite organisations have had immense influence in the policy arena of several developing countries (Copelovitch 2010; Babb 2009; Stone 2002) through the conditionality in their lending schemes, that has advocated policy reforms that often result in dire impact on the countries’ economies (Reinsberg, Kentikelenis, Stubbs and King 2016). One such example being the Washington Consensus that was applied in countries of Africa and Latin America through the 1980s and 1990s, by the United States Treasury Department, IMF and World Bank (Jolly and Santos 2016).
5.4 Exogenous Dimensions of Policy Sovereignty

The main exogenous dimensions of policy sovereignty include the ability of the country to penetrate into, and perform in the global sphere, as well as the ability of the country to interact and defend its rights with the international organisations that function in the country. Hence, the second focus of policy sovereignty lies towards achieving policy autonomy, though how far it could be achieved would depend on external factors as well. For instance, considering the power circles in global governance, the effects such as the increasing urban rural divide in terms of inequality are seen not just within a nation itself but internationally as well (Clapp and Wilkinson 2010). Further, there is also the debate that with the increasing global governance and income inequality, a fragmentation of the ‘democratic process’ is seen (Stone 2012) due to the heavy dependency of the politically active on the wealthy contributors, ironically to maintain democratic values such as election campaigns.

There is no clear definition as to what the actions of a policy maker should be, or what exactly would be the best policy process for the country. Neither is there a clear definition as to what the roles are of the individuals that are involved in the policy process that would influence the domestic policies, regional, as well as international policies. More recently international relations have taken the form of interaction and processing information through interaction rather than the former method that was more set on defined roles that the organisation undertook (McCourt 2012). On achieving endogenous policy formulation, or from building the communities to adopt endogenous policy formulation, would provide the people with more awareness and ‘education’ on the policy process the country needs at all levels from community or island level, as well as in dealing with international organisations as well. Further, the people would also be able to recognise the difference between opportunities and political manipulations, should the situation arise, in terms of the actions of the political elite. If the mechanisms and institutions were in place that are necessary to cope with the domestic situation, and prepare the country for the international situations, it would provide the country with the necessary armour to defend
itself from the external shocks from the international sphere (Koning 2016). One such example would be negotiation with the international marketplace, for instance in dealing with export quotas and product prices following the change of status of a country within the global market, such as graduation from Least Developed Country (LDC) to Middle Income Country (MIC), as the conditions, export quota, trade prices are all specific to the country status. Hence, for a small nation such as the Maldives, having undergone the change from LDC to MIC, it could be said that negotiation with the international marketplace is a life line as the size of the economy would not offer domestic production that could compete with that of the bigger developing countries, which emphasises the need for small countries to embrace the dimensions within exogenous policy formulation.

The MDGs is another good example of an exogenous dimension of policy sovereignty, where the country needs the armour of a better policy process as well as skills such as good negotiation. At the country level, the MDGs had been adopted by many developing countries, mainly due to UN imposition. According to some donors, MDGs have immensely helped with collecting data on the many dimensions of poverty. However, the MDGs have remained a very top down and non participatory exercise, which resulted in the misrepresentation of the national priorities (Fox and Stoett 2016). The statistics presented a more quantity over quality representation, where for instance, the existence of a school building or a hospital was taken into account, but not the services it provided. It would appear that the MDGs had global goals rather than national, and hence, was imposed on the developing countries, proving a burden on the nation to meet the MDG goals, even at the expense of the national goals. The MDGs also lacked a sustainable factor towards the goals that had been achieved. This would mean that, though the statistical goals had been met at the time of reporting, there was no means of maintaining those rates or maintaining those achievements. Further, the monitoring process had not been consistent among the countries raising issues of accountability. The UN secretary general (2010) has admitted towards the weakness of accountability of the MDGs at the domestic as well as the global arena (Donald and Way 2016). As seen from the literature, perhaps this is one such situation where the countries that had the
capacity and the relevant institutions would have been more productive with aid / MDG management, (Presbitero 2016; Reinsberg, Kentikelenis, Stubbs and King 2016; Burnside and Dollar 2000), as issues such as accountability would be better maintained by a more aware and knowledgeable public (Agné 2016). Such situations cannot be overlooked as a ‘mere mistake’ as, despite the lack of accountability and the misrepresentation of statistics, the MDGs had served as a measure to ‘graduate’ countries from least developed countries into middle income countries. While within the UN system the expected development project requirements and mechanism are categorised with immensely different properties for least developed countries and middle income countries, a country that is not economically geared to survive within the middle income category when ‘forced’ into the category, could be faced with major jeopardy in terms of its economy. Further, international trade organisations, such as the European Union, appraise countries into their trade categories based on the MDGs, and hence a country in that situation could be faced with major economic vulnerabilities, such as the Maldives.

The international development organisations provide another good example of the exogenous dimension of policy sovereignty. As the international development organisations’ funds are reliant on the rich donor countries, there is a debate as to how much influence the rich donor countries have acquired over these organisations and their global functions. For instance, in 2016 / 2017, donor funds within the World Health Organisation (WHO) account for 75 per cent more than the main budget of the organisation, with a significant 23 per cent (about $4.4 billion) of the donor as well as main budget of the organisation being invested from the United States government and The Gates Foundation. It could be debated that more funds within the organisation would contribute to more productive activities, however, it could also be debated that such a high percentage of donation would create undue influence by the donor within the organisation (Acharya 2016). Events such as the MDG experience, as well as, the possible influence of the elite donors within these organisations, raises questions not only towards the implications on the developing countries, but also towards democratic practice as well.
Although the UN has declared that by utilising up to 0.3 per cent of global GDP it would be possible to eradicate global poverty, there has not been any action taken within the global political economy towards the cause. Hence it could be argued that there is a need to create multistakeholderism in order to strengthen global governance (Acharya 2016). This would pave the way towards adopting concepts such as regional level planning that would focus on the issues of the more vulnerable countries, and national level planning that would focus on issues such as vulnerable sectors, and at local level, focus on issues such as social inclusion (Gupta and Vegelin 2016). However, the ability to enforce a country's policies would depend largely on the position the country holds within the global system, which often is seen to reflect the hierarchy of power (Bailer 2004). Bailer (2004) states that the countries with a closer connection to the key players would be able to exercise and defend their interests more within the global system.

Hence, there is a need in the increasingly globalising world, for the small states to rise up with domestic institutions and capabilities that would enable their sustenance. And by achieving policy sovereignty is one way to ensure the small states would not get dissolved into the global system. Whether it would in fact be better for the small states to be dissolved into the global system is a different debate altogether, one that could not be catered for within the scope of this research.

6. The research questions

Globalism has brought about a new world order in the present day, embedding questions in our lives such as, where do we stand in terms of global governance, who should we stand with, who could we afford to ignore, and who do we need to ignore (Jentleson 2012). It could be said that almost all aspects of life have become part of global governance such as the socioeconomic values of a country, inflation, recession, weaponry and even religious beliefs. Every aspect of life has a global meaning. There is no longer the question of whether to be part of the global system. We are a part of a global system, and the question now is how well can we survive the phenomenon. Every country, whether big or small, has to
survive within this global system, and in order to survive, the country has to build strong economic and sociopolitical foundations within the domestic sphere, such that the country can defend its economic and sociopolitical rights within the global system (Charron, Dahlström, and Lapuente 2016; Reinsberg, Kentikelenis, Stubbs and King 2016; Thomsson, and de Crombrugghe 2015; Susan Rose-Ackerman 2014).

In terms of the research questions, the hypothesis that I had worked with in research design was:
As a small island developing state, the Maldives as a country is not able to exercise policy sovereignty in the global system. This is expected to have a negative impact on the development of the country, and therefore, policy sovereignty is the best means for the country to achieve successful development.
The hypothesis is tested through the research questions by dividing it into three main areas. Firstly, the link between the country being a small island state and not being able to exercise policy sovereignty in the global world. Secondly, the endogenous factors at play within the country (on which the country to a great extent has power over) that might or might not enable the country to implement policy sovereignty at the global level. And thirdly, the exogenous factors (on which the country to a great extent might not have power over) that might not enable the country to implement policy sovereignty at the global level.

The main research questions were:

1. What is the correlation between policy sovereignty and survival of small island states in the global system?

2. Is the physical size of small island states a factor in terms of survival in the global system?

3. How appropriate (in terms of development of the country) are the country's policies in place? How far do the policies take into account the
local needs and requirements and how far have these needs and requirements been addressed by the policy process?

4. How have the agencies (both local and external) involved in the development process in Maldives impacted the policy arena of the country?

5. Are there mechanisms in place at the local level to deal with the challenges the country faces at domestic level and in the international arena?

6. How far is the country able to exercise its own decision making in the international arena, mainly in terms of economic trade.

7. How far does the country have to sacrifice its own interests and rights in order to maintain a presence in the international economic arena.

8. What would ultimately make the country a stronger player in the international economic arena?

Questions 1 and 2 explores the impact the small size of the country has in terms of policy sovereignty, where the endogenous and exogenous factors are examined in terms of their contribution to the survival of the small island nation in the global system. This becomes important especially in the international arena, such as in international trade, where the rates of exchange could be the same for the small as well as the bigger countries. This could impact negatively in the case of the small country as the proportion of the population in economic production would be proportionately much smaller than the bigger countries with the bigger populations, and hence, the rate of output would be smaller for the small country who has to compete with the bigger countries with bigger potential for higher output. Smaller countries, in terms of the physical size of countries, would be limited in terms of land in undertaking economic activities such as farming. Such countries would be forced to find alternative methods of
economic production. Hence, it becomes important to see how a country that is relatively small in terms of its population as well as the physical size would compete alongside the bigger countries with a higher potential for larger economic output. Further, smaller countries with a small population such as Maldives would have smaller representation in terms of the proportion of the population as compared to other countries. For instance, an issue affecting Maldives would always impact on a fewer number of people than an issue affecting a country with a bigger population. Hence, a small country with a small population runs the risk of being ‘overlooked’ within the global arena, and therefore, it becomes essential to establish the necessary institutions and mechanisms to be heard and presence felt within the global arena.

Questions 3 and 4 look into the endogenous dimensions that contribute to the survival of the country in the global system, whether there is a system in place, and whether the system in place is effective in managing the country at the global arena. Hence, the findings from these two questions would examine largely whether there is a solid foundation on which the country could stand on in order to tackle the development aspects at the international arena. For instance, if the domestic economic and political front are in chaos, it would not allow planning to be undertaken for global participation.

Further, questions 3 and 4 look into how the external agencies such as aid organisations and international financial institutions impact and contribute to the policy arena of the country.

Question 5 explores the capability of the country at the domestic and the international level to withstand potential challenges such as those that are naturally occurring and otherwise, such as the impact of a Tsunami, or situations at the global level such as an economic or financial crisis.

Questions 6 and 7 look into the exogenous dimensions that contribute towards the survival of the country at the global level. This includes how far the country’s interests are defended or included in such affairs as for instance in global trade. The questions also look into whether the country is able to exercise decision
making in the international arena in terms of defending the country's rights and interests, in such situations such as global trade where the country has to compete with bigger countries. Further, the questions also look into the possible potential that is lost due to the international or global level regulations that the country needs to comply with, and how far the country's own interests are lost in terms of survival in the global economic arena.

Question 8 looks into the existing policy mechanisms and institutions within the country and looks into the measures that could be undertaken, or which main adjustments would need to be adopted in terms of survival at the domestic and international level.

In addressing these questions, the main factors were broken down in order to gather information towards how the current policy process was established, what the current policy situation of the country is, whether the size of the country matters, what the current situation of the country is in terms of the global system, identifying the strengths and weaknesses of the country, as well as, establishing what would be the best route towards establishing and maintaining the country within the global system.

7. The Theoretical Basis and Contribution to Knowledge:

Within the global system, the problems that occur at the global level needs addressing at the global level. Collective action would be required at the global level to establish the necessary mechanisms and systems at various levels to resolve such problems (Weiss 2009). However, the one aspect that has yet not been globalised, is political rule of the countries. This means that a collective and global effort is not guaranteed towards the global problems that might not particularly affect all countries, and hence those who do bear the consequences of those global problems would struggle within the system (Gupta and Vegelin 2016; Weiss and Wilkinson 2014; Ako 2001) while others are moving ahead without these struggles. The situation is made worse if those countries that are not affected by those problems are the main cause for the problems, leaving
them to claim higher hierarchy within the global system, reinforcing the idea of
global elites and dependency within the global system. The idea of dependency
at the global level includes dependency on technology, aid, trade, and foreign
capital investment as well. Some of the contributory factors today towards
dependency are, the multinational corporations, the transnational corporations,
as well as the strength of the political economy of the state, which empowers the
power hierarchy within the global system (Ghosh 2001).

The development of social capital, in terms of a more educated public, and
adoption of sustainable development processes are seen as two important
practices in terms of building communities to alleviate dependency. The
development of social capital impacts on governance and democracy, creates
more inclusive communities (Woolcock 2010), further, positive correlations
have been seen between better social capital within a community and its
economic development (Serra 2011; Woolcock 2010;). It would also allow better
interaction with the international organisations that are active within those
communities. However, in the present period of time these factors can only be
practiced at the national level, and at best, at regional level although the effort is
required at the global level. This carries impact towards the concept of
sustainable development.

The definition of sustainable development combines the idea of catering for own
needs at the current period of time, without jeopardising the opportunity for the
future generations to cater for their own needs. One of the factors that has been
given immense importance is the sustenance of ecological systems. However, in
‘poor’ countries, the focus is on the sustenance of the current period in time,
sometimes at the expense of the future, as the survival in the current period in
time becomes both an economic and a social struggle (Redclift 2014). In terms of
institutional support towards sustainable development at the global level,
organisations have been formulated, agreements and treaties have been signed
at the global level, however, some countries have been seen to withdraw from
treaties in order to meet their selective interests, at the expense of many others
(Redclift 2014). Such practices reflect on the political status certain countries
have within the global system, and how freely it has been utilised for their own economic gain, (Stiglitz 2015; Lorek and Spangenberg 2014; Piketty 2014; Karabarbounis 2011) contributing to the inequality gap between countries. Although elitism and dependency have both been two central factors that contribute to the idea of status and hierarchy within the domestic as well as global spheres, these two factors have not been given due significance within development and political debate (Freistein and Mahlert 2016).

The research will contribute to the knowledge of the global south, the policy contestation process in small states with emerging young democracies, and to the understanding of the impact the domestic policy process creates on the foreign policy process in terms of survival of the small states within the global system. My research contributes in evidence to the importance of vertical policy contestation (the political elites and the public) in small and emerging democracies, to the role and impact of executive power elites in horizontal contestation (between the political elites) within small states, and further, to the global vertical contestation (global elites consisting of countries and organisations that are higher in ranking within the global system in either economic or political strength, or both) in terms of the survival of small states within the global system.

8. The Thesis Purpose, Scope and Structure

The purpose of the research is to assess how far a small island developing country is able to exercise policy sovereignty in order to survive in the global world, with a focus on the Maldives. Although the country is active in the global economic arena, the extent of its economic activity is bound by the several global institutions, some of which the country could not compete with. In terms of a country establishing itself within the global system, and gaining recognition within the global system, the role that the ‘new rising state’ would play within the system remains of immense importance (McCourt 2012; Breuning 2011; Harnisch 2011). Although the importance of the different roles the states perform within the global system cannot be fully explained (Thies 2013), the
literature sheds light on factors such as the different capabilities the states hold, as well as the size or the strength of the country's economy (Breuning 2011). While a country could be small in size, and without many natural resources, by adopting the ‘right strategies’, the country could become a strong player in the global system, as some countries such as Singapore have proven. Hence, though Maldives is much smaller in every respect compared to even Singapore, what could be achieved through the ‘right strategies’ is yet to be proven.

Therefore, the scope of the research will include how far the Maldives is able to exercise policy sovereignty, in the measures that have been adopted at the domestic policy level, as well as, at the international policy level to enable the sustenance of the country’s functionality in the global world. In doing so, the research will examine into the factors that affect the policy process in the country in terms of dealing with the domestic requirements, as well as at the global level. It will also assess whether the island formation of the country is a contributory factor to any hindrance in the policy process of the country. Further, the research will investigate the main assets the country could maximise in terms of establishing stable policy strategies within the domestic sphere that will enable strong policy strategies in the global sphere.

The structure of the thesis is as follows: Chapters Two and Three will look at the theoretical approaches towards globalisation with an emphasis on economic globalisation, inequality, and the actors that impact the policy process in small developing states. Chapter Four will map out the research design, methodology, and the research process. Chapter Five examines the policy arena of the country through the interview data, focusing on factors such as which actors are active in the policy process of the country, the policy interactions with the actors at the domestic and at the international level, and the outcomes. Chapter Six explores the different themes observed within the policy process seen in the interviews with the development organisations. Chapter Six also discusses the policy issues, the actors involved at the local level and international level of the development organisations active in the country, and the themes observed in the interviews with the development organisations, the policy process and the policy interactions with the various policy actors within the different development
organisations. Chapter seven discusses the findings in the light of the policy process of the country at both the domestic and international policy arenas. And Chapter Eight, concludes the research findings.
Chapter: Two

Small Island States, Global Competition and Survival - Of Whom?

1. A Theoretical Perspective

One global concept since the 1980s and the 1990s has been the prevalence of poverty and increasing inequality (OECD 2011) among the small developing states. During the same period, global governance became a much promoted concept (O’Brien, Goetz, Scholte, Williams 2003) promising a level of development based on political and economic liberalism. The integration of economies at a global level was assumed the best and most natural universal path leading to growth and hence, achieving development of all humanity, by applying economic principles of the neoclassical free market, along with important political components. However, these policies failed to deliver the expected achievements to all humanity. The anticipated trickle down effect of wealth reaching those at the bottom, did not happen, (Berry 2010; Mosley 2007; Vreeland 2003; Thomas, 2002; Stone 2002; Keohane and Nye 2001).

Due to the limitations of resources and capabilities, countries have been driven to engage in globalised processes such as governance and trade, in order to overcome their limitations and gain further benefits by tapping into the larger global society (Easterly 2006). However, this forces to a great extent the surrender of their policy sovereignty and the submission to the policy agenda and philosophy of global market institutions and social organisations, leaving the less advantaged countries further vulnerable to the expanding economies of some countries (O’Brien, Goetz, Scholte, Williams 2003; Thomas 2002; Woods 2002; Easterly 2001).

Hence, this chapter explores the literature on the importance of policy sovereignty and the impact of economic globalisation on development of small states. The chapter then combines these two focuses to generate the main focus of the chapter, which is the impact the globalisation phenomenon combined with the small size of the states have on the policy sovereignty of these states.
2. The Definition of Small Island States

The existing literature proves defining Small Island States is indeed an arduous task. The literature does not provide a specific definition of small island states, and hence, the idea of what is ‘small’ remains rather ambiguous. At best, the definitions within the literature could be categorised into definitions of ‘small states’ or ‘small island states’ in terms of geographical features, population, economy, and further, the concept of ‘small states’ and ‘small island states’ within the global system.

2.1 The definition of ‘small island states’ in terms of geographical features:

The first initiative to recognise small island developing states (SIDS) formally came about in early 90s through studies undertaken by the United Nations Conference on Trade and Development (UNCTAD) (Hein 2004). This allowed problems that are faced with small island states such as the divide between the landmasses that magnified the insularity, and the problems such as accessibility, to gain more recognition within the literature. However, many such problems had not been unique particularly to small island states as problems such as accessibility has been a feature of landlocked landmasses in high altitudes as well. Hence, geographical features as a defining factor for small island states and their problems did not reach a consensus (Sutton 2011). Further, geographical features alone could not explain other phenomenon in small island states such as economic and social phenomena.

2.2 The definition of ‘small island states’ in terms of population:

In dealing with small island states, the Commonwealth uses population as the defining variable. The population threshold used by the Commonwealth is 1.5 million people⁹. However, due to the prevailing features of small states, larger countries such as Lesotho, Namibia, Jamaica and Papua New Guinea are also

⁹http://thecommonwealth.org/small-states
included as small states. The same threshold is used by The World Bank\(^{10}\) in defining small states, under which, almost one third of the developing countries are categorized as small states which account for 45 developing countries, with a total population of 20 million people. These countries include ‘micro-states’ such as Cook Islands with a population of around 50,000, as well as ‘small states’ with populations more than 1 million such as Botswana and Mauritius (Beine, Docquier, Schiff 2008). The United Nations (UN) and United Nations Conference on Trade and Development (UNCTAD) use the threshold of 1 million in their work on small states (Poot 2004).

In terms of population thresholds, generally, small states have been subcategorised at the population thresholds of between 5 and 1 million as ‘mini states’, and ‘micro states’ at a population threshold of less than 1 million (Hein, 1989). Some researchers use a population threshold of less than 100,000 as a ‘micro state’ (Poot 2004). In political science, analysts commonly consider a population threshold of 10 million or less as a small state (Poot 2004). However, in the more recent literature, much difference is not made between mini states, micro states and small states, largely due to the lack of consensus on the definitions. Hence this would imply that Maldives, with a population of 338,434 (Census 2014) would remain categorised as a micro state under Hein’s definitions, a mini state under Poot’s definition and a small state under the UN and UNCTAD definition, which would reflect the ‘varied’ policy implications engendered by the definitions.

According to Read, (2002) the most commonly used variable has been population owing to the ease of access, ease of analysis, and the ease of establishing different thresholds with basic population data. And further, as population data can be used to establish both the local labour force as well as the size of domestic market, the variable carries importance in economic terms. However, population alone has not been regarded as a defining factor of small island states.

\(^{10}\)http://www.worldbank.org/en/country/smallstates
2.3 The definition of ‘small island states’ in terms of the economy:

Some of the factors that are attributed to the SIDS have been limitations in domestic capabilities that make the SIDS open to negative effects from small markets, low resources, low skill pool, high costs of service provision, more susceptible to natural disasters, increased vulnerability to external economic shocks, and heavy dependence on aid. Hence, it could be said that economic development in SIDS is a complex process that involves socio economic factors as well as environmental and political factors (Briguglio 2008). However, these factors are not unique to SIDS, where some of the factors such as low skill pool and vulnerability to external shocks have been seen even in bigger countries that are less developed and economically vulnerable. Hence, it would not be accurate to define countries by its economic development alone (Sutton 2011).

2.4 The idea of ‘small island states’ within the global political economy:

Within the global system, one way of defining small states have been through the concept of ‘power’, where ‘small power’ refers to the lowest ranking, ‘great power’ is the highest on the power scale, and ‘middle power’ remains between ‘small power’ and ‘great power’. However, the characteristics of either power categories have not been clearly defined to necessarily reflect the size of the state. There have been some use of the terms ‘small power’ and small states in the literature to carry the same meaning (Cooper and Shaw 2009), however, should a small state remain a weak power, it does not mean that it is a weak state (Sutton 2011).

The concept of a state being ‘small’ is highly debated within the literature on global politics and economics. Under the category of ‘small’ state, questions have been asked as to whether ‘small’ refers to developing island states that are small, or whether sovereignty matters in defining a state as a small state, or whether it refers to the size of the economy itself, or the vulnerability factors within the economy, as well as how the boundaries could be established towards the category ‘small’. Questions have been further raised towards how the meaning of
the term ‘small’ is perceived in the various fields, such as in international security and in international trade, where the meaning is perceived differently. Hence, the question is asked in the literature, as to whether the definition of ‘small’ in terms of states depends on the field or the perspective perceived within a field of study (Sutton 2011). While there is argument towards the allowance of a degree of flexibility in terms of definitions (Maas 2009), the adoption of definitions as per the policy communities’ perspective has been suggested in the literature (Sutton 2011). While the policy communities have not made a distinction between small states and small island states, their focus remain on vulnerability as a defining factor of small states. Although vulnerability is a debated definitional factor in terms of measurability and applicability, it has been argued that vulnerability has proven most impactful on small states within the global system (Payne 2004). Vulnerability has also proven to be impactful on small states as such states often require in international political economy, the establishment of programmes that would focus on the specific needs of those countries, however, it has been noted that opportunity exists for even small states to become resilient within the global system (Cooper and Shaw 2009).

The literature on the implications of size of a nation does not seem to reach a consensus as to what exactly is different in small states. Some studies maintain that the ‘smallness’ of a state matters (World Bank 2005; Commonwealth Secretariat-World Bank Report 2000), while some studies maintain that size alone is not the disadvantage (World Bank 2005; Easterly and Kraay 2000), and that rather than size it is the geographical proximity and accessibility that matters most (World Bank 2005). Although the importance is seen in the literature to reach a definition of ‘small states’ within the global political economy, a definitive conclusion has not yet been reached.

3. Geographic Implications

The literature on small states exhibits an important focus on island nations and archipelagic states, as a significant number of small states tend to be in that category. While Island nations, especially archipelagic island nations present
further challenges in terms of development due to isolation and small size (Armstrong and Read 2000), there is the agreement in the literature that many of the problems relating island states are similar to those of small states over all (Armstrong and Read 2000; Armstrong and Read 1998; 1995; Armstrong 1996; Briguglio 1995; Dolman 1985; Shand 1982; Dommen 1980). As for an archipelago nation like Maldives, accessibility to services and resources is of utmost importance as availability of services and resources would be extremely limited, given the ‘smallness’ of each of the islands, and given the lack of, as well as weather dependency of, transportation. Hence, it could be said that small populations that are isolated are the most vulnerable in terms of economic survival, although states as being ‘small’ are a relative term and not an absolute definition (Poot 2004; Yeo 2004).

4. Economic Implications

In measuring economic development, variables such as population, density of population, availability of resources, land area, and market size are popular variables, however, population is considered the ‘ultimate economic resource’. Much of the general literature generates the impression that small states, especially small island states suffer vigorous negative economic impacts and obstacles to growth. However, Singapore\(^\text{11}\) and Luxembourg\(^\text{12}\) that have very high per capita income also fall under small state category, with high growth rates that have outperformed the neighbouring larger states (Poot 2004; Armstrong and Read 1995). Perhaps this is one reason to believe that the relatively old school of thinking towards subcategorising small states as ‘mini states’ and ‘micro states’ might actually be relevant in terms of economic growth, as then a significant distinction is made between the very small ‘micro states’ and the relatively bigger ‘small states’. If such a distinction is made, then countries like the Maldives, Seychelles and Mauritius could not be categorised within the same group, which is important due to the actual physical formation of the countries as well. For instance, an archipelago nation would be faced with

\(^{11}\) Singapore (2014) GDP per capita (US$) 56,284.6, World Bank data

\(^{12}\) Luxembourg (2014) GDP per capita (US$) 116,664, World Bank data
more accessibility issues, given the weather, and mode of transportation, than a land locked small state. Hence, taking into account these varied physical conditions, as well as the grey areas that exist within the definitions of ‘small states’, ‘mini states’ and ‘micro states’ by the various organisations and institutions, it poses a serious question whether population size alone is a sufficient enough a variable to be used (Poot 2004; Chenery et al. 1986; Kuznets 1971; Chenery and Syrquin 1975; Chenery and Taylor 1968). Some studies seems to have revealed over a period of time that even when the variable of size is incorporated into formal growth models (Armstrong et al. 1996, 1998; Milner and Weyman-Jones 1998; Milner and Westway 1993; Blazic and Hughes 1982), the actual size of a country might play a relatively insignificant role as well (Santos-Pulino 2010; Chenery 1986; Chenery and Syrquin 1975; Kuznets, 1971; Chenery and Taylor 1968).

5. Geographic Vulnerability and The Economy

It has to be noted that in small states, the small size of the market poses an important challenge, particularly for island nations and those that are remote in terms of geographical location, (Poot 2004), as local manufacturers are faced with obstacles in relation to levels of domestic demand falling below minimum efficient scale of production processes. Further, small states that account for a limited geographical area are faced with the challenges of a limited natural resource base that rises, often along with an absolute scarcity of domestic capital (Poot 2004; Auty 1993). However, some countries have been seen to perform exceptionally well even with the lack of a natural resource base. One such example is Singapore, although with a population of 5.18 million, just over the popular population threshold to qualify as a small state, it still is considered a small state. Further, small states with abundant natural resources are commonly seen to face the problem of undiversified natural resource base (Read 2000). In countries with small populations, the domestic labour being scarce poses critical obstacles in terms of the growth potential of low cost labour industrialisation (Poot 2004; Read 2000).
The range of goods and services that can be locally sourced in small states are highly limited due to the small size of the domestic market, which creates significant asymmetries between domestic production and consumption (Helleiner 2001). This, in turn, creates high levels of dependency on imports (Read 2000; Kuznets 1960). Hence, the small domestic market is not likely to drive internal growth that is autonomous and self sustaining, which limits the potential for growth strategies leading to import substituting industrialisation (ISI). Therefore, it becomes a necessity for small states to pursue highly open trade regimes and become integrated with the global economy (Read 2000). This phenomenon is especially seen in archipelagic small states and landlocked small states who face a greater risk of isolation and remoteness leading to higher internal as well as external communication costs and higher transport costs (UN 2004; Read 2000; Selwyn 1978). However, the high level of structural openness of small states along with the significance of trade to their GDP and GNP, leaves them at high risk of the global trading system which they are increasingly becoming vulnerable (Santos-Pulino 2010; Adhikari 2002; Read 2000; Lloyd and Sundrum 1982; Holmes 1976; Erbo and Schiavo-Campo 1969).

Hence, the impact of globalised production is felt more in small states as it comes in both economic and political terms, where it has transformed the creation as well as the distribution of wealth, and has also transformed the mechanisms and contexts in which the states can exercise their power and authority (Hedetoft, 2005; Campbell 2004; Inglehart and Baker 2000; Held, et al. 1999). The continued practicality of economic governance that is implemented through national markets that are territorially marked, are being increasingly questioned by the changes in the relationship between states and firms. These changes are being brought about by the mesh of integration of markets and networked organisations. Due to this deepened interdependence, the costs of policy autonomy are now becoming exceedingly prohibitive to the state. Further, it seems no longer possible for political and economic space to coincide, as the markets are becoming ‘larger’ than the state, overriding the territorial autonomy in terms of virtual firms, economic actors and economies are increasingly becoming non territorial (Campbell 2004; Guillén 2001; Hargittai and Centeno 2001).
This increasing interdependence, and increasing stretch of markets beyond territorial borders is perhaps the key concept for the island nations to take advantage of in the globalising world, as one main feature of small island states is the tendency for specialisation in the post primary sector, and in most states diversification of the economy leads to the development of and increase of its capacity (Cartrite 2010). The idea of specialisation is identified where small states could successfully penetrate into the global system that would secure the small states in the globalising system and the global markets and organisations, for instance, the financial service sector (Irvin 2011). This phenomenon opens up a gateway towards maintaining a significant position within regional markets and organisations as well as in the global arena.

6. Policy Issues in Small Island States

Policy in modern governance, in both the public and private sector, defines the pathways towards achieving the desired and needed productivity and development within. Policy and the process of policy making identifies the key players, and through policy making, influences most aspects of the society we live in (Hill 1997). In small countries, especially small island nations, given the isolation and remoteness, the functional norms within their society and their mechanism for economic sustenance have evolved within the controlled island environment. For this significant reason alone, the policy process in small island nations has to be tailored to suit their environment and their economy and society specific needs. Hence, it becomes a necessity for small island nations to take a strong hold against exogenous influences in their political economy. Perhaps the simplest way of defining the policy process is, the process through which we reach a designated destination (Jenkins 2007). The process of policy formulation and implementation maintains and reforms the values within the society. Further, the policy process plays a significant part in shaping the everyday life for everyone in the society (Dommen 1985), hence, the culture within a society plays a significant role in shaping the country’s policy process (Jenkins 2007).
A broad distinction has been drawn between the two main types of policy making. One is the ‘indicative’ planning, which shows the possible outcomes in a situation when certain assumptions and conditions are applied, which is commonly seen in the west. The second being the more programmed planning which is more centrally controlled, and has more specific prescribed targets for output, which is the more popularly adapted policy making seen in communist nations. The two types of policy formulation are not exclusive in practice, however, given the framework of the global economy, small developing countries are not at liberty to adopt either style of planning towards achieving their main goals. The structure of their development plans and the successful implementation of their plans depend largely on the unpredictable measures and the ‘unknown’ objectives of the internal and the external organisations on which the small states have no control over. Hence, their planning becomes a ‘dependent planning’, where attainment of their economic and social welfare goals largely depends on the explicit cooperation and support of the significant organisations (Ward 1975).

Theoretically, due to their size, small states have the better potential of being significantly receptive to change and be more adjustable in their policy formulation, making small states the perfect ‘laboratories’ (UNRISD 2007) where policies can be tried, tested and tailored for their needs (Armstrong and Read, 2000). However, according to Armstrong and Read, the international political economy relates to the ‘strategic behaviour’ of countries, which is triggered by ‘rational self interest’ (Armstrong and Read 1999). The small states are left politically and strategically vulnerable due to their susceptibility towards global political pressures and strategic maneuvers (Dommen 1985), especially larger regional states and the major powers. The most vulnerable small island states would be driven to the edge at times of a global crisis due to their weak policy environment.

Four key challenges for the small states of the Caribbean region were identified in the World Forum Global Competitiveness Index 2011. Firstly, lack of physical security and weak institutions with high costs, secondly, the weak

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development of infrastructure, thirdly, inefficiency in allocation of human resources and production, and fourthly, lagging behind in terms of innovation, as well as emerging economies (Hughes 2011). In order to overcome these problems, small island developing states need to be able to formulate active policies to target vulnerability to hazards which should remain a key component of economic policy, formulate macroeconomic policies to promote stabilisation and effectively promote growth in small open economies, improve aid management, and improve institutional framework of SIDS (Small Island Developing States) to target environmental, economic and social vulnerability (UNCTAD 2011). However, how far this could be achieved is yet to be tested.

7. Policy Sovereignty

The idea that international politics is the only arena of sovereign states, is being challenged by both the emergence of multinational enterprises (MNEs) as transnational actors, as well the rise of the international civil society (Deibert 1997). Although not completely autonomous, MNEs are autonomous enough to function as significant actors (Cutler 1999). The strategy, structure and operations of MNEs account for some of the primary changes brought about by economic globalisation, leading to the ‘softening’ of authority and control of the state, due to which the state has compromised the idea of being the ultimate domestic authority. It does not mean that the state as an institution is gradually disappearing, rather, it means that due to the structural changes that globalisation has brought about to the world economy, the states can no longer assume autonomy as it once did (Strange 1996). Strange (1996) argues that the state used to be the one source of political and economic power in the sovereign state, with limited power and resources, however, the state is now becoming just one source of authority among many.

8. ‘Multitier’ Governance

Within the last few decades, the concepts of governance network and network governance has increasingly replaced the phrases policy networks and network
management in terms of network theory. Although governance could take different meanings (Pierre and Guy 2000), the network literature refers to governance as the horizontal involvement of the different actors involved from both the public and private sector, in the process of public policy formulation, and in the delivery of public services. Governance network explains the interactions or the networking of the actors within the different networks (Meuleman 2008; Sørensen 2005; Jessop 2003; Kooiman 2003). Further, governance also refers to the process of formulating and managing the network by the government and nongovernment organisations. This concept is taken further by the concept of ‘metagovernance’, (Glasbergen 2011; Engberg and Larsen 2010; Meuleman 2010; Sørensen 2005; Jessop 2003; Whitehead 2003) which is the governing of governance, and sometimes selfgovernance. The development of the concept of governance network theory would not necessarily replace hierarchy or the national public management, but would mediate and coordinate within the hybrid governance network, which would mean the governance network would need to evolve in order to accommodate the metagovernance in order to be armed against any risks that could arise with the hybrid governance system. Governance makes a distinction between political organisations, the state and the government, and process becomes a centrefold (Whitehead 2003). However, Metagovernance encourages participation and democratic decision making, hence, facilitates contribution from CSOs (Civil Society Organisations) in the policy process, including policy formulation, implementation, monitoring and impact assessment. In order for the system to progress, the civil society would require to engage in knowledge sharing and institutional learning in order to establish mechanisms for participation and negotiation (Meuleman 2010), enabling the process of endogenous policy formulation.

The process of democratisation has been increasingly seen (Satterthwaite and Mitlin 2014) with a shift in balance of state power to increasingly include the city governments, consequently giving a voice to the urban poor. Although it has not been assessed as how far their voices have been heard at the national level, there is evidence that participatory democracy has formulated mechanisms such that local level consultancies could be included at the national level decision making.
as well as inclusion in the policy formulation and impact assessment process (Satterthwaite and Mitlin 2014).

Governance in the emerging world is unlikely to remain an autonomous sovereign institution, rather, it is more likely to be based on diverse units of intersecting and coinciding layers of governance (Bickerton, Cunliffe, and Gourevitch 2007). This may include governments, MNEs, international organisations, and a diverse range of civil society groups. The meaning of sovereignty might limit itself to a prominent yet just a representation at a table for international negotiations. However, states would not entirely disappear, and would continue to adopt significant roles within the global system (Kobrin 2009).

As states continue to play an important role, there is a need for small states to be geared with the necessary policy alternatives in order to survive within the international order. Despite the capacity for the island states to maintain their rightful policy systems and governance, small size being the main disadvantage of such states, it inflicts on to the states structural disadvantages (Panke 2010), as the states lack economic leverage to some extent, which in turn impacts on the capacity in which they can exercise independence in terms of policy control (Baldacchino and Pleijel 2010).

9. Implications of Economic Globalisation on Small Island Developing States

Globalism can be regarded as a series of processes that is formed within the boundaries of nations that transcends those boundaries to form internationality among the nations (Avant 2010; Hedetoft 2005; Campbell 2004; Inglehart and Baker 2000; Held 1999; Berger and Dore 1996) resulting in globalisation. This perspective on globalisation questions the structure of authority and power of nation states that are seen in Westphalian sovereignty of states, which is based on territoriality and domestic autonomy (Scholte 2003; Beck 2000; Strange 1996). Badie describes globalisation as establishing an international system that would unite the rules, values and objectives while unifying and integrating all humanity (Badie 2000).
Globalisation has also been regarded within the literature as a ‘shrinking world’, where the effects of processes within the financial, economic, political, and technological factors transcend the parameters of the nations (Campbell 2004; Guillén 2001; Hargittai and Centeno 2001), hence making distance irrelevant in these processes (Eriksen 2007), especially in the application of digital technological advancement that has eliminated much significance given to physical distance, (Gopinath 2008) giving rise to the concept of global governance. Examples of global governance include the societal influence on processes such as decision making at an international level, the establishment of intergovernmental organisations, as well as transnational corporations in world politics. However, despite the extensive research on globalisation and global governance, and perhaps due to the diversified adaptations of the concept, there does not seem to be a specific definition of the concept, and it remains adaptable in terms of the perspective within which it is used (Dingwerth and Pattberg 2006). Globalisation has become an established concept in terms of the extensive networks of cultural, social, economic and political processes that transcend the national parameters in the formation of regional and international policy frameworks (Yeates 2005). However, it can be said that debate exists within the literature as to whether these processes that transcend the national premises in terms of globalisation does actually lead to convergence (Berry, Guillén and Hendi 2012).

In terms of convergence, the first theoretical focus is on the resilience of national institutions in terms of globalisation (Dobbin, Simmons, Garret 2007; Portes 2006; Campbell 2004; Fligstein and Sweet 2002; Fourcade-Gourinchas and Babb 2002). The second focus is on whether or not the global competition and trade would enable national economic systems to define themselves in their individual roles instead of converging with each other (Biggart and Guillén 1999; Berger and Dore 1996). The third focus signifies that globalisation is not uniform, irreversible and unalterable. On the contrary, it is argued that globalisation is “fragmented, incomplete, discontinuous, contingent, and in many ways contradictory and puzzling process” (Guillén 2001), and hence, creating doubt over the idea that globalisation brings about convergence through its processes.

There is also the argument that the process of globalisation in fact gives rise to
uneven development that disintegrates through its process, usually without a lasting outcome (Giddens 1990).

9.1 Economic Globalisation and Development:

Although globalisation has brought about mass cross-border interaction, and made the world “smaller”, the global system remains structurally divided into ‘core and periphery’, and ‘north and south’, which is explained through Marxist accounts as a consequence of the development of uneven capitalism which lends itself to accumulation, and not to consequences of globalisation (Callinicos 2007; Sassen 2007; Rosenberg 2005). According to the theory, the expansion of capitalism resulted in the creation of uneven development between and within countries (Callinicos 2007; Wood 2003; Brewer 1980), and globalisation is an epiphenomenon of the world wide expanding capitalism (Held and McGrew 2007). To a great extent the development prospects of the less developed countries are blocked or hindered by the regional cores of the OECD as their economic progression and concentration increases (Held and McGrew 2007), which gives rise to structures of dominance and dependence and in turn, poverty and inequality. MEIs such as IMF and WTO’s support of the system further reinforces the inequality (Cammack 2002; Pieper and Taylor 1998).

In terms of globalisation and economic development, the main issues include increasing inequality, unemployment, the rural – urban divide, economic insecurity and adjustments to welfare safety nets, and hence, the great imbalance of power that is seen to exist in the governance of globalisation (Clapp and Wilkinson 2010; Callinicos 2007; Sassen 2007; Rosenberg 2005). There is a debate as to whether globalisation has become the recolonisation of poorer states in the modern day. For the states and international organisations that favour egalitarianism and symmetrical interdependency, globalisation entails political vulnerability, decreasing financial control, new transborder processes and interdependency, which would further involve more defined hierarchies of power (Hedetoft, 2005). In terms of the political economy literature, there is a consensus that international and regional trade agreements create opportunities
for the member nations, however, non members could face destruction or breakdown in existing trade (Frankel and Rose, 2000; Rose, 2000).

9.2 Impact of Inequality on Democracy:

According to Stone (2012), a compromise of democratic processes is seen with increasing inequality in income, where the political representatives are more receptive of the wealthy population. Stone (2012) states that wealth becomes a weapon through which the corporations, wealthy investors and businessmen seek advantage in terms of attaining regulations and legislations to their interests. Further, Stone states that the idea of ‘helplessness and control’ as prevalent in policy analysis that describes the two sides involved in the process. Although one side is seen to dominate the policy process to their advantage, it could be redefined depending on the basis and the content of the policies, as well as by the programmes or regulations that the policy would adopt (Anderson, 2010). Further, according to Knill and Tosun (2012), an effective policy process is well informed at all levels from the formulation to implementation, output, and outcome level, where information is gathered and verified for the purpose. The impact of the policy process would determine the refinement, reformulation or termination of that policy process. However, such information gathering, and evaluation can be further complicated by such decisions as financial issues, debate and negotiations, and decisions on which tools to be employed and at which stage in the process (Jordan 2015).

9.3 Impact of Inequality at The Global Scale:

In order to achieve development, reducing and alleviating poverty is a complex process where the contribution of external actors is an important factor, however, the endogenous factors of the country is equally important if not more. Although projects and strategies suggested by the external actors might initially be embraced, it takes little effect in the long run unless the governments and societies feel a sense of ‘ownership’ towards these projects and strategies (Devarajan, Dollar, Holmgren 2001; Van de Walle 2001).
There are two main factors that stand out in terms of contribution towards reducing poverty, which are, the rules and regulations involving finance and trade within which countries operate; and how much of external assistance is made available to them. However, there seems to be little involvement of the state in the decisions regarding the formulation of strategies and the amount of external assistance that is made available by the external actors. The trends, impact and extent of global inequality are issues of increasing debate. Some scholars argue that inequality has increased in the recent years across the countries rather than within, that the gap between the richer countries and the poorer countries are widening (Wade 2004, 2002). Wade argues that globalisation has increased the gap and that the security and stability has been threatened not just in the developing countries, but internationally as well. Others such as Dollar and Kraay (2002) argue that the gap between the richer countries and the poorer countries has indeed been reduced by globalisation. They argue that the high rates of economic growth in highly populated countries such as India and China has in fact reduced the levels of poverty for a great proportion of people in the regions (Dollar and Kraay 2002). The two different interpretations of inequality contribute to the perception of whether the situation is improving or in fact worsening, and further contribute to the next plan of action. Further, there is also a debate towards whether globalisation contributes to inequality both among and within the countries (Held and Kaya 2007; Milanovic 2005).

There are around 1.4 billion people in the world who live under US$1 per day (Chen and Ravallion 2008), which is the main poverty line used by organisations such as the World Bank in order to measure levels of poverty. Around 2.5 billion people live below US$2 per day (Chen and Ravallion 2008). Further, in the developing world, over 1 billion people remain undernourished, which is a trend that is on the rise (FAO 2009), and 2.5 billion people, almost one half of the population of the developing world, does not have access to proper sanitation facilities (UN 2004). Due to the increase in food prices, a hundred million have been pushed into the category of chronically hungry (DFID 2010). Perhaps this comes as a major let down of global governance, and as proof that the several actors involved in contemporary global governance have in fact facilitated the
accumulation of wealth among a small elite group through a socio economic model that gave the elite group privileges as well as market facilities (Clapp and Wilkinson 2010).

To address global poverty and inequality, global governance involves the formal global institutions such as the IMF (International Monetary Fund), the UN (United Nations), and the World Bank. Further, the less formal institutions such as the NGO communities, and various other non-state actors play an important role, with or without financial institutions or governmental bodies (Clapp and Wilkinson 2010). In developing countries, the main institutions that affect growth and inequality are the International Financial Institutions (IFIs), the General Agreement on Tariffs and Trade (GATT), the World Trade Organisation (WTO), the various aid agencies and the NGOs.

10. The Economic Challenges of Small Size of States in Global Governance and Policy Sovereignty

The post Cold War debate on the new international order gave rise to global governance, which consists of the various organisations formed among the different nations, and the agreements that are signed at varying levels of nations and organisations (Avant 2010; Held and McGrew 2002). Halibi adds to the understanding of global governance to mean that countries accept regulations at the global level in an attempt to seek wealth through the order and norms of the global society (Halibi 2004). Globalisation in terms of global governance means the ability for organisations to implement policies over great distances that could fundamentally change people’s lives resulting from policies made over great distances, or by decisions made just a few minutes ago from a great distance. Hence, globalisation creates high interdependence, which, in the absence of an organised government could lead the countries or organisations to solve their own problems at the expense of the less advantaged. Such attempts at global governance create the conditions for development of further networks creating opportunities for some countries and organisations (Keohane and Nye 2001). According to Berry, the main argument is that the vulnerable countries have not benefitted through global governance or from globalisation, as the industrialised
countries have not done enough to foster changes in terms of vulnerability of the smaller, and less advantaged states. He argues that these unfavourable circumstances arise from the lack of focus on what the smaller states actually need. Further, global policies and capital flows have been largely unsupportive of the larger needs and goals of the smaller countries such as reducing poverty and inequality while giving significant opportunities for the larger countries to benefit from (Berry 2010).

One significant characteristic of small island developing states is openness to international trade (Snyder 1992; Schweller 1992) while production and exports tend not to be diversified, hence, further increasing the vulnerability of such states to exogenous shocks, limits their potential for export earnings. This can be observed from the volatile terms of trade and economic performance of small states (Santos-Paulino, Naudé and McGillivray 2010; Easterly and Kraay 2000). Due to this almost mandatory high level of integration with the international market that creates the inevitable vulnerability, small states are significantly more sensitive to globalisation, in terms of survival of exogenous shocks and globalised policies, which may not particularly be in the interest of the small state (Armstrong and Read 1998). According to UNCTAD, the global trade markets have created level grounds for international trade based on competitiveness and comparative advantage. This creates severe challenges towards continuity and prosperity of small states reliant on niche market trade (UNCTAD 2011). The political causes for economic openness in developing countries are not only internal, but external as well. One perspective is that the liberalisation of capital markets, as well as the reduction in trade barriers and adopting greater economic openness in developing countries has occurred to a great extent due to the MEI’s mandates such as the structural adjustment programmes mandated by IMF (Stone 2002; Vreeland 2003), as well as pressure from financial markets, US government, and the World Bank (Mosley and Uno 2007). Walt (1987) states that, in order to ‘survive’, more often small states chooses ‘bangwagoning’ with the greater countries at a close geographic proximity that might prove a threat. However, for the small state, this would mean a surrender to the conditionality of the greater country, hence to a great extent, jeopardising the small state domestic policies (Elman 1995).
With the expansion of world trade, the importance of the domestic market size has been reduced, and has increased the number of independent trade countries (Alesina, Spolaore and Wacziarg 2005, 2000), forcing small island nations into fierce global competition. In order to overcome this phenomenon, the small island states have to divert their focus from the concentration on size and geographic limitations, to regionalism whereby integrating the small state economies with their neighbours and the rest of the global economies (Briguglio 1995; Commonwealth Secretariat 1997; 1999). However, the question remains as to how far the small island states can prevail and sustain penetration into the global market.

Most small island states (SIDS) have turned their focus on to the service sector for the advancement of their economy, in the global competition. Some examples of the service industry include, tourism, cultural industries, knowledge based investments such as call centres, and offshore financial centres (Vlcek 2008). However, sectors such as the service sector is vulnerable to exogenous shocks, and leaves the country often vulnerable to the influence of policies and regulations that are made by those that do not always have the small state’s interest at heart, hence leaving the country a decision taker rather than a decision maker (Mosley 2007; Woods 2002; World Bank 2001). Increasingly, tourism has become an important aspect that affects the world economy and the developed countries in terms of factors such as employment and allocation of capital. Hence, the implications of tourism on small island economies surpasses the economic development tourism brings to the developed countries. The development of other types of productive activities is limited due to the size, geographic and other limitations of small island states such as natural resources. Hence, for several small island states, tourism remains the biggest source of employment, foreign income and creation of wealth.

Bull argues that it has long been criticized that highly unequal distribution of power gave rise to the multilateral organisations, and due to their inadequate representation of developing countries, they remain inadequate to address poverty and inequality issues within the underrepresented developing countries (Bull 2010).
11. The Role of International Organisations in Globalisation, and Foreign Dominance

Due to globalisation the interdependency and coordination between states have increased (Woods 2002). Trends in globalisation have shown varying inclinations across the world through time (Beckfield 2010). The global network of intergovernmental organisations (IGOs) that have come about with globalisation are becoming more diverse and frequent (Ingram, Robinson, and Busch 2005). While some IGOs have focussed on regional members, others are more nonregional, and selective, in terms of their members. The members of the more nonregional IGOs amalgamate through common factors such as political or economic interests. Most countries in the modern world have now become a member of at least one IGO, more commonly a regional IGO, reinforcing globalism, and hence resulting in multitier governance within the global economy (Robinson 2007). However, questions remain as to the influences that shape these institutions, who they represent, who they defend, the choice of members, and what they promote within the global system. Despite the many questions, the institutions are seen to have a powerful impact on the global economy (Woods 2002). Although incidences such as financial crises creates a need for policy makers to insist on the formulation of such institutes to better monitor and regulate the global economy, it is debated that they only defend and protect ‘certain people’ and not everyone in the global economy (Woods 2002) giving rise to further inequality and instability within the global economy. One example of the creation of such inequality and instability within the global system remains the structural adjustment programmes undertaken by the IMF and World Bank in developing countries (Copelovitch 2010; Babb 2009; Stone 2002) jeopardising the countries’ economic development (Reinsberg, Kentikelenis, Stubbs and King 2016) such as that undertaken in Africa and Latin America through the 1980s and 1990s (Jolly and Santos 2016). The idea of globalism being biased was reinforced at the WTO meeting (2003) where the trade coalition of the developing countries such as India and Brazil blocked the Doha Development Agenda negotiations with a condition towards their

14 The example has been discussed in chapter one: introduction.
proposals being met. It could be said that the incident brought to light the extent to
which the developing countries have been misrepresented as well as marginalised by the bigger IGOs within globalism and multitier global
governance (Hurrell 2007).

In the institutional area of governance, global social movements (GSMs) and
nongovernmental organisations (NGOs) are seen to participate in policy
formulation, while in the economic realm, they become actors who stand up to
the various practices and oppose to the implementation of these practices
(Williams and Ford 1999; Wapner 1995). Further, multinational corporations
(MNCs), international nongovernmental organisations (INGOs), act to increase
international activities through regulation (Held and McGrew 2002; Cutler
1999). Various organisations and multilateral economic institutes (MEIs) such as
World Trade Organisation (WTO), General Agreement on Tariffs and Trade
(GATT), International Monetary Fund (IMF), International Labour Organisation
(ILO), United Nations (UN), are increasingly taking over dealing with
globalisation challenges on a daily basis. Although such organisations formulate
mechanisms in dealing with interstate disputes, some organisations lack
authority in imposing their rules and regulations on the states. While global
governance takes the concept of governance across borders, states have been
‘forced’ to strengthen the existing IGOs such that sovereignty, integration, and
efficiency could be reconciled. The idea exists that the governments are
institutionally unprepared, and are increasingly struggling to deal with the
increasing cross border global governance, and hence transforming the
expanding networks into global institutions that regulates relations on certain
issue areas, adopting undue responsibility (Held and McGrew 2002). This gives
rise to caution as to whether such intervention by organisations could give rise
to dire consequences, especially where the country is not equipped to endure the
consequences. William Easterly, a former senior World Bank researcher, brings
to attention the fact that in developing countries, often they are better off should
the state overlooks the policy advice proposed by IMF or even the World Bank
(O’Brien, Goetz, Scholte, Williams 2003; Woods 2002; Easterly 2001). He further
found that in countries such as China, India and other countries that did not
follow IMF and World Bank economic programmes, more people had been lifted out of poverty than countries that actually followed the advice. Perhaps this is major debate towards policy sovereignty in developing countries, which then would allow for tailoring the policy process to attend to the individual needs of these countries (Frewen 2013).

12. Globalisation Reinforces Dependency In Small States?

While globalisation is said to have caused the ‘shrinking’ of the world through global interdependence and technological implications, it brings out the numerous weaknesses and issues that need to be addressed (Collins 2010). It is of general assumption that globalisation has contributed to the economic growth of both the developed and developing countries throughout the world. Economic growth, for the most part, is the only ray of hope that the majority of people have of escaping poverty (Jomo 2003). It is becoming a trend for transnational institutions and social movements to hold “alternative” global dialogue where organisations such as WTO, IMF and World Bank proceed through informal arrangements and networks that are beyond the state control such as the regular G8 meetings (Woods 2002; Yeates 2002, 2001). Hence, it would not be wrong to say that globalisation would inevitably incorporate more institutions in policy making that transcend the borders in a global world.

One main characteristic of institutional world politics is that the different institutions involved observe different goals and motivations (Deacon 2003), hence creating conflict amongst them (O’Brien, Goetz, Scholte, Williams 2003), and their goals and motivations are not always in the favour of the developing countries (Woods 2002). While the institutions maintain their goals and work towards implementing their policies, several of the civil society actors tend to work towards changing the policy direction and the goals of these institutions (O’Brien, Goetz, Scholte, Williams 2003). Further, the underrepresentation of developing countries (Held and McGrew 2007; Peet 2003; Kaul, Goulven and Mendoza 2003) which is mainly a feature in the financial institutes such as the World Bank, and the International Monetary Fund (IMF), as financial contributions determine the votes on their boards, does not do any favours to
the developing countries, more so in small island states, as they tend to be the least represented. This ‘tilting’ in the distribution of power is said to promote the idea of neoliberal global order, with the adoption of the interests of those that hold the capital and the richest countries. From this perspective, it can be said that they are in fact allied with the ‘constitutions’ that in fact sustain the phenomenon of unequal distribution of resources in the world (Peet 2003), including aid to the developing countries. Due to the increasing elitism, several changes have been made in the multilateral systems, such as increasing transparency (O’Brien, Goetz, Scholte, Williams 2003) by involving civil society in decision making processes, as well as NGOs (Bull 2010), which leads to “complex multilateralism” which involves diverse decision making processes and a variety of actors (Lundsgaarde 2013; O’Brien, Goetz, Scholte, Williams 2003), which again undermines the smaller countries.

Despite the pressure from social movements on multilateral institutions to adopt systems that would support the developing countries in building state capacity, these social movements remain largely unsuccessful. Institutions are seen to make room to accommodate the GSMs to some extent (O’Brien, Goetz, Scholte, Williams 2003), however, how much of an accommodation they will make, as well as, of which GSMs and in which countries, is an area that is not clear cut. Based on the political pressure, the institutions seem to realise that they have to seek out the roots in the civil societies around the world if they want their programmes to succeed. Although it may not be a popular concept with the institutions, they seem to acknowledge the reality of the situation. For instance, the World Bank stands out as the most sensitive to social movements as the institution deals with issues that are more society oriented, and hence the social movements have a greater opportunity to make an impact on the outcome of the projects (O’Brien, Goetz, Scholte, Williams 2003). However, in this particular case, how far the social movements can affect the institution’s decisions largely depend on the weight the social movement carries within the US congressional politics as the World Bank’s budget is ‘vulnerable’ to the US political system. The main reason for IMF to engage with the social movements arises from its need to deploy funders, as involving social movements gives the institute the advantage of convincing funders of the institute’s increased transparency and
responsiveness. The main reason for the social movements to be involved in both institutions seem that the two institutes not only impact the societies directly, but also influences other multilateral institutions as well as planning agencies that are active in developing countries (O’Brien, Goetz, Scholte, Williams 2003).

It can be observed that from an early stage, cooperation between recipient country and donor agencies and MEIs could increase responsiveness on the donors’ part, possibly extending into assistance in project planning and execution, technical assistance, and macroeconomic policy formulation. The literature hints that the donor recipient cooperation could in fact increase the volume and effectiveness of aid, and hence, smaller countries might be more in favour of better cooperation for a more effective donor recipient relationship. A country’s aid requirement can only be assessed objectively through its policies and plans that are in the pipeline of its development process. Although there is no specific methodology that is accepted, the projections of the economy have to be taken into account (Mosley 2007; Woods 2002; World Bank 2001; Bruton 1968; Chenery and Strout 1966). Through the assessment of a country’s development programme, the ‘judgements and assumptions’ of the country’s development policies and the levels of performance becomes evident. These judgements would be based on the country’s trajectories. Further, the availability of development projects and the technical capacity of the country to absorb and integrate the information from development projects are vital considerations (De Vries 1975). There is a debate that allocation of more aid to small countries is based on several strong economic reasons, and the relative aid requirement of small countries exceeds that of large countries due to several ‘systematic forces’. Although there is no finalised aid requirement, the difference would be marked for small countries with a small resource base, weak administrative and infra structure facilities, geographical locational disadvantages, and weak policy formulation processes. Small countries have more aid requirements it terms of lack of technical expertise to overcome policy weaknesses, inability to afford resource diversification, small and limited domestic markets, and dependency on foreign companies (Thomas 2002) for resource management. Further, for successful funding of projects by external
sources, there is a range of problems in terms of the varying criteria for the design on the project approval, for the spotting of projects, and for the projects to be coordinated consistently with the development policies. Lack of skills at the planning level could lead to the development of ‘cosy’ relationships between the technical staff in the recipient country’s line ministries or departments and the donors, resulting in the confounding of the purpose of the exercise eluding to decision that might not be in the best of interest to the country (Baker 1992).

Foreign dominance of small island states is also seen through foreign investments. Depending on the scale of the investment, the country might not have a say in the operational level of the activity, and hence be subjected to the decisions made to the convenience of the investors (Briguglio and Cordia 2006; Baker and Pedersen 1997). For instance, the withdrawal of an investment such as an international hotel chain, for the convenience of the investors, might leave an irrevocable dent in the island economy. Through globalisation, island economies are forced into such vulnerabilities due to their resource limitations, hence, making them more vulnerable to foreign domination. Hence, it is important for governments to recuperate from such previous mistakes and also to control the growth and limit the negative effects of uncontrolled growth. However, it is more important for governments to plan and implement policies for sustainable growth, and aim to avoid past mistakes and encourage growth in a sustainable way and maximise the benefits, in an increasingly globalising economy.

It is common among investors, as well as some donors to insist on structural adjustment programmes before a certain investment or donor funding of a project although those changes might not prove the changes the country needs (Mosley and Uno 2007; Vreeland 2003; Stone 2002).

13. Globalisation and Sovereignty

Territorial sovereignty has been weakened by globalisation to the point that economic and political governance may no longer be feasible based primarily on geographic jurisdiction. The formation of MNEs is a primary agent in the process of globalisation (Strange 1996). Due to the constant change and adaptation
required in terms of globalisation, in some cases, sovereignty is seen to be no more operative than national interests, power and authority. This effect is seen more often in the smaller, weaker and more vulnerable states, while the more powerful states have the efficacy of designing and engineering globalisation to suit their national preferences (Foot, MacFarlene and Mastanduno 2003; Wade 2003). Hence, the process of globalisation can be seen as a shift in power, a configuration of forces that bring in asymmetry and hierarchy, dividing the world further into weak and strong (Hedetoft 2005). Although this does not mean that the smaller nations would not entirely be disadvantaged through globalisation, it does imply that the smaller nations have to better adapt to the global forces moving them away from domestic central policies over which they have little or no control (Campbell 2006; Cohen and Clarkson 2004; Katzenstein 1985). Such insecurities spring from the fact that states have to undertake endeavours that are not part of their traditional interstate system, and are in many respects different from their traditional mode of interaction. Further, as each state reacts to globalisation in its unique mannerism, through globalisation evolves mutual differences that are as varied as the number of states themselves, in terms of resources, levels of integration both regional and international, power, economic structure and size. Although the risks remain, states take advantage of globalisation and manage as best they could in terms of flexibility in adapting new combined economics, redesign the flows in policies, and minimize risks. Hence, the process of globalisation itself is impacted by the states in the analysis of threats and risks, and in building structure and direction (Hedetoft 2005).

While a state undergoes adaptation to new threats and risks and the various modes and mannerism in state behaviour and attitude towards globalisation, it has to be noted that in the developing countries, in order to reduce poverty and vulnerability, the policy formulations have to be based on the universalist and local understanding and interpretation of their wellbeing and poverty. Here, achieving the balance between the universal and local understanding would be the basis for effective development policy. The society also has to be governed and organised such that even the marginalised groups are inclusive in the development policies. Hence, there is a need for the state to respond and form
multilateral coordination, according to the nature of threat or risk dictated by
globalisation (Ganzález 2006). The destiny of globalisation is more often decided
locally as opposed to globally for both developing and developed countries,
through the state’s balance of power (Ganzález 2006). It is suggested that the
interweaving web of international institutions at the regional and global level are
increasingly engulfing the state to a degree where the state now struggles to
implement its own development agendas (Held and McGrew 2007; Harvey,
2003). The various groups of actors such as social movements and private firms
hold increasing significance in their role in multilateralism (Jayasuria 1999;
Reinicke 1999), however, the role of the state remains of key importance (Held
and McGrew 2007; O’Brien, Goetz, Scholte, Williams 2003). How and in which
areas the state would maintain decision making authority is yet to be established
(O’Brien, Goetz, Scholte, Williams 2003).
Due to the extent of globalisation being embedded in national affairs, the state
has to look into whether the national ‘encasement’ has to be lifted, or be
denationalised in order to survive and become part of globalisation. This creates
interdependencies among countries (Sassen 2007; Held 2004; Giddens 1990)
leading to structuration of the national in terms of transformation of state by the
global, such as authority and institutional framings (Sassen 2007). To compile
and practice good policies require good politics, which means governments need
to be strong and effective rather than NGOs competing with weak governments
(Woods 2002). In the case where the state does not have the capacity, priority
should be given to the building of capacity such that the NGOs would be able to
work alongside state and not override the country’s development agenda in the
interest of the NGO (Koenig-Archibugi 2002).
In developing countries, there is a better chance that GSMs could weaken the
state in the sense, due to influence by such social movements, the institutes
could enforce governments to embrace policies that the states would not have
otherwise adopted (Held and McGrew 2007; O’Brien, Goetz, Scholte, Williams
2003, Woods 2002). While developing states are already under influence of the
MEIs and stronger states in terms of policy adoption (Held and McGrew 2007;
O’Brien, Goetz, Scholte, Williams 2003), the GSMs might not be doing any favours
to these states. The intention here of GSMs should remain to strengthen the
society, and the state against the ‘conflicting’ policies of the MEIs and to align the institutions policy enforcement with that of the state, whether as an independent discourse directly with the institutions or in terms of representation of the state (O’Brien, Goetz, Scholte, Williams 2003).

14. Conclusion

Within the literature, a consensus has not been reached towards a definition of what constitutes a ‘small’ state, and whether small island states should remain within the definition of ‘small’ states as well. Although variables such as, the actual size of the land mass, the area of the stretch of the archipelago, the size of the economy, the size of the population, and vulnerability could be taken into account, the most relevant strategy suggested in the literature is to adopt a most relevant definition depending on the task at hand, hence taking into account the most appropriate of those variables, in terms of research in politics, economics or otherwise, (Sutton 2011; Beine, Docquier and Schiff 2008). However, even when such variables are taken into consideration, the diversity of small island states, in terms of ethnic composition, wealth, availability of resources, gross national product (GNP), has a clouding effect on the ‘uniformity’ of the definition (Baker 1992).

To a degree, all small developing states are more vulnerable to exogenous economic shocks than most larger countries or regions (Paulino 2010; Naudé 2009; Santos-McGillivray 2008). Though most developing countries share similar economic and political problems, small island developing states (SIDS) face greater challenges and risks of marginalisation due to global economic and political activities, mainly due to their small size, remoteness from larger markets and countries, and vulnerability to the shocks of global economy. Due to their size, small island states incur higher costs in growth and development where endogenous strategies can contribute only partially in reducing the vulnerabilities. Hence, in small island states, vulnerability can be regarded as an additional significant structural characteristic, and an effective response to the
vulnerability is heavily constrained by their limited policy autonomy (UNCTAD 1988).

While most literature seems to reveal the inherent weakness, vulnerability and pessimism about small developing states, especially small island states, some research argue that the power of jurisdiction could successfully be used by small states to advance and achieve their development cause in a growing global world (Baldacchino 2005; Baldacchino 2006; Baldacchino 2000; Baldacchino and Greenwood 1998).

It has been said that small states, due to their small size, and their islandness, are more susceptible to good governance (Srebrnik 2004), with a significant ability to uphold a democratic political system (Hintjens & Newitt, 1992), given the less 'political distance' that exists between the heads and the electorate of the small populations. According to the Washington DC based Freedom House (2011) by measures such as: ‘Parliamentary supremacy; competitive, regular and free, multi-party elections; a non- partisan civil service; civil rights and freedoms’, the small island states are seen to maintain a more democratic system (Baldacchino 2012). The World Bank (2011) affirms the same conclusion based on it’s own indicators: ‘political stability and absence of violence and terrorism; voice and accountability; effectiveness of government; regulatory quality; rule of law and control of corruption.’ However, Baldacchino (2012) rightfully cautions that although these measures might prove a democratic scenario in the small island states for the external observer, what the locals experience might seem very different in terms of democracy. Further, small island states, given the small population, have been observed to have a homogeneity within the communities, for instance in areas such as sociocultural belief systems (Baldacchino 2005).

According to Bray (1992) such homogeneity could work towards establishing a harmonious society due to the familiarity within the society. However, he further suggests that such homogeneity in small communities could induce conflicts and bitterness due to the over familiarity of one another as well.

In terms of development and advancement, sovereignty and political status can prove more significant for small states than their economic influence. The ‘non market solutions’ or the ‘non orthodox approaches’ such as the power of negotiating aid, or looking into the ‘derogation’ in international systems, can
prove powerful resources and powerful weapons for small island states to manipulate the global system in their favour (Prasad 2004). Thus, despite the inevitable vulnerability of small states, these states can design tailored, ingenious strategies that would help cope with the inherent vulnerability. Economic resilience towards vulnerability could be built through the policy decisions the country adopts (Briguglio and Kisanga 2004).

According to Briguglio and Cordia, (2006) small developing states need to comply with the indicators for the resilience index, which comprises of microeconomic market stability, macroeconomic stability, good governance and social development.

There is an argument within the literature that political economies are increasingly becoming IGO based (Duina 2007; Lake and Morgan 1997; Katzenstein 1996, 2005) where corporations have been formed regionally as well as disparate areas to reflect the states' political and economic interests. Some such examples include the European Union, the South American Nations, the African Union and ASEAN (Hurd 2011; Duina 2007; Katzenstein 2005). The state has evolved from ‘one entity operative’ (Waltz 2010) to ‘multi entity operative’ where the state behavior can only be analysed through the organisations the state is involved in and through the interaction of these organisations with other organisations (Avant 2010; Ingram and Torfason 2010). Although more cooperation has been established between nations, it could be said that only selective nations manage to join the more impactful IGOs (Beckfield 2010, 2008) which better connects these nations while creating a disconnect with the rest, hence certain countries remain advantaged which enforces disadvantages with the rest. Further, through this disconnect with the nonmember nations, the more vulnerable nonmember countries have resulted in disadvantage, irrespective of size of the state.

Globalisation has been marked for the transformations such as organisational and social relations, and in the global world, the states become agencies that are part of the process of globalisation (Cox, 1994). It has to be observed that globalisation is no longer just the ‘outgrowth’ of the mechanisms of the market,
and the economic and financial forces. Globalisation is increasingly being controlled, engineered and designed politically, following which, the process adopts control, and take direction towards more intense and further multiple transborder dynamics, hence, affecting factors such as the distribution of power, authority and sovereignty (Grande and Pauly 2005; Wade 2003). Due to their size, structural openness to trade, lack of resources, small states tend to posses very limited policy autonomy. Hence, it is critical, that small states are effective in utilizing their limited policy autonomy, and find ways and means of influencing the global political economy with what little assets they have, and gain more grounds on policy sovereignty towards their socio economic progress and development.
Chapter: Three

Foreign Aid: An Inevitable Part of the Policy Process in Small States?

A theoretical perspective

1. Introduction

Foreign aid came into practice as a means of economic and social development in the developing countries in the years following the Second World War, though how beneficial the practice of foreign aid has proven, has been debated. The provision of foreign aid has seen several channels such as bilateral aid, multilateral aid, as well as aid provided by the various development organisations. Further, there have been different types of aid itself, such as technical assistance, loans, and grant assistance as well. Further, given the debate within the literature that aid contributes positively towards a great proportion of the development within the recipient countries makes aid organisations a vital part of the development process. This further creates the assumption that the aid organisations and the various donors in the international aid arena would play a great role in the process of development policy formulation within the recipient developing countries.

As The Maldives remains one of the countries where international development organisations have been highly active, this chapter explores the literature on aid in terms of the role foreign aid plays in the policy arena of the recipient countries, as well as the concept of whether foreign aid has contributed positively to the socioeconomic and political, development of the recipient countries.

Where a reference is made to an individual interview participant, given the interview participants from the respective government organisations are high level government officials, their names have been removed due to political sensitivity. The names of the interview participants from the development organisations have also been removed due to political sensitivity.
2. Reasons For The Existence of Foreign Aid

In analysing the aid literature for answers to the questions why aid should exist, and what aid is specifically used for, Bourguignon and Sundberg claims that these have been answered within the literature in different contexts although none of it is consistent nor comprehensive (Bourguignon and Sundberg, 2007). Some of the reasons identified in favour of aid include, promoting good governance, creating incentives for pro poor and needs based policy making, assisting in and promoting democracy, poverty reduction through growth, facilitate trade opportunities, target structural imbalance within the recipient countries as well as the international political economy, management and transfer of knowledge, as well as transfer of technology. Perhaps it is these reasons combined that makes the question of why aid should exist, as well as the question of whether or not aid helps the recipient country, complex questions to answer (Bourguignon and Sundberg, 2007). Hence, the more important decisions such as what kind of aid works in which situations are made further complicated.

There is wide literature that justifies the existence of aid organisations such as the Bretton Woods organisations, the International monetary fund (IMF) and the World Bank (Milner 2002; Gilbert And Powell 1999). However, the literature does not explore in detail the donor biases, their roles and incentives (Martens, Mummert, Murrell and Seabright, 2002; Ostrom, Gibson, Shivakumar, and Andersson 2001; Carr, Eilish, and McLachlan 1998; Quarles, Kruyt and Downing 1988). Whether or not aid organisations have helped the less developed world remains a continuing debate within the literature. There also remains the question of the continued existence of aid organisations, whether they should be considered necessary in the fight against poverty in developing countries. Further, the world of aid is seen to continuously change in terms of their context, their aims, and the kinds of development assistance, which operates within the global forum of public policy. The actors that are involved within the global forum of public policy seem to change over time as well, with new donors emerging, while existing donors seemingly take a step back (Martens, 2008).
However, a correlation of whether this evolution of aid is in par with the aid needs of the developing world has not been concluded, nor the question of whether foreign aid should in fact exist been answered.

3. Different Schools of Thought on Donors

Donors are seen to function in different schools of thought in how they provide aid. One school of thought on donors is where they promote interests internationally in either political or economic arena. For instance, The US showed interest in political insecurity imperatives during the Cold War. For instance, the fear of expansion of communism to the Western European countries gave rise to the Marshall Plan in order to protect the Western European countries. Over the decades, the US has allocated a disproportionate amount of aid to countries of strategic importance, for instance in Israel and Egypt. Political motivations have been seen in several European countries as well, such as some of the Eastern European states who have a focus on political allies and states with Socialist intentions. West Germany were selective in the provision of grant assistance to countries in the sense, countries that recognised the German Democratic Republic were excluded from grant assistance (Carbone 2004; Raffer and Singer 2001). The political justification for aid was reduced following the Cold War, and the donor budgets were cutback. However, following the September 2001 terror attacks on the US, several countries including the US, the UK, and Germany agreed on increasing their development assistance with regard to Security (Woods 2005).

A second school of thought is where the donors claim foreign aid to be formulated based on nonmaterial motivations such as moral obligations and altruism. In this scenario, foreign aid is channelled to the poorest countries on a needs based measure depending on the level of poverty and other human development indicators. Idealists believe in the benefits of aid in reducing world poverty. In this respect, they do not comply with military aid, aid towards local elites, and programmes that are implemented with a reliance on distant donor bureaucracies that can be inefficient and quite often in negligence of local needs.
A third school of thought is where the focus remains on domestic dimension of foreign aid. They argue that in the understanding of quantity and quality of aid, pressure from domestic groups such as NGOs, political parties, businesses, as well as bureaucracies play an important role. However, firstly, studies have not been able to conclude that political parties carry such high importance (Therien and Noel 2000). Secondly, although the role of aid bureaucracies is limited in terms of implementing programmes and projects, they can work towards the expansion of aid budgets, hence, making bureaucratic resistance a key variable in understanding the lack of donor coordination progress (Van Belle 2004). Thirdly, there is evidence to suggest domestic businesses such as large firms can influence the selection of development projects and sectors, however, there isn't enough evidence to be conclusive towards whether domestic businesses can influence the aid quantity (Van der Veen 2000). Fourthly, the main contribution of NGOs remains public campaigns or implementing projects in order to raise awareness on development issues, and the impact of their strategies is subject to vary (Carbone and Lister 2006). Finally, Otter (2003) argues that there is a positive correlation between levels of public support and foreign aid in the US and Denmark, but negative correlation exists in Australia and Japan, and there is no correlation at all in Canada.

Hence, perhaps it could be concluded that there is no perfect ‘type’ of donor that could maximise the impact of aid. It could be said that aid should be designed and redesigned to suit the recipient country, which would include the donors adopting the most appropriate qualities from among the different schools of thought. However, this concept has a heavy reliance on two factors. Firstly, the implication that donors have their own agendas with regard to aid being a false implication. Secondly, in the scenario of the first implication being true, the recipient country should be armed with a policy process that could bypass the donor agenda in order to maximise the positive impact of aid in the recipient country. It could be said that both these factors are significantly important in the policy arena of the recipient country, given that the donors have the ability to make a direct impact on the country’s policy process, and hence on the country development process.
4. Policy Sovereignty and Aid: The Policy Influences of Donors on the Recipient Country

In his study of donor aid policies from 1949 to 1989, Lumsdaine reinforces the argument that aid has largely been used as an instrument to influence recipient country policy reforms (Lumsdaine 1993). However, in his study, Lumsdaine does not discuss the general trends in individual cases that do not particularly fall into the same analysis. According to Lumsdaine, countries that had a higher commitment towards poverty reduction by means of social compensation also had a higher commitment towards International redistribution, where the country's welfare choices and developmental aid choices were also a reflection of long term continuity of national values. This line of debate assigns a less important role to the welfare state institutions, as well as to the historical determinism while the egalitarian institutions in foreign policy are left without explaining (Noel and Therien 2000).

4.1. The Concept of Ownership

The concept of ‘ownership’ (Rist 2014) of aid activities by the recipient countries are gradually being established, in which, the recipient countries establish their own systems at a national level for managing and coordinating donors, and further to negotiate aid in favour of the recipient country terms and policies. This process has come to be known as ‘country ownership’ of development aid, which is considered a solution to aid conditionality and chaos (Whitfield and Fraser 2009). Some of the donors run a process of mediation between donor and recipient interest and preferences. Although the process of mediation between the donors and recipients creates some degree of agreements from both sides, it would imply that full ownership could not be declared by either party. In most cases, ownership remains partial and shared within an agreed contract between donor and recipient country (Martens 2008). This phenomenon allows for partial fulfilment for both the donor and the recipient country (Mkapa 2008). The phenomenon would also make allowance between the donor and the
recipient country to renounce responsibility towards the aid received, hence contributing to the failure of the aid process.

Donor consensus on ownership was reached in the 2005 Paris Declaration on Aid Effectiveness, which has been signed by more than a hundred donor agencies and recipient governments. The concept of ownership is adopted by the Paris Declaration as the key pillar in the new paradigm, which would lead the recipient countries away from donor disintegration and from conditionality that are externally imposed. Instead, the Declaration encourages donors and recipient countries to align their efforts towards the government’s own development strategies and administrative systems. However, the declaration leaves major decision making power with the donor such as the presumption by donor of the recipient country capabilities (Whitfield and Fraser 2009). This perspective on ownership leaves allowance for human interaction in order to build the future of political communities. Importance has to be given to determine the institutions for managing aid. The countries that have managed in keeping donors at a distance in terms of formulating their own policy positions, as well as their domestic administrative systems are seen to be the most successful countries in negotiating aid. Negotiating strategies that are adopted by the weaker set of countries that might prove ineffective accounts for the political, ideological, and institutional impact due to continuous engagements with donors such as the World Bank, IMF, and other donor agencies that have given rise to common characteristics.

4.2. Policy Sovereignty in Aid Effectiveness

Broadly speaking, the theory of dependency could be summarised as a power relationship that exists between the more powerful countries and the less powerful countries, where the more powerful metropolitan countries assume control and authority of the international economic and political relations, whereby leaving the less powerful countries dependent on the more powerful countries (Lalude 2015). Further, the phenomenon could also be seen within a country where the proportions of the population within the society remain segregated in terms of economic or other circumstance (UNESCO 2011). In this
respect, it could be said that donors do not do as much for the recipient countries in order that the recipient countries could become independent of aid.

In order to alleviate oneself out of aid dependency, it is stressed that countries should look for their own people to nurture their own development, with efficient management of the local industries and resources maximised by the local populations. One discussion within the literature that is in contrast to most of the literature is the concept of ‘reverse conditionality’. This approach examines whether aid benefits could be better achieved should the recipient countries formulate ‘aid enhancing’ conditions towards the donors. This is unusual considering the usual practice of donor conditions that are imposed on recipient countries are from a donor perspective rather than the recipient country perspective. However, while the recipient countries are dependent on foreign aid, how far they could implement their own conditions in accepting the aid that could encourage the donor practices is a question of much debate (Harrison, Mulley and Holton, 2009).

The terms and possibilities that allow negotiation by societal and governmental actors with donors to obtain larger resource transfers for poverty reduction largely depend on the domestic economic context within which aid decisions are made. Such negotiations create opportunities for the relevant actors to discuss policy agendas, as well as the obstacles faced with reaching the current policy goals. However, the ultimate decision would be reached through a process of selection from alternative policy options that are reflective of the economic constraints of the recipient country. The donor decisions to increase or limit the actual amount of foreign aid largely depends on the origins of the demands that the domestic actors put forward, the capacity of the domestic actors to advance their agenda, and how the societal and political actors articulate the preferences within the policy process (Lundsgaarde, 2013).

Two main factors that should be taken into account in terms of understanding the variations in aid commitments among countries that take place over a period
of time are the government actors that are involved in the acquiring of aid for the country, as well as, the way the political situations shape the interactions between the relevant officials from both the donors and recipient countries (Lundsgaarde 2013). Societal groups are seen to exert pressure on government actors in order to influence the policy process. These government actors enter the policy process with an existing preference in terms of policy formulation and with various levels of influence on policy choices. Although the availability of resources and mobilisation of societal groups are two main factors that would protect their own interests, what regulates the interactions among the different actors within the political system are the institutions that formulate how relations between the governmental actors and other respective parties are structured. One way of providing the societal actors a channel through which to express their foreign policy preferences is through domestic institutional arrangements, through which societal actors could interact with the relevant governmental actors in terms of aid decisions. Some of the government actors that represent the diverse constituencies include executives, parliamentarians, and aid implementation bureaucracies (Lundsgaarde 2013).

Pritchett and Woolcock (2008) describes three “remedies” for the failure of public institutions in the developing countries. One such ‘remedy’ being, ‘intensification’, which is to reinstate the same practices but more assertively. Second remedy being ‘amputation’ which is the adoption of privatisation and decentralisation where the state becomes less authoritative. The third ‘remedy’ being policy reform, where a continuous process of reform should be seen with the changing situations (Pritchett and Woolcock 2008).

5. Aid And Accountability

The aid policy process carries significant difference in its characteristics which separates it from the problems that entail other domestic as well as foreign policy problems, as well as welfare policy making. For instance, while aid policies are largely formulated without much public intervention, the welfare policies are formulated with interest from the general public. Further, the governmental
actors involved in the specific areas of policymaking would differ depending on the type of policy formulation. Hence, development aid agencies would not contribute to the various policymaking arenas of the recipient country, but mainly towards the formulation and implementation of development policies (Lundsgaarde 2013).

In order to establish a results oriented system of management, it is mandatory to build mutual accountability. In this respect, the emerging donors seem more appealing to the developing recipient countries as they tend to be more accessible for negotiating and generating benchmarks that are acceptable. One major factor with South-South Cooperation (SSC) in establishing mutual accountability and hence achieving better aid impact is the closer ‘distance’ between the donors and the recipient countries with relevance to the North South interaction (Kumar, Dickerson and Tandon 2012). The idea of mutual accountability refers to relevant development actors such as the donors, the recipient countries, and other involved parties that would hold accountability towards one another, including the recipient countries’ accountability towards their citizens as well. By developing the concept of accountability towards the citizens among the recipient countries, the citizens can be made more active members in the society who would be capable of putting the right pressure on their governments in terms of policy implementation and policy reform that would lead to more successful provision of public goods (Kumar, Dickerson and Tandon 2012).

In 2006, in a DFID (Department of Foreign and International Development) white paper, the U.K. Secretary of State for International Development Hilary Benn agreed that at the current climate of aid, the capacity exists to provide every one in the world the basic human needs such as enough food, water and a roof over their heads, as well as provide opportunities of employment, education for all children, enough health care and medicines for the ill. Today’s capacity could further provide the people the opportunity for a peaceful life without the fear of violence or the breakout of a war, as well as, the opportunity to materialise the potential of the people. However, it could only be achieved if the
people would realise the potential and take the responsibility and put into action the actions that need to be taken to achieve this (DIFID 2006). Further to maintaining political peace and democratic values, in terms of the success of the aid process, maintaining the relationships with the international financial institutions and donors, remain crucial, as donors could potentially contribute to a great extent towards poverty reduction in developing countries (Dogra 2012).

"Many low income and or disadvantaged groups have sought more democratic political regimes in anticipation that a political solution will address injustice and exclusion (Heller and Evans 2010, p. 437)."

6. Donor Agendas?

The domestic aid redistribution, such as government agencies that deal with public services such as medical services is contained within the same political constituency where both the donor and the recipient has equal voting rights, and hence can influence the political process within which decisions are made. However, foreign aid comes from a different political constituency that is from the donor government, and hence, though the donor and the recipient does not have equal voting rights, the donor becomes an influential factor within the recipient country decision making process (Martens 2008). Hence, on the one hand, it could be said that the existence of different donors, and the different types of aid would provide various avenues of influencing the policy and development arena of the recipient country. While on the other hand, the questions could also be raised on the issues of whether the recipient countries are able and capable of coping with the aid process, including accountability, transparency, as well as, whether the different types of aid and the different aid organisations are needed for the different targeting of aid such as financial or technical aid. Although debated highly, these questions remain without any definitive answers or conclusions.

It could be said that the concept of donors attempting to reconstruct or transform states through conditionality, policy implications and structural adjustment, leaves the recipient country government depoliticised and in a
purely administrative position. Here, the external actors, with an aim to creating an alternative system of ruling, distributes the decision making authority between a range of actors such as the state, the donors, the civil society, the private sector, the supranational institutions, thereby contributing to the ‘multilayered governance’ with multiple accountabilities, which has been previously discussed in Chapter Two. The rationale for such multilayered governance is said to be superior impact on economic policy. This, leaves the nation without effective authority in terms of development policies as none of the actors or stakeholders have complete control in any specific areas, leading to fragmentation in both policy-making and policy implementation processes (William 2006).

Hence, approaches such as multilayered governance depoliticises the decision making authority thereby constructing agencies that limit the recipient countries’ policy options. Similar approaches are seen in the developed country context where state sovereignty is shared with the supranational organisations such as the WTO and the European Union, and are decentralised in to technocratic commissions (Bickerton, Cunliffe and Gourevitch 2007). Such developments have been criticised on the same lines as aid criticisms. For instance, we see the formation of democratic deficits, as well as, authority and accountability being further distanced from the people, ultimately the power in decision making results in being more profoundly externalised.

One main resultant of the fragmentation of the domestic power in decision making due to the external donor presence in the policy arena gives rise to ownership problems in foreign aid. Although it might seem that just a transfer of funds from the donor to the recipient is essentially what is involved, Martens argue that foreign aid agencies are not just a mechanism for the transfer of funds, but remain active in the decision making process of the expenditure of funds within the recipient country (Martens 2008), further there has to be justifications maintained within the organisations towards their sponsors (McGann and Sabatini 2011).

In a study undertaken by Alesina and Dollar (2000), it can be seen that alongside recipient countries’ economic and policy needs, the political and strategic needs
play an important role in donor allocations. According to their study, the patterns of allocation of aid usually are not consistent with the recipient countries’ needs, hence does not contribute towards optimum growth and poverty reduction. They argue that the biggest three donors, namely the United States, France and Japan allocate a large proportion of their aid to ‘strategic allies’, former colonies or in line with the voting patterns at the UN. They also find the more democratic countries, and countries more willing to accept democratic rule receive a more significant proportion of aid (Alesina and Dollar 2000). Hence it could be said that aid objectives vary significantly, and could be seen sometimes to overlap, complement, or compete, hence paving way for it to evolve, which means the outcome cannot always be predicted (Feeny and McGillivray 2010).

There seem to be mutual consensus among scholars on the significance of domestic influences on foreign aid choices. For instance, Milner and Tingley (2010), discusses how the preferences of aid are determined in the US, by the economic characteristics, the legal processes as well as the policy process. When public institutions in developing countries are seen to fail, donors tend to recruit experts from the developed countries to redesign the public institutional systems in these countries, a phenomenon that has been described as “like sending a cab driver to design a car”, (Pritchett and Woolcock 2008).

Although aid contributes heavily to the global financial flow, aid remains largely indiscriminate. Aid is depicted generally as a positive concept, however, which cause it serves best, in terms of catering for the donor or recipients’ interest, remains largely debatable. Benjamin Mkapa’s (2008) perception further asserts that donors in the North such as the US as well as the new emerging donors such as China and India are themselves struggling with poor populations in their own countries, hence, relationships established based on industrial opportunities such as trade and investments, tourism and technology should be encouraged rather than aid transfers. Although Mkapa argues that the main strategies in maximising development aid is to have the country’s people leading it, he points out that the main two obstacles in this concept would be, firstly that it is a longer
term strategy that would require empowerment of people with the appropriate political system. And secondly, that the donors would not be willing to let the recipient country lead aid decisions which would put their interest at risk (Mkapa, 2008).

The main debates in the literature on foreign aid mostly involve the donor countries, aid practitioners and academics, with a great number of donor commissioned writing where the main focus seem to remain on the best practice of the donor. Hence, the main analysis on foreign aid results mainly in terms of the donor point of view, reflecting on strategies the donors should adopt in order to achieve their policy implications (Whitfield and Fraser 2009) rather the policy implications of the recipient country.

The school of thought that the donor's have their own agenda that would be fulfilled by their role as a donor has remained a continuing debate (Lundsgaarde 2013; Fraser 2006). One of the main arguments has been that foreign aid is a route to spread western democratic ideology among the rest of the world. The third wave of democratisation following the Cold War gave rise to anti-government coalitions that often demanded change, providing the Western powers, such as the US and European countries that were interested in liberal democratic models, with the opportunity to pursue democratisation at a level where they withheld aid from recipient countries that would not comply with multi-party elections. Such economic and political factors following the Cold War takes the argument towards the concept of using aid as a tool to increase Western dominance in the world (Fraser 2006). With the formulation of the aid system, the role of Britain and France was to take the initiative to manage relations with their former colonies. The United States took responsibility of the former Belgian, Portuguese, and Spanish colonies. The Western powers used diplomatic and financial aid to buy the support of Nations that were most likely to join the Soviet bloc in order to prevent the emergence of radical governments, as well as to provide assistance to the governments in order to control any radical demands (Fraser 2006).
Due to the lack of strong institutional frameworks at the international level, donors exercise significant autonomy in terms of how aid programmes have been shaped (Milner and Tingley 2010). The current arrangements in policy processes seem to hold two major concerns in terms of improving aid effectiveness. Firstly, the ‘aid architecture’ is criticised. The number of aid agencies has increased immensely over the years, and hence competition among the donors with a variety of agendas for a foothold in poor countries has increased. Secondly, a state of worry has been created among the recipient countries due to the Western aid agency constrictions on the policy-making options of the recipient governments, and by imposing structural adjustments within their economic and social policies in return for foreign aid.

Critics argue that more harm has been caused by the imposition of policies, structural reforms as well as prioritisation of spending that overrides the national sovereignty thereby causing damage to the process of democracy, and intervention with local concerns and solutions (Whitfield and Fraser 2009).

It has also been argued within the literature that foreign aid is largely geopolitics and not economics, The US military aid being a perfect example. The US foreign investments and foreign relations in undemocratic countries have been seen to outlive the ruling regimes themselves. For instance in the case of Mubarak regime in Egypt in Obama administration, Vice President Joe Biden was reported to have said that Mubarak had US support.

Biden (2011) has been quoted to have told the BOS NewsHour:

“I wouldn’t call him a dictator.”

Source: http://www.pbs.org/newshour/bb/politics-jan-june11-biden_01-27/

Hillary Clinton (2011) has been quoted to have said on an interview with NBC:

“President Mubarak and his government have been an important partner to the United States.”

Source: http://m.state.gov/md155585.htm
There is also the debate that the donors who channel aid to the countries within the lowest income categories have a commitment towards poverty alleviation and towards the provision of opportunities to the less advantaged populations within the global economy. Hence, the assumption arises that donors that focus redistribution towards higher income category developing countries are more likely to be in favour of commercial interest in establishing ties with the emerging developing countries’ market economies (Lundsgaarde 2013). According to Alkire (2002), although donors might have an agenda embedded within their aid policies towards economic or political gains, should their aid programs involve strong poverty reduction measures then it would prove a tool for development of the vulnerable populations in the countries.

There have been several conclusions formed regarding the aid paradigm. However, the Paris Declaration, which supports a country-led model, requires the donors to bring about two preconditions into practice, where the recipient governments are supposed to have sound public finance and administration, as well as prove donor approved capability towards a credible process for strategy design. It is the donor perception that the recipient country might not have a system in place and that the recipient government might lack institutional capacity in developing and implementing the national development strategies, and hence, donors tend to justify and continue their practice of conditionality and micromanagement (Whitfield and Fraser 2009). However, it has to be noted that the donors do have the capacity to assess and evaluate the country situation, and hence eliminating most preconceived perceptions.

For many reasons there had been scepticism around the ability of the Paris Declaration to deliver a real change. Firstly, the agreement is rife with international diplomatic compromises. Even though all major donors have signed the declaration, whether all will equally commit to it in practice is unsure. The secretariat of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), seems to be in the driving seat to enforce the Paris principles. The group of ‘like minded’ donors such as European Commission, Scandinavian countries, the UK, the Netherlands, Canada and the World Bank seem to back OECD (Whitfield and Fraser 2009).
Secondly, there has not been a significant change in the behaviour of donors since the Declaration was signed. In order to see a significant change in the delivery of aid, the recipient countries seemingly are expected to take the initiative, and as far as possible remake the aid system in terms of their own needs. However, it has to be noted that ownership is a vague term and different people find the concept of ownership appealing for different reasons. In discussions of aid, the term ‘ownership’ can be seen as far back as the mid 1980s where donor concerns were seen regarding recipient governments signing up to several policy conditions as part of aid agreements, in particular the World Bank structural adjustment programmes, however the recipient governments were failing in terms of implementing these adjustments (Whitfield and Fraser 2009). The Bretton Woods Institutions do not recognise any flaws with imposing conditionality and the idea of ownership, as their perception of ownership means committing to their reform agenda. It is expected that the recipient countries must establish a system and policies for the donors to follow their lead. The new aid paradigm carries the assumption that donors would be willing to trust and follow the lead of the recipient country. However, literature shows that donors more often lack this trust. Studies have shown that donors have not extended helpful responses on the occasions where the recipient governments have tried to pursue specific policies and have tried to coordinate donor support for them. Success with donors depends on the particular government’s influence they can have over donors and accessibility to other sources of finance (Whitfield and Fraser 2009).

7. The Role of Research In Aid

According to Easterly, in foreign aid, certain characteristics of the planners include setting out a predetermined big goal that should be achieved or a problem to be solved, for example, to eradicate world poverty. They would also make a big plan in order to reach the big goal, and would accumulate a large supply of resources as well as large administrative systems and devices as well. Planners would think of poverty as a technical engineering problem that needs
to be solved, and they think they know all the answers (Easterly 2008). Easterly states that the missing elements in big plans are feedback and accountability. The main factor in the big plan debate is that the impact of the big plan cannot be easily evaluated. There are questions raised as to why a public policy would be recommended on a large scale while it’s effects have not been tried or tested. For the planner, who is more in line with top-down approach, to have to examine multiple searches towards what might work would seem an unnecessary burden to bring onto one's self. However if the searching was to be decentralised, there could be a number of searchers examining and looking for what could work for every step of the individual processes. Hence, in order to achieve the maximum benefits for the poor, the aid system needs a redesign that would incorporate successful searches (Easterly 2008).

The researchers, in foreign aid, would admit in advance that they do not know the answer. For them, poverty is a complicated product of political, institutional, social, historical and technological factors. The searchers would take individual problems that are embedded within the bigger picture of the world’s poor communities and would attempt at finding solutions for the individual problems by a method of trial and error experimentations. Although the planners and the researchers have very different approaches their main target has to carry the same focus. The UN secretary general Kofi Annan had often used the collective form action, such as ‘we’ in terms of achieving Millennium Development Goals, to include both the planners as well as the researchers (Easterly 2008).

Ohno and Niiya (2004) observed that the institutionalisation of aid has changed over the last fifty year period to suit the development priorities that have been emerging, for instance, the divergence from limited capital to structural reform and capacity building within the governments, which has given rise to different types of aid. The literature reinforces the importance of disaggregating aid into the emerging types as a means of focussing on need based aid delivery, as well as for efficient policy analysis (Outtara 2007; Suhrke and Buckmaster 2006; Mavrotas 2005).
Debates on aid effectiveness are helped by the analysis of factors that lead donors to give priority to certain types of aid. In researching aid at the macro level, it is taken as a homogeneous amount that the recipient country receives in terms of assistance in economic growth and human development (Burnside and Dollar 2000; Easterly 2003; Kosack 2003). However, aid enters into the country and is redistributed within the country by the various actors involved in the process of development, who may not always have identical objectives. Hence, effectiveness of aid can be better evaluated by taking into account the achievement of the specific development goals of the individual components that the aid programmes are designed to address (Fielding 2006).

According to Kumar, Micheal and Surabhi, although the statement ‘the most effective aid is one that makes aid itself redundant’ is treated almost as a cliché, the phrase communicates the core objective of aid practices, and further, remains as significant guidance towards determining and channelling global aid (Kumar, Dickerson, and Tandon 2012). The statement is central to aid as it signifies the two issues that have been discussed in the literature to carry utmost importance, capacity development, and sustainable development of the recipient economies.

8. Has Foreign Aid Helped?

In the 1970s, the World Bank had been one of the first institutions to give recognition to poverty alleviation as vital in international development, in terms of policy goals (Finnemore 1996). In 1970, the United Nations (UN) endorsed the allocation of 0.7 per cent of GNP of industrialised countries by 1980 for international development. Although the US had been the highest donor, in 1973 for the first time the US lost highest donor status as the European Union (EU) accounted for 46.6 per cent of the total Development Assistance Committee (DAC) aid, while the US contributed 30.5 per cent. By the end of 1980, EU contribution increased to 52.8 per cent and US contribution had fallen to 16.7 per cent. Further, in the 1970s, the rise in oil prices also gave rise to new significant donors such as the members of the Organisation of Petroleum
Exporting Countries (OPEC). The greater proportion of OPEC aid was in the form of grants, but mostly towards the Arab countries. Due to the famines and civil conflicts in Sub Saharan Africa, more of the DAC aid channelled to Africa over the decades of the 1970s and 1980s. While the terms of aid had changed considerably giving rise to a high grant aid reaching nearly 90 per cent over time, the proportion of aid allocated to multilateral agencies had seen a significant increase as they were considered less politicised (Lancaster 2007). However, following the Cold War, drastic cutbacks were seen in aid, especially by the countries that were active in the Cold War such as the US, Germany and Japan (Hopkins 2000).

The most widely known form of aid is the Official Development Assistance (ODA). The total of ODA in 2010 was US$129 billion, contributed by DAC countries. This amounted to about 0.32% of DAC Gross National Income, which did not reach the UN endorsed 0.7% target. Further, outside the DAC, there is an estimated 29 other countries that have been giving a significant amount of aid annually (Kharas 2007). They include China, Russia, India, Saudi Arabia and the UAE. These non DAC country aid is estimated to contribute around 10% of the global bilateral aid (ECOSOC 2008), which proves an important participation in the composition and flow of aid (Mawdsley 2010; Paulo and Reisen 2010; Wood 2008; Manning 2006).

The 23 members of the DAC that are in the Organisation for Economic Cooperation and Development (OECD) channelled more than US$ 100 billion through their own bilateral aid programmes and as aid to the multilateral organisations in 2005 (OECD, 2006). Hence, aid accounts for a great proportion of capital in many recipient developing country economies, and has in some instances accounted for even up to half of the gross national income (GNI) and accounted for even the same volume as that of the countries’ central government expenditures (Remmer 2004). Although the aid industry has seen an increase in the number and types of donors, the greater proportion of aid remains with the members of the DAC. However, the importance given to aid as a development tool varies immensely (Remmer 2004).
The different members in the DAC channels different amounts towards the various aid programmes of the recipient nations (Botcheva and Martin 2001). In terms of the proportion of aid, the Netherlands and the Nordic states have been the highest contributors as a percentage of their national income, Italy in the United States being at the bottom of the contributors. However, there have been significant changes within these nations in terms of allocations over time. Although the Scandinavian countries have contributed immensely over the years, they have also gone through budget cuts. For instance, aid allocations from Denmark decreased since 2001, from 1.06 per cent in 2002 to 0.85 per cent of the country’s GNI in 2004 (OECD 2006).

Since the initial foreign aid programmes that followed the World War II, aid has diversified into several flows of financial resources. Almost 77 per cent of the total financial aid that was streamed from the developed countries to the recipient countries account for private resource transfers such as remittances, investments as well as philanthropy. These private aid flows take up a new approach in addressing the problems within the recipient countries, where private philanthropists take a capitalist approach that provides them with the opportunity to be partners with the recipient country rather than the classic approach of simply transferring aid to the recipient countries. There has been establishments such as large NGOs, for instance, the Aga Khan Foundation that offer South Asian, Central Asian and Eastern African developing countries the chance to focus on the countries’ own problems, finding solutions for these problems locally with local financial donations from the wealthy individuals and local companies (Ahmed and Wahab 2012).

The greater percentage of aid usually comes tied to procurement from the donors. This raises questions towards the legitimacy of aid. The UN maintains that when aid is tied to the purchase of goods and services, the costs increases by 25 to 60 per cent, which would cover the concessionary 25 per cent contents of the loans. Further, institutions such as the World Bank, WTO and UNCTAD (United Nations Conference on Trade and Development) receive funds by donor
governments and agencies to establish FDIs (foreign direct investment), trade and financial liberalisation, as well as campaign in developing countries to embrace FDIs for their own benefit which involve great expense on the recipient country such as expensive seminars and workshops. The reality of FDIs is that the rich corporations, and there local agents based in the developing countries are the actual beneficiaries from the profits (Mkapa 2008).

In cases where donors provide tied aid, the recipient country is forced to spend the foreign aid they receive in the donor country for goods and services. This creates costly administrative burdens and heavy procedures in dealing with the many donors, which diminishes the value of aid received. However, the donors defend it as their means of supporting the recipient countries and providing them with the opportunities they need from the developed countries. Efforts against tying of aid materialised after forty years in 2001 although it excluded food aid as well as technical cooperation (Carbone 2002).

The Aid Agencies and Their Contributions

In chronological order:

‘Traditional’ (1950s - )
- Project and programme aid aimed at financial transfer
  - Typically balance-of-payments support
  - Prevalence of ‘stand alone’ projects
- Technical assistance projects
  - Project, programme and technical aid all consistent with knowledge transfer.

‘New’ (1990s - )
- Move away from single projects to project ‘clustering’: pooling funds under the Sector Wide Approach arrangement
  - Initially called the Sector Investment Programme
- Focus on structural issues
  - Rise and Fall of Structural Adjustment Programmes
- Rise of ‘new conditionality’: ex-post country specific; Paris Declaration
  - PRSPs
• Civil society capacity building
• Social protection
• Includes instruments such as cash transfer programmes. Involves building up state capacity.

‘Innovative’ (Present - )

- Innovative financing / Innovative Financing Mechanisms (IFMs)
  • Market – based approaches to development finance; public – private partnerships; engaging new networks and groups (e.g. consumers, private companies, foundations) in finance models
  • A ‘mushrooming’ of actors and channels
- Global Public Goods / Regional Public Goods
- Policy Coherence

- Not new per se, but of increasing importance. Can be thought of as an alternative to direct or formal resource transfer

Source: Severino and Ray, 2009; Radelet, 2006; Demekas, Leader and Colenso, 2005; Ohno and Niiya, 2004; McHugh, Kosma, 2002; Foster and Leavy, 2001, in ‘The Future of Foreign Aid.’

As seen above, foreign aid has progressed through the decades, aid has evolved to include factors such as structural adjustments, research, civil society targeted programmes, and market based public private partnerships as well. Throughout the process institutions have also evolved in their functionality. However, it could be said that the process of evolution has remained more donor targeted rather than recipient country.

It has been said in favour of aid, that by channelling foreign aid, the recipient countries would benefit from the resources that they otherwise would not be able to procure through their own domestic savings or private international investments, and further provide the basic services for the vulnerable populations in the recipient developing countries. However, one counter argument is that foreign aid may create an unintentional opportunity for the
leaders of developing countries to delay economic and political reform, which would in the longer term, hinder actual development efforts that the governments would otherwise have been forced to seek (Lundsgaarde 2013). Further, questions remain as to whether aid helps raise economic growth. Although the vast literature on the contribution of aid to economic growth remains inconclusive, some argue that aid has seen positive effects on growth, but others, that aid has had only a marginal effect on growth. There is debate that only some forms of aid matters, as well as, the debate that all types of aid have the same effects (Easterly 2008).

9. Debt Cancellation As Aid

One perspective on aid from the donor country taxpayers’ viewpoint, is that debt cancellation should be considered as a form of aid as it involves a sacrifice on their part as the funds released as loans could in fact have played a part in their own country, and for it’s own people. While it could be argued that a loan should not have been given to a country with little or no potential for repayment of the loan, for the taxpayer, whether the recipient country has the potential to repay the debt would remain irrelevant as long as the debt remains unpaid. Further, facts such as whether all or most of the debt was heritable, or was incurred by a former regime are not disclosed by the donor government to its electorate who are the taxpayers of the donor country (Mkapa 2008).

However, from the recipient country perspective, the origin of the debt bears immense importance. For instance, the question of how the debt was originally incurred is a vital political question as well. Had the debt originally been incurred by a corrupt regime with the purpose of sustaining their power and suppressing the people, for example by denying basic human rights such as the case of apartheid in South Africa, then the loans become a detestable act that the lenders should not have approved of to begin with, and raises questions towards the legitimacy of the borrowing. It could be argued that there is reason in such a circumstance for the debt to be written off (Mkapa 2008). However, the question
would still remain as to whether the debt being written off in such a scenario should indeed be considered aid.

One concept that stands out in the literature is the concept of the ‘aid market’ (Barder 2009; Djankov, Montalova, Reynal-Querol 2009; Klein and Hardford 2005; Easterly 2002). This approach treats the aid system as a market concept, where the actors involved decides on the types of aid demands and supply. According to Abegaz, it cannot be seen as a very accurate concept, though it gives an insight into the idea of the countries that need aid which are the countries that uses aid, and the supply of aid would be the sources that fulfil this need (Abegaz 2005). Sumner and Mallett (2012) state that there are five aspects within which the global aid market is built. They are: ‘the demand for aid; the supply of aid; aid ‘products’ or instruments; aid effectiveness determinants; and tradeoffs or opportunity costs’. Further, within the concept of the ‘aid market’, it is argued that the main problems lie within a market structure that is not efficient in design, such as inadequate information, insufficient feedback, objectives that are not well laid out, as well as the interest of the donor agencies. This leads to the concept of efficiency in coordination between the donor and the recipient country. This raises a new question, as to whether coordination between donors and recipient countries is not already focused upon, despite the benefits efficiency in coordination would bring (Whitfield and Fraser 2009).

10. Aid and The Maldives

The Ministry of Finance and Treasury initiated, years ago (exact date is not known), an Aid Coordination Committee (ACC) that involved a few ministries, such as, The Ministry of Foreign Affairs, The Ministry of Planning and National Development and the Ministry of Finance and Treasury itself. Later the Department of External Resources (DER) was formulated under the Ministry of Finance and Treasury to undertake all foreign resource related proceedings. The department had later been eliminated and external resources relating to development projects became the responsibility of The Ministry of Foreign Affairs during the 1980s, and resources relating to loans and debt remained at
The Ministry of Finance and Treasury. Since then, The Ministry of Finance and Treasury has had an aid coordination structure, with key members from The President’s Office, Ministry of Foreign Affairs, Ministry of Planning and National Development, and The Ministry of Finance and Treasury, and representation from the respective key ministries. This structure remained until 2009. In 2009, the then administration formulated a national planning council and the process was revised. This council included the Ministry of Finance, the Ministry of Foreign Affairs, the key sector ministries, with The Ministry of Planning and National Development remaining as the secretariat. Later, the Ministry of Planning and National Development became the Department of National Planning, which would remain under the Ministry of Finance and Treasury. However, in 2012, with the change in administration, the National Development Council was dissolved.

According to the Ministry of Finance and Treasury, the main external resources come from the pipeline established with the World Bank, Asian Development Bank (ADB), and Islamic Development Bank (IDB), and there always are about three to four projects in their pipeline. The country has been a recipient of Kuwait fund, Abu Dhabi fund, and Saudi fund for decades now, however, they have a policy of project by project processing. The Asian Development Bank (ADB), International Fund for Agricultural Development (IFAD), World Bank (WB), The International Development Association (IDA) provide soft loans, 1% or 0.75% in 40 year loans that are highly concessional. Other organisations sometimes have commercial rates on loans. In terms of the areas that receive external resources, the culture has been that if areas or projects have not been identified by the Ministry, the organisations would suggest areas, or carry out a study in an area, and the Ministry of Finance and Treasury would agree with it as they are soft loans. Donors have had a focus on fisheries and the education sectors. At a central level there is a major focus on the energy sector, and currently funding for the environment sector seems to be favourable with the organisations. In terms of the proportion of projects that the Ministry adopts that are proposed by external organisations as against projects that the Ministry has proposed to the external organisations, the Ministry states that the number
of projects may not be that high that the organisations have proposed, but the size of projects could be bigger. For instance, the country might not be ready with a project such as reclamation of land, but if an organisation comes with such a plan, the Ministry would adopt it, and, the project would become a government project at some point along the line. Most aid that the Ministry has received has been in terms of environment, infrastructure, waste management, renewable energy studies, technical assistance in terms of consultants and professional studies. ADB offers regional TAs (technical assistance) in environment training.

The Public Sector Investment Programme (PSIP) has also been managed under The Ministry of Finance and Treasury, which technically formulates the national budget. PSIP involves a process whereby a series of meetings are held for discussions with the Finance Ministry, Department of National Planning, and the technical staff from the respective sectoral ministries. Prior to the 2008 administration, once the series of meetings with the respective ministries finalise PSIP, it would then go to the cabinet of Ministers and ultimately PSIP will be authorised by the President’s Office. However, in an effort to decentralise such decisions, since the 2008 administration, after the respective Ministries finalise PSIP, it would then go to the parliament for approval. In terms of amendments and final decisions made on PSIP by the parliament, the interview participant from the Ministry of Finance and Treasury states that, although the members of the parliament have been elected by the people, whether they have the capacity to give something back to the people who elected them is questionable.

There have been different paths taken in terms of how aid has been governed. However, the main route is through the Ministry of Finance and Treasury and the Department of External Resources. However, different aid has been managed through different routes, and there has not been a strong resource management history within the government. For instance, one of the biggest funds that the country has managed has been the Tsunami fund following the 2004 Tsunami. A special centre had been set to foresee the dispersal of aid for those who had been affected by the event. The budget included immediate funds such as emergency
accommodation for those who lost their homes, food supply, clothes, as well as longer term aid such as rehousing projects. It is not clear still how the funds were managed, further, it is not clear how much exactly had been the tsunami fund. Lack of transparency combined with inefficient management has left some of the projects that were initiated at the time, unfinished even today.

There have also been short term training grants under Australian aid, that usually are used up for English courses for island chiefs, only because the funds need to be utilised as unutilised funds would mean that the funds would not be made available for the following year.

In terms of trend data on aid in Maldives, all the interviewed organisations had been requested at the time of interview to obtain some figures. Their response was that the figures would be on their websites. However, apart from JICA (Japanese Overseas Aid) and UNDP figures, other organisation figures have proven impossible to obtain. Some figures are online, such as various projects, however, project budgets are published on different websites, and it is not possible to get a full list, despite the UN transparency index.

JICA Tsunami Recovery Assistance:

Maldives Tsunami Reconstruction Project: JPY 2,733 million
Date of Approval: 5/7/2006
Interest rate (%): 0.75
Repayment period: 40 years
Grace period: 10 years
Tying status: General untied
Executing agency: Department of Foreign Affairs

Source: www2.jica.go.jp
Total value of JICA programmes (millions of Yen) 2016.
2015: 365
2014: 234
2013: 114
2012: 164
2011: 274
2010: 1496
2009: 2657

source: https://www.jica.go.jp/english/publications/reports/annual/2016/

UNDP:

2016: US$ 4,841,827
2015: US$ 9,539,976
2014: US$ 9,931,512
2013: US$ 6,299,858
2012: US$ 6,069,714

Of the US$ 6,069,714 spent in 2012, US$ 1,262,697 million came from collective UN sources and US$ 8,811,713 million from bilateral/multilateral agencies.
http://open.undp.org/

10.1. Remittance:

In terms of remittances, it could be said that the effects of remittances are tied in with the concept of migration itself, for instance, countries that experience a high level of immigration experience a high level of outward remittances and countries that experience a high level of outmigration experience a high level of inward remittances. The effects of remittances are seen to be different on the host country to that of the home country of migrants, where positive as well as negative effects are seen in both economies. However, there seems to be a degree
of consensus on the idea that more benefits are seen within the remittance receiving economy, in terms of both economic remittance as well as social remittance.

In 2013 the World Bank stated that the inward remittances in the developing countries had reached USD 414 billion, making remittances the biggest inflow of external finance into the developing countries, beating FDIs (foreign direct investment), which had been the highest inflow of external finance in to the developing countries. Hence, remittances have become a vital part in the economies of both the migrants’ home economy as well as the host economy. Two of the main reasons for this increase is said to be the increase in migration from developing countries to developed countries, as well as the increasing cost effectiveness of payment transfers (Meyer and Shera 2016).

**Effects on the Recipient Country Economy:**

There has been empirical evidence towards economic benefits from inward remittances such as investments as well as savings (Meyer and Shera 2016) in countries such as Morocco, Pakistan and other south Asian countries, as well as some of the Mediterranean countries. This contributes to elevating people’s lifestyles with the opportunities of investing their savings that could provide them with further savings or capital that could serve as security. Evidence also has shown that remittances increase the financial flow within the banks in the receiving countries (Meyer and Shera 2016). Inward remittances have also contributed to the expansion and growth of services within the financial sector (Ratha and Mohapatra 2007; Ghosh 2006).

However, there is also the debate that inward remittances can negatively impact the receiving country. Remittances could increase the exchange rate within the receiving economy (Amuedo-Dorantes and Pozo and López 2005), create greater inequality within the economy (Levitt and Lamba-Nieves 2011) and further, it has also been argued that dependency on remittances is seen within the recipient economy, creating a false sense of security of a certain standard of lifestyle that might not be sustained in the long run (IFAD 2014).
**Effects on Host Country Economy:**

One of the main effects of outward remittances on low income host countries is observed as a decrease in productivity as well as in growth (Meyer and Shera 2016). The outflow of funds as remittances are funds that would be needed at the consumption levels of the low income host country, and further, it would provide a potential means of savings or investments within the host country (Baas and Melzer 2012). These outward remittances in low income countries are also funds with the potential to contribute towards government provision of services had it remained within the host economy. Further, the high dependence on migrant labour is seen to create unemployment as well within the host country (Alkhathlan 2013). Higher rates of outward remittances are seen among short term migrants while longer term migrants maintain lower rates of outward remittance to their home country (Baas and Melzer 2012; Huang and Vargas-Silva 2006).

In terms of social remittances, migrants are seen to disseminate ideas, beliefs and culture of the host country into their home countries (Fargues 2006). For instance, in Turkey and Morocco, the birth rates decreased following an increase of workers migrating to European countries where small families were a prevalent life style choice. However, birth rates were seen to increase in Egypt when workers migrated to the Middle East where culturally bigger families are more prevalent (Social Science Research Council 2009).

Similarly, immigrants are seen to sustain their home country cultural practices and life style choices within the host communities, hence creating an impact on the host country, some of which could be good practices, and some practices that could create negative implications (Levitt and Lamba-Nieves 2011; Rao and Woolcock 2007).

**10.2. Remittance In Maldives:**

High outmigration of workers and high inward remittances are a feature especially more common in small states and small island states. According to the World Bank, in the year 2010, inward remittances reached 5.6 billion Euros in
the Caribbean, however, outward remittances remained less than ten times of the remittances received (World Bank 2010). While the most common trend in remittance transfers in the developing countries has been outward remittance from the developed countries into the developing countries, the concept is seen to exist in reverse in the Maldives, where outward remittances outweigh the inward remittances.

Maldives has a history of migrant workers. During the years of the first presidency, and especially during the years of the second presidency, while the foundations of the various industries were being laid, there was an unmet need of skilled employees as well as unskilled employees in the respective fields, which brought in migrant workers from various countries such as Sri Lanka, India and even the UK. Some such fields include the education sector, tourism sector and communications sectors such as in the provision of national coverage of radio broadcasts, later tv coverage, and much later telecommunications coverage of the entire country. With the sudden boom of the tourism sector in the 1980s, the tourism sector and other related sectors such as construction industry and various other economic opportunities created sudden employment opportunities that could not be catered for within the country. Hence, employment in the areas that the country could not match the numbers was filled in by more and more migrant workers, especially at the highly skilled levels, as well as low skilled levels where vacancies were in high numbers (Salvini, Bruni and Castagnone 2016). However, the number of migrant workers in the Maldives has increased immensely since. According to ILO, one of the main reasons of increasing migrant workers is not only shortages in skilled and unskilled labour, but the willingness of migrant workers to accept lower wages and higher reliability as well (ILO 2016). Hence, it could be said that foreign labour had initially been a necessity, which has now become more convenient and profitable for the Maldivian entrepreneurs, especially in labour intensive areas of work.

The highest number of migrant workers in Maldives are from Bangladesh which is 57%, second highest is Indian migrant workers which is 23%, third is Sri Lankan workers at 10% and just 1.5% of Filipino workers (ILO 2013). The
majority of migrant workers in the Maldives are employed in the construction sector which accounts for 88%, social service sector accounts for 78%, tourism sector accounts for 72%, and financial and business sectors account for 72% (ILO 2013). In terms of the distribution of migrant workers, the construction sector comprises of 54% workers from Bangladesh, 29% workers from India, and 17% Sri Lankan workers. There are 20% of Indian workers in the social service sector, and in the tourism sector there are 12% Indian workers and 32% Sri Lankan workers (ILO 2016).

The financial sector of the country comprises of commercial banks as well as non bank financial institutions such as insurance companies, pension funds, money remittance service providers and financial companies, of which the banking sector accounts for 94 per cent of the financial companies’ consolidated assets. One striking feature of the country's economy and the financial sector are the large numbers of expatriate workers and hence, the relatively high outward remittances. The total population of Maldives is 407,660 of which the resident population is 402,071 and the expatriate population remains at 63,637. The nonresident Maldives population is 5,589 (Census 2014), hence, we see a very high expatriate population in the country. In 2016, the outward remittances as money transfers had been US$108.7 million, of which the large expatriate workforce accounts for 83 per cent, while outward remittances by the Maldivians remained at 17 per cent (MMA 2016). The composition of the outward remittances were such that, Bangladesh remained highest at 64 per cent of the total outward remittances, India accounted for 13 per cent, Nepal 6 per cent, Sri Lanka 4 per cent and the Phillipines accounted for 3 per cent.

Since May 2016, the monthly outward remittance total has been lower than May 2015, and the difference had been greater in November and December, with a 38 per cent difference between November 2015 and 2016, and a 43 per cent difference in December 2015 and 2016. This decrease in outward remittances coincides with the expatriate remittance tax that was introduced on the 1st of October 2016. However, inward remittances had also decreased by 13 per cent (MMA 2016).
In terms of economic development, it could be said that a need exists in low income host countries, such as Maldives, to ensure instead of outflow of funds, such as remittances, that the funds remain within the host country economy to be utilised as investments or savings within the host economy. Incentives have to be sought to attract labour from within the country rather than outsourcing the labour requirements. This creates a need for relevant planning and policies to be formulated in order to provide incentives to create a domestic labour force such that dependency on migrant labour could be reduced, whereby decreasing the outward remittances (Alkhathlan 2013). Most workers migrate to Maldives on a short term basis where more often it is the male manual workers, and they leave their families behind in their home countries, a phenomenon that contributes to larger sums of outward remittances (Baas and Melzer 2012; Vargas-Silva and Huang 2006).

11. Conclusion:

Although extensive debates exist within the aid literature, one area that the aid literature does not seem to cover is the political and economic link between some of the donor countries and their shares and investments in the major industries such as oil or diamond industry in the recipient countries. In other words, while these donor countries contribute largess to the recipient less developed countries, these donor countries are in fact profiting from the thriving industries like the diamond industry that are in some of the recipient countries. If the donor countries own substantial shares of such industries in the developing world, the amount of aid that these donor countries give to the developing countries would not in any way match the hefty profits the donor countries receive from the thriving industries.

Further, in this scenario, the aid that the recipient countries receive could be considered a percentage of the profits the donor countries receive from the industries such as oil or diamond industry based in the recipient country. This raises questions towards the legitimacy of the industries as well as the aid itself. For instance, if the aid given to the recipient country was from the profit the
donors achieved from the industries in these developing countries, then, was the aid in actual fact funds that should have remained in the recipient countries to begin with? A similar scenario that has not been acknowledged within the aid literature, which perhaps should rightfully be acknowledged, is the ownership of patents by the donor countries and philanthropists. One such example was the US patent of basmati rice which India battled against and, unusual for the situation, won the case against the US (no-patents-on-seeds.org 2007). Another, and perhaps more impactful example would be the patents of vaccines that are held by the donor countries as well as other philanthropists. For instance, Bill Gates, while known as a great philanthropist especially towards African countries, holds patents on many vaccines that are sold to the very many poor African communities (the Sri Lanka Guardian 2011). From an economic perspective, vaccines and drugs without a big corporation patent would cost a significantly lower price.

Further, in the case of patents held by the rich donor countries and other philanthropists, it is a significant thought that the money they spend as aid on the developing countries, who are also in dire need of vaccines, would be more productively received if the aid was channelled towards large scale campaigns on life style changes such as best practice to avoid malaria, or life style changes towards best practice to better their living conditions such that their lifestyles would limit the spread of, and increase control of diseases. Such campaigns would provide long term sustainable development as opposed to the short term remedy of the constant purchase of vaccines for a long term sustained problem. However, it has to be noted that the constant demand for vaccines would prove more profitable for the patent holders. Perhaps it is a classic example of one stream of ‘donor agenda’ that deserves a better focus within the aid literature.

The concept of ‘Policy Coherence as aid’ has been researched within the literature review. For instance, the Development index approach by the Center for Global Development (CGD) includes donor country adoption of policies such as trade, migration, and even climate change issues that the recipient country would benefit from (CGD 2012). The aim of Policy Coherence is to maximise
mutual benefits of both the developed and developing countries in terms of policy issues, which is believed to do more than just aid in terms of taking the recipient countries out of the structural constrains that keep them in poverty (Ratha, Mohapatra and Scheja 2011; Anyanwu and Erhijakpor 2010; Katseli, Lucas and Xenogiani 2006; Xenogiani 2006).

Since most planning processes in developing countries are top down with a heavy bureaucratic hierarchy, searching for what works would seem hard work. The best way to search for what works in which scenario is to decentralise the search process. The aid system should be designed to cater for the successful searches through which the maximum benefit of aid could be achieved (Mkapa 2008). The countries should formulate a platform of free and open discussion towards formulating their own reform plans, to include the vital components of reform such as research, independent judiciary, accountability, free press, where principles and procedures need to be established with the appropriate leadership, authority and resources that would amend the flaws within the system.

It is further suggested in the literature, that donors do not have a clear vision formulated for their targets. Perhaps this is where, in order to achieve the true benefits of aid, policy sovereignty of the recipient country gains significance. Should the recipient country have sound research and needs based policies, and exercise impact analysis within the development process, there is a strong argument that the impact of aid would be better felt. With the vast figures that are being channelled into aid, the fact that a big difference has not been made within the recipient countries perhaps is argument enough to say the whole process of aid needs an overhaul, which has been reflected in the literature itself, that the aid system does need to be restructured. If aid agencies established better focussed targets, as well as needs based analysis, impact assessment, as well as accountability to the people as part of their main focus, perhaps the vast amounts of aid that are being channelled in to the developing countries would make a better impact on development. However,
this would contradict with the ideology within the literature that the donors have their own agendas to be achieved from the process of aid.

It can be seen from the aid literature that donors can influence the recipient country policy process, however it is inconclusive whether such an influence indeed have positive impacts on the socioeconomic and political development of the recipient country. Given the factors such as donor insistence on the involvements in policy process, economic conditionality, lack of progressive planning in aid, and even lack of commitment from a lot of the governments in the developing countries, it could be suggested that the best practice in development would start from educating and making the general public more aware of concepts such as democratic values, development planning within communities, accountability issues, which would then create awareness among the general public to make them more proactive in the development arena. It could be argued that should the general public be more educated and aware of their development issues and policies, it would safeguard the policy process from both the negative donor influences as well as corruption that might exist within the local governments. Further, it could also be argued that should the public be educated and made aware their development issues and policies, and the values of democracy, it would pave the way towards more credible policy sovereignty, and hence, achieve sustainable development within the aid recipient countries.

The aid literature does suggest that the best policies in aid would be policies that have been formulated within the recipient countries. If indeed it is policies from within the country that can prove the best practice in development of the country, then it raises serious doubts as to whether the donors could make well informed decisions regarding the economic and social situation of a totally different country. Perhaps this is reason enough to call for an overhaul and restructuring of not just the aid system, but of the development mentality within both the donors and recipient countries. If aid is enshrouden with donor agendas, perhaps it is the developing countries themselves that has to stand up for their own development.
Chapter: Four

The Research Methodology

1. Introduction

Although the various existing relevant data would contribute immensely to the policy process, should a specific problem need to be targeted that had not been covered within the existing surveys and studies, it would become necessary to conduct a situation analysis based on the specific problem in order to gather the necessary information (Knill and Tosun 2012). Hence, in order to research how far The Maldives is able to practice policy sovereignty, the policy arena of the country has to be examined at both the policy level as well as at the technical level. This chapter begins with a background on the research, and then describes the analytical category, the research objectives, and methods, and closes with the strengths and weaknesses of the research design.

Although the question involves three aspects, which are, area, geographical location and economic development, this research targets the policy arena of the areas, rather than an actual measure of how the three areas per se contribute to the development of the country. For instance, in terms of area and geographical location, the research does not address the impact of the actual physical island formation on the development of the country, rather, the research looks into whether the country being a small island developing state has an impact on the country’s policy arena, especially in terms of survival in the global system, such as, whether the country being an island formation has an impact on the actual policy formulation process or the implementation of those policies, especially within the global system. Hence, the research looks into whether any impacts of these factors have been felt within the policy arena of the country.

Where a reference is made to an individual interview participant, given the interview participants from the respective government organisations are high

\[15\] This process has been discussed in chapter 2
level government officials, their names have been removed due to political sensitivity. The names of the interview participants from the development organisations have also been removed due to political sensitivity.

2. The Research

The hypothesis of the research is: being a small island developing state, Maldives is not able to exercise policy sovereignty, which impacts negatively on the development of the country, and in the survival of the country in the global system. Therefore, the research tests how far the hypothesis is true, in the sense, whether and to what extend the Maldives is able to exercise policy sovereignty in the global world, taking into consideration the domestic influences that would exist within the policy arena of the country, as well as external influences, given that the Maldives is a small island developing state.

This hypothesis will be tested in terms of the country’s domestic and external policy practices, and to include the government organisations who are the key actors in the policy arena, and the external actors who have a direct impact on the country’s policy arena.

The research consists of a series of interviews with the respective government policy elites in the development policy arena, and elites at the technical level of the development policy arena. Interviews were also conducted with the international organisations that have an impact on the country's policy arena as well as the development arena. These interviews were also conducted at both the policy level and at the technical level as well.

3. The Research Objectives

The research attempts to establish to which level the country is currently able to:

• Exercise endogenous policy formulation.
• Determine whether the country is able to exercise policy autonomy
• Determine the domestic hindrances towards achieving policy sovereignty.
• Determine the external hindrances towards achieving policy sovereignty.
• Establish the country’s current system in place to manage the domestic hindrances towards achieving policy sovereignty.
• Establish the country’s current system in place to manage the external hindrances towards achieving policy sovereignty.
• Determine the weight of the variable ‘small island developing state’ as a causal factor of the domestic hindrances towards achieving policy sovereignty.
• Determine whether political influence has been seen in the formulation of policies.
• Determine whether ‘small island developing state’ has any weight in terms of a variable as a causal factor of the external hindrances towards achieving policy sovereignty.

The data was collected as elite interviews from the respective government organisations as well as from the respective international organisations in terms of short term and long term policy processes at both domestic level and external level.

4. The Actors Involved in The Policy Arena of The Country

The actors in the policy arena of the Maldives consist of the government, the city council and the parliament who are directly involved in the policy process. Local organisations such as nongovernmental organisations and community based organisations are few in number and are not active in the policy process of the country. However, as characteristic of many developing small states, there is a heavy presence of international aid organisations, international financial institutes, and various bilateral and multilateral donors. Hence, there is a necessity felt in the policy arena to accommodate the aid organisations as well as other development and financial organisations, as well as the international influences such as international trade regulations that would have a direct impact on the country’s development.
5. The Research Method:

The data collection was undertaken through elite interviews. The interviews were conducted with elites from the respective government organisations, as well as the elites from the respective international organisations, at both policy level as well as at technical level. Here, the term ‘government organisations’ refers collectively to the government ministries, departments and offices that were interviewed.

The interviews consisted of semi structured questions such that, it would provide the flexibility to ask further questions depending on the answers received (Bryman 2012; Ezzy 2010; Aberbach and Rockman 2002). Further, it would also provide the participant the chance to add any extra information that might be deemed important in relation to the question asked, or any information that might be deemed important that was indirectly related to the question. Some of the questions were closed ended questions where a definitive response was required, and some were open ended questions to offer room for discussion that might provide more information. As interviews were conducted with government organisations as well as development organisations, the questions needed to reflect the respective organisation’s work and had to be adapted to suit the particular organisation. However, as the questions should not deviate much form the core concepts regarding which the information was being collected, instead of formulating a set number of questions for all the interviews, a framework of the necessary information was designed within which questions were asked. Given that open ended questions could give rise to new areas of discussion as well, the framework ensured that the discussion was brought back to target as well.

As the research was based on interview data collection within the policy arena of the country, and a lot of the information would not necessarily be published information or validated from another source, hence, for the purpose of authentication, it became necessary to devise four analytical categories. First

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16 Appendix 3
category is the government elites at the policy level, second is the government elites at the technical level, third category is the international organisations’ elites at the policy level, and the fourth category is the international development organisations’ elites at the technical level. The technical level data served two purposes, firstly, it would authenticate (where possible), the policy level data with evidence. Secondly, it would quantify (where possible), the policy level data.

The research analysis was conducted in two parts. First part being thematic analysis of interviews, based on recurring themes (Bryman 2012; Ryan and Bernard 2003). The framework approach (Braun and Clarke 2006) was adopted for the purpose of thematic analysis, where the information were classified into the main themes and the subthemes that would recur according to which the data would be categorised. The themes were based around the questions asked, such that the data could be analysed in relation to the questions, though some of the themes might not be a direct response to the questions.

The second part was focused on the review of the policy findings from the interviews, such as the policy failures, reasons for the failures, changes that had been brought about to policies, why the changes had to be brought about, the technical short comings that hinder the policy process if any, as well as including any other policy issues that might be present. This is designed to include policy issues that might be outside of the themes, yet relevant and important to the research.

The external impacts on the policy process such as international trade regulations were included, as without it, it would be impossible to reach a conclusion towards whether or not, and how far they compromise the small states’ interests. However, the collection of information on the external factors such as international trade had to be ‘adjusted’ to fit into the overall scope of the research. For instance, information on external factors that impact on the tourism industry policies for both the domestic and foreign tourism policies, were sought through the tourism ministry rather than from an external organisation such as WTO, one reason being representatives from such
organisations are not always resident and it would not be feasible to arrange an interview, another reason being, as it is the country’s policy arena that is being studied, it would be relevant to use data from a domestic source. Further, information on issues such as trade regulations are verifiable information, irrespective of the source of the information. However, one difference (possibly) that interviewing an organisation such as WTO could have made is to obtain the opportunity to explore the policy zeitgeist of the international organisation that undertakes involvement at a global scale with small developing countries as well as the global trade giants. However, on this occasion it had not been possible to include the organisation.

6. Interview Process

The invitation for interviews were initially emailed to the respective organisations with a brief summary of the research, explaining what the focus of the research was, and how they could be of help towards the research, and inviting any questions they might have regarding the research, and further, requesting to establish a point of contact in the respective organisations for the purpose of the research interview.

From the government organisations, all organisations, with the exception of the City Council of the capital Malé, accepted the invitation of participation in the research. The Malé City Council simply remained non-responsive despite several attempts for a confirmation of participation or of nonparticipation. From the Development Organisations, all organisations, with the exception of IMF and World Bank Representatives, accepted the invitation of participation in the research. The IMF Representative Office and World Bank Representative Office responded that, as the Representatives of both the organisations are not resident in Maldives, they were unable to confirm an interview.

All interviews, except with the interview participant from The Ministry of Housing and Infrastructure, were conducted in the participants’ respective offices, the interview with the participant from The Ministry of Housing and
Infrastructure was conducted at his private family residence. The interview with The Office of Programmes and Projects began in their official meeting room, however, due to a double booking of the meeting room, we gave way for the meeting that was booked at a more official capacity, and moved the interview to the participant's office space. All participants were professional but semi formal in manner and friendly, and seemed to discuss issues openly.

At the beginning of each interview, as a reminder, participants were presented with a short summary of the research that had been previously emailed to them. The participants were also briefed on confidentiality issues, and options were offered towards the storage and/ or obliteration of the information collected from the interviews, on the conclusion of the research. Consent was obtained towards recording the interviews and towards the use of the information obtained from the interviews.

The questions in each interview followed the same themes, and the same framework, in the same order. Most of the interviews were roughly one and half hours long, with the exception of the interview with The Ministry of Tourism, and The Department of National Planning which lasted about two hours, The Ministry of Economic Development which lasted about two and half hours, the interview with UNDP (Democratic Governance Programme) and UNICEF lasted about two hours as well.

The interviews were quite engaging and had very little derailment if any, hence, it could be said that the problem of elites taking up the position of the ‘spokesperson’ did not arise in the interviews. However, during the interview with the State Minister of Tourism, a very detailed and passionate account of his personal views of the Ministry’s and the country’s policy arena were also presented. In terms of reliability of respondents, a more collective approach was adopted for the most part, in the sense, instead of proving reliability on an individual basis, the responses from the respective organisations were in a way accounted for by one another, in the form of themes and subthemes within the interviews, that was analysed at policy level and technical level. At the end of each interview, the participants were presented with the opportunity to add any
further information that they might deem relevant or important, that was not covered during the interview.

Contrary to my initial belief that the participants from the government organisations would not be very keen to discuss policy issues for academic purpose, they seemed the most keen of all the participants. The State Minister of Tourism in particular remarked after the interview that to participate in academic research is a breath of fresh air in terms of discussing policy issues, as usually such discussions fall on very stagnant minds. All the participants were generous with their time and effort, and seemed eager to participate.

6.1. My Position in Relation to The Participants:

Owing to my work experience in the policy arena of the country, many of the participants were already familiar at varying levels, mostly at an official capacity. This played a key role in the information collection as it already gave me most of the preparatory level information and knowledge on the policy arena of the country. It also provided me with the insight as to which organisations would be the key players in terms of the policy arena. Further, it also provided me with the knowledge of some of the main development processes such as some of the development planning processes, some of the aid processes, as well as some of the main failures in those areas as well. This combined knowledge placed me in a strong position with some of the participants due to the underlying fact that I would already possess the knowledge to recognise any fabrication of information on the main concepts involved, even though I did not hold as in depth knowledge as the participants. Further, it could be assumed that familiarity worked in the favour of the research as perhaps there was a sense of confidentiality already established, which lead to the participants being as open and as generous as they were with the information. From the participants’ perspective, I perhaps was very much an insider in every respect. However, the government organisations were not ready to provide any written information or data on policy as well as development project failures, or on unplanned, ad hoc policies and development projects that have been seen in the country, which
usually would remain undocumented by the state. And it is their wish for it to remain unpublished even in academic research. Although the international organisations would require the documentation of their failures in development projects, they too were not happy to provide written information to that effect.

7. Selection of The respective Organisations And Elites for The Interviews

In terms of selecting the elites for interviews, the first step was to identify the different government organisations and international development organisations that should be interviewed. The government organisations were selected based on the role they played in the development policy arena, or the contribution they made towards the development policy arena of the country. Among the international development organisations, the main organisations that have been active in the country for at least ten years were selected. One assumption here was that not all invitations for participation would be accepted, and hence, in the selection of the organisations for invitation of participation, as many relevant organisations as possible were invited.

The government organisations that were selected for the research are as follows:

1. The Ministry of Economic Development
2. The Ministry of Tourism
3. The Ministry of Finance and Treasury
4. The Ministry of Housing and Infrastructure
5. The Department of National Planning (former Ministry of Planning and National Development)
6. The Office of Programmes and Projects
7. The City Council of the capital city Male’

No response.

These government organisations have been selected due to two main reasons. Firstly, these government organisations play a key role in terms of the development of the country, and hence, the policy process in these organisations would be crucial to policy sovereignty as well as development in the country.
Secondly, these government organisations are the key government organisations that would formulate for the most part, the policy process at the domestic level as well as at the international policy arena.

All invitations were accepted except The City Council of Malé.

The list of development organisations that were invited are as follows:

1. JICA (Japanese International Cooperation Agency)
2. UNDP (United Nations Development Programme)
3. UNDP (United Nations Development Programme, Democratic Governance Programme)
4. UNFPA (United Nations Fund for Population Activities, or, United Nations Population Fund)
5. UNICEF (United Nations International Children’s Emergency Fund)
6. WHO (World Health Organisation)
7. SAARC (South Asian Association for Regional Cooperation)
   SAARC Division, Permanent Secretary, Ministry of Foreign Affairs
8. World Bank Country Representative
   The organisation representative is nonresidential, and hence, was not able to arrange interview.
9. IMF (International Monetary Fund) Representative
   The organisation representative is nonresidential, and hence, was not able to arrange interview.

These development organisations have been chosen based on the number of years of support to the country, as well as the most consistent support to the country as well. JICA has been supporting the country since 1982, UNDP since 1965, UNFPA since 1976, UNICEF since 1978, WHO since 1965, SAARC since it was founded in 1985 (Maldives is a founder member of SAARC), World Bank since 1978, and IMF since 1978. The policy level and technical level participants were decided based on the duration of service at the respective organisation, as well as the hierarchical position as well. The policy level participants that were selected from the development organisations were the country representatives.
as far as possible, and the participants that were considered at the technical level were the country programme coordinators. All invitations were accepted except World Bank and IMF.

The selection of the political elites for the interview required careful assessment. A background check was carried out on each individual nominee for interview before inviting. The check included factors such as past involvements in any known dishonest transactions within the government, how active the nominee was in the political front in terms of whether the nominee was an activist, or an enthusiastic loyalist to any political parties. Given the highly politicised communities of the country, the selection of elites who could hold a discussion without much bias was vital although there was no way of confirming their actual extent of involvement in political parties. Although these aspects were taken into account, the government participants at policy level were selected mainly based on the number of years of service in the organisation, and their position in terms of power hierarchy within the Ministry or Department. This criteria would enable the selection of participants with the relevant experience and knowledge of the policy arena, such as experience in government discussions of the country’s policies, have applied in practice the authority of decision making in terms of the country’s policies, have been active to some extent in the ad hoc policy decisions that have been made, and further, have also been part of the policy successes and even policy failures. Hence, in terms of qualitative information collection within the policy arena of the country, they were the best people to gain the information from.

8. Elites as an Analytical Category

The term ‘elite’ has been defined in many different ways, such as, professionals who are in a position of power in terms of their title but who may not particularly be as influential as implied by their title (Harvey 2010; Smith 2006); those in a position of power with the actual ability to enforce their power and influence (Harvey 2011); as well as those that belong to a certain ‘class’ within the society or a high skilled group (Morris 2009; Burnham 2004). There is also
the suggestion that the term ‘elite’ is misrepresentative as the status could be subject to change at any given time (Plesner 2011).

For the purpose of this research, ‘elite’ would imply the hierarchical position in terms of the person’s job title, which would enable him / her accessibility to policy related knowledge and information that is required. The assumption is not taken that a person’s job title would automatically enable information, however, the experience, exposure and knowledge of the policy arena could only be gained from those that have been on the inside of the policy arena, and at the right level in terms of hierarchy. As non-elite research is more commonly undertaken (Mikecz 2012), there has not been a lot of insight and data that include elites’ knowledge and experience. And for the purpose of this research, it is crucial that the information is collected at the policy elite level.

9. Elite Interview

Interview has been one of the most popular tools for collecting information in social science (King 2004) as well as political science (Lilleker 2003; Berry 2002) due to the efficiency of the tool in collecting effective qualitative data through the elites’ experiences, their description of the events, and the meaning the elites perceive of those events (Rubin & Rubin 2012). Seidman (2013) suggests that the main focus of an interview is not to generate answers to a set of queries, but interview research springs from the need to understand and relate to what others have experienced, and their perception of those experiences. Hence, the entire interview process contributes to the findings from the interviews (Brinkmann & Kvale 2015; Patton 2015).

Although the literature includes several contributions towards interview as a social research methodology, and how to conduct interviews successfully (Saunders, Thornhill and Lewis 2006; Bowling 2002; Bryman 2001; Cohen, Manion and Morrison 2000; Pope and Mays 2000), interview with elites does not have quite as vast a literature. However, the importance of elite interview has not been undermined, and some literature details the various aspects of interviewing elites (Burnham 2004) such as gaining access to elites, maintaining
the power balance between the interviewer and the elite in terms of the information required, portrayal of information to suit the elite's agenda (Bygnes 2008; Burnham 2004), or maneuvering questions in to their own focus within discussions (Ostrander 1995; Homan 1991). Despite these challenges, interviewing elites have been one of the main ways to get insight into certain fields, such as political elites could give insight into the policy scenario of a country.

10. Relevance of Elite Interview To Policy Research

One of the main reasons for interviewing elites in terms of policy issues remains the impact the elites that are active in the policy arena of a country can bring to the entire society (Delaney 2007; Useem 1984; Baltzell 1979; Domhoff 1978). The decisions that are taken by the elites in terms of policies can impact to change a situation for the better or for worse within the society. It is important to research how and what affects the elites’ decision making brings about, and the correlation between the hierarchy of elites and how much influence they have on the policy process (Kezar 2003; Lancaster 2017), as they hold in their disposal the power not only to impact the society directly, but also the power to concretely magnify or diminish the potential outcome of a country's resources. Hence, gaining insight into how and why these decisions are reached in terms of the policy makers’ perspective (Kvale 2006) would prove insightful knowledge into the policy arena, and one of the most direct ways of gaining access to such insightful knowledge is by having a direct ‘conversation’ with the elites. Hence, semi structured interviews have been proven to be a valid methodology in policy research (Sarantakos 2005). While interview has been regarded an effective method of collecting information from elites for qualitative research (Morris 2009), difficulties have been discussed in terms of undertaking interviews with elites (Mason 2002; Welch 2002), one main difficulty being access to elites which have been a prevailing issue (Delaney 2007). Difficulties with interviewing elites are further aggravated should factors such as different cultures or language barriers remain (Herod 2012; Mikecz 2012). However, the literature suggests that researching elites have been rapidly increasing in politics (Mikecz 2012)
and in the policy arena of other different fields (Goldman and Swayze 2012; Herod 2012; Moore and Stokes 2012).

11. Gaining Access and Trust

One of the main problems identified in the literature in terms of elite interviews is gaining access to the respective elites (Seidman 2013; Mikecz 2012; Rubin & Rubin 2012; Thuesen 2011; Morris 2009). Often it becomes necessary to invest time and effort in arranging interviews with elites (Thuesen 2011). Owing to their prior engagements, research interviews might not become priority on their list, or might not be something they are comfortable with, or something they are even willing to participate in (Yeung 1995), especially if they are in a higher position of power (Mikecz 2012; Welch 2002). One of the factors described in literature towards gaining access to elites is to present one's own credentials, or partnerships, alliances, affiliations and connections (Morris 2009; Welch 2002), however, there is variance in this debate as suggested by Ostrander (1995) and Lancaster (2017), that the argument perhaps has been overstated while other aspects of elite interview should gain higher priority, one such aspect being gaining trust of elites.

In using interview as a research method, the success would depend on how much information the respondent imparts, and hence, success of interviews with elites too would depend on how much information they are willing to present during the course of the interview. However, one of the main problems that arise with elite interviews is building a sense of trust between the interviewer and the elites. In terms of building trust with the elites, literature suggests interviewers to portray themselves as empathetic, yet confident in the role of interviewer (Mauthner 2002), creating a sense of rapport with the elites (Morris 2009). It is further suggested to be formal, to be aware of the balance in power such as the seating positions, seating distance from the elite (Ornstein 2012; Schein 2010) and to start the interview with general remarks leading up to the interview questions. It is also argued that the role of the interviewer contributes immensely to the building of trust in elite interviews (Plesner 2011), such as whether the interviewer is considered an ‘insider’ or an ‘outsider’ even though
defining who is an ‘insider’ and who is an ‘outsider’ is under constant scrutiny. Hence, an elite sharing information might not have the confidence that the information would be received in the same context as presented (Young 2011; Holden 2001) if the interviewer is an outsider, especially in situations where differences in culture, choice of words used, gestures, etiquette and the mindset could come into play, and might further aggravate the ‘insider outsider’ situation (Herod 2012; Mikecz 2012).

12. Ethical Issues in Interviewing Elites

One of the main ethically important issues in interviewing elites has remained the idea of confidentiality and anonymity. It is seen in literature that by maintaining anonymity, the simultaneous action of confidentiality is achieved thereby protecting the identity of the participants (Wiles, Crow, Heath and Charles 2008). While this is one method of protecting identity and defending confidentiality, according to Tilley & Woodthorpe (2011) confidentiality refers to more than just protecting the identities, where the concept of confidentiality consists of factors such as privacy and vulnerability as well, that are subject to change, largely depending on the respective period or situation (Vainio 2013). In terms of maintaining the confidentiality, informed consent would play a major role where the process would begin with providing the elites with the necessary information about the research, ensuring that they understand the research prior to the interview. In terms of anonymity, the information that would be processed from the interview should reflect on the overall target, and information that are not contributory towards the theoretical perspective and research questions should be eliminated (Vainio 2013). For instance, factors such as the elites’ experience, and academia might prove relevant factors, while factors such as religious beliefs might not be relevant, and hence could be left out.

Further, when conducting elite interviews in policy research, other factors need to be considered (Farquharson 2005; Duke 2002), such as presenting information regarding the risks involved in imparting the information, and what could be offered as ‘immunity’ from the risks. It has to be made clear that
participation is voluntary, and based on informed consent, which would be in effect during the research period, as well as after the research concludes. Further, prior to interview, agreements should be reached towards the storage of the information during research, and towards the conduct required by the elites for the information collected, on the conclusion of the research.

13. Potential Problems in Interviewing Elites

The literature discusses the main potential problems with interviewing elites (Mikecz 2012; Harvey 2011; Morris 2009; Neal & Mclaughlin 2009; Stephens 2007; Smith 2006; Duke 2002), which reflects that the challenges and issues involved need further attention and studying (Delaney 2007; Duke 2002; Berry 2002). The main problems include the balance of power between the elite and the interviewer, the idea of ‘spokesperson’ where a balance has to be maintained in who leads the conversation, and the idea of ‘dishonest’ respondent where suspicions of lies or fabrication exists.

13.1. Maintaining Balance of Power During the Interview:

The idea of balance of power has been observed to reflect the position and experience of the interviewer from the elites’ perspective. For instance, should the interviewer be another participant in the policy arena, or someone the elites could better identify with, then the power becomes more balanced, however, should the interviewer appear as someone knowledgeable in the field, such as an academic, the elites could appear a bit more assertive in an effort to prove the knowledgeablebility of themselves (Mikecz 2012). Further, the literature suggests that elites are often interviewed in their own ‘territorial space’, such as their own office, which ‘authorises’ assertiveness and dominance in interviews (Ornstein 2013; Schein 2010).

In terms of the power that the researcher or the interviewer holds, from the elites’ perspective, it could be said that the researcher holds the power to elaborate interview questions in an attempt to gain an answer to better suit the researcher's perspectives, and be selective in the choice of interpretations of the information received. The literature draws on the importance of adequate
planning and preparation of the interview questions as one way of avoiding such a situation. In that respect, one important factor to focus on is the preparation of questions that are easy to understand and are within context. For instance, the researchers can draw on their own knowledge as well as the experiences of others, in order to formulate questions that are easy to understand and that the participants can relate to (Brinkmann and Kvale 2015). Although the research questions might require theoretical terminology, the interview questions should consist of terminology that the participants would be familiar with and can relate to (Brinkmann & Kvale 2015; Patton 2015; Merriam 2009). It is further suggested in the literature that preparation is necessary not just to get it right, but also to make the right impression that would be necessary for a productive interview with the elites (Harvey 2011; Thuesen 2011). Such preparation is also vital due to the fact that elite interview would usually prove impossible to repeat (Lancaster 2017), as well as such a situation could let down the initial trust and rapport that was built with the elite.

Further, in terms of the potential power that the researcher holds, the researcher could publish information from the interview in a way that could be potentially damaging to the elites (Lilleker 2003; Woliver 2002; Sabot 1999). Should such a situation arise, it could act as a barrier towards future accessibility to elites for interviews. One way of controlling such damage is, where possible, to validate with the elites prior to publishing the interpretations and output (Lilleker 2003; Woliver 2002; Sabot 1999).

13.2. The ‘Spokesperson’ Role:

As Elites are often in a role of authority and leadership, and are used to being a speaker in various different scenarios, one anticipated problem in interviewing elites is the taking over of the interview as a ‘spokesperson’ and leading the conversation which could impact the information that is disseminated (Mikecz 2012; Smith 2006; Welch 2002), as conversation could be redirected from the necessary information.

In such situations, the elites take an active and perhaps an excessive interest in the research project, and supply their interests and propositions on the project,
deviating from the actual interview, and hence jeopardising the information the interview was planned to collect (Delaney 2007). This phenomena poses two further problems, one being that the time allocated for the interview would occupy a different activity, and the second being, rather than provide the intended information, the elites would now have the chance to speculate and even perhaps think twice about disseminating information (Delaney 2007). However, should the researcher stay alert, and by means of polite interruption and redirecting, the situation can be avoided.

It is argued that for the maximum productivity from the interview, the researcher, not the respondent, should dominate the conversation. A balance has to be maintained where the elites are given ‘space for comfort’ in terms of speaking about something, while the researcher also tries to keep the conversation from derailing (Ezzy 2010).

13.3. Reliability of Respondents:

Since elites have a certain persona that is presented to the public in general, it is a very credible possibility in interviews with elites, to be presented with ‘the right thing to say’ rather than the honest version of events, or even what they presume to be the right thing to say in order to convey a specific perception of the interviewed elites or their place of work (Harvey 2011; Berry 2002). In such situations, it becomes the researcher’s responsibility to recognise the situation and to deploy the most relevant strategy to overcome the problem (Harvey 2011). Literature suggests that if the researcher is suspicious regarding a certain response as being not quite the truth, giving a pause after the response might encourage the elites to speak more regarding the matter (Berry 2002). However, caution has to be exercised towards not making the elites too uncomfortable or misread a long pause of silence as down to the researcher being unprepared or disinterested. Further, depending on how the elites respond to questions, such as short and brief answers, a long silent pause might be deemed unwelcoming which has in certain instances lead to the interviews being concluded by the elites before information has been gathered (Thuesen 2011).
14. The Strengths and Weaknesses of the Research Design

One main advantage of the research data would be that for the first time the picture of the policy arena in the country could be portrayed including the policy disruptions, and the policy strengths, if any. Further, it would also portray the relationship between the government and the international development organisations, and whether the development organisations mostly impact positively, or negatively on the development policies in the country. The research data would also portray the extent of the ability and capability of the country to uphold its policies at the global level. If utilised, the findings would contribute immensely towards the policy choices and decisions, based on evidence of the current state of the policy process, which has not been researched previously and hence has lacked much insight into the policy arena of the country. The research findings would further provide the opportunity to compare the policy practice across the respective government organisations, and the findings could be used for future comparisons.

However, given the fact that the interviews were being conducted in the policy arena of a highly politicised community, one weakness of the design since information is based on interviews is, it would not be validated and printed data. Hence, there has to be an allowance for some degree of bias from the participant. Further, it could be said that the situation reported might not be particularly accurate in terms of the facts, even without the existence of bias. However, given the fact that technical level data would also be collected, consistency with the interview data would allow both bias and untrue facts (if any) to be eliminated to a great extent. Further, it also depends on the competence of the researcher in terms of recognising the themes involved.

15. Conclusion

Due to the factors involved, it was decided that elite interviews would be the best method to collect the relevant information for the research (Goldman and Swayze 2012; Herod 2012; Mikecz 2012; Moore and Stokes 2012; Morris 2009;
Kvale 2006). And although there are potential difficulties in undertaking elite interviews (Mikecz 2012; Harvey 2011; Morris 2009; Neal & Mclaughlin 2009), it is seen that these difficulties could be overcome with adequate knowledge in the field and with adequate planning. The selection of participants had been justified within the criteria, to be the political elites at policy level and technical level from the government organisations. The participants from the development organisations had been justified to be the country representatives of the respective organisations at policy level and the programme coordinators as far as possible. This chapter has also focused on the advantages of prior knowledge at some level of the research area, and the interview participants as well. Further, this chapter has also discussed the strengths weaknesses of the research. The findings from the research would be presented in chapters five through to seven.
Chapter: Five

The Government Policy Zeitgeist

1. Introduction

The interviews gathered information at the policy level, and at the technical level to establish the policy zeitgeist within the key development sectors in the government, to include the key government ministries and departments. Although these organisations are all part of the government and deal with development issues, how they function is unique to the organisations themselves in certain respects, and very similar in other respects. Hence, this chapter analyses the policy zeitgeist within the government organisations that were interviewed, in terms of their policy perspectives on development at the national level as well as at the international level, and in terms of the concept of policy sovereignty.

Throughout the chapter, three reference points have been maintained, which are: the administration prior to the 2008 administration, the 2008 administration, and the administrations since. The administration prior to the 2008 administration had been in power for thirty years\(^{17}\), and had remained largely within the same policy framework. During the thirty year administration, every five years a five year National Development Plan (NDP) had been published to reflect the national development policies and plans. NDP included national and sectoral development plans at the national level as well as atoll / island level with the government identified focus islands as core development areas. When the 2008 administration took office, the NDP had been revoked, and their party manifesto became the policy framework. However, due to pressure from international organisations, especially ADB, the Strategic Action Plan (SAP) was formulated with UNDP assistance, based on the administration’s policy framework.

\(^{17}\) The political history of Maldives has been discussed in chapter 1.
Hence, a very clear divide is seen in terms of development policy formulation and development planning within the thirty year administration, the 2008 administration and the administrations that has followed since.

As the government interviews were conducted with four ministries, one department and one government office that dealt with the development policies and the development projects and programmes, the term ‘government organisations’ would be used in reference to the ministries, the department and the office collectively.

Where a reference is made to an individual interview participant, given the interview participants from the respective government organisations are high level government officials, their names have been removed due to political sensitivity. The names of the interview participants from the development organisations have also been removed due to political sensitivity.

2. The Government Organisations’ Development Policy Zeitgeist

The different Government organisations are seen to have very different approaches to development policy formulation, however, some of the underlying concepts of development policy formulation and development planning have remained similar within the organisations. These similarities and differences are brought forward by the recurring themes within the data and through the concept of policy sovereignty.

The recurring themes are as follows:

1. Whether the policy formulation process is evidence based.
2. Whether the impact of the policies in place are measurable or monitored.
3. Whether development planning is evidence based.
4. Whether impact assessment is carried out on the development plans and projects.
5. Whether needs based planning is important.
6. Whether development projects lack direction.
7. Whether the government sectoral development plans are followed.
8. Whether development plans exist at different levels (island level, atoll level, regional level, and national level).

9. Whether political instability is an obstruction towards development policy formulation.

To a great extent, through these recurring themes, the current policy zeitgeist within the interviewed government officials and the political arena of the country could be explained. The data further helps to explain and understand the applicability of the concept of policy sovereignty in terms of the country’s policy arena.

3. **Endogenous Dimensions of Policy Sovereignty**

From grouping the recurring themes within the data, information could be sought towards the endogenous dimensions\(^{18}\) of policy sovereignty. The two main explanatory concepts within the endogenous dimensions are participatory and evidence based policies, and public awareness and public education. By grouping the first five recurring themes, namely, evidence based policy formulation, monitoring and measuring the impact of policies in place, evidence based development planning, impact assessment of development plans and projects, and, the importance of needs based planning, the endogenous dimensions of policy sovereignty within the government policy arena comes to light.

While the government organisations have adopted different approaches in policy formulation, the policy process has never had a culture of evidence based policy formulation. Some of the government organisations have had a more direct and a more involved policy formulation process, such as The Ministry of Housing and Infrastructure and the Ministry of Economic Development, while The Ministry of tourism has had a more authoritative top down approach where the policies have to be directly approved at the presidential level. All the government organisations do follow a policy formulation process that has been established

\(^{18}\)The concept of endogenous dimensions in policy sovereignty has been discussed in chapter 1.
within each organisation, however, these processes have not necessarily been evidence based.

In terms of measuring and monitoring impact of the policies, the level of policy making and how well the policies in place are measured and monitored varies greatly within the government organisations. The Ministry of Tourism, at the policy stage, takes into account what has worked well so far, in terms of future policy formulation, hence it could be said that to some extent the effectiveness of the policies can be measured. The Ministry of Economic Development has undertaken some level of impact assessment of some of the development projects. For instance, the small and medium enterprise development project, which included infrastructure as well as small and medium scale loans, where impact assessment was carried out in order to find out whether the size of the loan was enough, who the target audience should be, and who can bring about better impact with such loans. However, all the government organisations have never had a mechanism in place in order to measure or monitor the impact of the policies as regular practice. In the formulation stage of policies, the possible follow up, or impact monitoring / effectiveness assessment has not been a concept or a component that has been considered. And hence, the impact and effectiveness of the policies, as well as development plans and projects are usually not monitored.

Most of the government organisations do believe that evidence based development planning is important, however, most of the organisations do not practice evidence based policy formulation. For instance, the first Tourism Master Plan was published in 1982, the main purpose of the plan was to educate the policy makers and create awareness on the needs and requirements of the industry at the technical, policy and legal level. It also did include development goals as well as a time frame. Since then, the ministry had always worked with a master plan, which included identified areas and islands to be developed into tourist resorts, which were divided into groups and time frames were allocated for the development of each group. In the recent years, however, the policy level contribution has been geared more towards attaining more public votes in elections.
Although it has not come into practice, all of the interviewed government organisations agree that, needs and evidence based planning is important, that without knowing the actual state of the current situation, plans could not be formulated to best cater for the current situations, or the future.

By grouping together the remaining three recurring themes, namely, whether development projects lack direction, whether the government sectoral development plans are followed, and whether development plans exist at different levels (island level, atoll level, regional level, and national level), it can be seen that there is a lack of direction and drive within the development planning arena of the country. All interviewed government organisations stated the lack of overall planning within the government system at all levels, including island level, atoll level as well as national level, especially since the 2008 administration. Prior to the 2008 administration, all the government organisations were involved in the formulation process of the NDP, to include their sectoral plans, and NDP had largely been followed within the organisations. The Ministry of Economic Development, The Department of National Planning (which formerly was The Ministry of National Planning, prior to 2008 administration), and The Office of Programmes and Projects specifically mentioned that the NDP had been followed within the sectors. Although the NDPs lacked monitoring and impact assessments, and hence, is difficult to assess how impactful they have been, it could be said that NDPs provided focus and direction towards the policy and planning processes.

The final recurring theme, whether political instability is an obstruction towards development policy formulation, has been a dominant theme within the data. All of the interviewed government organisations stated that political instability is a major obstruction towards development policy formulation. All the interviewed government organisations stated that since the 2008 administration, the policy process has been erratic and short term, and that the policy interventions have remained on an ad hoc basis where policies have been formulated as and when there was a need felt to target a current issue. Further, all the interviewed government organisations noted that the longer term policies have not been researched well either.
4. Is The Country’s Policy Scenario Failing?

The main problems within the domestic policy arena that were raised by the organisations during the interviews were that there are issues regarding employment and unemployment, existing skill pool, the public being unaware of certain situations, as well as, political instability. Within these problems, the organisations recognise that there are further embedded problems that contribute negatively to the development of the country.

4.1. Skill Pool / Employment:

The Ministry of Economic Development utilises external consultations in the policy process, however, the interviewed participant from The Ministry of Economic Development confirms that they engage local capacity where possible in an attempt to provide opportunities to the existing skill pool of the country, however, donors do tend to utilise external consultancies more. However, there is a lack of capacity within the system especially within new areas such as finance related areas as well as new areas that the country moves into, where technical and professional expertise are not available within the system. One area that was noted as an area that needs to be developed is the formulation of proper institutes that would target professional service development and technical skill development. Further, a lack of government support was noted for such research, one reason being, it would require funds to be shifted from a ministry to a more independent institution. This could prove to be a budgetary issue where the opportunities within the ministries to capacitate their staff might be lost, hence losing the significance of the ministry itself to some extent. There is also the suggestion that the lack of capacity might be due to the education system that has more of an academic attitude that does not foster skills development in tertiary education. Further, those who complete school do not receive proper guidance towards their potential, and they remain in areas where their potential are sometimes never realised. The interviewed participant from the Ministry of Economic Development agrees that a country level needs assessment would provide students with potential areas in which to seek higher
studies or skills. This creates the assumption that while governments provide certain scholarships to students, and also while the country receives scholarships from donors, the selection of fields for these scholarships might in fact for the most part remain random decisions rather than needs based decisions.

In a similar respect, the tourism industry, which is the biggest revenue generating industry in the country, could be considered a tool that generates economic benefits and development, such as education opportunities, creating more opportunities for tourism related tertiary industries and niche markets to develop. However, as the industry has been limited to the uninhabited islands, such opportunities have not flourished within the communities. Tourism industry, if not managed well, could bring major negative social and environmental implications to the communities, and according to the State Minister of Tourism, forty years ago when tourism was at its initial stage, the government authorities as well as the general public were not as aware of the potential social and environmental issues. Hence, initially tourism was limited to the uninhabited islands. However, after forty years of tourism, the State Minister of Tourism feels that the government authorities as well as the general public are more aware of the social implications, and hence, tourism could now be introduced and better integrated within the populated areas as well. This would create immense opportunities of employment as well, however, such policy decisions have not been considered as of yet.

The tourism master plans have trainings as a number one priority and a chapter dedicated to it, which includes new trainings as well as continued training for the existing staff, however, it has not been followed accordingly. It has been much discussed that the education ministry could create a curriculum to include a basic understanding of the tourism industry. There are existing curriculums that have been developed with international institutes, which could be incorporated into training the currently employed staff as ‘on the job trainings’, which would give the current employees a vision as to what they could achieve or work towards. For instance, the waiter would then have a path through which he could
get promotions even to become the headwaiter. The State Minister of Tourism states that it could still be made possible in the current employment situation, but there is a lack of a clear through route. The policy process has not reached a stage where such initiatives could be thought through and planned accordingly. Further, the State Minister notes that the lack of any clear career paths is one of the current problems among the youth population, which he points out to be the number one problem in Maldives currently. He further states that when the young people lose hope, they would turn to crime, and that there are no benefits for the young person who tries to stay on the right path, however, there are many benefits for them should they turn to the wrong path, and hence, young people do not have the incentive to do the right thing. However, he states that for the concept to take effect, there is a need for a government that thinks more in technical terms rather than political, to bring about such changes.

In terms of unemployment in the country, the interview participant from the Department of National Planning, states that there are very well educated graduates within the system, with good prospects, however, there is a general belief that most graduates do not want to get involved in real life opportunities and do anything in particular. The interview participant from the Department of National Planning noted that even the younger graduates at the department itself might sometimes casually comment on something but tend to be a bit idle. When directly questioned whether the young graduates can actually get involved in the policy process or even in the implementation process of projects should they wish to do so, it was stated that the opportunity is not there yet for the most part for them to get involved in the implementation process or in discussions, although they can raise their voice now to some extent in terms of the responsibilities they are involved in.

The other main problem noted in terms of employment is that graduates in even very technical fields like ports development might be posted in local government authority. Therefore, even the investments that have been made into capacity building are not being utilised accordingly. One justification is that these graduates are there somewhere within the system, and therefore, one day their skills would be utilised.
Perhaps it could be said that the lack of public knowledge regarding which fields of study are needed for the country contributes to the problem of youth unemployment. If the public are made aware of such needs (provided that the government has identified priorities), the youth might have a better idea towards prioritising their education or training needs, or career guidance might become more productive.

4.2. Public Awareness...

Most of the government organisations recognise that the general public has a big part to play when it comes to development decisions. For instance, in prioritising salaries, the interviewed participant from the Ministry of Economic Development notes that if the people realised the true nature of the distribution of salaries, then the people might reinforce ideas such as the doctors perhaps should be paid more than the parliament members who get paid unreasonably high salaries by proportion. One reason for the lack of public awareness, she states, is the lack of national level debates on such issues, and that people are not made aware on such issues, nor the overall development challenges and issues, or policy formulation, or what could be done to endorse a policy.

Another issue in terms of public awareness is creating awareness towards the problems that rise from issues of overcrowding. The issue of over crowding on the capital Malé has been recognised, along with the underlying social issues of overcrowding on such a small physical space as the capital island, which is 2.5 sq miles, with more than one third of the country’s population, which remains at 344,023\(^{19}\). While there are more high rise apartment buildings being constructed by the government in Malé, in order to attract more people to the capital Malé and the greater Malé area in an effort to further increase the already high real estate value on the island, as well as to suffice the idea that more people would mean bigger investments and better economies of scale, there are people who are actually from Malé, as well as people who have already migrated to Malé who

do not have adequate housing facilities. Further, the interviewed participant from the Ministry of Economic Development agrees that to attain a bigger population around Malé area for economic purposes does not necessarily mean that Malé should remain congested, it could also mean expanding the greater Malé area to include more islands that are in close proximity to the capital. However, it has remained an ongoing debate within the government organisations with no consensus.

There have been government discussions on the development of the North and South of the country, however, it has remained an open debate, and every administration so far has had a focus on developing just the capital Malé and the greater Malé area. Hence, most investments take place in Malé, as well as better provision of services. It is foreseen by the government organisations that congestion in Malé would not get better in the near future. However, if the public is ready to stand up to the policy of migration to the capital, and actively advocate better population policies and development policies, the government would at least feel some pressure to even consider other policy options.

In terms of the housing policies, and process of construction of buildings, according to the interviewed participant from the Ministry of Housing and Infrastructure, the initial plan of the building would need to be approved by the relevant authorities, following which construction could begin. After construction, an approval has to be sought which would follow an inspection. However, the legal approvals stretch only so far. Surveys are not undertaken as to how many people actually live in the houses, or in the apartments of the residential buildings. There have not been any regulations towards, or surveys conducted on congestion on the capital island, such as the number of people per square feet, as per health regulations, or UN regulations. There have not been any studies undertaken towards how much weight a 2.5 sq mile coral island could bear, however, approval is being given to buildings ranging from 10 to 15 storeys. Neither have there been any regulations or surveys conducted towards how much weight a particular building could carry, and given the high rent on the capital even by international standards, it is becoming common practice for extended families to jointly rent an apartment on the capital, where each nuclear
family would occupying one room of the apartment, or the children and women occupying the rooms, while the males sleep in the living room, or sometimes even in the kitchen. Despite, there have not been regulations regarding the matter, and it has not been monitored either, by any relevant government organisations such as Housing Ministry, Health Ministry, Youth Ministry or even police departments that deal with the rising drug and prostitution issues on the capital. Hence, public awareness could play a pivotal role in managing such situations.

4.3. Lack of Collaboration Within the Government Organisations:

The lack of collaboration has been noted as one of the main hindrances in the policy arena. As noted by the interviewed participant from the Ministry of Economic Development, in the more ‘economics related’ fields, significant improvements have been seen in certain cross sectoral areas in dealing with other ministries. While there are commercial elements in all sectors, The Economic Ministry has worked closely with the government organisations in relation to fisheries, agriculture, tourism, and arts and crafts industries for the most part in implementing the Small and Medium Enterprise (SME) programme. There is recognition within government organisations for the need to broaden such experiences and involve other ministries and government organisations as well. However, this level of collaboration is seen to only exists at the grassroots level, while at the higher policy levels, and macro levels, such collaborations do not still work. It was noted that a culture of different sectors working together towards the same goals has not yet been established. One sector in particular that was noted is renewable energy. While almost 20 per cent of the cost of imports is spent on fuel imports, and the competitiveness of all industries depend on fuel, the renewable energy programme does not incorporate all aspects such as the cost of daily life. While environment issues such as carbon emission reduction would remain with the government organisations dealing with environment issues, the industrial section of the programme is a mandate within the Ministry of Economic Development. Hence, such a programme should take into account all the respective key ministries and should strengthen
collaboration between these ministries in order to work out all aspects of the project. However, due to the shared mandates of such programmes, there always is the question of ownership, and decisions such as which ministry would lead, and which ministry would coordinate, which are not very clear cut.

Further, in terms of the lack of collaboration, the interview participant from the Ministry of Finance and Treasury stated that due to the lack of long term planning, the different ministries could request for different projects without much coordination or collaboration within the ministries, which has made it difficult to prioritise the needs accordingly, as The Ministry would not know which projects would be proposed later. With projects being proposed at different points in the year without prior knowledge and planning might mean that projects get treated on a first come first serve basis, rather than a priority based selection of projects. This could cost the country much needed projects while at the same time ‘wasting’ the resources on projects on an ‘ad hoc’ basis. This would mean a loss on both the priority project as well as the resources. Such lack of collaboration arise due to several reasons, one being, as the interviewed participant from The Ministry of Economic Development stated, the idea of holding on to the resources allocated to the ministry itself, further, it could also arise from the ‘immunity’ that certain ministers gain within the political system. For instance, should certain ministers become more ‘powerful’ figures within the system, there might be a tendency for them to override protocol to suit themselves. It could be said that the existence of such power imbalances within the system would further contribute to the existing instability within the system.

5. Political Instability

Political instability has been identified by the interviewed government organisations as the origin of several of the other issues within the policy arena of the country that has had an affect on most of the sectors. Within political instability, some issues that were outlined by the organisations could be observed as perhaps a deliberation by the governments towards not taking
action on certain issues within the system, as well as policy formulation and development planning being manipulated to attain political support.

5.1. A Deliberate Policy of No Policy?

The question being raised here is whether the lack of development policy direction and development planning is a deliberate policy approach that is being deliberately maintained. For instance, in the example discussed earlier in terms of the migration policy to Malé and overcrowding, it would appear that the policy has only been deliberated from an economic aspect, and that any other factors such as social, health, security and other aspects of the impact of the policy have deliberately been left out.

In terms of driving the economic industries forward, certain locations are sometimes associated with specific types of economic activity. For instance, the fish processing plants were set up nearer to good fishing locations. But on the other hand, there have also been economic activity developed without realising the full potential of the locations, such as tourist resorts that have been developed in rather unjustifiable locations. Here, the government justification is that the best potential locations have sometimes been sacrificed in order to bring equal development to both the north and the south of the country equally. However, it could be said that not much action has been taken to bring equal development to the south and north as Malé has remained the main development focus throughout all the administrations.

Another example remains, infrastructure such as health centres that have sometimes been constructed by the government, without any mechanisms in place for generating any services, or any maintenance, or paying the wages of the staff, and hence, the building would remain underutilised, as the island population cannot afford the respective finances. Such projects have resulted from untargeted planning or lack of needs based planning that does not target the core issues within the communities, but rather is undertaken just for the sake of undertaking a project within the community. For instance, in 2002, on a visit to a remote island in SH. Atoll, the people explained to the interview
participant from the Department of National Planning that a big building on the island, which was supposed to be the health centre, complete with patient rooms, has been there for four years without the provision of service, and hence, they have been using it as a storage facility. At a personal level, the interview participant from the Department of National Planning stated that a political hand could have been involved as, close to elections, such projects could come underway, as it would be the building that people would see, and not so much the services. Further, it could possibly be the case that the island chief could suggest such projects in order to employ his family and friends to undertake the project, whereby providing them with an opportunity to earn extra income. This creates the problem of allocation of resources, as the health centre that was constructed without proper planning, if supplied with the necessary staff, would mean that there would be a shift in resources to soft issues, which then would create complications from where the shift of resources took effect, leading to a chain reaction within the system.

A similar sense of ‘incomplete policy formulation’ has been seen in introducing new policies as well. For instance, The Ministry of Tourism is responsible for maintaining tourism related standards as well as the prices. However, when the guesthouse policy\textsuperscript{20} was introduced by the 2008 administration, a ceiling price had not been considered. Further, in terms of establishing new tourist resorts, the number of beds per tourist resort that are initially limited to a certain number during a given period (high season and low season), and the occupancy would be monitored. When about 75 per cent to 85 per cent occupancy is established throughout the seasons, with overbookings in the high seasons, The Ministry would consider the development of new resorts. However, in the recent years, should the government want a boost in revenue, the development of new resorts has been announced in order to find investors. Further, the State Minister of Tourism notes that even goal oriented policies have not been well maintained due to failures mainly at the implementation level.

\textsuperscript{20}A policy whereby loans were allocated for people with limited financial potential in order to find investors and run guesthouses in identified islands across the country, most on inhabited islands.
Globally, Maldives remains a high end tourism destination, and a popular destination. However, employment within the industry still remains at a rudimentary level, as the training facilities that had been started in the 1990s, are no longer functioning very well, which has now been incorporated into the National University. With regard to trainings in the industry, the State Minister states that technical studies can be undertaken at universities, however, certain aspects such as specialised hotel trainings, could not be undertaken at a university, and that it would need a high level vocational training centre, such as the hotel school that was initiated by the government in the 1990s. However, a lack of government interest has now turned the hotel school into a faculty at the national university, where its full potential cannot be realised. According to the State Minister, the actual basis of why a high level training centre would be turned into a faculty where the full potential of what the centre is equipped for cannot be realised has not been justified by the authorities involved.

Although tourism is the highest revenue generating industry in the country, according to the State Minister of Tourism, tourism industry in Maldives did not develop through choice and planning. It was more a case of tourism presenting better potential than other industries, potential that was presented by nature itself. Hence, much deliberate planning and policies did not precede the choice to develop tourism in the country. Further, much policy deliberations remain to be undertaken within the industry. For instance, in terms of vulnerability of tourism industry to global events, the State Minister states that only the middle and low end tourism are most vulnerable, and Maldives strives to target the high end of tourism which is not usually sensitive to price or other fluctuations. There is a large and constant clientele who travel in private jets, who would not be threatened even if the airlines stopped flying to Maldives due to economic issues. Hence, one way of reducing the vulnerability is by further targeting and catering for the more reliable markets that would not fall vulnerable to price elasticity or global economic fluctuations. However, that extent of development would require targeted policies and planning, which has not been in practice within the policy arena of the country.
One main point of immense importance that the State Minister emphasized was the fact that even targeting the high end tourism was not initially planned, it was an automatic trend that took place. It would appear that the industry has grown almost fifty per cent on auto generation than through deliberate planning and implementation. According to the State Minister of Tourism, the Ministry should ensure that the top end of tourism is not affected in any way, and target to expand middle class tourism and the lower end with varied choices.

In terms of what could be achieved through evidence based and focussed policies and plans the State Minister of Tourism shared two examples, one being the Japanese shipbuilding industry. In Japan, despite the fact that they do not have raw materials like iron, they buy iron from Malaysia and have been running a shipbuilding industry. The State Minister of Tourism notes that Japan had visionary politicians who recognised the potential with their workforce to start such an industry. Another such example being, Bangalore, India, which has now become a global software engineering hub. With regard to the agriculture industry that has been a totally neglected area in Maldives, he further notes that though limited the country has land to develop, and that there is enough manpower, however, there is a misconception that agricultural farming cannot be undertaken in Maldives, and that, people are not aware that other countries establish such industries with a lot of hard work. The State Minister does recognise that the input that is required such as research, and the amount of hard work needed, are now being realised to some extent with small scale agriculture starting to appear, but according to him, if people realised the full potential, with the demands in markets, there would be further developments in the field. The full potential has not been realised as the government has not had proper policies in place to support it, and to drive it forward. Although much choice has not existed in the country with regard to other industries such as manufacturing, the State Minister of Tourism strongly advocates service oriented industries\textsuperscript{21} to be developed, however, according to him, the people would need

\textsuperscript{21} The potential for small states to succeed in service industries have been discussed in chapter two.
to be educated on it. The State Minister further states that there has not been any long term visionary politicians who has laid any such foundations so far.

In terms of further income from the tourism industry, it was noted that there has been an impact analysis carried out in conjunction with World Bank, in terms of price elasticity of demand, which has proven that there is room for more taxation on tourism. The usual route would be for the issue to be discussed at the parliament and the decision would be made by the members. However, according to most of the interviewed government officials, there has been political interference with such decisions, as well as a lack of ‘qualification’ within most parliament members in terms of their ability to undertake a discussion on such issues. Further, a lack of confidence in the current parliament has been observed since, according to some of the government officials, any suggestions by the World Bank is taken in terms of the World Bank trying to overpower the parliament members. It is seen to be a shared view among the interviewed government officials that the parliament members do not have the thinking at the level of research and analysis, and hence, they cannot understand or appreciate any such recommendations. Perhaps the reaction of the parliament to the World Bank study is reflective of a lot of ‘damage’ a lot of developing countries have been faced with in terms of advice from IGOs such as structural adjustments22 however, the parliament members should have the ability to relate to a research based report even if it had been undertaken by an IGO that they might not be willing to trust. Further, such studies could even be undertaken through local consultancies, or with an organisation who would be willing to work with local consultants in order to avoid any bias from the IGOs. However, the parliament members do not seem to have shown much interest in the matter.

According to the interview participant from the Department of National Planning when a foreign organisation introduces a new area of development, the initial stage involves a TA on the situation, such as pension reform scheme under World Bank assistance. Initially, their expertise would look into the situation and

22 One such example has been discussed in chapter 1
discuss with the respective government organisations, and then recommendations are proposed towards the best way forward, then it would be evaluated and a final decision would be reached by the cabinet, which would then become the policy. Hence, it would not be a direct decision by a foreign party on the policy, but it would remain an evaluated decision that is being made. Whether it is social protection or a subsidy, policies are usually formulated with technical level recommendations such as World Bank or ADB. Although the policy would be implemented, the impact has not been evaluated by the government or the donor organisations. Although it has been over three years since the introduction of social protection insurance scheme, an impact evaluation has not been carried out. For instance, the impact of the 2008 administration’s policy to provide the over 65 age population with Maldivian Rufiyaa (MVR) 2300 (£105) per month (which has since increased to MVR 5000) has not been evaluated, such as whether quality of life had become better since, or whether there had been any adverse affects. Further, a system has not yet been established through which the over 65 age population could be filtered in terms of income or financial status, in order to better identify and target the proportion of the population who would require the monthly financial assistance. Hence, while the initial stages of a policy or plan are discussed and evaluated, the latter stages such as implementation stages are seen to have been very much neglected.

In terms of housing, there are many housing projects in progress that include residential apartment blocks that would be leased out to the public. WB and other consultant experts have undertaken studies on housing, especially on the redevelopment of Malé. However, the interviewed participant from the Ministry of Housing and Infrastructure, notes that there have been housing projects undertaken even against the outcome of these studies. The interviewed participant from the Ministry of Housing and Infrastructure denoted that in the formulation of national level development plans, the stakeholders should be involved, and a bottom up approach should be adopted, however, such practices do not get recognition at higher policy levels. For instance, the development of a social housing scheme had been discussed within the cabinet social committee,
and the decisions were made by the cabinet without further consultations. Within the atolls, the local councils have been set up and are responsible to carry out consultations with the public and raise the issues to be discussed at committee consultations. However, such processes have not been followed.

The city councils were formed during the 2008 administration, there has since been a fiscal formula prepared towards the dissemination of the development grant budget of the councils, however, the size of the target populations, and which legal services should be mandated has yet to be finalised before the dissemination could take place. This development has come about as an effort towards transparency in governance. The initial budgets of the councils when they were formed in 2011, had no ceiling, however, the proposals had been based on national level policies and strategies. The estimation came over MVR100,000,000 for each council (over £4,570,773). Hence, the new fiscal formula is an attempt towards more results based strategies and budgets based on sectoral strategies. However, the question remains as to why the decisions had been made without the necessary systems in place. Further, the councils have a high responsibility, and very high salaries, however, some of the government officials noted that the council members consist mainly of the activists who helped the 2008 administration to come to power, and that most councils do not have anyone who has any awareness or background in terms of the development of the society.

5.2. Aiming For Votes...

One distinct feature in the Maldives is clientelism which is prevalent throughout the country, which is seen as a main political intervention in the policy process in terms of manipulation of the public by political leaders to gain support during elections (Gans-Morse, Mazzuca and Nichter 2014). Even in sectors that maintain a certain level of policies and plans clientelism has been observed. The Ministry of Tourism undertakes regular master plans based on the policy level and technical level contributions, although some of the master plans have been more eloquent in terms of the level of input from policy level and technical level.
Currently, the Ministry is finalising the 4th master plan. The Master plans are usually funded by organisations such as WTO and World Bank. The current master plan consists of technical level input, which is mainly a professional level study, but for the most part, the master plan consists of policy level input. However, the State Minister of Tourism notes that there is a tendency of anything that would secure more votes at elections being included as policies. The State Minister affirms that, there are two main ways of policy formulation, one where policies are driven by party election promises or pledges, which becomes policies should the party win the election, and secondly, policies formulated by public pressure. For instance, the launching of the guesthouse policy by the 2008 administration without undertaking any studies, the reason being a lot of the administration’s party supporters called for it.

Further, the State Minister of Tourism notes that since the 2008 election, the process of policy formulation has been dominated by less of technical input, and mostly geared towards gaining votes. And, although the Ministry is aware of the direction they should proceed in, that has not been followed. He further notes that in the tourism industry, the development of tourist resorts is usually not dictated by larger populated areas. For instance, scarcely populated areas are idealistic for tourism, however, scarce populations do not generate many votes, and hence, there have been cases where tourism gets located nearer to larger populated islands in order to get their votes at elections, despite the technical evaluations that show better potential locations for tourism development. Such proceedings have been justified by some policy makers from a social point of view, such as, developing resorts nearer to larger populations would bring more development to the region as more economic activities would be generated. However, the State Minister of Tourism strongly feels that it would not be practical or feasible to bring economic activities to ‘everyone’s doorstep’ due to the physical make up of the country. However, in order to get votes, politicians have tried to bring economic activity to people’s doorsteps. According to the State Minister, if economic activity is being created in a more potential location in terms of tourism, employment would automatically move there, or some form of migration would take place, and further, that has been the more common
practice, and the more economically viable process of how cities develop. However, in Maldives, development activities are concentrated depending on the number of votes the politicians can obtain from the area. Further, recent development activities have depended on political background, such as which political party the people on a particular island support, in which case the more popular political party would do more for that area in order to maintain the support, on the other hand, the opposition party would also focus on those areas in order to buy some more votes. That has become the motivation for the government and to the politicians to conduct development activity.

In terms of the high debt stock of the country, there have been studies undertaken by donors such as the WB and IMF that suggest that the country could increase the income through more taxation and charges levied on products and services within the country. In order to increase government income, the interview participant from the Ministry of Finance and Treasury states that a charge cannot be levied on infrastructure such as even harbours mainly for political reasons. As the practice of levying charges is still a relatively new concept it is difficult for government to begin as this could cost them public popularity. There have been studies that have already been carried out on how best to manage the maintenance of the harbour project and sustainability of the recurrent cost. However, there is a failure within the government in implementing the findings. Even if recurrent cost was available, there is sometimes a lack of implementation capacity. When a study is requested, World Bank and ADB would undertake studies sometimes as grant assistance, however, the findings are not always taken into consideration, hence it becomes a waste of resources.

6. Exogenous Factors That Impact Policy Sovereignty:

The main negative exogenous aspects include outside influences on the country's policy arena such as international trade as one main aspect, as well as influences from IGOs. On the more positive side, aspects such as advocacy as a means of creating a presence within the global system, and further as a potential
possibility to make an impact within the global system are seen within exogenous factors. It could be said that one of the biggest IGO influences that the country has felt would be the LDC graduation, which was felt at an economic level as well as at a social level.

6.1. Graduation From LDCs:

The Maldives graduated from the Least Developed Countries (LDC) category in 2011. Maldives graduation from LDCs was based on the UN Millennium Development Goals23 (MDGs) that consisted of statistics based on indicators such as health, education and economic development. The interviewed participant from The Ministry of Economic Development agrees that while the statistics were met at the defined criteria that would qualify Maldives to graduate from LDCs, on the ground, the situation seems very different, with high poverty gap between the capital and the rest of the country, with the greater proportion of the people living in LDC level. According to the latest Vulnerability and Poverty Assessment24 (VPA), the rural urban divide has in fact increased. The decision for LDC graduation was a decision that had come about at the policy level in response to the UN MDGs, and there had been no room for a stand to be made at the technical level. In order to manage the situation, certain measures were undertaken by the 2008 administration such as the introduction of subsidy packages, introduction of social security packages for single mothers, disability aid packages as well as health subsidies. However, the impact of macro issues such as dollar rate, or inflation rates intimidates the good initiatives such as the social security packages towards interim benefit to the lower income group, as the macro issues have not been properly addressed.

Graduation from LDCs brings positives as well as negatives in terms of the economy. On the positive side, the country moves into middle income group and would no longer be seen as an LDC, which would mean the country would be perceived as having achieved a certain level of development with which brings standardisation and trust of the international community, based on which would

23 The MDGs has been discussed in chapter 1.
24 Vulnerability and poverty assessment report which is undertaken by UN
attract opportunities such as bigger investments, which would be positive in terms of expansion of the economy. However, on the not so positive side, it could prove more challenging to seek development loans and finance. In the past, the country has had a history of grant assistance, however, it would prove more difficult to obtain grant assistance after graduation. Hence, resource mobilisation becomes a bigger challenge.

Further, in terms of the international community, graduation from LDCs means that the country has moved up to a certain level where the necessary structures exists in terms of coordinating and managing situations at a global level, even though in reality the country actually has not reached that stage. For instance, Maldives does feel the impact of the policies and regulations of the international organisations in terms of trade. For instance, second biggest industry in the country is fish exports, where access to global markets is subject to the membership terms and conditions of the particular trade organisation, in this case, World Trade Organisation (WTO), which has been the only gateway for Maldives to penetrate into global markets in terms of export of fish. Further, the policies and regulations of the international organisations have to be followed, through which it would only become viable to market the product in the respective region or country, such as complying with the European Union (EU) policies and regulations in order to secure a European market. There are specific preferences and flexibilities such as international ferrying arrangements that are available from such international organisations towards LDCs (Least Developed Countries, according to the UN definition), however, since Maldives has graduated from LDC status, the country is on the verge of losing some of the preferences.

Maldives would feel a big impact on losing such flexibilities that are given by the EU. Should Maldives remain a middle income country for three consecutive years, the EU flexibilities privileges under the GSP (Generalised Scheme of Preferences) would be lost. This would impact highly as, this would include 99% of merchandise exports, and one of the country’s biggest markets remain the EU. Should Maldives lose the flexibilities and benefits, the export market would no
longer be viable. Hence, Maldives international trade remains very vulnerable to the policies, regulations and conventions of international organisations.\(^{25}\)

Further, in terms of international trade, there is a big issue of disconnect between the international trade negotiations and environmental negotiations. For instance, international trade offers more of non-discriminatory principles, and the set preferential schemes can be followed depending on LDC status of the country or by being a member of a group eligible for such schemes. However, as Maldives supports environmental conventions in terms of global sustainable development practice, Maldives practices pole and line fishing which could not compete with the countries that practice net fishing, in terms of the product volume. Although Maldives practices the more environmentally friendly fishery, it does not get reflected in international tariff rates, which means, an LDC country that practices net fishery would be at a huge advantage as they have the privilege of exporting at a zero per cent duty rate under special LDC schemes. Hence, as soon as Maldives loses the preferences under the LDC graduation transition period, the country would face high tariffs despite the fact that the country does adhere to environmentally friendly fishery.\(^{26}\) It can be seen that the international organisations do not converge to common cause despite the fact that the EU advocates environmentally sustainable trade, and as a result, the more vulnerable economies get impacted. However, it was noted by some of the government officials that a change should be advocated whereby the international trade community could set a preferential scheme for the more environmentally friendly trade.

When Maldives graduated from LDC, there had been a transition plan, however, the interviewed participant from The Ministry of Economic Development noted that there are several structural issues that are worrying. The State Minister of Tourism feels that although there is a two year transition period, the country could feel the impact badly, as there are major problems in terms of distribution of income. And as the gap between the high and low income groups is very high,

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\(^{25}\) The concept of small states vulnerable economies has been discussed in chapter two.

\(^{26}\) As discussed in chapter two, it could be said that the affects of globalisation on small states could be seen here.
the government needs a very solid system with solid policies, laws and regulations to face up to the several challenges that would arise with redistribution. However, given the people who are involved in policy formulation, or involved in formulating regulations are usually the same people that are in the high income brackets, it means that they would not want to lose any of their income to new policies and regulations in terms of redistribution. Further, according to the State Minister, they would also be present in the parliament as they can afford to buy votes from the public, and hence, the country is caught in a very viscous circle.

6.2. Advocacy as The Way Forward

In order to make an impact within the global system, the Ministry of Economic Development has been “vociferously advocating” for small island development, through which the country has received development resources that are, by comparison of per capita, almost the same as other countries although Maldives is the smallest country in terms of population. While the largest amounts that other countries received remains between $40,000,000 to $50,000,000, Maldives received $30,000,000 for a population of just over 300,000 people. Hence, by advocating policies and the country’s needs at international discourse, Maldives has been receiving a substantial amount of resources, especially in the areas of environment, and governance. The interviewed participant from The Ministry of Economic Development feels that the country should advocate more. However, she also noted that, though resources received are generous, there are problems with the utilisation and management of funds, which would need immediate prioritisation.

Further, The State Minister of Tourism emphasises that, even in global markets, such as the fisheries industry, through advocacy, a premium could be attained by better marketing strategies such as making environment friendly fishing a “brand” rather than a practice. The country should not have to pay the same price, or have to compete with those who do not comply with environmentally friendly methods such as net fishing. According to the State Minister of Tourism,
this has not yet been achieved as The Ministry of Fisheries has not looked into the matter, and has not worked for it. The State Minister of Tourism further notes that it is the Fisheries Ministry's duty to create such strategies to improve and expand the industry. The State Minister denotes that the problem with fisheries industry has been that, for a long time, small scale fishing has been open to public, however, larger scale fishing had been monopolised by government companies, and was a “no go area” for private investments. According to the State Minister, while ‘Maldive Fish’ has been a well known product in the region, the country has lost the “edge” of the industry. Currently Maldives sells fish in bulk to Thailand, India and Sri Lanka. Sri Lanka buys tuna from Maldives and produces the tuna with ‘Maldive Fish’ as a brand name, taking advantage of the regionally famous quality of Maldives tuna. Maldives itself could have maintained and obtained more profit from the same concept, which would have materialised as a global export if there had been a longer term plan.

7. Potential and Possibility to Go Global:

Most of the interviewed government officials agree that expanding tourism related studies at a regional level would be an asset to the economy. The ‘one island one resort’ concept in global tourism was established in Maldives, and the training given in these resorts qualifies the trainees to work worldwide in the tourism industry, and people can gain experience in all aspects of work in these resort, as each resort is just one island by itself. There is potential to make it regional and even a global training arena. Under the diversification strategy there has been some work carried out in terms of establishing an international diving school, however, there is a need felt for longer term policies, situation analysis, and impact assessments to undertake such projects, with ownership from the respective government organisations.

Although Maldives is a small country, there is potential to become a global player, depending on the areas that are chosen. The country does not yet have the capacity to penetrate into the global market in terms of manufacturing, however, the service industry holds high potential. For instance, tourism and
tourism related service areas, as well as financial services that are high end could even be developed globally, just as Maldives has become a ‘brand name’ within the global tourism industry. Other sectors such as finance, or tourism based education too could be harnessed within the country. The State Minister of Tourism states that although the country’s tourism standards are very high, and services are very well acclaimed, the employees who are providing the services are mainly foreigners. The reputation has not been built within Maldivians. Further, had the field training gone hand in hand with the level of developments in tourism, the country would today have even an internationally acclaimed training centre with international enrolments. According to the State Minister, the initial ‘hotel school’ was opened based on the then zeitgeist towards developing hospitality training alongside tourism industry development, however, with the political changes, the staff had changed, and the institutional memory was lost, following which, the initial targets and goals were lost. Further, the State Minister of Tourism states that the tourism ministry has had a history of changing ministers, hence, even if there had been a long term framework, the policies would not have been maintained.

Although Maldives is a small country, it does carry relevance and importance within the global tourism system. Maldives has been a trend setter in tourism, both in the development of tourism as well as in the provision of services. Although unfortunately it is not Maldivians, some of the worldwide finest chefs in the industry are in Maldives, and the best products, even in terms of food and drink, are seen in the high end resorts. Especially within the global tourism elite groups, Maldives would be missed if the country did not function in the industry. In these respects, Maldives has become an important global player within the industry. According to The State Minister, the country might not be important in terms of volume, but in terms of the quality of services and the clientele that the country caters for, such as presidents, prime ministers, high end public profile figures such as Hollywood stars, there is a great global relevance of Maldives within the tourism industry. The State Minister further notes that the country is gradually being involved at global policy level representation as well within the industry. However, in terms of policy formulation, the State Minister notes that
the country's success in the tourism industry has almost been auto generated, as for the most part, it was not achieved through strategic policy formulation and planning.

8. Within the concept of Policy Sovereignty

From the data we see within all the interviewed government organisations that, needs assessments have usually not been carried out, policy effectiveness analysis has not been carried out, and impact analysis has not been carried out in terms of the impact of the development projects. Further, it can be seen that there has been a lack of longer term development policy formulation and development planning within the system. There is also a lack of capacity and resources within the system, as well as major issues in the management of resources, and collaboration within the government organisations. Further, all interviewed participants have stated political instability has been a major factor in terms of hindrance towards development.

The participants further agree that the general public needs to be more aware of issues within the society and be better educated on the values of democracy, as a way forward. There is a need felt for better participation and awareness on issues such as, which policies are in place to address their problems, or how a policy is endorsed. It was pointed out by the interview participant from the Department of National Planning, that in some countries, there are civil society organisations for such matters such as making people aware on their rights, what is expected to achieve from the budget, whether the budget is balanced, gender sensitive, and what the result would be. Hence, once the budget is announced, the civil society has a voice about the problems within the budget, the issues raised by the civil society would go to the parliament, and these issues would be debated at the parliament. However, in Maldives, there is no such processes or active participation by the civil society. If the people are not aware of how development is being dealt with by the government, and further, what rights the people actually have under a democracy, they would not ask the right questions, as they would not know how to ask, what to ask, and to whom. Hence,
the policy makers would not be held accountable for their actions, as the people do not realise that they can hold the politicians accountable.

For instance, in the case where a lot of infrastructure projects are being undertaken without proper planning, if the people have the awareness to question the authorities, such as why it is being constructed, and for what purpose, which services are planned to be provided, and how the services would be provided, as well as how the project will be sustained, then, such ad hoc “as and when needed” (mostly for political reasons) approach of building infrastructure without a plan could be decreased. Further, if the politicians and the authorities are aware that the island populations could not be manipulated for the politicians’ benefit, then again the culture of such political manipulations could be controlled.

Most of the issues that have been raised in the interviews fall within the endogenous aspects of policy sovereignty. In order to achieve policy sovereignty, the endogenous aspects have to be achieved. And by achieving the endogenous aspects, a domestic policy system could be established that would require a participatory and evidence based development policy and development planning system that would include the necessary impact assessments as far as possible.

In terms of exogenous aspects of policy sovereignty, the biggest impact the country has felt has been graduating from the LDC category, and moving into the MIC category. LDC graduation had been facilitated by the UN formulated MDGs, which assessed certain aspects of the country through the several sets of indicators. Though MDGs had been used in determining the LDC graduation, the legitimacy of these indicators have been highly debated.

In terms of lack of policy autonomy, MDGs perhaps is a good example in both the domestic as well as the global system. Graduation from LDC into MIC means the policies of the IGOs that function in the country would change. Some organisations such as most of the agencies within the UN system would require

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27 The MDGs has been discussed in chapter 1.
28 The issues with MDGs have been discussed in chapter 1.
more country involvement in all stages of development projects that they undertake in the Maldives, even though, as the interviewed participant from The Ministry of Economic Development and State Minister of Tourism stated, the reality on the ground is that the country is still very much an LDC. Within the global system, graduation from LDCs into MIC status means global expectations exists towards the country's competent performance within the system. Although the Maldives is at the moment not geared towards such competence, there is firm belief among most of the interviewed officials that the country could become a competent global player in more than one field. Hence, it could be said that both the concepts within policy sovereignty, endogenous policy formulation and policy autonomy, are two concepts that are very relevant to the country situation mainly in two respects. Firstly, in terms of identifying the areas that need to be targeted within the domestic policy arena, and secondly in building the policy arena of the country in order to maintain the domestic policy arena which would in turn contribute towards establishing a strong foreign policy, making the country a strong global player by achieving policy sovereignty.

9. Conclusion

From the data, it could be said that the lack of longer term development policy formulation and lack of community consultation gives way to political “manipulation” of existing policies, or to the continuation of the state of ad hoc policy formulation where a policy is formulated as and when needed, without a longer term basis. Although there have been some of the prime locations for the development of the specific types of goods and economic activity identified, there have not been much planning undertaken towards identifying and establishing other industries, such as secondary and tertiary industries and niche markets. For instance, the development of tourism did not lead to the establishment of other related sectors in the Maldives, such as schools for tourism education and training, or the art and entertainment industry. Further, niche markets could have resulted from the industry, which would inject a direct income into the communities.
In terms of capacity and resources, all the organisations interviewed recognise that there is a lack of capacity as well as resources within the system. In terms of available capacity, it has not been examined as to whether the existing capacity is being maximised. With the lack of long term policies and planning, it has not been established as in which areas local expertise is available, and which areas lack in local expertise, or whether a mismatch of training as against the country needs were in play, and hence, it would not be possible to make future plans to accommodate the country training needs, or to maximise the use of the existing capacity.

In terms of the government’s responsibility towards the sustainability of development projects, as donors dispatch a huge sum of resources, whether as loans or grants, the question remains as to whether or not it should become partly a donor responsibility to take action towards government failures in sustaining the projects, such as to reduce grants and loans in a certain type of projects, based on the success or failure rates of similar past projects. Further, the donors could possibly legally bind the government, in terms of a covenant, towards the arrangement of maintenance costs and service provision, without which funding would not be released. It may not be the donor’s responsibility to pressure a government into better performance, however, should such project failures occur within grant funding, then it would remain a loss to both the donor and the recipient country, and should it be a loan, while the lender might benefit from the interest, it would remain an even bigger loss to the recipient country.

With the lack of collaboration within the government organisations, the interdisciplinary, and inter sectoral thinking and contribution would not exist. Such interdisciplinary and inter sectoral thinking could prove crucial in terms of establishing the areas that need planning and development, such as the cross sectoral industry opportunities. For instance, as the State Minister of Tourism stated, Maldives has the potential to become a focal point in training global high end tourism service personnel. Such an undertaking could in itself develop as a tertiary industry in the country. Diving schools is another such example, given the unique coral reefs of the Maldives, which could potentially be even further developed as a marine research laboratory, as coral growth, such as that of the
country, is not very common in the global perspective. Such tertiary industries could even be developed into regional industries with the right planning and implementation of the policies. However, being a small developing country competing in global markets does have an impact on the country. For instance, to gain access to the international markets, Maldives has to comply by the member regulations of the international trade organisations, as well as comply with best practices, while at the same time compete with bigger countries who could produce bigger volume of product, while they might not necessarily adopt a best practice approach. Further, the influences from the international organisations is seen to hinder the growth and expansion of the country's economy at the global level, such as the UN MDGs that forced the country into graduation from LDC status.

To a great extent, Maldives shares the Asian tradition of pooling in the extended family’s income in order to live together and support each other, where, at times even three or four generations could be seen to live together. The concept has been working successfully on the more rural islands, where the houses are spacious and most often owned by the family. It has to be noted that due to the culture of extended families living together, a need has not arisen for special homes for the elderly. However, the concept when applied in the capital, by in migrants, in order to be able to afford the rent on the urban capital, it could be said that it breaks down the family unit, due to the concept of sharing a very small space between the generations. Further, it could be said that the concept of sharing a very small living space between the nuclear family such as one room in the apartment, has contributed to the breakdown of social integration. Further, it is increasingly becoming common to see groups of young people who would occupy corners of the streets, or certain areas such as parks, as they simply do not have the space in their rented accommodation to entertain friends, which has given rise to the formation of gangs and increasing gang violence on the capital. Further, such gangs have now integrated into the political parties, whereby increasing opposition targeted violence such as torching of buildings, or stabbing certain members of the opposition. Again, action against such groups
or gangs has not been taken by the police, or the government, due to political reasons.

Further, with such free migration into the capital, a lot of the private houses are turning into high rise apartment blocks of ten storey buildings, giving rise to a new elite that could perhaps be categorised as the 'land owner beneficiaries'. This emerging elite group consists of the offspring of the owners of the high rise apartment buildings, who do not necessarily have to work for a living, and hence, resides under voluntary unemployment, with access to high financial allowances. Due to the increasing drug use among the young people, it would be an interesting research to determine whether any correlation exists between the increase in drug use as well as the increase in the young 'land owner beneficiaries' in voluntary unemployment.

Further, it has to be noted that it is questionable as to whether it is purely for political reasons that charges and taxes have not been widened within the country. Given the concept of small states where the population is relatively small, and the people who are the business elite quite often are the political elite as well, introduction of such taxes and charges could have a negative effect on the income they earn through their various investments. While it could be said that the less income that the government earns would contribute towards the widening of the gap between the lower income bands and the higher income bands, as provisions such as government subsidies would be very limited, the lack of such taxes and charges would contribute to ensuring that the financial elite remain in that position at the expense of the lower income groups in the country. And should a great percentage of the population remain in low income groups, the more they could be influenced or manipulated for the political gains of the elites. Hence, the question rises as to whether the government has in fact failed the population over the decades through naivety, or whether the government has in fact maintained a lack of long term development policy formulation, and a lack of development planning over the decades, for the ruling elite's personal gain, which ever political party might have ruled at any given point in time.
The interviewed participant from The Ministry of Economic Development, the State Minister of Tourism, and the interview participant from the Department of National Planning, do agree that the population could play a big role in changing the political manipulation of development policies and plans that has existed within the system. The State Minister of Tourism notes the changes that were brought about in Japanese politics by the people in 2012 when the government lost the people’s confidence due to poor economic achievements. The interview participant from the Department of National Planning notes the ‘Singapore Greening Plan’, where the people came up with how they wanted Singapore to be, following a consultancy towards pollution in the country. Further, the interviewed participant from The Ministry of Economic Development notes, should the public be made aware of the societal issues and other such development challenges, and what can be done in order to endorse a policy, the people could become important players within the society, with high contribution to the society.

It could be said that due to these concepts and attitudes within the domestic policy arena, adoption of policy sovereignty would help immensely towards a better domestic policy arena, that would become the foundation for policy autonomy, and hence achieving policy sovereignty. There is a general tendency seen among all the interviewed government participants towards the understanding of the main concepts and the importance of the concepts involved in policy sovereignty such as conducting needs assessments, formulating longer term development policies and development plans, and conducting impact analysis of policies, development projects, and development programmes. All the interviewed government participants are aware of political manipulation of policies that seems to be the core problem within the policy arena. Hence, the questions that arise are, why the situation is still continuing, and why the government organisations are unable to take any action. Further, as even the ministers and state ministers who were interviewed recognise these issues, the question remains, at which policy level the development concepts are actually failing. For instance, if a minister cannot adopt a certain policy process, then, at
which level is the policy process being rejected, and whether there is any one within the system that could contest it.
Chapter: Six

International Development Organisations: Bridging the Policy Process
Between the Aid Organisations and the Recipient Country: Maldives

1. Introduction

The interviews were conducted to collect information on the development organisations’ policy zeitgeist, the policy process and practice at country level within some of the main development organisations that play a direct role in the development arena of the Maldives. The interviews were based at policy level as well as technical level, with a main focus on the policy procedures in terms of their policy formulation process, as well as how well the policies were adapted, or adjusted to reflect the ground realities of the country, as well as the constraints towards the country absorption of their assistance.

Further, following the ongoing democratisation of governance in the country within the past eight year period, UNDP has been supporting the government in the process, and in 2012 established a governance programme especially formulated to look into the various elements of democratisation of governance. Hence, a second interview was conducted with UNDP specifically on the policy issues with regard to the governance programme.

This chapter looks into the policy process within these organisations, and how well adapted their policies are towards the country situation on the ground. Further, this chapter looks into the relationship between the organisations and the local policy arena, as well as the hindrances within the country towards maximising the development assistance received from these organisations.

Where there is a reference to any of the development agencies or organisations, it should be considered to mean that the reference has been made to the country office of the particular development agency, and not the development agency at large. Where a reference is made to the entire development agency, at a global scale, it would be made clear either through a direct statement.
Although SAARC is technically not a development organisation, it has been included as it is the main regional organisation that participates in development activity among the eight regional member countries including Maldives.

Where a reference is made to an individual interview participant, given the interview participants from the respective government organisations are high level government officials, their names have been removed due to political sensitivity. The names of the interview participants from the development organisations have also been removed due to political sensitivity.

The international development organisations that gave appointments for the interviews are as follows:

1. JICA (Japanese International Cooperation Agency)
2. UNDP (United Nations Development Programme)
3. UNFPA (United Nations Fund for Population Activities, or, United Nations Population Fund)
4. UNICEF (United Nations International Children's Emergency Fund)
5. WHO (World Health Organisation)
6. SAARC (South Asian Association for Regional Cooperation)

Maldives joined the United Nations in 1965, following which, within the same year, WHO established their office in the country and formulated the first country programme for the Maldives. The UNDP assistance was also established in the Maldives within 1965, and hence, both WHO and UNDP have been providing development assistance in the country for the last fifty years. Maldives has been receiving support from UNFPA since 1976, and their country office was established in the country in 1994. UNICEF has been active in the country since 1978.

JICA began its bilateral support to the country in 1982 when their first volunteers arrived in the country. They have provided assistance to the country through their volunteer service, JOCV (Japanese Overseas Cooperation Volunteers), as well as through programmes that offer training in Japan.
Throughout the interviews, seven main themes have been observed in terms of the policy zeitgeist, the policy and planning process and practice within all the organisations in terms of the development projects and programmes conducted in the Maldives.

The observed themes are as follows:

1. Whether measurable policy formulation is followed.
2. Whether evidence based policy formulation and evidence based development planning is followed.
3. Whether impact assessment is conducted on development policies and projects.
4. Whether evidence based planning is important.
5. Whether development projects follow an ‘ad hoc’ basis or projects are based on plans (short term or long term).
6. Whether it is important to have recipient country development plans at national level.
7. Whether political instability interferes with country projects and programmes.

These seven themes have been chosen on reflection of the themes that were realised in the interviews with the government organisations, (which has been discussed in chapter five), as this would allow for a parallel policy analysis within the policies of the government organisations and the development organisations.

Throughout the chapter reference is made to ‘ad hoc’ project basis. Here ‘ad hoc’ is being used to mean sudden interventions in policy in terms of implementing development policies or projects that are not necessarily part of the national development policies or plans.

It can be seen that the interviewed organisations do undertake measurable policy formulation as far as possible. Among the interviewed organisations, JICA, UNFPA and WHO are seen to give significant importance to formulation of measurable policies. Most of the interviewed development organisations have
followed evidence based policy formulation and evidence based development planning for the most part, except SAARC, although the organisation has also followed evidence based planning to some extent. JICA has been conducting impact assessment on development policies and projects after a three year period from the completion of the project. UNDP has been conducting impact assessment at different levels, depending on the project or programme, however, UNFPA and UNICEF denotes that impact assessment of development projects is a weak area that needs improving. WHO states that as their main area of work is based around capacity building, and hence, it has been difficult to conduct impact assessments. SAARC notes that their output and outcome has been very low and impact assessments are conducted only to some extent. All the interviewed organisations agree that evidence based planning is important. Among the interviewed organisations, all the organisations state that they do not carry out any development projects on an ‘ad hoc’ basis, however, UNDP, UNFPA, UNICEF and WHO states that there would be room to accommodate a few individual requests by the government as far as the projects are within the government priority areas and within the organisation’s country policies. All the interviewed organisations recognise the importance of country development plans at a national level, with the exception of SAARC, (which is technically not a development organisation), all the interviewed development organisations state that their main role has been to assist the government of the country, regardless of who the government might be comprised of. Hence, their country policies are aligned with the country’s national development framework, and with the government identified priority areas of the country.

2. Policy Process

The UN supports 193 countries around the world. The main policies are formulated at the global level, however, within the process of implementation of these policies, regional discussions are held in order to formulate a process whereby the national policies of the countries could be taken into consideration, and hence, their key assistance framework, UNDAF (United Nations Development Assistance Framework), is developed around which all
development assistance activities for the country would be formulated to include the national development policies.

The UN does not formulate country specific policies, however, within the UN system there are internationally agreed principles to guide the policy process. The UN has it’s own policies towards certain issues that could be categorised as sensitive or controversial, such as, HIV positive cases as well as the death penalty, where UN as an organisation would not support death penalty or discrimination against HIV positive persons. However, it does not mean that a UN member country could not practice it. Further, regardless of any member states’ policies, the UN takes a stand in it’s policy of inclusivity and equality in terms of inclusion of women and other vulnerable groups in their projects and programmes to maintain gender equality in recruitments, which the UN is guided towards in terms of it’s global policies regardless of individual member country needs.

UNICEF further added that their policies would be driven by the government policies, as well as a situation analysis. The organisation gives a high importance to situation analysis, through which they could assess how the policy frameworks would apply. The organisation also added that they take into account the past implementation rates and issues that the previous country programmes had encountered, and the lessons learnt from such situations. Hence, the organisation believes that their policies do have to be contextualised to suit the country context.

Further to the main policy process, UNFPA added that they do consult with other UN organisations in order to avoid duplications, though there still exists the problem of duplication to some extent.

At WHO, further to the main policy process, they stated that the programme managers or the department heads would work out the details of the country programmes. Further, the country Minister of Health would attend the World
assembly, or the regional committee meetings every three years so that there would be participation at the highest level.

JICA states that the budget is formulated by the Japanese Ministry of Foreign Affairs and hence, the policies of ODA (Official Development Assistance) would be formulated by the Ministry of Foreign Affairs of Japan. Maldives is included under the umbrella of the Japanese Embassy in Sri Lanka, however, there is a JICA country office established in the Maldives capital, Malé. Before finalising the development assistance policies, the Japanese government holds a policy dialogue with the Maldivian government in order to incorporate the country priorities.

3. ‘Islandness’ of The Country

Among the development organisations that were interviewed, UNICEF particularly states that the size of the country, and it’s population being small as one of the main factors that hinders development. According to the organisation, the ministry personnel that UNICEF works with are few in number and hence, tend to be overworked. Further, UNICEF states that it is not cost effective to provide services to the small number of populations living on individual islands. Hence, the small size of the country, and the dispersion pattern of the country population is one of the biggest challenges UNICEF has had to face in the Maldives.

Another factor that UNICEF pointed out is the fact that Maldives being in South Asia, the discussions at regional level meetings would bring up issues affecting other South Asian countries such as India, Pakistan and Bangladesh, with the larger populations that are counted in billions. The problems affecting those countries would be affecting billions of people, and hence their issues tend to be regarded as much more serious than those affecting a very small population. However, the UNICEF representative stated that she had personally advocated the Maldives on a special note, as, according to her, it is the actual small size of the country that is hindering development.
As global equity is promoted by UNICEF, according to the representative, irrespective of whether the population is small or big, every individual’s rights are important within a given population. Hence, under global equity, individuals within a population of billions or in a population of ten people on a small island, are equally important. However, the resident representative points out that it would not be possible for UNICEF or the government to provide services on all such individual small populations cost effectively, and hence decisions would have to be made by UNICEF as to where and which services to provide, which would also be largely driven by the funding available as well. Hence, UNICEF states that a small population would not particularly be easy to manage.

According to UNICEF, while problems such as drug abuse, gender issues and other problems related to young populations are problems that could be found in many parts of the world, however, due to the small size of the country and the small size of the population, the problem is more evident.

4. UNDP: Democratic Governance Programme

According to the UNDP Governance Programme, the programmes are reviewed and revised through the evaluation and monitoring process, and the political changes are incorporated accordingly. The decentralisation in governance had not been as challenging for the programme, as decentralised governance had been an area that had been in discussion with the government under the Democratic Governance Programme, and hence the programme had been designed to accommodate the change when it did materialise. Initially the project had supported the writing of the constitution along with setting up of the institution. Following the ratification of the constitution, the programme then supported the process towards the implementation of the constitution through the necessary requirements such as the development of some of the required technical skills, and drafting of laws and similar requirements.

In the recent years the organisation has come to the realisation that the management of the change in governance and social cohesion are areas that
require more attention, as people have not been able to manage the freedom that a more democratic and decentralised governance had brought about. According to the organisation, concepts such as difference in opinion, and ideologies and diversity have proven to be difficult for people to manage, and hence the programme has adopted more focus of supporting the civil society and the institutions to manage the change in governance and the freedom it brings, and build acceptance and tolerance towards difference in opinion.

In terms of endogenous policy formulation, the organisation observes that Maldives is very far behind due to the lack of evidence based policy formulation. As the country does not have a think tank or a research institute, or an independent body to undertake research on the issues faced with the country, and hence, there is a lack of evidence to base the policies on. And further, with the recent changes in the government system, there has been an urgency in terms of policy formulations, and hence, the government has not had the time to conduct research, collect data and analyse it.

5. Needs Assessment, Situation Analysis, Impact Assessment

UNICEF agrees that to assess the situation would be the best practice, however, due to the geographic make up of the country, it has not been cost effective to collect information from islands that are dispersed afar. The organisation states that it is important to utilise the data that are already available such as DHS (Demographic and Health Survey, 2009), as well as the Household Income Survey that was more recently undertaken. The organisation feels that it would be much more important to utilise the available data rather than to undertake a new needs assessment, as there are qualitative research as well. However, the organisation does note that the data might not be nationally representative. There have also been a lot of Ministerial reports published as well, such as child abuse cases that the Ministry of Gender regularly compiles, as well as the monthly report system with the Police and The Ministry of Education, and The Ministry of Health compiles certain reports as well. Hence, the organisation feels that though undertaking a needs assessment might sound right, it might not be
the most effective practice, as in the time taken to undertake a needs assessment, there could be several more lives affected. For the most part situation analysis and impact assessment seem generally weak among the organisations except JICA. However, according to the organisations, impact assessment has been carried out as much as the organisations can manage.

In terms of impact analysis, on one level, UNDP carries out a mandatory audit that includes a financial audit, and an implementation audit against the objectives that were set to be achieved. On a second level, there would be a mid term review, or at least a terminal review of the project, which is a more qualitative review of whether the objectives had been achieved, the lessons learnt and what could be done better. The third level is at the outcome level, where the outcome is reviewed at the project level as well as at the broader UNDAF level. The UNDAF level review is undertaken with the government. Further, UNDP also holds a periodic assessment of development results (ADR), which is an independent evaluation of whether the development results that were targeted had been achieved, which is undertaken within a longer period of time.

According to the UNDP, most donors would require several consultations before decisions can be made. For instance, when UNDP ran the Baa Atoll Ecosystem Conservation Project, there had been a lot of discussions as well as workshops with the government, in order to identify the location where the project would be piloted. Hence, UNDP alone would not be able to make such decisions, it has to be in collaboration with the government, and based on the government priorities and in line with the national development agenda. Further, most of the donors would need a written endorsement by the government for most of the projects.

In terms of community needs requirements, WHO states that as they are not an implementing agency at all, it would be the government that would usually request for support for their activities. However, the organisation does have identified key areas of development. The organisation’s work plan is developed
biennially and the priority areas would be identified in collaboration with the Ministry of Health. However, as WHO is not an implementing agency, and as it is The Ministry of Health who would identify their priority areas, situation analysis and impact assessment becomes largely a government responsibility.

The UNFPA conducts impact evaluation in five year cycles. The evaluation would be conducted through base line indicators and process indicators, which would observe how much has been achieved. However, the organisation states that in general, monitoring and evaluation has been a very weak area. However, it is carried out, and the next five year cycle would be developed based on the lessons learnt from the previous five year cycle.

However, the organisation notes that there are a lot of factors and emerging issues that hinders the monitoring and evaluations. For instance, UNFPA deals with issues relating to reproductive health, unwanted pregnancies, infanticide, and in such cases the organisation has had to choose whether the funds should go into impact assessment or towards one of these issues.

In such situations, UNFPA states that, they have had to prioritise the issues rather than the impact assessment. The programme officer felt that the choice is being made as project monitoring would not show any tangible results in terms of health care. Further, the organisation states that together with these situations, and given the lack of human resource capacity, projects tend to be more issue based than impact based, and the organisation further has to cater for issues that could suddenly emerge as well, while their resources have been limited as well.

In terms of impact assessment, UNICEF states that since their country programme that started in 2011, there have been several political changes, and further, good and bad lessons have been learnt from the big schemes that the organisation had implemented since 2008. There have been several changes such as government structures, as well as, there had been a provincial structure, which does not exist any more under decentralisation.
UNICEF also states that due to the limited human resource capacity, and the limited resources, that it has not been feasible to carry out much impact assessment, and that this phenomenon is seen in all UN agencies, as well as line ministries. Hence, due to the limitations involved UNICEF has not been able to conduct impact assessments.

According to JICA, in order to carry out a needs assessment, their local staff would sometimes visit the field, or collaborate between their offices and make a briefing. Following which, JICA would visit the site and most importantly the principles and patterns involved in the matter would be discussed and researched. Following which, JICA would ask the country to request the form, which would then be filled in and the line Ministry has to request the relevant Ministry, who will then request JICA on behalf of the Maldives. Depending on the sector, such as the education sector, the Ministries would know the volunteer sector well enough for the country to decide and request JICA for volunteers. Some times JICA would visit the ministry and discuss the school targets and then the organisation would make a decision. If the requesting organisation is not familiar with the JOCV programmes (Japanese Overseas Cooperation Volunteers, under JICA), JICA would visit the organisation and brief them on the JOCV programmes.

According to JICA, usually the government would officially request for assistance, although there have been times when JICA would offer programmes based on the initial needs assessments. However, as JICA is a cooperative voluntary programme, neither JICA nor the Japan Ministry of Foreign Affairs would insist or ‘force’ the government to take up a programme that has been offered. It has to be the government's decision. However, after the initial needs assessments, should JICA find any components of the project that need to be changed, they would negotiate with the government.

According to the organisation, impact assessment would be carried out at the end of the two year programme. The most effective impact assessment in the education sector has been to assess how well the local teachers can conduct the lessons themselves, without the volunteer’s assistance, as the main objective would be to train the local teacher to undertake the classes without any help.
Three years after the end of the project, JICA would conduct a bigger evaluation, which usually would be undertaken by a consultation company. Some times it could be undertaken within JICA as well, however, usually a third party will undertake the evaluation. After evaluation, the lessons learnt would be applied in the planning of the future projects.

6. Main Hindrances to The Development Agencies’ Work:

Following the revocation of the NDP (National Development Plan) by the 2008 administration, UNDP encouraged and supported the government along with other development organisations to develop a national development plan as the government had been using the party manifesto at the time as a development document. However, the manifesto consisted of the pledges the party had made during the election, and hence it had to be developed into a proper development plan. Hence, UNDP funded the development of the SAP (Strategic Action Plan). During this period when the government had lacked a proper development plan, UNDP policies and plans were bridged by UNDAF. After the development of SAP, the organisation aligned their UNDAF (2010 – 2015) with the SAP in order to incorporate the new government priorities and policies.

The UNDP states that the deliverance of their governance programme has been very short term based projects. For instance, the organisation would support the development of a law, which would then be followed with support to develop a component of the law that are more of immediate needs such as training and skills need assessments of the local councillors and the secretariat staff. Following which, support was provided to undertake the short term capacity building. The training needs assessments had identified long term skills and training needs, however, according to the organisation, this could only be provided depending on whether the government has a mission or a plan for long term training.

One of the main problems identified by the UNDP is that things do not always move forwards. For instance in environment projects, the organisation feels that
the government do not see an urgency. The urgency is felt by the government at the stage where the funds would be mobilised as the window to mobilise funds would close at a certain point. However, in the deliverance of the project, the only urgency felt by the government is if the organisation gives a push. Once the funds are mobilised, the government priority shifts to other issues. Or perhaps the government feels that they should not be an implementing institution, but a policy formulating institution. The organisation feels that the lack of distinction within the government might contribute to the slow pace, as it usually would be the same civil service staff who would be involved in the policy formulation process as well as the implementation process of the projects. The staff would have to work with policy level thinking and at the same time with implementation level detail. And further, their time would be limited as they would split their time between policy level thinking and implementation level thinking. Further, the organisation agrees that since it is the same staff, there would not be anyone else to contradict their thinking.

According to UNFPA, one of the main problems that they have had to deal with has been the lack of government ownership in projects or programmes. The programme officer felt that perhaps even the organisation could contribute by adopting a more active role in terms of advocating government ownership of projects. However, she states that should they advocate it, there is always the problem of government assumption that UNFPA is imposing it on the government. Further, there has also been the problem of the organisation working together with the government on the same platform, but arrangements not being made for the government to take over before the organisation leaves the project. For instance, prevention of HIV AIDS project was run for about five or six years under the global fund. It was a vast project with a budget of millions of US dollars, some of the components included capacity development for many NGOs, development of systems, and surveillance systems among many components. However, when the implementing party left, the government could not carry it forward. The project had not become a government vision, there was no framework, and UNFPA had not taken any steps towards a transition to
government ownership. The government held an emergency meeting with the UN to request for a six month support period before the government could take over, however, the organisation has not seen much action taken by the government regarding the project.

The organisation further notes that the changes that they have had to bring to their plans in order to align their plans with the government priorities that could change without prior notice, has had a negative impact on their resources and services. With every change in government priorities, the organisation has to face several changes such as capacity development and changes to the system, while continuing with their services uninterrupted.

UNFPA sometimes undertakes extensive research before undertaking recommendations to the government, such as the case of illegal abortion in the country, however, it was noted that there is a lack of action at the policy level. It was further noted that almost everything was being derived with a political interest by the government, and hence, perhaps it had become difficult for the government to address the real issues. There had been several challenges in the past few years for the organisation, political challenges being one main challenge, as well as the growth of strong religious groups who do not believe in practices such as vaccination or schooling for children. Due to such challenges, the organisation has had to make changes to their programmes, which meant that the project or programme has had to be monitored every year to see what the impact has been. And hence, the organisation states that evaluation has been carried out, but not very effectively. However, field monitoring is totally up to the government, and monitoring is supposed to be undertaken quarterly, half yearly, and annually. However, it was noted that though the monitoring has been undertaken as closely, there have been many loop holes.

The main hindrance towards the implementation of development projects in Maldives, according to JICA is the time taken in reaching decisions. According to JICA the main reason towards the long interim period in decision making has been bureaucracy and the fact that only one person would hold the right of
signature, and hence in a situation where the designated person is not accessible, it would take a very long time. JICA does take into consideration projects that are proposed by the government, however, according to JICA policies, they have to look into the reasons for the government proposals, and should there be any political motivation involved, JICA would hold the right to reject the proposal, as they could not be involved in political situations.

In terms of cooperation with the Maldives, JICA has to wait for presidential elections to be over before formulating the relevant policies after a new administration takes up office, as the change in administration would bring new government priorities and policies.

According to JICA, the organisation has not yet experienced much difficulty due to the political situation, as JICA policies are formulated by the Japan Ministry of Foreign Affairs. These policies would be finalised with discussion with the recipient government, and hence, the organisation's activities would continue under the agreed policies despite political changes, or should the local government lack their own policies in the area. Further, JICA states that the safety of their volunteers, as well as the security situation of the country remains a priority. JICA further states that they do accept proposals from different organisations as well, however, they would not accept proposals from any organisation that might contribute towards political corruption. As JICA is an independent company themselves, they would look into any political issues in the country prior to accepting proposals. The organisation usually accepts proposals for government organisations and in important public sectors, such as hospitals or schools.

7. Weak Areas Within the Country:

All the interviewed development organisations identified the lack of capacity in the country. In terms of capacity building, the main contribution from JICA has been their voluntary service, which is aimed primarily at building capacity in the country. Every year JICA dispatches ten volunteers to the Maldives who would teach or give training in different areas which include sports, agriculture and
fisheries as well. JICA further offers trainings in Japan to thirty five locals every year.

In order to cater for the lack of capacity in the country, the UNICEF principle has been to assign a local counterpart with the visiting consultants who would then have the chance to go through the process of knowledge transfer to some extend. Though not always, UNICEF has often included in the terms of reference of the international consultant to train local counterparts as well. UNICEF also states that bringing an international consultant can be a luxury as well sometimes. Further, UNICEF also brings technical experts from other country offices of the organisation to work in the Maldives as well. However, the organisation recognises that such practices of filling the gap in local capacity is not a permanent solution. The organisation further noted that following ‘the golden handshake of redundancy package’, several of the more qualified locals have been leaving the country, creating a gap in several areas, and hence, UNICEF has been urging the Maldivians who are studying abroad to return back to the country in order to bridge the gap in capacity that requires international consultants. However, UNICEF notes that it is primarily the host country’s responsibility to provide incentives for the still remaining qualified population to continue to remain in the country. Further, the organisation states that in many areas there is still a need for the qualified population to engage and continue in more research, and gain further experience, in order to meet the necessary quality of work.

UNFPA has been contributing their efforts towards capacity building in the country in three main areas, namely, health, gender and population, and development. In these areas, every year UNFPA contributes towards capacity building, according to government priority areas. For instance, training doctors and nurses, as well as support has been offered on the national guidelines on safe delivery options, and in other relevant areas, on both pre service as well as in service based training. Further, UNFPA has also supported to institutionalise service packages, development of training manuals, and assistance with teaching at the national Faculty of Health Sciences. However, the organisation denotes that there is a high staff turnover, and the government capacity is very low, and
hence, the organisation has not been able to work at the pace they would like to, as well as at the standard that they would want to. Hence, they have not been able to create a big impact in terms of capacity building where a notable output could be seen. The organisation notes in service training as a weaker area than pre service training in health, for instance, given the fact that capacity is low, it is not always possible to take the in service doctors out for specialised training, or even to give further training to the current specialists such as gynaecologists. For the organisation, this has remained one of the biggest challenges in terms of capacity building. However, the organisation notes that they used to offer full scholarships in terms of pre service training, but full scholarships are not offered any more.

According to UNFPA, the lack of government capacity has been reflected in the field monitoring of their projects as well, especially as field monitoring becomes a government responsibility. However, all UN agencies as well as other development organisations work with the government, while the government also would have to work with their own projects and programmes, and hence, the lack of capacity is highly felt, especially in the procedures to be followed in terms of monitoring, such as keeping up with the paper work as well. For instance, in reproductive health, there is only one person made available for documentation for UNFPA, UNICEF, WHO and the government projects, as well as projects from other organisations. Hence, UNFPA has found it difficult to base future action on the monitoring results and to improve on the issues as the monitoring itself is not up to standards.

As there are a lot of graduates in the country at the moment, the UNFPA agrees that there would be people among them who could be developed further to meet the capacity needs. However, there is a lack of capacity at consultancy level. The organisation points out that there are a lot of people now at Masters level qualifications as well as PhD level, however, capacity at consultancy level is still low. The organisation feels that there might be political reasons involved towards why some of the qualified people would not participate at consultancy
level, or that there might be UNFPA policies that might hinder local recruitment at that level as international consultants are deemed better.

In terms of consultancy work, recently UNFPA has adopted the practice of a local counterpart to the international consultants and the organisation has found that the output has been much better, as the local person would have an in depth background knowledge even if it was interviews with local communities, and hence, the responses could be better contextualised rather than just being a set of answers to the questions, which would contribute to a better understanding of the situation.

UNFPA notes that the financial monitoring by the government is especially weak. The organisation do undertake some audits as well, however, the organisation states that project monitoring, evaluation and impact assessment has been weak by both the government as well as the organisation themselves. According to the organisation, monitoring, evaluation and impact assessment has been recognised as important segments, and the next projects are formulated based on the results.

UNICEF notes that Maldives has been undergoing a problem of young unemployed population by a great proportion, as well as a high number of young people out of education, on drugs, as well as in prostitution, however, the government does not have a development framework to deal with such issues. UNICEF states that some of the drugs in use are some of the worst drugs on the world market, and due to the problem, petty crimes are seen in the community, as well as gender issues and poor health. In order to deal with such problems, UNICEF states that the government should have a coordination mechanism. According to UNICEF, they are development partners, and though they could provide assistance with innovative ideas, and bring international experience and lessons learnt from other countries to the Maldives, they do not have their own programmes, and they do not implement, and therefore, it becomes the government responsibility. As the UN is very decentralised, the UN agencies could practice a lot of decision making, however, they cannot make decisions for the government. The government would need to recognise that they need a long
term plan, and the government have to recognise that they need to implement recommendations offered to them by the development organisations. UNICEF states that, should the government fail to take these steps, there would be long discussions about the problem, but not necessarily solutions.

The UN would be able to pilot projects, engage with international and local expertise in terms of bridging the gap in the lack of capacity, however, the decision would have to come from the government. UNICEF would not be able to decide for the government.

The organisation notes that the country could be divided into three “almost unrelated” segments, which are, the capital Male’, the tourist resorts, and the other inhabited islands, and hence, though the country has been described as a country with homogeneity, the organisation does not quite agree with the concept, as the resorts are a totally different atmosphere, and the capital Male’ and the other inhabited islands have a vast gap in socioeconomic terms. In terms of development, the organisation notes that the needs of the country and long term plans have to be taken into account, and further, the backlog of policies need to be implemented.

There has been a lot of data collected by the different organisations and units of the government, as well as other organisations such as the development organisations. However, these data have not been compiled, and therefore, remain largely unused. UNICEF states that recently the government has adopted a policy towards creating a focal department for data collected by the various organisations and institutes, under which, the National Institute of Technology (NIT) has been identified as the focal point. However, the organisation feels that more than formulating this policy, more emphasis need to be on creating a culture of information sharing and coordination, within the country, due to the fact that, though data could be shared, the projects and programmes have not been implemented in coordination with each other. This has been raised as a concern by UNICEF as, although the government is relatively small, there have been meetings attended by government staff and NGOs where people have not spoken to each other before, although they are meeting about the same issues.
Hence, the organisation feels that the bigger challenge would be to create a culture where coordination plays an important role in the implementation of projects and programmes and planning, without which NIT could be bypassed should the organisations or ministries work within themselves instead of in collaboration with others. UNDP states that under the Democratic Governance Programme, they have collected a lot of data, there have been several surveys undertaken, as well as, a lot of data have been collected by some of the institutions including service institutions as well. However, the data stays with the individual institutions that collect it, as there has not been much effort to bring the data together. Further, the organisation states that though data has been collected, the data have not been analysed, and not much of the data is used at all. Hence, the decisions that are made by the institutions are not necessarily informed decisions.

The organisation further states that though the more serious crimes have rapidly been increasing within the country, legal council would perhaps be more necessary for legal issues of a different nature, such as disability rights, single mothers, divorce cases, or enforcing education within the community. However, a policy has not yet been formulated by the government regarding how legal support would be provided and to whom. The organisation notes that there is available data for the exercise, however, the information has not been properly compiled and analysed. Further, the organisation states that, “that is symptomatic of how old issues and policies are now. “

8. Political Instability as a Hindrance:

All the interviewed development organisations state that political instability is a big hindrance to the development of the country.

For instance, from 2008 to 2017, Maldives has had four presidents, and with every change in administration, the country priorities would change, and the organisations would have to realign their policies with that of the new country policies. UNICEF and WHO also stated that they have had difficulties due to political instability, however, they had been able to make the adjustments
without much difficulty. SAARC states that they have felt immense impact due to political instability at country level as well as at regional level.

One main difficulty noted by UN is, again, the lack of long term planning. Further, the organisation points out that the idea of the government working to prove their point in a short period of time would mean that the government works with a short term focus and without a long term focus or plan. Hence, with the 2008 administration, the organisation supported to develop SAP, as the administration’s manifesto was five year based, and mainly focused on the campaign promises, and further, the manifesto did not have any development plans. In order to establish longer term plan within the government, concepts such as managing development and evidence based planning are concepts that the organisation would encourage in the policy and planning process, however, the organisation states that such concept and processes are not something that the organisation could bring into the policy and planning process, and that it would need to come from within the government.

One of the main political hindrances that WHO has had to face with in the planning process is the lack of initiative from the government, and the lack of prioritisation. For instance, in bridging the capacity gap in the country, WHO states that funding could be sought for longer term training, should the Ministry of Health identify the areas and propose to WHO. Unless it is an emergency situation where an epidemic or a new disease has broken out, WHO would always cater for the government prioritisations. In terms of environment health or occupational health, WHO accepts proposals from NGOs as well. WHO states that they had tried to implement a project with the city council on keeping the streets of the capital Malé clean, as this would come under environmental health. When the process nearly reached the project formulation stage, however, the city council failed to prepare the project proposal. A lot of discussions had taken place, but for political reasons the project did not materialise.

With administration change in 2008, due to the revocation of NDP, and later, the development of SAP, UNFPA has had to align their five year country programme
with the new priorities of the government. For instance, when SAP was developed, a high priority was given to decentralisation and privatisation of health sector, and hence, a lot of funding was spent on the process, however, after just three years, UNFPA has had to make a “360 degree change” due to political changes in the country. Hence, the organisation's five year country programme has had to be revised again to align with the new government priorities, and due to the changes, resources had thinned out. This would mean that the resources available for other areas would be limited as very little resources were left. However, UNFPA would need to accommodate such changes in government priorities, and hence, the organisation states that they do have to struggle at times due to political changes.

As a development organisation with five year policies and plans, UNDP states that it had been quite difficult to realign the already existing five year plans. The biggest problem the organisation had to face with in terms of the unstable political situation has been the lack of long term thinking, policies and planning. The organisation notes that they are a development partner with the government, and not a parallel government that would have their own policies and own objectives and goals. The longest government plans have not even reached a three year plan, and hence, it would be impossible to receive five year planning from the government in the current political climate. The organisation states that even a five year plan would not be enough to achieve very ambitious goals such as the transition into a local governance system with a city council structure. The organisation states that such a transformation would require very long term planning, with a vision of at least twenty years. The government should be able to envision what the system would deliver in twenty years time.

9. Country’s Role as an MIC:

The data collected from the MDG (Millenium Development Goals) indicators played a huge part in the graduation of the Maldives from the UN LDC status to the MIC status. In terms of ‘adjusting’ the indicators to better record the statistics of the country, UNICEF noted that it would have made it impossible to feed the
information into the global report, as MDGs would have to be exactly the same globally, and it would have to be measured the same way globally. However, the resident representative states that, in her own view, it has been worrying that the MDGs have only been quantitative, as it would not take into account the qualities or issues. UNICEF states that they have noted that once the MDG criteria has been met for an indicator, from that point onwards, it is unclear as to what the next step should be as there has not been any systems in place to measure change. For instance, the immunisation figures have been very high in the Maldives. And having achieved five out of the eight goals, the country remains the highest in South Asia. However, after achieving it, there has not been any system of measuring whether the standards are being maintained. The organisation further notes that, in the education sector, the MDGs measure enrolment rates, however, it does not look at dropouts, or even children who are enrolled in a school who might be taken out of the school, to be enrolled in a very different school such as a school with a main religious focus. In term of quality, the organisation states that, the MDGs lack that aspect of the indicators. For instance, if the children who are enrolled in schools are taken into account, the indicator would not measure whether the schools are of good standards. Hence, even with the indicators or the areas in which the country has met the MDGs, challenges and issues still remain, and hence, studying these issues and challenges and taking action towards them still remain the reality of the country though it has graduated to the MIC status.

According to UNICEF, as Maldives is now an MIC by status, the UNICEF objectives would be based around concepts such as research, polices, advocacy, awareness creation, piloting of initiatives that the government would align with their priorities, monitoring and evaluation, all of which are concepts that have been designed to be absorbed by MIC countries. However, UNICEF states that should the population of Maldives be examined in terms of their location within the country, very varied subgroups would emerge. For instance, as per UNICEF interest, the data on women and children in the Northern Atoll creates concern towards the MIC status of the country, as there still remain several issues and challenges that would need attention in terms of the reality of their situation.
The organisation states that the reality of their situation would need to be analysed in terms of research, data collection, studies as well as visits. According to UNICEF research itself, the organisation could see that though Maldives holds MIC status, on the ground the reality is very different in parts of the country to that of an MIC, and hence, the project goals have to be redesigned to cater for the actual needs of the country rather than the default goals of a Middle Income Country.

The UN policies towards middle income countries is to work upstream, as the assumption is a middle income country would already have standards established and in place, and hence, would only need to work at the policy level. However, UNFPA states that on the ground, the reality is very different. The organisation states that there is still a need to work at the grassroots level, due to which the programmes are torn between where to work first. The organisation has to work with NGOs (Non Government Organisation) and CBOs (Community Based Organisation) in order to develop capacity at the island level. Further, the organisation states that access to the representative at the island level can only be sought by working with the policy level, but in the mean time, they have to implement things as well. Hence, when it comes to the implementation level, the country does not have capacity to just hold policy level meetings with UN organisations and implement it.

The organisation states that when Maldives graduated from the LDCs, and moved into MIC status, the country indicators such as maternal mortality, and infant mortality were maintained very low. However, when an indicator such as accessibility is measured, although there might be a building that is accessible such as a hospital, the services that are provided have been very poor. As advocating for the provision of better services is one of the roles that UN plays in a country, according to the organisation, it becomes harder for someone working at the UN agency than the government, as the UN staffs have two realities within which they have to work in the country.

The organisation states that there used to be a policy where by target areas could be sought out, however, since Maldives is an MIC now, the UN policy is
such that the assistance would now need to be given to the government. UNFPA supports national reproductive health programmes or national HIV programmes, and though the country has moved into MICs, the organisation has not been able to let the NGOs run independently due to the needs that still are existing, and hence, the organisation has been continuing to work with the NGOs to some extent.

10. Development Agencies Work Alongside The Government

All the development agencies work alongside the government, within the government policies and priorities in order to achieve the national development goals. The development organisations do not introduce their own policies, or their own goals.

Under the Democratic Governance Programme, UNDP works with the government, home ministry, elections commissions, and some of the NGOs. According to the organisation, the institutions very well recognise the need for democratic governance, although at individual level it might not be as well recognised. The government as well as the parliament as a whole has supported the transition into a more democratic governance, although there might be individuals within the government and the parliament who might not support the need. Hence, there has been good collaboration among the institutes on the issue.

There has been a lot of consideration given by UNDP towards adopting local policies into the governance programme, although they still feel that “there is room for improvement”. The UN had formulated a plan to support the democratisation process called ‘The Framework of the Cause for the Maldives’, which is a working document that was developed as a five year document. The basis of the programme has been the national policies as well as the National Development Plan, where the government’s development plans play a key role, which becomes the UN support towards democratisation.
On suggestion that the organisation could perhaps recognise the lack of capacity as a hindrance to their work and suggest to the government to incorporate such policies that would help build capacity in the long term, the organisation states that the UN system does assist the government in identifying the areas where human resource is limited in the country, however, the organisation would not be able to provide a programme of their own, as the UN supports the government as a partner in development, and would only support government priorities.

Usually WHO would give advice, and would make recommendations once a proposal is made by the government. WHO would not make recommendations to the country outside of the government priorities, or against government priorities. However, in the early 2000s, when Maldives had wanted to initiate a telemedicine programme, the WHO representative had advised the government a lot that without thorough planning, it might not work, and advised not to start without planning it further. However, the Ministry went ahead and had launched the programme. It is still an on going project, and a considerable investment is being made into it, but the outcome is not very productive.

Further, when 'Madhana' (Health Insurance Programme) was initiated, the WHO representative advised not to start without a complete plan. However, the programme also went ahead mid 2008, without the WHO representative’s support. Hence, nothing is ever imposed on the government. According to the organisation, the government has a choice to accept or deny the advice and recommendations that are given by WHO. Further, should the government decide not to accept the advice, there would not be any sanctions or penalties imposed. If the government would not accept the advice, then that would be their choice.

Currently, WHO does not have a longer focus, such as training people on a needs basis that could contribute to the establishment of capacity for a steady health care system, as according to WHO, the number of health care personnel required could only be established by government policies. For instance, under a government policy of establishing regional hospitals within the atolls, (where
two or more atolls would form a region), five regional hospitals had been established within the country. Few years later, the government policy changed to establish one hospital in each atoll, and health centres within the atoll with the respective health personnel. Although the government policies change, WHO could only make plans based on the government requirements, such as the number of health personnel required, the number of expatriate personnel that would be required, as well as the number of locals that would need to be trained to replace the expatriate personnel, and even to estimate whether it would in fact be possible to replace them. The government has to decide on these at the policy level in order for WHO to decide how much of support and assistance they can provide.

According to UNICEF, at the country level, the organisation's policies would remain as guidelines, however, the organisation would be working in accordance with the country policies. Should the country lack certain policies, the organisation would assist in the formulation of the policies according to the needs of the country, or if the policies already exist, the organisation would assist in refining the policies in accordance with some of the international standards that the organisation promotes within policy frameworks. However, the organisation states that it would never be a case where the organisation would work with their own policy framework unless it is in alignment with the government policies.

**11. Are Aid Organisations Too Global?**

Most aid organisations have their own wider policies and goals to be achieved at a global level. Although under these global policies and goals, the policies do narrow down to regional level as well, from which the development agency would make the country programmes, such as within the UN system. JICA, however, is a bilateral development agency and hence, not as wide as the UN system, although JICA too has policies that are formulated by the Japan Ministry of Foreign Affairs.
UNDP states that with bilateral donors it would be possible to provide more support should the government respond well, and limit their support should the government contribution weakened. However, the UN support is based on the country’s member status. Hence, the understanding that the UN provides to its members is that the country would be supported by the UN through out the country membership status, unless the member country is in a situation such as a major violation of an international law or in violation of human rights. The idea behind the concept is that impeding UN support would not help development, or to make the situation any better. However, UN has imposed sanctions in drastic situations.

12. South Asian Association for Regional Cooperation SAARC

SAARC is a south Asian organisation that supports the economic and geopolitical development of the member countries. Maldives is among one of the seven founding members of SAARC, which came into being in 1985 following the approval of it’s charter by the heads of state of the founding members, namely, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Although SAARC is not an aid organisation, and is more based around regional cooperation, SAARC has recently embarked itself inline with work contributing to economic and social development of the region through the establishment of the South Asian University, as well as the establishment of the SAARC Disaster Management Centre.

Within SAARC, policies are formulated with the vote of all member countries, and hence, should there be an issue that is specific to just one country, or a couple of countries, the issue does not become a SAARC issue. An issue becomes a SAARC issue only if it affects all member states, or are agreed by all member states as an issue that needs to be looked at. And hence, SAARC takes a more regional approach to development assistance. Once an issue becomes a SAARC issue with a vote from all member states, the policies that are formulated towards the issue would carry a regional priority, however, should the issue
carry a direct impact on any country, the policies and plans of the issue would have to be aligned to the national development policies as well.

 According to the organisation, at the early stages, Maldives had not been a very active member in SAARC. For the most part, the country has had a “go with the flow” policy. Maldives would go along with the majority vote, rather than having had a voice of its own, which according to the organisation is almost a dormant state where the country does not have much priorities or policies, is not proactive and assumes a laid back position, which the organisation states, would not be the way for a country to progress. However, Maldives has been more proactive within the organisation in the recent years, due to lessons that had been learnt from experience.

 For instance, when the South East University Project was established, Maldives had been happy to support it as were the other members, however, when the actual budget was formulated, Maldives came to the realisation of the actual expense it would have to bear, as a percentage of the cost for the university has to be realised from Maldives. Given the small size of the country, it would not be feasible to contribute a large sum for the sustenance of the project. However, as the university had by then been established, it had not been feasible for the country to object to it. Had Maldives played a proactive role in the whole process of the project, the country would have had an equal say in the design of the budget, in terms of the financial contribution being proportional to the gains, or the country capacity. Since feeling the affects of the project, Maldives has had a more proactive role, and has been encouraging sectoral ministry participation at a decision making level.

 Although external development organisations should be assisting the country’s government and not imposing their own policies, questions rise here as to whether by aligning with the country development framework and government prioritised areas, the organisations are enforcing the policies and planning that the governments undertake quite often to support their own cause, instead of the overall development of the country.
Although the development organisations have strategies that range from global level to country level, by accepting odd projects proposed by the government on the basis that the projects fall within the government priority areas and the organisations’ country policies, the question rises as to whether the organisations’ policies are too wide as to accommodate odd projects that the government proposes on an ad hoc basis. Further, question rises as to whether the lack of government planning would be reflected in the development organisation’s work in the country.

13. Not a Full Partnership?

All the interviewed development organisations have certain levels of planning that they are required by their policies, to undertake at different levels such as global to regional to country level. All the interviewed organisations seem to do a situation analysis for most of the projects. And where possible, they undertake impact assessment, except UNICEF and UNFPA. Due to the nature of their projects, UNICEF functions in a lot of islands across the country and hence, they do not seem to have the budget for impact assessments. And as UNFPA has a policy of helping the most they can, more often they take the choice to provide their services rather than exhaust resources on impact assessments.

Most of the interviewed development organisations have been functioning in the Maldives for over 45 years, some even 50 years. Each organisation has been working with their individual annual budgets in US$ millions, to focus on 4000 to 5000 projects per year, in a country with a population of 402,071. The question needs to be asked, why are there no obvious development results?

According to Household Income and Expenditure Survey (HIES 2016), the headcount ratio defined by the international poverty line of US$2 per day remains 24 per cent for the years 2009/2010. As stated by the UNICEF representative, there is increasing rural urban inequality seen within the country (UNDP 2014). If there are needs assessments undertaken and every year 4000 to 5000 projects undertaken, then the question is what happens to these projects. It

could be assumed that given the lack of development policy initiatives within the country, as discussed in chapter 5, these projects are being ‘wasted’ on ad hoc projects or being wasted in terms of the government not maintaining these projects. However, this raises a second question towards how the expenditure of such resources could be justified within the development organisations should an output or an outcome not materialise from the extensive efforts.

As the development organisations work with the governments, it further raises the question of whether an ‘unorganised’ government would reflect ‘unorganised’ results from the development organisations as well. However, what makes this question controversial in its own respect is the fact that there is an allocated budget and a number of projects by the organisations that seems to have been undertaken in the country.

Alternatively, perhaps the question that should be asked is how much resources are wasted during the year in terms of realignment to new government priorities, and other political influences.

Hence, perhaps it could be said that the key players in the policy arena of the country, the government organisations, as well as the development organisations do not have a full working partnership where the national priorities are well defined and the development organisations assist with those priorities. Whichever way the questions are asked, or answered, there still does not seem to be a justification between the individual development organisations’ annual budgets, the number of projects that are published to have been undertaken within the country, and the lack of impact within the country. The concept of the ‘lack of impact within the country’ will be examined in further detail in chapter 7.

14. Conclusion

Within the UN system, their policy system begins at a global level, under which is a regional policy system, under which a sectoral policy system, where some of the organisations within the UN system have individual country policies. However, the global to regional policies remain such that most of the country issues could be integrated into the regional policies to a great extent. Where as, an aid organisation such as JICA which is a bilateral aid organisation, seem better
focussed on the country issues as there would not be an umbrella of global policies to be achieved, and further, nor an umbrella of several donors whose policies would have to be taken into consideration.

The main constraints to development planning and implementing development activities that the organisations had identified were, the lack of capacity in the country, the geographic formation of the country and political instability. All of the development organisations have been experiencing difficulties due to the lack of capacity in the country. There has been efforts made towards increasing capacity, however, there has not been any longer term planning or policies to rectify the problem. UNDP, UNFPA, WHO and UNICEF expressed concern towards the lack of capacity in the country as the development workload has been too heavy for the government staff, who work with the development organisations as well, while they also have the additional responsibility of the workload of the government projects as well.

UNFPA and UNICEF specifically noted that the geographic formation of the country as a contributory factor that hinders development. As the country is made up of several scattered islands, it would not be cost effective to provide services to the individual islands, however, UNICEF points out that it is a basic human right to provide services to everyone, regardless of how many people live on the island. Further, as the islands are scattered, it would take more time, resources and people to undertake situation analysis, monitoring and evaluation, as well as to conduct impact assessments.

All the interviewed development organisations expressed concern towards the political instability in the country. Although all the organisations work alongside the government, there are requirements that the organisations have to undertake, such as, developing country programmes, or planning their development assistance, or preparing their policies that would contribute to achieve their commitments to the country. Further, all the development organisations have stated how much of a draw back they have to face in terms of realigning their plans to accommodate the new government priorities, or to cater for the new components in the government plan, or to ensure the safety of their
staff, and in some cases, resources being exhausted in the realigning process, leaving very limited resources for the other activities. Further, the lack of government ownership, or commitment to carry on projects that the development agencies have been undertaking in the country has also been noted as a hindrance to development, especially SAARC states how costly it could prove for a small island should the country remain inactive and uninvolved in the development arena.

All of the development agencies, except WHO, have stated that they undertake some form of a situation analysis prior to developing the country programme or the projects. WHO states that they purely look into the government priorities in order to develop their biennial plans. The organisations that would request assistance from WHO are expected to conduct the necessary research and situation analysis, prior to the formulation of their proposals. However, WHO has given support on occasions when their assistance has been sought at the initial stages of projects. Some of the other UN agencies have stated that they do undertake research to some extent, even if not a very thorough situation analysis. Further, according to most of the UN organisations, as they only work alongside the government, situation analysis would be undertaken by the government. JICA, on the other hand, undertakes a very thorough situation analysis in terms of identifying the needs of the community, as well as to assess the feasibility of the requests.

The UN system, UNFPA and UNICEF observes that their impact assessment and evaluation has not been very strong. In the case of UNFPA, it becomes a difficult choice to make as resources are limited, and sometimes they have to choose to better the situation for the people than to undertake impact assessment. UNICEF too states that the limitations in resources are one main reason impact assessments have been weak. JICA on the other hand maintains very regular impact assessments, which would be incorporated into future project planning.
As all development organisations work alongside the government, they do not have their own priorities to be achieved in the country, hence, they work with the government priorities in terms of achieving development within the country.
Chapter: Seven

The Development Policy Arena:
Government Organisations Meet International Development Organisations

1. Introduction:

By bringing together the policy concepts of the government organisations and the development organisations so that the linkages and breakdowns could be seen between both sets of organisations, it might shed light on the questions that was raised in Chapter Six. Hence, this chapter explores the possible reasons or answers to why the development organisations have implemented a number of projects annually within the country, and yet with little impact on the communities, and further, this chapter will address the concept of policy sovereignty in the light of creating a link between the government organisations and development organisations. This chapter will also discuss a possible way forward for the country in the light of the findings.

Where a reference is made to an individual interview participant, given the interview participants from the respective government organisations are high level government officials, their names have been removed due to political sensitivity. The names of the interview participants from the development organisations have also been removed due to political sensitivity.

2. The Policy Findings

There have been policy issues identified within both the government organisations, as well as the development organisations, which are unique in some respects to the organisations themselves. Despite the fact, the policy front of the country at the national level would inevitably comprise of both parties (the government organisations as well as the development organisations), where government organisations are directly involved in the policy process, but the development organisations are largely indirectly involved where they mainly
contribute to the existing national policies. Hence, success in the policy arena of the country at a national level would largely depend on the ability of both the parties to collaborate and create a harmonic progression in terms of their contributions towards the development of the country. However, questions remain towards the formulation, dissemination and implementation strategies of policies and plans of both, the government organisations as well as the development organisations.

One major shift in the policy arena since 2008, that could be observed within the national policy and planning process, as stated by the interviewed participant from The Ministry of Economic Development as well, has been the technical input towards the policy and planning process. For instance, prior to the 2008 administration, in order to formulate the NDP, the policy needs would be identified by the respective line ministries and incorporated into the NDP. However, since the 2008 administration, in order to formulate the party manifesto, the political parties set out their development policies based on the campaign pledges, which would become the official policy document once the administration is in office. Hence, the government organisations' contribution towards the national policies has now become refining the manifesto and the implementation of the manifesto policies once the administration takes office. Hence, the core elements of development in the country are being neglected as the manifesto is designed to attain more votes from the public rather than on the actual needs of the country. These core elements perhaps should remain fundamental in terms of the development of the country, despite which administration takes office, as the needs of the country would not change with every new administration.

Cooperation between the government organisations and most of the development organisations has been well maintained. According to the UNDP representative, extensive interaction would take place between the organisation and the respective government organisations during the life span of a development project, from procurement to the implementation stages. According to UNDP representative, some of the government members involved
in projects have been very thorough, even at the activities level of some of the projects. However, the organisation observes that there has not been an equal contribution from the government organisations at the implementation stages. Hence, it could be said that just maintaining cooperation between the government organisations and the development organisations has not been enough to generate productive outcomes in terms of maximising the potential offered by the development organisations.

3. Development Organisations Work Alongside The Government

Under the concept of development organisations working alongside the government priorities, the organisations have had to take on board individual projects that had not been in their original country programme, as the organisation would take on board government requests that could be justified within the government priorities and within the organisation mandates as well, provided funds could be procured for the projects, as indicated by UNFPA and UNDP.

Although this practice could be justified within the mandates of the organisation where the organisations could take on board, within allowance in terms of funding, individual projects proposed by the government, it could be said that this practice would encourage the government ‘ad hoc’ practice of development project formulation, where the projects are undertaken to cater for unplanned and sudden policy interventions to cater for political intentions rather than a well planned out policy intervention from which the public would secure long term benefits. One example of how the government collaboration with the development organisations in terms of addressing current issues have been the efforts contributed by the UNDP Governance Programme in building a platform for national debate on political issues. As the interviewed participant from The Ministry of Economic Development had indicated, Maldives has not had the culture of national level debate on political issues, and hence, the interviewed participant from The Ministry of Economic Development states that such debates would prove a big step in terms of creating awareness among the public on the values of democratic governance. On government request, UNDP, under The
Democratic Governance Programme, has been working with the government since 2012 to establish such a platform to include members such as recognised senior members of the country in terms of leadership and experience in the political sector. However, it is still in the initial stages and has not materialised productively. It could be asked here whether it has not materialised because the politicians would rather not make the public aware of issues that would contribute to them losing their strong foothold in terms of clientelism.

Further, the standard practice within the UN system has been to follow the government priorities. This would mean that a lot of the development assistance obtained from the organisations, would depend on the government priorities and plans. Should the government priorities lack direction, or should the government priorities not reflect the actual needs of the country, the projects that the development organisations formulate would not prove productive, especially in the long term, and further, could prove a waste of resources in the long term.

3.1. Lack of ‘Transition’ Arrangements

While collaborations have been successfully seen between the government and the development organisations, one of the main problems that could be seen is the lack of a ‘transition practice’, which is seen not only between the government and the development organisations, but also between the government and the public as well. For instance, the concept of lack of ownership by the government have been observed by UNICEF, as well as UNFPA and UNDP, where, once the development organisations hand the projects over to the government, government commitment is not seen in the projects, including large scale national level projects. Some such examples have been, the ‘HIV/AIDS Project’, ‘The Reproductive Health National Strategy’, and the ‘Youth Health Café’ projects undertaken by the UNFPA. According to UNFPA, the whole UN system that is active in the country has been faced with problems due to the lack of ownership from the government. In such circumstances, questions need to be asked towards the reasons why the government would not be willing to accept the
ownership of the projects. For instance, whether it could be due to the lack of capacity, or the lack of resources that might be in play, as the government might not be able to uphold the programmes in the future, as in the case of the HIV/AIDS project which had been run at a national level. This would raise the question as to why a development organisation would formulate and implement a project at too wide a scale for the government to be able to support in the future, and equally importantly, why the government would agree on a project to be run at a larger scale than it could possibly support in the future. It does become a perplexing situation as to whether it had been the government at fault to accept a project of such a scale, or whether it is the development organisation’s fault to run a project at such a scale that the government would not be able to support in the future. While there could not be definitive answers sought, it could be asked if it is a certain lack of serious commitment on the part of both the government and the development organisations towards sustainable development in the country, sustainable being a key word in this scenario.

Further, it could be said that the idea of ‘transition’ has not been upheld by the government in terms of the transition in governance that had taken place during the 2008 administration. The adoption of a more decentralised system of governance had brought about many structural changes within the governance system, where city councils had been formulated in order to contribute more of decentralised planning to the development process of the country. However, the government had not initiated any public awareness creation within the public towards the role of the city councils, neither towards the council members themselves towards what their responsibilities would remain, as stated by the interview participant from the Department of National Planning.

4. Change in Governance System

While a more democratic multi party political system had been introduced in 2005, there has not been public awareness creation within the communities towards the freedoms that would be presented by such a system, such as the freedom of political expression in public, as well as the freedom to support any political party, or even the freedom of remaining apolitical. Such freedoms have
been seen to backfire, as the culture of the concepts of “agree to disagree” or acceptance of others’ points of view had not been cultivated within the communities, following the thirty year presidency with little freedom of political expression in the country. For instance, a majority of a political party supporters seem to have little or no tolerance towards other different political parties and their supporters, which gave rise to an increase in public violence from theft, torching of buildings, to stabbing and murder within the political parties. The government and the UNDP had been collaborating in terms of the transition of governance to a more decentralised and democratic governance system, under the ‘Democratic Governance Programme’, however, neither the government nor UNDP had taken into consideration the possible and potential outcomes of the transition in terms of how the general public could react to, or be affected by, the new political freedoms. This result could perhaps be classified as an outcome in itself of the lack of conceptualisation to the outcome level in policy formulation, development planning, and project planning and implementation, both by the government as well as UNDP.

4.1. Collaboration Among the Government Organisations

The lack of collaboration among the government organisations has been noted by most of the interviewed government organisations, as well as the development organisations, as one of the main challenges within the system. The State Minister of Tourism, the interview participant from The Ministry of Economic Development, the interview participant from the Department of National Development, the interview participant at the Office of Programmes and Projects, as well as UNDP, UNFPA and UNICEF have all indicated that the lack of collaboration has proven to be a problem, especially in areas that fall under the mandates of two or more ministries, where the responsibility is being neglected by the ministries in question. According to the interview participant from The Ministry of Economic Development this would mean that the existing policies have not been implemented effectively. Further, should the ministry lose such opportunities, they could collaborate with the government or the development organisations and work towards attaining further opportunities. However, with
the lack of initiative within the ministries, it could be assumed that rather than take on board the extra work of attaining further opportunities for the staff, the ministries would rather maintain the lack in collaboration with other ministries and lose out on a potentially wider scale, even perhaps longer term development opportunities for their staff.

4.2. Lack of Data Sharing

Most of the interviewed development organisations note that there have been data collected in several areas, however, due to the lack of collaboration within the ministries, the data has not been shared, and have just been stagnant at the ministry that originally would have been responsible for collecting the data. The UNDP observes that under ‘The Democratic Governance Programme’, the organisation, in collaboration with some government organisations, had collected a lot of data through several surveys, but the data have remained at the respective institutions and have not been shared with other institutes or government organisations. Perhaps this could be one scenario where the development organisation could actually write into the project the sharing of the data with the relevant government organisations as a phase of the project. This could be a more proactive practice that the development organisations could adopt in terms of reiterating better collaboration among government organisations.

The National Institute of Technology (NIT) has now been assigned as the focal department to compile data from the different institutes and organisations such that it could be available from one source rather than the different organisations and institutes individually maintaining data that they had collected. However, as UNICEF had stated, it would not be quite enough just to establish the data at one source, there is a need for the culture of data sharing to be established, where any government organisation should be able to access and utilise the data that has been collected by the government organisations. Sharing the data, irrespective of which government organisation had been responsible in the collection of the data, would mean that there could be better informed decisions made, especially in the formulation of policies and development plans. Further, it
would contribute towards sharing a certain level of information among the organisations and providing a certain level of understanding towards the projects that have been undertaken, or issues that are being dealt with by the other ministries. However, as UNICEF stated, for NIT to take full effect with establishing the art of information sharing, strengthening the collaboration within the government organisations would remain vital.

Further, due to the lack of data or information sharing, and the lack of collaboration within the government organisations, the question arises as how far relevant the decisions are, that are being made by the government organisations without access to the relevant data, as well as without much collaboration between the government organisations.

4.3. Research Based Policy Formulation and Planning

In chapters two, three and four, the literature has talked about the importance of research in the policy process. However in practice, it is still a young concept within the global policy arena. It can be seen that the interviewed government organisations as well as the development organisations do realise the important role research plays in the policy process, however, it has remained an unutilised tool to a great extent. The interviewed government organisations state that largely, they have not been undertaking evidence based policy formulation or development planning, as situation analysis or needs assessments would not usually be conducted as part of the policy or planning process.

UNICEF further states that a priority has to be placed on the people's lives, and during the time that might be spent on needs assessments, more lives could be affected. However, it should also be considered that constant “patching up” of people’s lives on a short term basis would then become a ‘sustained method’ as the effects on people’s lives would remain a continuous process, which would mean that there could never be a right time to conduct the necessary research for longer term policies and plans to be adopted. Time spent on longer term planning could be of essence to the peoples’ lives as longer term planning would potentially open pathways to adopting longer term policies and plans that could
be more sustainable, and hence, remedy or prevent similar future short term situations as that are being faced with in the current period in time, and avoid the repetition of this cycle of 'short term patch up policies’ due to lack of longer term policies and plans.

Further, as research such as ‘needs assessments’ and ‘situation analysis’ do not become the basis of the development plans, there would not be any way of identifying whether projects are being duplicated within the same region without a need, or whether the actual needs are being neglected, while less priority areas are being catered for. Hence, it could be said that this practice contributes immensely in maintaining the established culture and history of the ‘ad hoc’ project phenomenon in the country that has proven to have little, contribution to its longer term development. It could be said that, for the most part, due to short term policies, the development work undertaken by the government and the development organisations is not based on any solid development policies and plans, and hence, the full potential of their work would not be realised, and further, the full potential of the country would not be realised in terms of development.

**4.4. Research Based Development: The Government Organisations**

In terms of the tourism sector, without needs assessments or situation analysis, there would not be any way to identify the actual needs of the industry, as well as the relevant areas such as domestic level niche markets, and other relevant industries. Further, The State Minister of Tourism notes that policies and plans in the sector have had more concentration towards the expansion of the industry itself, rather than cater for the community needs. This remains a significant point as, had there been a country situation analysis or needs assessments carried out, it would have been possible to incorporate the country needs into the development of the industry, thereby building parallel models for the contribution from the industry towards the development of the country, as well as for the development of the industry itself. Hence, the concept of sustainable development within the country, that the industry could contribute towards, would be integrated with the development of the tourism industry itself, where
the relevant needs within the society could have been accentuated and integrated such that these needs would be catered for in parallel with the development of the industry. Hence, the growth of the industry would present the society with opportunities such as training needs, niche markets, and other relevant tertiary industries, which could open up employment opportunities for the local workforce.

While situation analysis and needs assessments have not been maintained, some of the government organisations have stated that the TA provided by the visiting consultants have not been used either. For instance, The Minister of Housing and Infrastructure stated that, not only have the TAs been neglected, but there have been cases where the decisions have been made in contradiction to the TA findings. While all of the interviewed government organisations have indicated that TAs could be sought in collaboration with the development organisations, this has been an opportunity that has not been maximised by the government organisations, although such TAs could be utilised in terms of research towards situation analysis for the development projects. Although it is a fact that research such as situation analysis and needs assessments have been a neglected area by both the government and by the development organisations as well, the reasons why remain debatable.

While it could be said that perhaps the lack of situation analysis would pave way for easy political manipulation of decisions, where there would be room for sudden policy interventions and projects conducted on an ‘ad hoc’ basis for political gains, it could also be said that the lack of situation analysis and needs assessments would mean that the political elite, who quite often remain the economic elite as well, would be in a position to control policies and plans to their advantage, due to the lack of longer term policies and planning. Further, such a control would also mean assurance on who remains the elite in the country, at the expense of increased inequity within the country, resulting in the vulnerable remaining vulnerable.
5. Lack of Capacity Within the Country

All the interviewed government organisations and development organisations state that there is a lack of capacity within the government organisations. The interview participant from the Ministry of Finance and Treasury notes that capacity is low, especially in new and emerging areas such as finance related areas that would have just two or three people with the necessary expertise. There have also been cases where procurement of funds for certain projects have not been possible due to the lack of capacity, for instance, as the interview participant at the Office of Programmes and Projects states, sometimes donors require a certain level and amount of local expertise to run the projects. And hence, should the country remain lower than the criteria that would need to be met in terms of the available capacity, the project would be withdrawn by some of the donors. Perhaps in such situations, donors do need to think in terms of supporting the country rather than withdrawing the assistance altogether, such as, providing and bridging the capacity need that is not available in the country, or perhaps by redirecting the funds to capacity building rather than a complete withdrawal. Hence, in the project cycles that would follow in the next few years there would be at least a minimum level of capacity established, which would allow for other projects to be implemented such as those that are currently being withdrawn.

Usually the development organisations follow the government prioritised areas for training, and the government organisations would have to request for the number of personnel who would need training. However, government organisations do not seem to have prioritised the training needs. For instance, under the democratisation process, there have been training opportunities for the judiciary offered by the EU (European Union), however, the interview participant from the Department of National Planning states that the process has been hindered as the EU has not yet identified the training that would be required. Perhaps in such situations, the government could take the initiative to identify the needs and work in collaboration with the EU in terms of achieving the outcome. Further, there have been cases where the UN system has helped
bridge the lack of capacity by assisting in the implementation process of projects. However, such practices have often resulted in the lack of ownership by the respective government organisations. Perhaps in such situations, the development organisations could contribute in terms of tying the governments towards ownership of the project through a covenant at the initial stages of project formulation.

UNDP states that the lack of capacity within the government organisations does slow down the process of formulation as well as implementation of projects, as quite often it would be the same civil service staff that would be involved in both the policy formulation level as well as the project implementation level. Further, the organisation states that, as the staff works at the policy level thinking, as well as the implementation level details, there have been cases where a lot of time had been needed to overcome the split between the policy level thinking and implementation level thinking, and reach decisions. Although it could be said that having the implementation level detailed thinking at the policy level could be a good contribution towards making the implementation stage more realistic and feasible, as this would create an allowance for the policies to be formulated based on ground reality, which would mean more relevant and more practical policies could be formulated, it could also be said that there would not be anyone to contradict their thinking, as at all levels, it would mostly be the same people with the same mind set who would be making the decisions. This could also mean there would be more room for political manipulation of decisions as well.

Given the overall lack of needs identification and situation analysis, and lack of monitoring and impact assessment within the government organisations, perhaps JICA has found the best middle ground in terms of taking on board the government priorities as well as to make a solid contribution to the island communities in terms of capacity building. However, given the time and funds spent on JICA’s in depth planning process in terms of needs assessments, and impact analysis, it could be said that the country is losing out on better opportunities the organisation could provide, due to the lack of policies and
planning by the government organisations towards maximising what the organisation could offer.

The interview participant from the Department of National Planning, the State Minister of Tourism, the interview participant from The Ministry of Economic Development as well as, UNICEF, UNDP, WHO, have directly indicated that there is a need to build capacity within the country in terms of more local consultants in the different fields. UNFPA states that there has been a difference in quality noted when there has been a local consultant involved. For instance, even during surveying, the local consultant would have a better idea of the cultural and other daily practices within the communities, which could prove to be vital background knowledge in the process of data collection and evaluation, where, instead of just evaluating the quantitative aspect, there would be a better insight into the qualitative aspects of the data. UNFPA further states that, due to the lack of situation analysis and needs assessments, existing surveys and reports have been used as a situation analysis, hence, it is crucial that the reports and surveys actually report the situation precisely. However, they further state that the current survey reports have largely been written by visiting consultants who lack the insight into certain situations within the community, especially in sensitive areas such as prostitution and illegal abortions.

5.1. Government Ideology Towards Increasing Capacity

The interview participant from The Ministry of Economic Development, the State Minister of Tourism, and the interview participant from the Department of National Planning, note that the school curriculum and the education system could be better planned to lay the foundations for better capacity development in the future. For instance, rather than maintaining only an academic orientation, a vocational orientation could be introduced as well. Further, as the country’s main income earning industry is tourism, the State Minister of Tourism feels that tourism related subjects could be introduced within the school curriculum such that students would leave school with a basic understanding of the industry which could lay the foundation for more opportunities for the local population.
within the industry that are currently being occupied by the expatriate population employed in the industry.

It should be noted here that the lack of longer term policies and plans perhaps has played a vital role in the lack of capacity that is being experienced, as the capacity needs would not have been identified, and hence would not have been targeted in terms of trainings and capacity building.

5.2. Reasons For The Lack of Capacity

One question that remains, in terms of lack of capacity, is whether the situation is a reflection of the small size of the population in the country. Should the population remain small, the proportion of the population that would make up the workforce would also remain proportionately small. However, in terms of the different proportions of the population, to determine whether the current workforce is adequate in size to cater for the capacity needs of the country but lacks the skills and knowledge, or the current workforce is not adequate in size itself, would require further research. Further, another equally important question in terms of lack of capacity remains whether it is an actual lack of qualified personnel, or whether a mismatch exists within the system, where the trained personnel does not match the actual capacity needs. The interviewed participant from The Ministry of Economic Development and the interview participant from the Department of National Planning further notes that there is a growing number of young people, even educated young people, who are in voluntary unemployment, which possibly could contribute to the lack of capacity within the country.

Whether the lack of capacity is being experienced due to the small size of the population, or whether it is due to a mismatch in the capacity needs and existing personnel, or whether it is due to the increasing voluntary unemployment of the young population, or even if all of these factors together have contributed to the creation of the situation, a further question remains as to whether the situation could have been avoided had there been a better policy formulation process and a better planning process within the system. It has to be noted that the situation
could potentially be remedied through a better informed policy formulation process, and a better informed planning process, although these concepts seem not to have infiltrated yet into the practice of the policy and planning process.

5.3. Resource Management

One of the main areas highlighted by the interview participant from The Ministry of Economic Development, the interview participant from the Department of National Planning, and the interview participant at the Office of Programmes and Projects is the weakness in resource management. This area is further highlighted by UNICEF and UNFPA as well. One of the main examples being the 2004 Tsunami recovery fund, which the interview participant from The Ministry of Economic Development observes, have not yet been fully disseminated. The lack of capacity and lack of collaboration within the government organisations have been identified by the interview participant from The Ministry of Economic Development, as the main reasons for the hindrances in the dissemination of funds. Further, the State Minister of Tourism, the interview participant from the Ministry of Finance and Treasury, UNICEF, UNFPA and UNDP have highlighted the lack of capacity and collaboration as some of the main hindrances towards the overall development planning in the country. While the lack of resources could cost the country dearly, the question remains as to why resource management has not been prioritised by both the government as well as the development organisations as an issue requiring even immediate action, and further, it could be asked as to whether establishing a longer term policy and planning process could contribute towards a better resource management process.

6. Hindrances towards Longer Term Development Policies and Plans

It has to be noted that, perhaps, one of the main hindrances towards longer term policies and planning has been political instability. Within the last ten years, Maldives has had four presidents, and as all the interviewed government organisations have stated, the culture has been that with each new
administration, the policies and planning would undergo a total overhaul. Hence, within the last ten years, the government priorities have changed four times, to suit each new administration, and this in turn would mean that the government organisations as well as the development organisations have had to realign their priorities with the government priorities four times within the last ten years. The interview participant from the Department of National Planning and the interview participant at the Office of Programmes and Projects have both suggested that there needs to be a mechanism which would not allow every new administration to change the national development policies and plans, such as a legal mechanism, however, what basis such a legal mechanism would take has not yet been thought out. When suggested to the interview participant from the Department of National Planning that changing long term policies and plans, as well as previous administrations’ policies and plans could be a parliamentary decision based on researched situation analysis, it was stated that given the lack of confidence in the parliament, they could not be trusted to make the right decision as political manipulations have been seen within the parliament itself. Further to the interview participant from the Department of National Planning, the State Minister of Tourism, the interview participant from the Ministry of Finance and Treasury and the interview participant at the Office of Programmes and Projects have all stated a lack of confidence in the parliament members.

In terms of achieving longer term policies and plans, it could be said that there is a need felt for a more holistic approach to be adopted towards development, where the policies and plans bear a longer term focus. Here, given the geographic formation of the country, the longer term policies would be designed to progress from the island level, to atoll level, to regional level (which would comprise of two or more atolls), which would contribute to the national level development, with a focus on collaborating the national development visions, goals, and activities. Here, the different levels such as island and atoll level policies would need to be based on researched situation analysis and planned to a level of outcome rather than output level. Further, a focus needs to be established on maintaining better monitoring and impact evaluation practices that would continue to contribute to the next level of planning. The different
levels of policies would contribute ultimately to the national level policies and plans, hence establishing research based longer term policies and plans at the national level.

7. 'Island Syndromes'

On the political front, as the State Minister of Tourism stated, as the population of the country is relatively small\(^{30}\), even if to buy votes from the public, politicians would not have to spend a lot, and given the high income disparity between the capital and the other islands (Waheed, 2012), the practice would be made easier. Perhaps, the fact that it has largely been the same players in the political arena has had a big impact on how the political thought has progressed, not only among themselves, but with the general public as well. Further, given the small population, it would normally remain the same players in the political arena, such as The 2008 administration, that brought the prevailing thirty year administration to an end, had seen a lot of the same members from the previous administration even as some of the ministers, as well as in other authoritative positions, and some still remain in authoritative positions since the thirty year “reign” and even after three administrations since. Although how far an impact this has created would need further research, it could be said that a prevalent ideology that only certain elite members, or only certain elite families could remain politicians, does exist. There have been young and emerging politicians in the last few years, however, the leading members of the political parties have remained the same elite proportion of the population. For instance, President Gayoom had been in office for thirty years, until the 2008 election, some of the ministers who had served in his administration had remained ministers even with the 2008 administration, and some in authoritative positions during three administrations that had followed. Further, the current president is former president Gayoom’s brother, and a member of Gayoom’s political party. Hence, irrespective of which political party that wins the election, the prevailing political thought and practice would remain largely undeterred.

\(^{30}\)The country population remains at 402,071, (National Bureau of Statistics, 2015).
Being a small island nation, The Maldives has been faced with disadvantages in the international arena. One such disadvantage comes in the penetration of the international markets, where in terms of the quantity of produce, bigger countries have a bigger advantage, despite the better quality or the maintenance of best practice. Hence, the smaller countries might not have much potential to penetrate into the global market in terms of manufacturing. However, there is the belief that advocacy could make a difference in the global market. Further, the interview participant from The Ministry of Economic Development and the State Minister of Tourism state that, should the country evaluate its strengths and the areas where the country could play a significant role in the global arena, there is potential for The Maldives to make a global presence. For instance, there is potential for the country to embrace the global service industry such as financial services, which could be established despite the lack of natural resources or the small size of the country.

In terms of regional successes, the country’s leading contribution is towards the SAARC social charter, in terms of advocacy on issues such as child rights protection and promotion, and control of human trafficking. Further, WHO notes the leading role the country has played at regional level as a negotiator in the Framework Convention on Tobacco Control31. Maldives has also proven to be a strong advocate, representing small island developing countries, in the area of climate change, gaining support from the UN on taking stronger steps towards the issue.

In terms of the geostrategic location of the country, the interview participant from the Department of National Planning states that in keeping with foreign ties and foreign interest in the country, Maldives has had to maintain strategic affiliations with all countries, as affiliation with one major country could result in the other countries losing interest, and being as small a country as it is, it would

31 http://www.who.int/fctc/en/
An evidence based treaty by WHO in promoting public health which came into force in 2005.
be in the best interests of the country to be in favour of more major countries than just a few.

8. The Theory of Dependency in The Local Context?

At a local level, taking into account the phenomenon of divisions within the society based on power relations, be it political or economic, the population of The Maldives as a whole could be divided into three segments.

8.1. The Political Divides Within The Country

If the political divides are taken into consideration, the first segment would be the political elite who reside in Malé or greater Malé area, and are employed in the policy arena in the government and hold nearly ultimate decision making power in the government. This segment that consists of the actual politically active decision makers within the government would account for a small proportion of the population, who hold the power of most political decisions, and hence, remain a huge influence in terms of the economic impact as well.

The second segment would be the population in urban Malé and the greater Malé area, excluding those included in first segment. The second segment largely would consist of the parliament members, some of the ministerial level employees, and the lower level policy employees who do not hold ultimate political decision making power, the opposition, the associates of the ruling elite or associates of the opposition who are in a position to arrange demonstrations against the ruling political parties and at least make their presence felt, even if to no avail. This segment also would contain those that are not particularly involved in the political scenario but live in Malé or greater Malé area who have access to better economic opportunities and services such as health and education, and hence, would be less susceptible to clientelism.

The third segment would be the rural population who live outside of Malé and the greater Malé area, who lack much political power, and hence would be the
most dependent on the political elite in terms of attaining any benefits within their communities. Within the rural Maldives, in terms of political decision making, little or no political power seems to exist despite the recent changes brought about towards a more decentralised governance system, where the system is technically in place that includes resident council members to represent the different rural atolls, however, the system has not been taken into effective practice, as stated by The State Minister of Tourism and the interview participant from The Department of National Planning. Further, the rural population lacks services such as proper health facilities, education facilities, employment opportunities, banking services, to name a few, hence, suffers from economic vulnerabilities (UNDP 2014), which would make them susceptible to political and economic influences.

8.2. The Order of Political Dependency Within The Country

The order of political dependence is such that the rural population remains most dependent on the political elite, with not much economic opportunities or provision of services, not much knowledge or affordability even to contest the government decisions, in terms of travel to the capital, or accommodation expenses on the capital that they would be faced with should they want to contest the government. The lack of facilities in the rural areas would mean that these communities could easily be influenced by the ‘ad hoc’ infrastructure projects and hence remain the most susceptible to clientelism.

It could be said that the capital Malé and the greater Malé area are less dependent on the political elite than the rural areas, as the population in this area would have better access to opportunities, as economic, educational, health and employment opportunities are more accessible in the greater Malé area. Further, this segment of the population would also have the option at least to make a public contest against the government such as demonstrations as they live in the area itself.

Further, some political figures such as some of the ministerial level members and some of the lower policy level personnel, technically, would have a say in the government issues, though depending on the higher authorities, how much of a
say they have might be limited. Though the parliament members would technically be categorised as a decision making body, according to government organisations, the parliament members’ decisions largely have not been in the interest of the public, and more in the interest of the political elite, hence the lack of confidence in the parliament members has been expressed by the government organisations and some of the development organisations as well, and should they remain under such an influence of the political elite, they would remain dependent on the political elite rather than an independent decision making body, and hence, would remain in the second segment.

The political elite, who also reside in the capital Malé and the greater Malé area, would consist of higher authoritative positions to include those that act in the political arena at a higher level than most ministers, and the more powerful ministers who could exercise their power, and hence, this segment would hold ultimate decision making power. Due to the existence and ‘sustenance’ of these segments of political divides, and political dependency levels within the population, given the fact that largely it has been the same members active in the political arena, and that there has not been a culture of long term policy formulation and long term planning, and the lack of culture of research such as needs assessments, situation analysis, and impact assessments, and the lack of culture of outcome level planning, it raises the question as to whether this scenario has been sustained and maintained in terms of upholding the power of the political elites, at the expense of the rights of the greater proportion of the population.

8.3. The Order of Economic Divides Within The Country

The question as to why the political elite might want to uphold their power, perhaps, gives rise to the question of the second divide within the country, which is the economic divide. In terms of economic power, the first segment would be the economic elite of the country who are a smaller segment of the population that live mostly on the capital Malé and the greater Malé area, who are the investors in the tourist resorts and other tourism related big investments such as
the bigger hotels, and also the investors involved in other big investments as well. The second segment being the population that live on the capital Malé and the greater Malé area, which is the urban hub of the country where more opportunities exist in terms of employment, as well as provision of services, but excluding those included in the first segment. The second segment would also include those with relatively smaller investments than that of the first segment such as guesthouses and smaller scale retail as well. The third segment being the proportion of the population that lives in the rural areas, which largely consist of all the islands other than the capital Malé and the greater Malé area where economic opportunities are mostly at a subsistence level, and services such as health, education and other services are very limited.

8.4. The Political And Economic Parallels Within The Country

Here, a parallel can be drawn within the segments of the population, such as the segment that represent the political elites also remain largely the economic elites, as The State Minister of Tourism had also noted. The second segment of the population who reside in the capital Malé and the greater Malé area with better opportunities and services sustains better economic circumstances as well as less political dependency. The rural areas that are outside of the capital Malé and the greater Malé area remain the most dependent in economic terms as well as in political terms, and hence, would remain the more susceptible to political influence. One example of the extent of the lack of employment opportunities, the lack of options towards establishing an income, and the high level of economic and political dependency in rural areas is seen in the case where the leader of an island could request the relevant government organisation to procure an infrastructure project for the island, in order that the leader’s family or friends could earn an income from the construction involved in the project, as the interview participant from The Department of National Planning indicated.

The contrast in opportunities between Malé, the greater Malé area and the other islands is also seen in the living conditions between the residents of Malé, and the greater Malé area (National Census 2014). Those who own land within Malé,
and the greater Malé area, due to the high demand on accommodation in the area, usually would rent out a proportion of the land, or building they own. Given the high rent in the area, especially on the capital, Malé, landowners make a considerable living in the area from rent alone. Some of the landowners, as well as the migrants who are able to earn a good income do own small businesses in the area, however, the owners of more property on Malé and the greater Malé area remain the economic elite who own the big businesses in the country, as well. They earn the ultimate incomes from the big investments such as the high standard restaurants, luxury hotels, and ultimately from the tourist resorts, and remain in high income brackets even by global standards.

The connection between the political elites and the economic elites comes from one main factor that is characteristic of small island states which is the small population, where quite often the political elites have remained the economic elites as well for generations. While The Ministry of Housing and Infrastructure state the lack of laws and regulations enforced regarding the housing sector, given the rent the elite population earns\textsuperscript{32} from ten storey buildings on Malé and the greater Malé area, and, given that quite often the political elite are the economic elite as well, it could be said that the political elite would not enforce housing regulations, as the amount that could be earned as rent would be considerably reduced. Should housing regulations exist, such as a proportion of occupancy per square feet of floor area, the land owners would lose out on a great proportion of their income, as affordability of rent on the capital for most in migrants comes from the fact that rent would be divided between two or three families who would occupy an apartment that had been designed originally for perhaps just one family, despite the fact that such practices have given rise to several problems such as overcrowding, physical and sexual abuse, drug abuse, and gang violence within Malé and the greater Malé area (UNFPA 2015).

Similarly, despite the World Bank study that shows that tourism is not price elastic in Maldives, and hence government could increase the revenues earned from the tourism industry, the government has not imposed any further taxes.

\textsuperscript{32} Reference not found for rent on the capital Malé
Perhaps, one reason being the government decision makers themselves would be affected in terms of their income from the tourism industry, as a great proportion of the political elite are also the active resort owners or shareholders. Further, should the government diversify the economy in terms of incorporating development activities within the tourism industry, and find ways of increasing the opportunities within the general public, formulate longer term policies based on research such as situation analysis, and plan projects to outcome level, there is a high probability that this ‘ultimate elite’ of the country would lose their control over the politics and the economy of the country, thereby losing a proportion of their income. Hence, the only way of confirming their sustenance as the ‘ultimate elite’ of the country would be to ‘hijack’ the development of the country, and ensure that the greater population, which is the rural population, remain rural and vulnerable, and to ensure the greater proportion of the population in Malé and the greater Malé area remain engulfed in situations such as overcrowding, drugs and drug related problems, and gang violence which would hinder their prospects of climbing up in hierarchy.

9. The Theory of Dependency in The International Context

The Maldives has had a history of support with development organisations since independence in 1965 from being a British protectorate. The country joined the UN within the same year, and became a member of UNDP and WHO within the same year as well. Hence, Maldives has been receiving support from UNDP and WHO for the past 50 years. Maldives became a member of UNFPA in 1976, and has been receiving support for the past 39 years. The country joined UNICEF in 1978, and hence has been receiving support for 37 years. JICA began their support to Maldives in 1982, and the country has been receiving their support for the past 33 years. SAARC was formulated in 1980, Maldives had been one of the founding members, and hence, the country has been a SAARC member for the past 35 years. Although these organisations have been active for the many years, it could be said that the development achieved within the country does not reflect the active years.
9.1. Indeterminate Mandates Within Development Organisations?

One of the mandatory aspects of the development organisations has been to work alongside the government, in the sense, they work along with the government policies and priorities, and never ‘impose’ the organisations’ own policies and priorities on the government or the country. This would be a plausible approach given these are sovereign countries that the organisations are giving support to, and hence there could not be an external body that could impose on the country as a parallel government. However, after 37 to 50 years of support by the UN system, and other development organisations, questions have to be asked as to why the country has remained almost ‘primitive’ in certain respects, such as in terms of development of political and economic systems and mechanisms, and understanding of basic development concepts. The UN system remains one of the biggest development organisations at the global scale, and the development organisations within the UN system have supported Maldives for 37 to 50 years, however, the country as it stands, is without any proper mechanisms for longer term policy formulation and development planning, and is without a culture of situation analysis and impact assessments, and has maintained a culture of ‘ad hoc’ projects without much longer term connectivity between the projects.

It could be said that the UN system has a mandate to work with the less developed countries to help them achieve higher standards of living, however, the fact that the mandate states “promote” higher standards of living, perhaps it has to be noted that the word “promote” does not bear a very definitive meaning in terms of actively making a change. For instance, if it had said that the UN would ‘work towards establishing’ higher standard of living within the less developed countries, then, perhaps it is a more active and a more definitive mandate. Hence, a more passive meaning could be taken of the word “promote”, where they are in fact promoting a higher standard of life in Maldives through an advisory role where they give advice to the government, and should the government decline the advice, then there’s nothing else UN system could do. For instance, in the case of introduction of the telemedicine programme in the
Maldives, as well as the introduction of health insurance scheme by the government, both of which went into practice against the UN representative's advice. The two projects are still running, however, according to WHO, despite the considerable amount that has already been invested in the telemedicine project, it has not materialised a productive outcome. Further, as the interviewed participant from The Ministry of Economic Development states, due to the lack of policies and planning at the macro level, it would be a heavy burden financially for the country to continue with the health insurance scheme. According to the interview participant from the Ministry of Finance and Treasury, the country currently is struggling with a very high debt stock. Under policy recommendations, the IMF confirms the debt situation in the country, in the ‘2014 Article IV Consultation – Staff Report; Press Release; and Statement by The Executive Director for The Maldives’ states that Maldives has now entered the high risk debt ratios, and that the country needs to address the problem with immediate effect. In the same report, IMF has further stated that the country needs to formulate better ways to target savings (IMF, 2015).

Although it is not the development organisations' responsibility, if a country could be allowed to get to this level of sociopolitical and economic chaos while global scale development organisations have been supporting the country in the past fifty years, perhaps it could be said that it defies the purpose of development organisations being active in the less developed countries. If the active interest of a development organisation is in fact to improve the standards of living, then they perhaps should have a system whereby the organisation could insist on the “better practices” such as situation analysis and impact assessments within the policy process, as well as work alongside the government in harnessing such practices, at least in the projects that the organisations undertake in a country. Within a 50 year period, had the UN system projects been research based, such as analysing the situation and providing what is necessary for the situation, then perhaps methods could have been established for better practice where necessary, and perhaps their projects would have contributed to the overall development of the country. However, as such practices have not been seen in such an important light within fifty years,
questions rise towards the true purpose of the existence of such organisations within the developing countries, especially organisations on such a massive scale as the UN system or The IMF among others.

9.2. Misconceived Country Context

Under The Democratic Governance Programme in Maldives, UNDP has given great importance to separate ‘the three powers’ within governance in order to establish a more democratic governance system. The ‘three powers’ have been, establishing a multiparty system and an elected president, establishing an independent judiciary, and establishing an elected parliament, which are all in par with a democratic system of rule. However, it would appear that on the implementation of the system, the concept of Maldives being a small island state has somehow not been taken into account. As the population is relatively small, most educated people traditionally have been seen to take up positions in the government or remain the leading people in the private economic sector, or both, and hence, when the parliament is considered, there are only limited people with an educational background or with the relevant experience in the field to become members. Hence, although debates are being held among the parliament members, the quality of the debate does have to be taken into consideration. However, as The State Minister of Tourism states, as there have not been any public awareness created on the concept of democracy, the public generally would not be able to judge whether the debate in the parliament is necessary, let alone judge the quality of the debate.

Further, while a more democratic political system had been introduced to include the democratic concepts such as a multiparty system with freedom of media, freedom of assembly, respect towards human rights, political rights and civil rights, the process of transition towards these freedoms had not been taken into consideration. As the thirty year regime had immensely limited such freedoms as political opposition and media, the sudden introduction of these freedoms had not perhaps prepared the society for the acceptance of political expression such as opposition towards the political party supported by one, resulting in a series of torching of buildings on the capital Malé, including one of
the main TV stations in October 2013, and torching of warehouses on the capital in 2014. The UNDP (governance programme) now recognises that the transition of people’s thinking from the controlled freedom to the more open freedom of expression and the acceptance of opposing political views should have been included as a component within the governance programme. According to UNDP, the different components of the programme had been active for about six years prior to the launching, however, it was based more on an individual projects basis rather than programme basis for the most part. The programme had also backfired in the establishment of the elected council members, in the sense, the project had been advocating election of officials at the local level in order to increase representation and accountability, however, the democratic reform that was materialised in 2009 has seen a thousand elected full time councillors who are highly paid, which the organisation states might not be in the best of interest to the people or the government budgets.

In the 37 years of support to the country from UNICEF, the organisation maintains that small island nations are as equally important as the bigger countries. And that even within a country as small as Maldives, the human rights of the people would be equal, be it an island with 10 people or 1000 people or more. Hence, they maintain the fact that even smallest of communities deserve the same services as the bigger islands. However, UNICEF also maintains that it is not always cost effective to provide these services to the people in such scattered islands. Though it has not materialised as of yet, the country has been working on a population consolidation programme since the 1990s in order to make the provision of services more cost effective than provision of services to individual islands, some with very few households. However, UNICEF maintains that they have not been part of the population consolidation programme and hence have not considered the idea of population consolidation in the provision of their services. This itself could be considered a level of disconnect the development organisation has had from the country’s needs. While according to UNICEF the provision of development services has suffered over the years due to

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33 reported in business-standard 2013.
34 Department of Planning, 2008.
the lack of cost effectiveness, owing to the geographic formation of the country, the question has to be raised as to why such a programme had not become a main project that the organisation could have focussed on, should long term development in fact remain a core concept of the organisation.

UNICEF recognises the problems within the society such as the wide spread problems of drugs and drug related problems such as ill health, unemployment and increasing crime. The organisation also recognises the gender issues associated with drugs such as high school dropout rates in girls, and prostitution as well. However, the organisation maintains that they are a development partner and hence, cannot introduce their own programmes, and that they do not implement either, and hence, could only work with the government programmes. The organisation further states that they can bring innovative ideas and lessons learnt elsewhere, but the government would have to take the initiative to coordinate a mechanism within which UNICEF could work with the government on the government prioritised issues. The organisation also states that they could even bring in international expertise to assist the government, however, it would have to be a government initiative, and the organisation would work with the government policies. Perhaps it could be described as a daunting concept to know that the possibility exists for the organisation to bring in innovative ideas as well as international expertise should the government take the initiative to do so, however, since the government would not take the initiative, the country is in fact losing out at a great scale while all this assistance is right at the country's 'door step'. While UNICEF is a leading humanitarian organisation, in terms of humanitarian practices, it could be asked as to how humanitarian such a practice is, where a country's population are losing out at such a large scale. Although it would be true that measures cannot be imposed on a sovereign country, it has to be noted that although the government might not initiate negotiations, a middle ground could be found where initiative is taken by the organisation but approved by the government. However, such an initiative would depend on how far the organisation itself maintains a target of actually making a sustainable and lasting difference in the country. Further, within a population consolidation programme there would be several social
issues that an organisation such as UNICEF could have focussed on such as establishing acceptance for relocation, especially among the youth of the migrating population as well as the host population, the establishment of education policies within the identified areas, looking into the possible youth issues with regard to relocation, possible youth development programmes that would be more cost effective within the population consolidation programme.

Although there is recognition by some of the development organisations towards how development strategies could be incorporated into the existing industrial plans, such as the example from UNICEF regarding strategies that the tourism industry could implement whereby engaging the tourist resorts more formally in the development strategies of the country, the organisations would not come forward with such strategies as it is not officially their undertaking. As UNDP stated, even North Korea is also a member of the UN, as the UN is indiscriminate about governments and their ruling.

One major observation that has to be made in terms of the idea that development organisations work alongside the government and the government policies, is the actual lack in government policies, and hence, raises the question of how the development organisations could have been working productively to achieve sustainable development targets over the decades. Though the development organisations would only work alongside the government and not introduce their own policies, there have been examples of when such organisations have been able to achieve objectives through insistence with the government. For instance, when the 2008 government revoked the NDPs, ADB insisted that their assistance could not continue without a national level development plan, and hence with UNDP funding, the government compiled the Strategic Action Plan (SAP) at the national level. Hence it could be seen that though the development organisations work alongside the government, they could still achieve national level measures through negotiations. However, the development organisations seem to insist on a firm policy of “not imposing”, and would only work with any available government policies. It has to be questioned whether or not this has cost the country many years of development due to the lack in government policies, as well as the lack of basis for the existing government policies.
Further, the question of accountability on the donor’s side should also be raised here. It could be asked whether the donors are doing justice to both the lending country populations, as well as the receiving country populations by providing financial aid or loans to a country that does not have much policies, plans or mechanisms in place to manage the funds, or does not take initiative to seek the respective organisations’ advice or assistance in managing the funds. It has to be asked whether there is some obligation for the donors to accept responsibility towards the waste of resources, as they would already be aware of how the government would manage or mismanage the funds.

In terms of loan aid, it further raises the question of whether the people of the recipient country alone, without any implication towards the lender, should in fact bear the responsibility of failures by the government to pay the loans due to such disorganisation on the part of the recipient government. While the literature on aid discusses whether the lending country population has been ‘robbed’ of their potential benefits when a loan is written off as the resources could have potentially been beneficial to the lending country population, or when a country is faced with paying debts that a corrupt regime had accumulated, whether it would be justice towards the population who are having to pay the debts, a question that needs to be discussed remains how much of the responsibility the lending organisation is willing to accept. Although it could be said that the human rights of the people of the country should not be affected because of disorganised governments without appropriate policies and plans, it could also be argued that the rights of the people are further damaged when loans are given to such governments, as the benefits would hardly reach the population, and further, the population has to bear the burden of the loan repayment, sometimes over more than one generation.

It could be said that the Maldives domestic policy scenario, as well as the international development organisations’ policy scenario has been ‘designed’ to maintain the country’s policy arena in a ‘hijacked’ situation whereby leaving the

35 Discussed in chapter three on loan repayments as aid.
general population in a state of dependency. At the domestic level, due to the lack of policies and plans, the general population have largely been deprived of the opportunities to better their lives while the already thriving elite population continues to remain in an economically progressive state. At the international level, it could be said that the Maldives remains in a state of dependency that would ensure there would be no competition with the bigger countries, as well as the already developed countries. While the international development organisations would not feel much of an impact should Maldives leave the organisations, as Maldives is not a contributory country in terms of resources, according to UNDP, there would be a reputational impact felt as the diversity of the member countries is one of the factors that gives strength to the UN system. Hence, it could be questioned as to whether the intention of the UN system as well as other development organisations are to harbour as many and diverse countries within the organisations, without a true focus on providing the member countries with a solid foundation for development at the actual capacity within the organisations.

As the UN itself has stated, largely the UN is associated with peace and security, and hence, there is a case to be made that the UN has been more concerned with peace and security than the development of the less developed world. As in the local context, where it could be said that the ‘ultimate elite’ of the country that consists of the political and the economic elite perhaps has ‘hijacked’ the development of the country, it could also be said that the UN being one of the largest global development organisations, maintains the country in a ‘hijacked’ state of dependency, where, the UN has access to the country’s government policies and plans, has in depth knowledge of the sociopolitical and economic state of the communities of the country, and by maintaining their policy of working alongside the government, where they cater for the government priorities despite the lack of longer term policies or planning and the lack of basis for most of the development projects being undertaken. Hence, it could be asked whether the funds that they do deploy in the country are in fact the cost that is being paid to bring development to the country, or the cost to maintain their existence within the developing countries with access to the countries’
government policies and plans. Further, by not insisting on practices such as situation analysis, impact assessment, outcome level planning, it could be said that the development organisations are accepting and allowing of the political and economic elites’ practices in the country.

10. The Way Forward

It can be seen from the interview data, that there have been policy disruptions in the country with every new administration, and more so during the 2009 administration, which lead to ADB interference with establishing a national level policy document. While the country has gone into high debt, it is unsure as to whether the situation is due to an actual lack of funds, or due to the mismanagement of funds, or whether both factors are in play. It can also be seen from the data that there is a lack of policy formulation within the country, and where policies are formulated, there is a lack of basis for the policies.

Further, while the international development organisations state that they do undertake TAs, it is unclear as to why the TAs are actually undertaken, given the organisations largely follow government policies that do not take these TAs into consideration, and hence, as the development organisations follow the government policies, this would mean that the TAs are not taken into consideration by most of the development organisations as well. Further, why the development organisations would support the governments to undertake development action in contradiction to the TAs are also unclear. Hence, the question remains as to what would or should be the way forward for the people of the country.

Since, for the most part, long term development policies and plans do not exist in the country, and where they do, the basis for the policies are largely unclear, and the changes in administrations would bring about changes to the existing policies, the question has to be asked as to who would bear the cost of these changes in terms of wasted resources as well as the affects from such practices. However, it is clear from the data that there is consensus among the interviewed government organisations that a research based long term policy framework is
necessary and that changes should only be brought about based on research and not the campaign promises of each administration. Given that the government organisations are aware as such, but not in a position to take action, it could be said that the way forward is for the public to play an informed role, where any changes that are brought about by the government could be questioned in terms of research based development plans, their needs, and the impact of the outcome.

10.1. Has Democracy Backfired?

The interviewed government organisations such as The Ministry of Tourism, The Ministry of Finance and Treasury, The Department of National Planning, OPP, as well as some of the International Development organisations such as UNDP (Governance Programme), have questioned the capacity and credibility of the parliament members, especially with regard to budgetary decisions. Further, as the majority of the seats have been held by the leading political party, the idea of decentralised governance becomes debatable, as they would vote in favour of the government. For instance, the 2008 government changed the finalisation of the government budget to follow debates at the parliament as the system is then, theoretically speaking, more decentralised. However, as the majority of the seats are filled by the leading political party, the tendency remains that the budget would ultimately be finalised by the leading political party members in favour of the government desires. Hence, the idea of decentralised governance perhaps is disrupted to some extent in practice.

While country’s existing debt stock is extremely high, it has to be contemplated whether the decisions such as the finalisation of budget by the parliament members could result beneficial to the country, or in further detrimental consequences. While multiparty system has now been introduced in the country, the public has adopted their supporting parties to a level of loyalty where they do not think about the benefits towards the general public, but only towards defending their political party, and hence, it is unclear how far democratic values are being upheld within the communities. It could be said that the introduction
of the multiparty political system has, to some extent, backfired on the potential
democratic outcomes, as perhaps, the initial steps such as educating the public
on the democratic values involved, or the changes that would be brought about
by such a system had not been made clear to the public in the initial stages of the
transition to a multiparty system.

Although there have been elected officials in the council since 2008 who are
answerable to the public, as they are new positions within the governance
system, the majority of the officials as well as the public are not aware of the
concept, as recognised by UNDP as well as some of the government
organisations. Hence, given the general population is not aware of such issues, it
would not be possible for the public to ask questions, as well as, the officials in
the positions would not feel the obligation to be answerable to the public. The
general public, as well as the officials in these new positions need to be educated
on the facts to be able to implement such accountability. However, such an
awareness creation has not been seen within the community, neither by the
government, nor by the development organisations.

While it cannot be proven whether it is the financial and economic advantage
that one has, or aspires to, that entails one to seek out political power, or vice
versa, the idea of political and economic power has been seen to go hand in hand
in the current democratic governance and capitalist system in the country, given
the political elite and the economic elite remain largely the same proportion of
the population. Hence, should they wish to, due to the lack of long term policies
and plans, although democratic, the political system allows for the manipulation
of the governance system to suit their economic benefits. For instance, from the
interview data, it can be seen that further taxation, though viable\textsuperscript{36}, has not been
implemented, while the political elite who would be formulating such policies
remain largely the economic elite as well, who have either been the resort
owners or shareholders in the tourism industry or other major investments.
Further, while democratic governance calls for the president to be elected by a

\textsuperscript{36} Further taxation has been discussed in chapter five under the Ministry of Finance and
Treasury, and under the Ministry of Tourism.
majority vote from the population, campaigns are better run to reach more people by those who have the financial and economic advantage in the country, who could provide the people with short term financial and economic benefits in return for their votes in the election37.

As most of the government organisations and development organisations have stated, with the lack of longer term policies and plans, every administration plans for what their interests and campaign promises had been, and towards achieving the campaign promises during the term of the administration, which would serve to prove their loyalty towards their supporters rather than to the country. However, if the public is more aware of the development policies, and plans, and if the public is more aware of the need for longer term plans, and more democratic policies and planning, it would be easier to achieve longer term goals as the expectations of the party supporters could then be more long term rather than expecting short term campaign promises. Hence, the public would expect their elected administration to make a solid contribution towards the long term policies and plans that would now become the campaign promises.

12. Conclusion:

On considering the endogenous factors such as research based policy formulation and development planning, further collaboration and information sharing between the government and the development organisations, it could be said that the relationship between the government organisations and the development organisations could be further strengthened such that better policies could be laid out as better pathways towards maximising the benefits the development organisations have to offer. While questions towards the organisations’ intentions have been raised, perhaps the answer is a stronger domestic policy process that would allow the country to practice policy autonomy within the domestic sphere. However, in the light of dependency theory, it could also be said that neither the domestic arena nor the global arena

37 The phenomenon of income inequality compromising democratic processes has been discussed in chapter two.
would particularly promote better policies, in an attempt to maintain the stronghold on the advantages that those who are at the top already would benefit from.

However, more public awareness would prove the first rule towards breaking down the dependency ideology. With a more knowledgeable public who would be able to recognise the democratic factors, recognise their rights, would work towards achieving policy sovereignty, through which concepts such as dependency could be controlled if not eliminated. Should the country be able to achieve policy sovereignty, it would be able to create a strong domestic policy arena where the government policies would be strong, and hence the international organisations would have a better platform in terms of delivering their services. Further, in terms of survival within the global system, irrespective of the size of the country, should the country possess a strong domestic and foreign policy arena, the country could become a strong player in the global system. This has been proven by the stronghold the country has been able to achieve in the global tourism sector.
Chapter Eight:

Conclusion

1. Introduction:

From the evidence obtained through the interviews, it is clear that the lack of policies, and the lack of a solid basis for most of the existing policies have remained a hindrance towards exploiting the country's full potential in terms of achieving development, as well as establishing a more proactive and productive system of governance. However, whether the current "system" of governance is a deliberate act on the part of the political elite, which has given rise to the policy and planning hindrances also remain very plausible in the light of the evidence from the interviews. Further, from the evidence from the interviews it becomes clear that establishing policy sovereignty within the system would not only limit practices such as political manipulation of policies, but would help build the country policy scenario towards achieving endogenous policy formulation and policy autonomy.

Where a reference is made to an individual interview participant, given the interview participants from the respective government organisations are high level government officials, their names have been removed due to political sensitivity. The names of the interview participants from the development organisations have also been removed due to political sensitivity.

2. Mismanaged Policy Arena

According to the interview data from both the government organisations as well as some of the international development organisations, it can be seen that the current policy practice has left the country adrift in establishing potential industries, further development of the existing industries, as well as the maximisation of the government development strategies for the people, and further, the maximisation of the international development organisations'
contributions towards the island communities. The interviewed government organisations as well as the interviewed development organisations share the consensus that limitations in finance is a big challenge that the country faces, and although there is evidence from the interview data to show that financial mismanagement has existed within the system, it would not be enough evidence to prove whether the mismanagement of finances could be the underlying problem for the lack in policies. However, from the evidence, it could be said that a better policy process and planning process would contribute towards better financial management.

There is also general consensus among the interviewed government organisations as well as the international development organisations that a need exists within the governance system for better collaboration between and within the government organisations, as well as, between government organisations and the development organisations, which could maintain better financial management, as well as maximise the potential policy formulation and development planning processes, and further, increase the potential support from the development organisations. The lack of cohesion within the development system of the country has further been recognised by the government organisations in terms of the individual development project formulation and implementation process that has lacked any sense of amalgamation between the projects that are being carried out, and have largely remained individual projects that have been implemented, where the output of the projects has lacked in contribution towards a holistic development outcome for the country.

During the past fifty year period, due to the lack of cohesion and collaboration between the government organisations and the development organisations with regard to certain projects, the organisations have stated the problem of a lack of ownership in some of the projects and programmes that have been undertaken, due to which the continuity of such projects and programmes have been negatively impacted. Further, the initiative has not existed either, for the administrations to claim ownership of projects and programmes that have been
introduced by the development organisations, which could have been maintained long term if this initiative towards ownership had taken place. The question of ownership has also been further complicated by the overlap in certain mandates of the government organisations, where, due to lack of collaboration, the division of responsibilities have remained unclear.

3. Everyone Has a Role to Play

It has to be said that one of the first steps to be taken as the way forward for the country would have to be creating more public awareness among the population towards the values of a democratic governance system; their rights within a democratic governance system; creating awareness on the knowledge of who can be held accountable for what; how the public could exercise their right towards accountability from the government; the public’s rights towards knowledge of their island or atoll’s development policies and plans; creating awareness of what and how the public could contribute towards the development policies and plans and how these would be achieved. In addition, should the occasion rise, the public’s right to exercise democratic majority consensus in relation to more centralised government decisions that do not reflect the island, atoll or national development plans is key to future development.

Given the population of the country is relatively small, every member of the population would have a role to play when it comes to national development, where every member needs to be a contributing member. With appropriate policies in place, this could be achieved with a more aware population “policing” the government, where the government policies and plans are formulated with the general consensus of the communities, where the government plays a more decentralised role rather than a centralised authoritative role, where the people could assess the government’s performance and the people have the right to declare a vote of no confidence towards the president, should the occasion arise, based on the socioeconomic performance and development of the country. The assumption here being, such a contribution from the public would help enable
the dispersal of the political elite who have been in political power for generations, and provide the opportunity to other members of the public who would come on to the political scene, as the meaning of politics maintained in the country would no longer be ultimate control of the economy and the country's development by the elite. In this less centralised governance structure, the public would play a great role in defending the public interest in the decisions the government would make, where the population becomes a key actor in the governance system of the country in terms of upholding government accountability.

It could be said that when government accountability to the people is upheld, the system would be realigned to uphold the collaborations and cohesion within and between the government organisations as well as between government organisations and the development organisations. The interviewed government officials have stated that, though not yet realised, the country does have the potential to become an international player in the global arena, such as through potential in the various service industries at the global level. Such a change in the governance system would therefore enable the public to support and move such potential to the front of the country's policy agenda, and the government would no longer have the authoritative power to realign priorities to their own advantage.

Further, adopting and introducing more democratic values, as well as the teaching of more democratic values would need longer term policies and plans as this would entail changing the mind set of the people towards governance, and realising the actual reasons why those who want to be involved in the government would want to do so, or would want to be in a position of power. Such an undertaking would require careful consideration of an initial understanding of the current mentality of the general public through relevant analysis, and the bridging of human resource needs and technical know-how. It would also require long term financial planning. Hence, a government initiative with the support of the development organisations would prove a perfect partnership for the task.

While the development organisations have recognised that there should be better collaboration between the government organisations and more active participation by the government organisations in the various stages of the organisations’ projects and programmes in the country, as well as government ownership of the development efforts, there are further questions that need to be raised, such as the assessment of the role the development organisations actually play and should play in the development of the country. For example, whether the relationship between the development organisation and the country are purely political, and/or democratic and a genuine effort to support various development processes in the country.

Further, graduation from LDC status and moving into MIC status would mean the country loses out on many concessions that exist within organisations such as international markets, and financial assistance towards the LDC countries. Decisions by the international development organisations such as the UN MDGs through which the country has graduated from LDC status to MIC status, raises questions towards the development philanthropy that is maintained by the development organisations within the developing countries. Hence, UNICEF states that although The Maldives has graduated from LDC status and is now an MIC, the current situation needs to be closely studied. For example, although the country had been able to achieve the MDG goal in immunisation with the relevant WHO assistance in immunisation at the LDC level, the question remains as to how far the country would be able to uphold the MDG level of immunisation without such assistance from WHO, given post MDG plans do not exist. Should the country prove unable to sustain that level of immunisation, it would not be able to maintain the MDG achievement and health outcomes. The focus perhaps needs to be taken away from achieving or maintaining MDG levels, and transferred to the effects in terms of the populations’ health, should the levels of immunisation fall.
Two questions arise at this point, one being why the government had not taken measures to better relay the difference of the situation on the ground from the MDG statistics to the relevant parties. The second question being why the UN have employed such a discreditable set of indicators towards measuring a situation that could have such dire effects on a country’s socioeconomic status. Perhaps the biggest question that remains, however, is the question of how the country would in fact cope with the MIC status while on the ground it remains largely an LDC country.

Although MDGs have been a UN criteria, some of the UN organisations do not agree with the compatibility of the criteria with the data gathered from the indicators. For instance, according to UNFPA, access to services such as provision of morning after pills for rape victims had been included under access to reproductive health services, however, the supply of pills in relevant cases has not been measured. According to the organisation, many factors come into play in such situations, such as the beliefs of the health care provider, where a very religious person might not offer the morning after pill to the victims. Hence, while the system has been created, there is no measure of ensuring that the system is being followed through.

While globalisation is claiming vast territories through borderless trade and development, new ‘virtual borders’ are constantly being created through membership regulations in various international trade organisations such as the European Union, where regulations have to be met in order to become a member and gain access. For example meeting the respective tariffs as well as abiding by their quota regulations. The development organisations’ collaborations with globalising trade practices, such as the formulation of MDGs that dictated the trade status of the developing countries (such as graduation from LDC to MIC status) within trade organisations such as the EU, bear significant impact on the developing countries. They also raise questions as to whether the development organisations are in fact sympathetic towards the developing countries, or whether they are fulfilling a role within the globalising world in terms of
maintaining the country hierarchy and the divisions at the different levels of dependency within the global arena.

Development organisations work with the government, regardless of the values of the government, and the organisations have substantial access to the country’s policies and development plans. The question as to whether the development organisations’ policy of “only work alongside the government” is a policy towards achieving actual development or part of an effort to keep the country’s plans ‘in check’ has remained unanswered. Whether the development organisations’ role is to maintain a lookout for the developed countries’ security, or to ensure certain regions remain sustained in the dependent state, are further questions that arise given that some of the UN organisations have a history of 50 years of practice in the country. JOCV, has remained an exception where the organisation is actively involved in the policy as well as planning levels of the areas within which their aid focus remains, and have seen through to the output and outcome levels of their projects.

It could be said that the Maldives domestic policy scenario, as well as the international development organisations’ policy scenario has been ‘designed’ to maintain the country’s policy arena in a ‘hijacked’ situation thereby leaving the general population in a state of dependency. At the domestic level, due to the lack of policies and plans, the general population have largely been deprived of the opportunities to better their lives while the already thriving elite population continues to remain in an economically progressive state. At the international level, it could be said that the Maldives remains in a state of dependency that would ensure there would be no competition with the bigger countries, as well as the developed countries.

5. A New Era Of Governance

It could be said that a new era of governance needs to arise within the country to include more democratic values such as accountability, public awareness and greater public participation. Such a system would help decentralise governance
within the country that would pave way to less centralised political power, and hence, less political manipulation within the system.

The interviewed government officials such as, the State Minister of Tourism, the interview participant from The Ministry of Economic Development, as well as the interview participant from the Department of National Planning do recognise the fact that there would come a turning point where there would be an increase in educated members of public who would eventually start questioning the system, however, they state that it could take time. Here, it has to be questioned as to how long there is before such a turn of events could take place, and in the interim period, what kind of political intervention could happen that might not let the “natural course of action”, as suggested by the government organisations, to take place.

The current short-term policy process, whether it has been deliberately maintained in terms of advantages towards policy makers, would become a redundant ideology within a more aware and proactive population who would then have the advantage of recognising policies and plans that are being implemented for the sole benefit of the politicians. From the interviews, it is very clear that the interviewed government organisations, including higher level government officials such as some of the Ministers, do feel that a more research based policy and planning approach needs to be integrated into the policy system. And further, according to the interviews, the government officials do agree that situation analysis should be carried out, and the TAs from the development organisations should be carried out and utilised, though a culture of taking into account the findings of TAs has not been established within the policy and planning process as of yet. Hence, the question that rises here is, since the high-level politicians are in agreement with these issues, does it mean that their agreement on the importance of longer term policies based on ground facts is just at a theoretical level. If not, then the question is, at which levels within the policy process are such practices failing. Perhaps at a higher level than the Ministerial level. Or, perhaps it is partial responsibility of some high-level officials as well as a ‘failed’ parliamentary system.
In terms of future development planning by the development organisations, UNICEF has been sharing information with the political parties that would help the parties to develop their manifestos, as well as formulate policies and make informed decisions. From this exercise, UNICEF hopes to be able to give the political parties a more clear focus for the future, irrespective of which party would win the elections. UNICEF points out that they work with issues affecting young people such as drug abuse, prostitution, unemployment, child abuse and even child neglect, and hence they have been collecting well researched sources of information, that they would be sharing with the political parties. This step has come about with the UNICEF country representative presenting the line of thinking to the UN country team and with their agreement. According to the country representative, regardless of who wins the presidential elections, all the political parties consist of influential people in the society, and hence the information is intended to help them in decisions and plans that would ultimately affect the people of the country. However, once again, the decisions are being left to the political parties about the relevant policy formulation as well as their course of action. Perhaps, instead of relying on the politicians for the ultimate decision to use the information to bring about a change within the community, the way forward is for the development organisations to make the issues public, and create awareness among the general public through awareness campaigns, on the issues and potential ways to deal with the problems rather than to limit their findings to just the politicians.

5.1. A Need For Democratic Governance To Evolve at The Domestic Level

While democratisation of the governance system has been a major priority within the UN system, questions need to be asked, based on the situation on the ground, about whether the existing democratic model would work in the country. Perhaps the question is, with regard to democracy, how best it could be applied in the country context. While for the most part democracy has been limited to multiparty presidential elections, it could be said that a new sense of governance needs to evolve where research and the role of the general public
would become democratic rights equal to the right to vote. The country needs a system where, policies would be based on research such as situation analysis and impact assessments, TAs and other sources, such that development policies and plans could target the actual situation on the ground, where such policies and plans could only be changed based on further research findings.

Further, awareness among the general public would need to become an equally important pillar in the governance system, where the population needs to be informed and keep an active check on the policies and development plans and process. It would appear that in the current situation democracy exists for the sole purpose of a multi party election, however, governance after election does not reflect democratic values. Given the pressure by the population in urban areas of the country towards more democratic governance processes, some aspects of democratic governance has now been implemented such as the existence of multiparty politics as well as multiparty elections, however, governance still remains very centralised where most policies and plans remain in favour of the ruling political party rather than in the favour of the wider population, and hence, there is a need for governance system to evolve into a more ‘enhanced’ and decentralised democracy.

A new system of democracy needs to evolve where the population would be able to officially challenge the politicians and the parliament members on their votes, where the politicians and parliament members would officially be required to defend their decisions if challenged by the public, and further, where development policy formulation and development planning would be more decentralised to include active contribution by the people towards the development policies and planning, and decisions on the development activities within their islands and atolls, where the community populations would actively hold the government and the parliament accountable towards their actions, and in this way eradicate clientelist politics within the country. It would need to be a democratic system where the government would see to the smooth running of the institutions, while the population plays an equally important role in keeping the government in check and accountable for the decisions, and further, where the government would hold less centralised power in decision-making, and would play a stronger role in the implementation of the development policies
and plans. Such a system would help eradicate the barriers and divisions within the country in terms of economic and political power, where a small proportion of the population has held ultimate power and the greater population has, for generations, followed the decisions of the political elite even if involuntarily.

A new era of governance needs to emerge in the country where two main factors need to be integrated as pillars in the democratic governance process. Firstly, research needs to take centre stage in decisions such as the policy processes and the planning processes, where policy and planning processes and decisions are based on research findings. Further, the change in long term policies and plans by the administrations can only happen based on research findings such as the TAs, situation analysis, impact assessments and other research that would provide the basis for future development policy formulation and development planning, rather than each administration changing the policies and plans to suit their campaign promises.

Secondly, the general population needs to become more aware of the values and their rights in democratic governance, and the government policy and planning processes. They need to be aware of the development needs in their communities, and become strong players in the governance process. Should these factors be included as solid pillars of democratic decision making, the policy formulation and planning processes would be based on the actual needs of the communities and would cater for those needs. The proceedings that are needed to cater for those needs would align themselves: such as establishing better collaboration within and between ministries and information sharing, as these cultures would need to be established in order to integrate the two factors as pillars of democratic governance of the country. Under such a system, the parliamentary decision-making would need to reflect research findings and the views of the constituencies, and the public would be empowered to hold them officially accountable for decisions. Members of parliament would need to be answerable to the public and open to a vote of no confidence. Such a system would reinforce better practice within a democratic system.
A new era of governance would need to integrate the following factors into the democratic governance process:

⇒ Research based policy and planning processes:
  o All government organisations and development organisations would have to maintain consistency with their development projects and plans based on research findings.
  o Should a new administration take office, it would not be able to change the national development policies and plans to suit its individual political needs, but rather any change would have to be justified based on research findings.
  o A government that is less centralised in decision making, without ultimate decision-making power, which would work alongside the population in the development project formulation stage, development project planning stage, and development project implementation stage, as well as output and outcome stage.
  o A government that would be more accountable to the public, more involved in the implementation stage or assist in the implementation stage of the projects.

⇒ A population that is aware of democratic values and their democratic rights:
  o A population who would render the government answerable to its constituents within the governance process, who would challenge the respective political actors should the situation arise.
  o A population who would be aware of community development needs and who could align the government organisations’ and development organisations’ projects and programmes to these community needs. For example, should the development project or programme be outside the community needs, the public would be able to challenge the necessary parties regarding the justification of the project or programme, thereby avoiding replication of projects and programmes, as well as avoiding wastage of resources through unnecessary and unjustified projects and programmes
such as the infrastructure projects that have been implemented and remain underutilised, or even unutilised.

- A more aware population who are active in development policy formulation stage, development planning stage, and development project formulation stage, with longer term development focus.
- A more aware population who could question the contributions from the development organisations, who could negotiate, should need be, with the government as well as the development organisations.

⇒ A parliament that would take into account research findings in their decisions.
  - A parliament that would remain more accountable to their respective constituencies.
  - A parliament who would base their decisions on research findings, and hence, hold less political power, and reflect the community needs more clearly in their decisions.

This is not to assume that all the members of the public would remain loyal to the needs of the public rather than to those of the political party that they support, or simply to their individual interests. However, it should be noted that despite the political difference felt within the communities, most of the people supporting a certain political party would not want their party leaders to be proven to have misused the political power in their hands. Hence, with a higher level of accountability within a more aware population, the assumption is that practices such as misuse of power would be forced to decline.

5.2. New and Evolved Domestic Democratic Governance at The Global Arena

The evolution of the democratic governance system at the domestic level to include a research based policy and planning processes, a population that is aware of the democratic values, their democratic rights, and a parliament that would take into account research findings in their decisions would lay a solid foundation at the domestic level to compete and survive in the international
arena. For instance, in the case of graduation from LDC to MIC status, should the country be armed with a solid domestic policy front, it would become easier for the country to adopt such practices as negotiations and advocacy in order to promote economic practices in its domestic favour. The country would be in a position to play a leading role in campaigns such as promoting within international trade blocs, such as the EU, the adoption of policies such as lower tariffs on best practice for the countries that have adopted more environment friendly practices such as pole and line fishing as against net fishing that has been proven detrimental to the environment. In this sense, the country could be generating within organisations best practice, such as environment friendly fishery, on the global front. Attaining such footholds could be considered an essential step for the small developing countries as economic globalisation thrives through constant economic competition and the small developing states remain vulnerable to the rules and regulations levied by the more influential and developed countries.

In terms of the governance network theory\(^{38}\), through new and evolved governance at the domestic level, the government would work along with the public and the development organisations on the domestic front, in delivering public service while giving way to metagovernance. This would shield and defend the evolved governance system through community participation, CSO (Civil Society Organisation) participation, and democratic decision making, and would pave the way to global vertical contestation vis à vis the higher ranking countries within the global system and having a voice in maintaining the rules and regulations within the system.

Small island states encounter many challenges, including lack of physical security, weak institutions, limited infrastructure, lack of human resource, limitations in affordability, inefficiency in decision making, alongside factors such as the structural reform that some development organisations have imposed on the small developing states, and in addition to the vulnerabilities and dependencies globalisation has created within the global arena. Taking these

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\(^{38}\) The theory has been discussed in chapter 2.
into account there is an urgent need for small developing states to adopt preventive and progressive measures to target and conquer such challenges at both the domestic level as well as at the global level in order for these countries to survive within the global arena. While it becomes inevitable that the country needs to embark on a new era of governance, it also has to be accepted that such a governance system is not just limited to the adoption of the factors involved, and that such a governance system in fact has to become the new political zeitgeist of the people. Adopting such a governance system would require a change in people's mind set. Establishing policy sovereignty would provide the opportunity for the public to be exposed to a new mind set through raising political awareness. This would enable the maintenance of an evolved domestic governance system through the endogenous factors, and maintain the country's presence within the global system through policy autonomy.

6. Conclusion

Maldives is a unique country not only in terms of the geographic formation, but also in terms of its societal and economic constitution as well, which has contributed immensely to the current prevailing political and economic thought in the country. For instance tourism has been the most successful industry in the country, however, the main actors involved in the industry have mostly remained the political elite who more often have been seen to be the economic elite as well. Hence, the highest earning industry in the country has been left immune to further regulation that could further benefit the country's population for example through the introduction of further taxes, policy planning and reform. This could be seen as the main reason for the lack of policy initiative in the country, where policies do not exist in terms of addressing the positive or the negative impact of such industries on local communities. For instance, the lack of policy initiative towards preserving the environment, the actual raw material of the tourism industry, could be potentially detrimental to the greater proportion of the population which has not necessarily benefitted from the tourism industry.
Such lack of policy initiative is not only seen in the domestic policy front, but in the international policy front as well. It could be said that the answer to a better policy process lies in the unravelling of the elitist political economy of the country. For instance, although through advocacy the country holds the potential to gain ground in the international arena, in trade opportunities as well as the introduction of concepts such as ‘green economy’ and advocacy towards best practice in terms of trade and environment, it would be highly improbable that such an initiative if initiated at the international level could, if successful, disintegrate the system of elitist political economy at the national level.

On the other hand, the factors involved within the concept of policy sovereignty such as public awareness, public participation in the development process, better domestic institutions and better coordination between the government organisations and between the government and the international organisations, accountability, achieving an evidence based policy process, as well as achieving policy autonomy, would enable the unravelling of the elitist political economy, opening doors that would allow the public to tap into industries such as the tourism industry at various levels. This would allow better participation and better representation of the public within not only the tourism industry and related industries, but in the economy as a whole, allowing possible trickle down effect to reach most aspects of the society. However, it would be unlikely that the political elite would embrace such concepts that would potentially rob them of their political and economic elitism.

Hence, a concept such as policy sovereignty would need to penetrate into the system through public initiatives such as creation of awareness as a starting point. While the state behaviour globally moves to ‘multi entity operative’ states, and the adoption of metagovernance, allowing more decentralised and democratic governance systems, it becomes necessary for Maldives to adopt a system of governance that would comply with the more decentralised governance systems, without which the country would function at the expense of the greater proportion of the population.
Due to the lack of longer term policies and planning, it could be said that, to a great extent, the Maldivian policy and planning arena has proven almost ‘dysfunctional’, with an inadvertent system of chaos driven from decades of ‘ad hoc’ short term policy and planning, unregulated foreign employment, as well as elite control of much of the political and economic activity. The country has remained a victim of international policies, partly due to the lack of policy sovereignty by the country itself, and it has remained afloat on domestic political chaos as well as negligent and unsynchronised aid from the international development organisations for decades. Whether domestic political elites have upheld the country in this state for the purpose of gains in their own political and economic power at the expense of the rest of the country’s population, is a question that remains to be answered. An answer to this question remains a democratic right of the Maldivian population.
Further Research:

Further Research In The Local Context:

While this research has been conducted on the concept of ‘policy sovereignty’ within The Maldives in terms of formulating policies in the local context, further research within the country would be required on the more specific issues in terms of establishing a research based policy and planning process, such as, mapping out the current development needs, the current development plans, the existing provision of services, the reasons for the lack of resources, whether the actual lack in resources has been resultant of a mismatch in training needs and requirements, or mismanagement of resources, the reasons for the prevalence of voluntary unemployment of the skilled population within the system, an evaluation of the overall development projects and programmes by the development organisations, and mapping out how much of the projects and programmes have or have not contributed to the actual development of the country within the last 25 to 50 years, and the reasons why. Based on the findings, the communities could be educated in order to formulate longer term development policies and plans.

Further, it would be interesting to study the relationship between the existing democratic governance system and the capitalist free market economic system in the country, and the relationship between the players in both systems, given it is largely the same players in both the systems in the country. Further, it would also be interesting to determine whether democratic values such as a free market capitalist economic system has played any part in giving rise to the “hijacked” state of the socioeconomic and political situation in the Maldives where the elite population has tried to maintain their grip on the political and economic benefits through creating policies, plans and competition in their favour, and hence creating a state of dependency within the country.

While commenting on the policy process being ‘ad hoc’ and without a researched factual basis, The Statement by the State Minister of Tourism: “Cannot run a government like a corner shop”, perhaps carries a lot of weight. It shows recognition that a major change needs to occur in terms of governance and the
policy and planning approach, such as to include longer term visions. Hence, it would be interesting to survey how much of support there is within the government, at both the technical level and policy level, to adopt a research and evidence based policy and planning process, and the inclusion of the community populations in the ‘policing’ of their development policies and plans. The research shows that the ideology towards research based policy and planning does exist to some extent within the higher political level within the government, however, the thinking has not been able to come into practice.

**Further Research In The International Arena:**

The idea of policy sovereignty and a new era in governance perhaps could also be reflected in the international arena where a country’s governance, policies and plans transcend the geographic and political borders today, and where policies such as the clash of a country’s domestic and foreign policies could be questioned with regard to the current political trends, one example being, the issue of foreign country ‘invasion’, and migration. While the developed countries have been seeing an increase in the numbers of in-migrants, a situation where the host country’s domestic policies come into play, it could be questioned as to whether the developed countries’ foreign policy has played a role in the creation of more refugees, in terms of war declarations on countries for economic or political gain. In such instances, the question rises of how much a country’s foreign policy and the domestic policies would change should the general population of countries remain more educated on the democratic values, and becomes a strong civil society, where they have a say in the declaration of wars on other countries, or in the acceptance or the rejection of migrants into the country. Further, the question also remains as to whether the inclusion of research as a basis for policies, be it domestic or foreign policies, could in fact contribute to maintaining a better democratic governance at the global level. However, this would raise the question of whether the global political arena is a stage for development and peace, or for the increasing gain of power and control of the global political and economic arena.
Although campaigns for elections are a democratic concept, the financial support that are provided by the financially advantaged people towards campaigns for the elections would leave the government, though democratically elected, indebted towards the financial sponsors, which potentially spins a very democratic concept into a very undemocratic practice\textsuperscript{39}. Hence, should the population play a role in “policing” the government policies and practices, the power that the governments hold towards decisions such as the return of favours to the financial sponsors of campaigns would decline given the decentralisation of power that would be created, hence creating a more democratic balance in the relationship maintained between political elite and the economic elite. While some countries are seen to adopt more global power and economic benefits at the expense of less powerful countries, research based policies and a more aware public would play a big role in the hindrance of decisions that allow for processes that make ‘the rich get richer and the poor get poorer’ at a global level.

\textsuperscript{39} As discussed in chapter two
Appendix: 1

The interviews were conducted to collect information on the development policy zeitgeist, the policy process and practice within the main government ministries and departments that play a direct role in the development arena, at the policy level and at the technical level.

The government organisations that accepted the invitations for the interview are as follows:

1. The Ministry of Economic Development
2. The Ministry of Tourism
3. The Ministry of Finance and Treasury
4. The ministry of Housing and Infrastructure
5. The Department of National Planning (former Ministry of Planning and National Development)
6. The Office of Programmes and Projects
Appendix: 2

The international development organisations that accepted invitation for the interviews:

1. JICA (Japanese International Cooperation Agency)
2. UNDP (United Nations Development Programme)
3. UNDP Democratic Governance Programme
4. UNFPA (United Nations Fund for Population Activities, or, United Nations Population Fund)
5. UNICEF (United Nations International Children’s Emergency Fund)
6. WHO (World Health Organisation)
7. SAARC (South Asian Association for Regional Cooperation)
Appendix: 3

Questions / areas for the interviews: There can be more questions asked depending on the answers. Also depending on the organisation being interviewed, (government or development) the questions should be chosen appropriately. Depending how the interview progresses, it could be decided whether the exact questions could be asked, or simplify the concepts and ask many questions to derive answers. Some times respondents would cover questions yet to be asked, which should be marked to avoid repetition.

How appropriate are the policies in place? How far do the policies take into account the local needs and requirements and how far these needs and requirements have been addressed by the policy implementing process.

• What is the policy process at your organisation?
• Are the needs and requirements of the target community identified?
• Is their a criterion used in the formulation of the policies?
• Who are the people involved in the formulation of the respective policies: local as well as foreign.
• How are they chosen, why are they chosen, their level of participation/exposure to the local community at the time of the policy formulation?
• Examine whether or not the policies actually target the intended audience and the issues.
  o What are the gaps that can be seen (if any) within the policies that are being implemented for the needs and requirements of the community, and the target audience?
  o How better (in terms of the underlying policies) could have the needs and requirements of the community been addressed in terms of endogenous policy formulation and policy autonomy?
o What are the current issues in the community that needs prioritising and addressing?

- How far does endogenous policy formulation and autonomy contribute to the targeting of the specific policies to meet the needs and requirements of the target community?
  - How important is endogenous policy formulation and policy autonomy, in term of the development of a small state.

How can the lack of endogenous policy formulation and policy autonomy hinder development in a small state?

Would exogenous policy making defend the interests of the small island developing states?

- How far does the exogenous influences impact the policy process?
- How much does a sacrifice does a small island states have to go through in terms of establishing contact / membership with foreign companies/organisations?
- How well suited to the community are exogenous influences on the policy process?
- What kind of conditions are set fourth by foreign companies / organisations such as structural adjustments, member of certain organisations etc.
- How much of a limitation do small island states face in terms of policies such as international trade policies, or tourism policies?

How far can a small state practice endogenous policy formulation in dealing with international organisations?

What is the importance of a small island state any international organisation?

- What rights in terms of votes, vetos, etc do small islands have in international organisations
- How much of endogenous policy formulation is accepted by international organisations?
- What kinds of endogenous policy formulations are accepted by international organisations?
- What levels of endogenous policy formulation are accepted by international organisations?
• How much of an interaction/consultancy in terms of policy formulation do the international organisations undertake with local policy makers?
• Can the country propose for revisions/updates of existing policies?
• How much of a say do small island states have when it comes to the revision/update of existing policies.
• Are small island states at liberty to propose projects such as development projects, training needs, and or infrastructure development?

How far are the international organisations’ development objectives on par with the local (government) development plans.

• Identify the key areas of development in terms of locations established by the local government.
• Identify the key areas of development in the country, in terms of locations established by the international development organisations?
• Identify the key areas of development in the country in terms of sectors established by the local government.
• Identify the key areas of development in the country, in terms of sectors established by the international development organisations.
• Identify the main key words and concepts in government development projects’ aims, objectives and goals.
• Identify the main key words and concepts in international organisations’ development projects, aims, objectives and goals.
• Establish the project formulation process within international development organisations for the country.
• Establish how much interaction exists between the government and the organisations in the finalisations of development projects for the country.
• Establish how much room the international development organisations hold in terms of country specific aims, objectives and goals.

Political directives involved:
• How far do the government development plans fall within the international development organisations’ zeitgeist.
• How much of policy sovereignty does the government feel it should be able to exercise in terms of policy formulation? Why?
• How much of a compromise does the government feel the international organisations should undergo in terms of development projects in order to accommodate the government’s country development policies, aims and objectives? Why?

• How far does the international organisations’ development plans fall within the local government’s development zeitgeist?

• How much of policy sovereignty do the international organisations feel is “right” to be exercised within the local government in terms of development projects? Why?

• How far (if at all) are the international relations of the local government’s proportionate to the international development organisations’ interest in the country? (does the country’s local government hold political ties with the international development organisations, and to what extent do these ties affect the amount / type of aid)

• How far, if at all, do the political interest of the international development organisations contribute to the amount of aid or the type of aid the country receives?
Appendix 4: Map of Maldives. The country is divided into atolls for administrative purposes. Each atoll consists of several islands, atolls.
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