

Democracy, Freedom and Good Governance – A New Way Forward for Maldives

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Introduction

On 28 October 2008, Maldivians voted for change. The historic presidential elections – the first democratic elections ever held in the Maldives – swept away thirty years of authoritarian, and often brutal, rule and ushered in a new era of peace, freedom and democracy.

The elections were lauded as 'free and fair' by the Commonwealth, the European Union and the United States. The 87% voter turnout underscored the importance that Maldivians attached to the chance to determine their own political destiny. Many Maldivians, so often fearful of the past, now look to the future with hope, optimism and confidence.

For the new administration, the chance to serve the people is an honour and a privilege. Taking over the reigns of power is also a huge responsibility and an enormous challenge. The country that we inherit has many problems:

Rampant and systemic corruption; nascent, fragile political institutions; inadequate housing; neglected schools and colleges; no universal healthcare; no public transport system; a gulf between rich and poor; substandard prison facilities; a heroin epidemic; rising crime and gang warfare; a looming environmental catastrophe; and a heavy debt burden.

But with a new government comes new optimism and a belief that change is possible. This paper sets out how President Nasheed's administration plans to tackle the problems the country faces. The Maldives cannot deliver on this ambitious goal alone. Therefore, we ask the international community, donor organizations and private investors to help Maldives

reach its ambition of becoming the most socially and environmentally sustainable, liberal democracy in Asia.

The Way Ahead

Embedding democracy and freedom

The Maldives is the world's newest democracy. As such, the country's political institutions are nascent and fragile. The new administration aims to allow these institutions to germinate, take root and grow in strength.

The new administration is therefore providing a political climate conducive of debate, criticism and scrutiny. We are opening up government in accordance with the 2008 Freedom of Information Act; we plan to turn TV Maldives and Voice of Maldives into public service broadcasters, independent of government. We welcome the recent remarks by Amnesty International that the Maldives has the freest press in South Asia.

It is noteworthy that since assuming office, the new administration has not arrested anyone on political grounds. Despite intense pressure from the public, the administration has resisted calls to arrest and try former President Gayoom and his close associates for corruption and human rights abuses. Although the Maldives now enjoys judicial independence, the country has no experience with judicial independence and the legal system faces serious capacity constraints.

Human rights and good governance

Human rights are extremely important for the new administration. The government fully supports the work of the Maldivian Human Rights Commission; appreciates the work of the Auditor General and wishes to strengthen the role of civil society.

The new administration will not tolerate corruption. President Nasheed has forbidden any member of his family to work in the President's Office and the President is forwarding any allegation of corruption against government officials directly to the police. The cancer of corruption sets in when leaders fail to stamp it out. From the top, this administration will be clean, transparent and accountable.

Decentralization

The administration understands that for democracy to be effective, people need to feel they have control over their own destiny. The best local decisions are made by people who

understand the problems they are trying to address; not by bureaucrats based in a far-away capital city. We aim to bring power closer to the people. For these reasons, the administration has embarked on a fundamental programme of political decentralization, that will devolve decision-making powers to atoll and island governments.

The administration is also working to develop urban centers across the Maldives, to encourage development in the Maldives' heretofore neglected provinces. By developing regional urban areas, we hope people will be able to work and services in their own localities, reducing the flow of people from the outer islands to Male', the world's most crowded capital city.

Economic prudence; financial stability

Economic prudence and financial stability will be the mantra of this new administration. Upon assuming office, we inherited a near-empty treasury and a mountain of debt. The country's deficit for the year of 2008 stood at Rf.1.4 billion (\$109 million). That represents an average monthly expenditure of approximately \$9 million over and above monthly income. The previous government printed extra money to meet its budget deficit but this has only served to fuel inflation, which now stands at over 12%, and lead to a shortage of US dollars. The Maldives' national debt now stands at \$460 million – some 38% of GDP.

The new administration will not mirror the mismanagement of its predecessor. We will follow a very simple rule of thumb: we will live within our means. This means only spending money that the government has raised and, over the long term, reducing the size of the national debt.

The new administration is also cutting back on the cost of government itself. We have reduced the number of ministries from 21 to 14 and we have slashed the cost of running the presidency. The Presidential Palace has been vacated and the new president's residence can be maintained at 1/13th of the cost of the old. Symbolic trappings of power, such as the former president's yacht will be sold to underscore our message of a lean, efficient and responsible government. Other wasteful expenditure is being reviewed and cut as much as possible.

Privatisation and public-private partnerships

The current financial situation makes it impossible for the government to pursue its ambitious agenda independently. Moreover, lessons from other countries show that many sectors of the Maldivian economy that are currently controlled by the state could be better run by the private sector.

In order to raise revenue, develop infrastructure and improve public services, the Maldives is embarking on a comprehensive programme of privatization. Private parties, at home and abroad, are being invited to invest, either independently or as partners with the government, in transportation, housing and utilities. The new administration is also seeking foreign investment to improve education and healthcare.

Environmental protection

The new administration understands that development and prosperity cannot occur without a healthy environment. On 15 March 2009, President Nasheed declared the Maldives' intention of becoming the world's first carbon neutral country. Vice President Waheed has already appointed experts, drawn from government, civil society and the private sector, to sit on a climate change council, which will advise the government on how to implement this pledge. At the centre of the government's carbon neutral pledge is the privatization of the country's electricity company, STELCO. The government will shortly invite private parties with expertise in renewable energy to submit expressions of interest to buy and operate STELCO.

The climate change council will be supported by an international panel of climate change and energy experts, which will be inaugurated by President Nasheed in London in April. The international panel will advise the Maldives how to reduce its greenhouse gas emissions. The panel will also advise the government on adaptation measures the country can take in order to protect itself from rising sea levels.

The government is also particularly keen to work with foreign donors to help implement climate change adaptation measures as well as reduce the Maldives' greenhouse gas emissions.

Five Key Pledges of the Maldivian Democratic Party Alliance.

Housing

Over a third of the country's population resides in Male' making it one of the most overcrowded cities in the world. The 2006 Population and Housing Census revealed that an average of 3.1 people shared each sleeping room in Male'. The provision of adequate and affordable housing across the country is a key pledge of the new administration. The government is seeking private sector participation in building 10,000 new housing units across the Maldives.

Affordable living

The Maldives enjoys South Asia's highest per capita GDP but these figures hide startling levels of poverty and a gulf between the haves and the have-nots. In assuming office, the government has worked hard to make living more affordable for the poorest Maldivians. The administration has introduced a Rf.2,000 per month state pension for every citizen over the age of 65. Moreover, the government has also moved to reduce import tax on essential items such as medicines, food, gas and diesel.

Healthcare

No comprehensive health insurance scheme exists in the Maldives and many people cannot afford private healthcare. When a family member becomes sick, many people are confronted with a horrific dilemma: take a large loan and plunge the family into poverty or allow their loved ones to remain ill. In the islands, the lack of sophisticated health facilities coupled with no public transport system, means many people have to spend hundreds of dollars in transport costs before they even reach hospital.

The Government believes access to basic healthcare is a fundamental human right. It is also an integral component of social and economic development. The new administration, in its first term, plans to create a universal health insurance scheme.

In its first 100 days in power, the new administration has managed to bring 50,000 Maldivians, including the most vulnerable people in society, under its new health insurance scheme. This includes everyone over the age of 65, pensioners under the age of 65, retired civil servants and people receiving assistance under the Absolute Poverty Programme.

Transport

The lack of a public transport system, and the often exorbitant cost of private transport, trap many Maldivians in islands with poor services or forces them to leave their home island. Inadequate public transport is also a major hindrance to economic growth and regional development. The new administration is in the final stages of drafting a comprehensive public transport policy that will seek to attract private investment to create a comprehensive ferry service across the archipelago.

The government has also invited private parties to operate in Male' International Airport. The government is currently in the final stage of short listing from over 20 interested foreign parties.

Crime and drugs

Drug abuse and drug trafficking is a major problem in the Maldives. A significant portion of young people are thought to be addicted to drugs, as are some 85% of prison inmates¹. Heroin is the substance of choice.

Overturing the previous policy of sentencing anyone found with more than 1g of any proscribed narcotic to life imprisonment, the new administration aims to treat the drug abuser as a victim. Working with private parties and foreign governments, the administration wishes to establish a comprehensive rehabilitation programme for drug victims.

The government is also using law enforcement agencies to crack down on the importation of banned narcotics. According to the police, more narcotics have been confiscated in the past three months than in the past three years. While the new administration is resisting calls to bring members of the previous regime to court; President Nasheed has clearly stated that he will not protect anyone caught trafficking or distributing illegal narcotics.

Conclusion

While the government is fully committed to achieving the goals it has set, the rate at which they are reached will depend on the support it receives from its partners. The government is grateful to the international community for the support it received to bring about democratic change. The government now needs support for the establishment and consolidation of democracy.

¹ See *Rapid Assessment Survey*, UNICEF & Journey, 2006.