

CATALYSING DEVELOPMENT: THE EARLY YEARS OF MALDIVES PARTNERSHIP WITH THE UN SYSTEM

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The Report of a Mission to the Maldivian Islands that the United Nations Development Programme (UNDP) submitted to the Government of Maldives in 1966 was not, by any measure, a blueprint for socio-economic development. But it laid the groundwork for establishing an enduring partnership between the Maldives and the United Nations development system that has helped the country achieve phenomenal growth in social and economic sectors. To get a basic idea of the speed with which growth was achieved, compare just two indicators. In 1977 the Maldives per capita income was USD 77, which by 2019 reached a whopping USD 18,340 (in PPP terms). In 1977, life expectancy was just over 46 years, and by 2019, the figure reached to 78 years. As the Maldives mark 56 years of its membership at the UN on 21 September this year, it is useful to review the formative years (1965-1980) of the partnership that it has established with the UN development system, which, in many ways, helped shape and propel the extraordinary growth.

Leap of faith

The 1966 Report and the process that led to its preparation illustrate the extraordinary faith that the Maldives leadership placed on the UN system. The Maldives applied for membership of the UN on 26 August 1965, exactly a month after the country gained external independence from Britain. The Maldives became a member of the United Nations on 21 September and the Prime Minister made a request to the UN in December that year—less than three months after gaining independence—to undertake “a general survey of the economic and social conditions in the country [to determine] the overall development requirement of the country, recommend ways

and means of meeting these requirements, . . . and indicate the types of assistance that could be sought from the aid programmes of the United Nations family” (United Nations Development Programme Report of a Mission to the Maldivian Islands (United Nations: New York, 1966), p. 1.).

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The UN’s response to the Maldives Prime Minister’s request was rapid. The UNDP mobilised a team comprising officials from its headquarters in New York and the Colombo Office, as well as an official from the FAO. The UNDP Resident Representative in Colombo led the Mission, which visited the Maldives in April 1966 and spent about three weeks in the country, travelling to a number of islands from the south to north. The Maldives Ambassador to the United Nations was the Government’s focal point and accompanied the Mission in the travels to the islands.

The Mission appears to have been shocked by the level of under-development observed in the Maldives, and the country’s economic vulnerability (although the concept did not appear in that specific term), and the extremely weak public administration system in the country. The Maldives had a just a single export product—Maldivian fish—for a single market—

Sri Lanka—the price of which was determined unilaterally by the buyer. The Mission found that the Maldives did not have a single university graduate in the country (Report of a Mission, p. 64.) and even advised the UN agencies not to send highly technical documents to the country because “there is nobody in the country who could make use of them”(Report of a Mission, p. 51.). The Mission could not, however, place the country at any specific position in the global development hierarchy. For the Maldives did not have even the basic economic and social indicators calculated, such as per capita income, life expectancy, or mortality rates. The Maldives Government just did not collect such

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data. (The United Nations Conference on Trade and Development—UNCTAD, when compiling the list of least developed island countries in 1971, placed the Maldives among the three poorest countries (United Nations Conference on Trade and Development, Developing Island Countries: Report of the Panel of Experts (United Nations, New York, 1974), p 4.). The International Monetary Fund, in its very first review of the Maldives in 1977, estimated per capita income at USD 77 (Quoted in the World Bank’s Report on the Maldives (number NoP-2527-MAL), dated 7 May 1979).

With such a low base for starting social and

economic development in the country, the Mission placed more emphasis on evolution, not revolution. That is despite the fact that the Mission seems to have received quite revolutionary ideas from the Maldives Government, including the construction of a bridge connecting Malé to Hulhulé and “one or more of the nearby islands”, and connecting the islands in the proximity of Malé with “solid barrages that would serve as a break-water and thereby also provide an all-weather harbour for Malé” (Report of a Mission, p. 73.) The Mission felt that these ideas “present some difficult engineering problems”, and that they can be examined only with the help of detailed feasibility studies (Report of a Mission, p. 73).

Another out-of-the-box idea that the Maldives Government suggested to the Mission was the possibility of introducing tourism as an industry in the country. The Mission was not too convinced about this possibility either, noting that since “Malé is not on the main sea or air routes of the world” it would be difficult to develop such transportation services (Report of a Mission, p. 78). The Mission felt that the country will not be an attractive destination

for tourists because the main attractions for tourists will be “boating and fishing”, and these activities will not be viable because the “climate for most of the year is not pleasant” (Report of a Mission, p. 78). The Mission therefore recommended not to make any investments in tourism for another five years.

It would be easy, with the benefit of hindsight, to criticise the Mission for its lack of imagination in the

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assessment of potential for tourism in the Maldives. But the key actions that it recommended the Government take in facilitating social and economic development and growth were spot on. The first was a set of strategies to modernise and diversify economic activities and increase foreign currency earnings; second, developing and expanding the education sector; third, modernising the health sector; and fourth, improving the public administration in the country. The first three recommendations were implemented,



and the results catalysed extraordinary speed of growth in almost every other socio-economic sector in the country.

Although the Mission's preferred approach to economic development in the Maldives was more evolutionary, the key recommendation of the Report, in fact, was revolutionary—mechanization of the fishing vessel, dhoni—that has changed skipjack fishing industry in the Maldives forever. Even here, caution was the guiding principle in shaping policy and interventions. The Mission's suggestion to the Government and other interested international partners was to take a "step by step" approach: remodel a sail-powered dhoni to accommodate an engine, a bait keeping device, and a single water spray system.

The UN's approach in designing and implementing the programme for mechanization of the dhoni helped catalyse industrialization of the fisheries sector and brought more inclusivity to the Maldives economy. It was the first major programme that was designed and implemented in the Maldives with the support of the UN development system. And it shows why the partnership between the Maldives and the UN development system was the backbone of the country's extraordinary growth.

The UNDP's financial contribution to the programme was quite modest. But its commitment to the programme, its ability to mobilise support from foreign governments, other UN agencies, and

international financial institutions ensured that the programme not just takes off, but take a steep upward trajectory. On 20 November 1974, the first mechanised fishing dhoni "Ummeedh" (hope) was undocked in Malé. The UNDP also mobilised support from other UN agencies in providing the necessary training to the skippers and crew in improved bait-fishing techniques, vessel and engine handling during fishing, and fishing tactics, too. It also deputed experts who provided technical support in the development of improved fishing vessels and in the preparation of a feasibility study for a follow up investment in the sector.

The UN development system also provided technical support to the Government in forging partnerships with other external actors including other governments and international organizations. In 1970 for instance, the UNDP and FAO provided technical support to the Government in its efforts to obtain marine engines under the assistance of Government of Japan. Around the same time the UN also supported the Government with the formulation of policies for inviting private investors from Japan to invest in the Maldives fisheries sector. (Japan's Marubeni Cooperation was the first to invest in the sector in 1972.)

In the mid-1970, the Government collaborated with the UNDP Office in Colombo (the UNDP did not open an office in Malé until 1978), in exploring ways in which the country could get membership

of the World Bank and the IMF, and in preparing the necessary documentation for membership, which the country gained in early 1978. Immediately after that, the Maldives submitted an ambitious proposal to the International Development Association (IDA) for a USD 3.2 million loan for mechanization of over 500 dhonis. The UNDP was again the Government's preferred partner in obtaining technical support in the negotiations for the loan and in designing the administrative and procedural mechanism for implementing the programme.

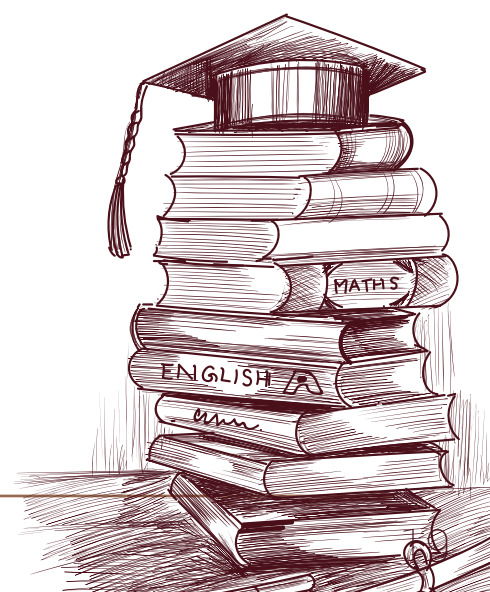
“ Modernization of the education sector and expanding it to the atolls was the second key recommendation ”

By the beginning of 1980, the Maldives had over 800 mechanised fishing dhonis, a fish canning factory in Felivaru, and the Maldives tuna were being exported to new markets, such as Japan and Singapore. By the end of the decade, UN's involvement and indeed interest in the fisheries sector started to decline. As a result of the industrialization of the fisheries sector, it attracted interests of international financial institutions, such as the World Bank, Asian Development Bank, and bilateral lenders, such as the Kuwait Fund, which all became quite active in further expansion and modernization of the sector.

Expanding education to the atolls

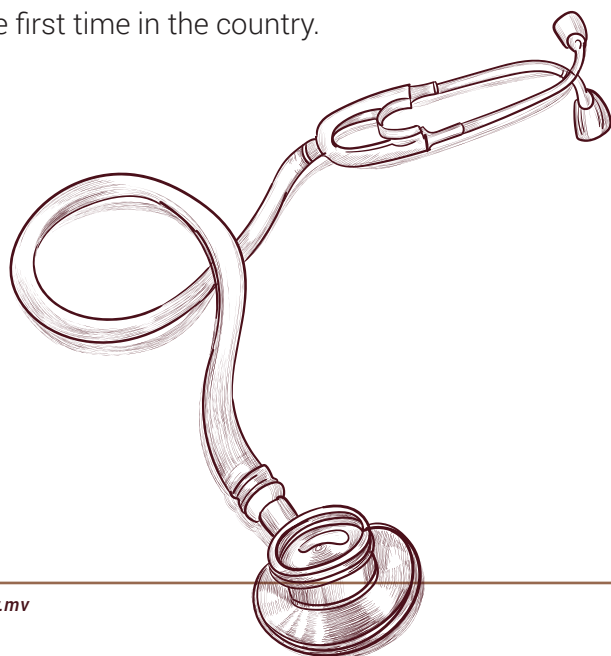
Modernization of the education sector and expanding it to the atolls was the second key recommendation that the 1966 Report made to the Maldives Government. Similar to the fisheries sector, UNDP's support to education in the early years of the partnership was quite modest in terms of capital investment. But the technical and policy support that the Government received during this period, first from the UNDP and later from UNICEF and UNESCO, had significant catalysing effect in the emergence of modern education system throughout the Maldives, and in enabling Maldivians to get qualifications required to have access to jobs in different sectors.

The Government started working with the UNDP in the early 1970s in developing a technically competent institutional architecture for developing and implementing education management policies in the country, the institutional expression of which was the establishment of the project management unit in the Education Ministry, which eventually was developed



into the Education Development Centre (EDC). The UNDP provided the vital technical knowledge in establishing the Centre, its organization, and in its development of curriculum for schools in the country. In addition to the development of curriculum and textbooks for lower grades, the EDC, with technical support from the UNDP and UNICEF, experimented with an entirely new education project in the country, training of teachers. In February 1977, the EDC began the first batch of teacher training, and within a few years, it was able to train a large number of teachers both in Dhivehi and English mediums who were deployed at schools throughout the Maldives.

Around the same time, the partnership for expanding and advancing education in the country reached a key milestone: the inauguration of the Community School in Baa Eydhafushi in February 1978. This was the first time in the history of the Maldives, that a fully government funded school at any level was established outside the national capital, Malé. A year later, the Science Education Centre (SEC) was opened in Malé to offer higher secondary education for the first time in the country.



Advances in the health sector

At the time the Mission visited the Maldives in April 1966, the 40-bed hospital in Malé (later named “Central Hospital”) was being constructed with a grant from Britain. The recommendation of the Report, therefore, was more about expanding health facilities and services in the atolls. It was of the view that training of healthcare professionals should be an immediate priority. Another key proposal contained in the Report was establishing small hospitals and out-patient clinics in the larger atolls.

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Both recommendations were later incorporated and mainstreamed in the broader partnership between the Government and the UN development system, which, just like in the fisheries and education sectors, helped catalyse extraordinary growth. In addition to the phenomenal growth in life expectancy, a similar rate of gains was achieved in reducing infant mortality rate (per every 1,000 live births), which reduced from 129 in 1977, to 7 in 2019. Such a remarkable transformation was made possible due to, among other things, two modest investments that the Government made in collaboration with the UN. The first was establishing a health centre in each

atoll, and the second was the setting up of the Allied Health Services Training Centre (which later became the Faculty of Health Sciences of the Maldives National University) in Malé in 1973 to train health workers and later healthcare professionals.

These two developments helped control different types of communicable diseases (including malaria, filarial, dysentery and tuberculosis) that were the major causes of death in the Maldives even up to the late 1970s. Furthermore, towards the end of 1970s, the Government partnered with UNICEF in constructing regional hospitals in the atolls, the first of which was opened in Haa Dhaalu Kulhudhuffushi in 1982.

Take a bold leap forward in the partnership

The UN development system should, and most likely would, remain the most valued partner for the Maldives in taking the country to the next level of socio-economic development; where it is sufficiently resilient in addressing systemic shocks; where it is better equipped to cope with its inherent vulnerabilities; and where it has greater capacity to guarantee political, economic, and social rights of the people. This might sound a tall order. But with a more imaginative and clearly articulated set of goals with implementing strategies that have razor-sharp focus, such a level of development is within reach.

There are two areas that require that kind of razor-sharp focus to enable the Maldives reach the next level of development. The first is expanding space for more inclusive and climate friendly economic growth on the principle of “leaving no-one behind” (among the key ideas of the UN’s 2030 Agenda) by integrating regional development with more clearly articulated objectives. Both the UNDP’s Report of 1966 and the World Bank’s Report of 1980 (The World Bank, The Maldives: An Introductory Economic Report (The World Bank, Washington DC, 1980)) identified the exclusive focus on Malé as a major hindrance to advancing inclusive growth in socio-economic sectors. To be sure, some of the key programmes that the UN helped design and implement in the country in 1970s catalysed developments in the atolls, especially in sectors such as fisheries, education, and health, and increased quality of life in the islands. However, an overwhelming proportion of the country’s wealth, its best schools and hospitals, and the most sought-after jobs are still located in or around the national

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capital. That is because the population of Malé is sufficiently large to achieve economies of scale for the emergence of these services and facilities. Until there is another region or an island with sufficiently

large population, Malé will continue to remain the center of gravity for socio-economic development and migration. And as long as this remains the case, inclusive development based on the principle of “leaving no-one behind” will remain elusive.

The solution, then, is developing other centers with stronger gravitational power that can pull even larger population towards it and catalyse the emergence of more vibrant markets for innovation, opportunities, and jobs. In fact, the World Development Report 2009: Reshaping Economic Geography argues that

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countries achieve faster level of growth and sustain it over time when they promote developments in “3Ds”: densities (higher densities achieve scale), distance (shorter distance for workers and businesses migrate closer to density), and divisions, fewer divisions as countries lower economic borders to achieve deeper integration (The World Bank, World Development Report 2009: Reshaping Economic Geography, (The World Bank, Washington DC, 2009). The emergence of Malé as the center of economic activity in the Maldives since the early 1960s suggests that developing other island(s) and transforming that along the first two of the World Bank’s 3Ds will indeed be possible, and with bold and innovative

policies, will be probable, too.

The second area that the future partnership should consider investing more significantly is building the strength of the State that is capable of managing and sustaining the extraordinary progress that the Maldives has achieved in the last fifty-six years. This in fact is the fourth key recommendation that the 1966 Report made, but the implementation has not produced the desired outcome expected.

The Report observed that the “system of administration is not adequate to meet the needs of a developing country, . . . there is no system of training of those recruited to the government service, . . . and [the lack of coordination is such that] officials in one division is not aware of the work being done in another division in the same department” (Report of a Mission, p 15). The Report’s recommendation to the Government was to establish, as a matter of urgency, “a scheme to train [the existing government] officials and new recruits and [organise] the public service into



a proper service with incentives for advancement and avenues for occupying responsible positions” (Report of a Mission, p 15, emphasis added).

About fifteen years later, the World Bank found the situation of public administration not radically different from what UNDP observed in 1966. According to the World Bank’s report of 1980, “fragmentation of departments (at least 60) with overlapping functions and the excessive compartmentalization” in the public administration in the Maldives was not only hindering coordination and achieving the desired outcomes in service delivery, it was also preventing the civil service staff from “receiving training as part of a clearly perceived career structure . . . or developing expertise in particular fields”, which are essential for managing and sustaining socio-economic development in the country (Introductory Economic Report, p. 32).

Just over forty years since the World Bank’s Report, similar observations could be made in describing public administration in the country. Both the UNDP and the World Bank were observing symptoms of a much deeper underlying structural deficiency that has not been properly diagnosed, which is the absence of State strength, or what the political scientist Francis Fukuyama calls “stateness” (Francis Fukuyama, *State-Building: Governance and World Order in the 21st Century* (Cornell University Press: New York, 2004); the building blocks of state structure, without which managing a complex political environment will

be extremely difficult, if not impossible to achieve. Neither the UN expert, who undertook the first

“ the building blocks of state structure, without which managing a complex political environment will be extremely difficult ”

detailed study on the public administration in 1974 (UN Economic and Social Commission for Asia and the Pacific, H.S. Wanasinghe: Report on an Advisory Mission on Administrative Improvement in the Republic of Maldives, June 1974), nor by the various systemic and policy interventions made to improve the quality of governance in the country, especially in the last twenty years, have acknowledged the absence of the building blocks of state structure in the Maldives.

The World Development Report 1997: *The State in a Changing World* argues that for any country to continue achieving social and economic growth and sustains the gains that it makes, it must have the essential building blocks of a State (The World Bank, *World Development Report 1997: The State in a Changing World*, (The World Bank, Washington DC, 1997), the first of which is a strong central authority for formulating and coordinating public policy. In a functioning and effective State, that authority is exercised by set of institutions—the rules, norms, and decision-making procedures—whose defining character is the specialised knowledge and skills

they accumulate over time. The World Bank calls it the “brain of the system”, for they translate the visions and goals into strategic priorities and produce outcomes that the politicians desire.

The second is an effective and efficient delivery system. In other words, having adequate number of administrative units, with no overlapping mandates or duplication of functions and deliver services to the people throughout the country that ensures no-one is left behind.

The third building block of the State is motivated and capable staff, which the World Bank calls, the “lifeblood” of the system. This “motivated and capable staff” are the Civil Servants whose defining features are recruitment through merit-based competitive exams, clearly defined career path with merit-based promotions, and sector specific specialised knowledge and skills given through systematic in-house training or by institutions specifically set up for that purpose.

The good governance programmes that the Maldives has implemented in collaboration with the UN especially since the late 1990s have resulted in an increased space for exercising fundamental rights of individuals, but they have not always amplified the capacity of the State to ensure that space is continuously expanded. The future shape of the partnership between the Maldives and the UN development system would be instrumental in making the required bold leap forward for putting firmly in place the essential building blocks of the State that is capable in managing and sustaining gains that the Maldives has achieved. Without such a partnership, the risk of derailing the progress that the country makes in governance and socio-economic development will be ever present.



ABOUT THE AUTHOR

Ali Naseer Mohamed holds PhD in Diplomatic Studies from the Australian National University and Master of Arts in Diplomatic Studies (with Distinction) from the University of Leicester in the UK. He had been in the Maldives Foreign Service since 1985, and held a number of senior leadership positions including Foreign Secretary of the Maldives, Ambassador to the United Nations, Ambassador to the United States, and Director-General (Political Affairs). The views expressed in the article are that of his own and not the views or opinions of the Maldives Government.