

# **Maldivian League for Democracy (MLD) Development Program Draft**

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## **1. Introduction to the Development Programme in the Maldives**

### **1.1 WHAT IS THE DEVELOPMENT PROGRAMME (DP)?**

1.1.1 The DP is an integrated, coherent socio-economic policy framework. It seeks to mobilise all our people and our country's resources toward the final eradication of one party rule and the building of a democratic, and non-sexist future.

1.1.2 Within the framework for policy represented by the DP, the MLD will develop detailed positions and a legislative programme of government.

1.1.3 The DP has been drawn up by the MLD-led alliance in consultation with other key mass organisations. A wide range of non-governmental organisations (NGOs) and research organisations assisted in the process.

1.1.4 This process of consultation and joint policy formulation must continue as the DP is developed into an effective programme of government. Other key sectors of our society such as the business community must be consulted and encouraged to participate as fully as they may choose.

1.1.5 Those organisations within civil society that participated in the development of the DP will be encouraged by an MLD government to be active in and responsible for the effective implementation of the DP.

1.1.6 This inclusive approach to developing and implementing policy is unique in Maldives's political history. The special nature of the MLD as a liberation movement and the traditions of the Freedom Charter make it the only political organisation capable of unifying a wide range of social movements, community-based organisations and numerous other sectors and formations. Widespread support will allow the MLD to implement the programme.

### **1.2 WHY DO WE NEED A DP?**

1.2.1 Our history has been a bitter one dominated by colonialism, sexism and repressive labour policies. The result is that poverty and degradation exist side by side with modern resorts, industrial and commercial infrastructure. Our income distribution is distorted and ranks as one of the most unequal in the world - lavish wealth and abject poverty characterise our society.

1.2.2 The economy was built on systematically enforced division in every sphere of our society. Rural areas have been divided into underdeveloped islands and well-developed, Cronies-owned commercial resorts. Islands have been divided into atolls without basic infrastructure for the islanders and well-resourced suburbs of Male.

1.2.3 Segregation between the capital and the islands in education, health, welfare, transport and employment left deep scars of inequality and economic inefficiency. In commerce and industry, very large conglomerates dominated by Cronies of the regime control large parts of the economy. Cheap labour policies and employment segregation concentrated skills in government hands. Our workers are poorly equipped for the rapid changes taking place in the world economy. Small and medium-sized enterprises are underdeveloped, while highly protected industries underinvested in research, development and training.

1.2.4 The result is that in every sphere of our society - economic, social, political, moral, cultural, environmental - Maldivians are confronted by serious problems. There is not a single sector of Maldives society, nor a person living in Maldives, untouched by the ravages of social disparity. Whole regions of our country are now suffering as a direct result of the government policies and their near collapse.

1.2.5 In its years, the government unleashed a vicious wave of violence. Thousands and thousands of people have been tortured, and kept in jails or away from their homes. Security forces have all too often failed to act to protect people, and have frequently been accused of being implicated in, and even fomenting, this violence. We are close to creating a culture of violence in which no person can feel any sense of security in their person and property. The spectre of poverty and/or violence haunts our people.

1.2.6 Thousands of ordinary Maldivians struggled against this system over decades, to improve their lives, to restore peace, and to bring about a more just society. In their homes, in their places of work, in their islands, in classrooms, in clinics and hospitals, on the land, in cultural expression, the people of our country, old and young devoted their lives to the cause of a more humane Maldives. This struggle against the regime was fought by individuals, by political organisations and by a mass democratic movement led by MLD and its leaders.

1.2.7 It is this collective heritage of struggle, these common yearnings, which are our greatest strength, and the DP builds on it. At the same time the challenges facing Maldives are enormous. Only a comprehensive approach to harnessing the resources of our country can reverse the crisis created by the brutality of this regime. Only an all-round effort to harness the life experience, skills, energies and aspirations of the people can lay the basis for a new Maldives.

1.2.8 The first decisive step in this direction will be the forthcoming elections. A victory for democratic forces in these elections will lay the basis for effective reconstruction and development, and the restoration of peace.

1.2.9 But an election victory is only a first step. No political democracy can survive and flourish if the mass of our people remain in poverty, without rights, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government.

1.2.10 How can we do this successfully? It is no use merely making a long list of promises that pretend to answer every need expressed. Making promises is easy especially during election campaigns - but carrying them out as a government is very much more difficult. A programme is required that is achievable, sustainable, and meets the objectives of freedom and an improved standard of living and quality of life for all Maldivians within a peaceful and stable society.

1.2.11 The DP is designed to be such a programme. To reach the DP's objectives we face many obstacles and we are setting ourselves a great challenge. Each and every expectation will not be realised and each and every need will not be met immediately. Hard choices will have to be made. The DP provides the framework within which those choices can be made. Even more importantly, it will involve both government and the people in further identifying needs and the obstacles to satisfying those needs, and will involve both in jointly implementing realistic strategies to overcome these obstacles. The DP is an expression of confidence in the wisdom, organisational abilities and determination of our people.

### **1.3 THE SIX BASIC PRINCIPLES OF THE DP**

1.3.1 Six basic principles, linked together, make up the political and economic philosophy that underlies the whole DP. This is an innovative and bold philosophy based on a few simple but powerful ideas.

They are:

1.3.2 An integrated and sustainable programme. The legacy of brutal regime cannot be overcome with piecemeal and uncoordinated policies. The DP brings together strategies to harness all our resources in a

coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national, provincial and local levels by government, parastatals and organisations within civil society working within the framework of the DP.

This programme is essentially centred on:

1.3.3 A people-driven process. Our people, with their aspirations and collective determination, are our most important resource. The DP is focused on our people's most immediate needs, and it relies, in turn, on their energies to drive the process of meeting these needs. Regardless of race or sex, or whether they are rural or urban, rich or poor, the people of Maldives must together shape their own future. Development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment. In taking this approach we are building on the many forums, peace structures and negotiations that our people are involved in throughout the land. This programme and this people-driven process are closely bound up with:

1.3.4 Peace and security for all. Promoting peace and security must involve all people and must build on and expand the National Peace Initiative. This regime placed the security forces, police and judicial system at the service of its brutal ideology. The security forces have been unable to stem the tide of violence that has engulfed our people. To begin the process of reconstruction and development we must now establish security forces that reflect the national and gender character of our country. Such forces must be non-partisan, professional, and uphold the Constitution and respect human rights. The judicial system must reflect society's gender composition, and provide fairness and equality for all before the law. As peace and security are established, we will be able to embark upon:

1.3.5 Nation-building. Central to the crisis in our country are the massive divisions and inequalities still in force by this brutal regime. We must not perpetuate the separation of our society into a 'first world' and a 'third world' - another disguised way of preserving this brutal regime. We must not confine growth strategies to the former, while doing patchwork and piecemeal development in the latter, waiting for trickle-down development. Nation-building is the basis on which to build a Maldives that can support the development of our region. Nation-building is also the basis on which to ensure that our country takes up an effective role within the world community. Only a programme that develops economic, political and social viability can ensure our national sovereignty.

Nation-building requires us to:

1.3.6 Link reconstruction and development. The DP is based on reconstruction and development being parts of an integrated process. This is in contrast to a commonly held view that growth and development, or growth and redistribution are processes that contradict each other. Growth - the measurable increase in the output of the modern industrial economy - is commonly seen as the priority that must precede development. Development is portrayed as a marginal effort of redistribution to areas of urban and rural poverty. In this view, development is a deduction from growth. The DP breaks decisively with this approach. If growth is defined as an increase in output, then it is of course a basic goal. However, where that growth occurs, how sustainable it is, how it is distributed, the degree to which it contributes to building long-term productive capacity and human resource development, and what impact it has on the environment, are the crucial questions when considering reconstruction and development. The DP integrates growth, development, reconstruction and redistribution into a unified programme. The key to this link is an infrastructural programme that will provide access to modern and effective services like electricity, water, telecommunications, transport, health, education and training for all our people. This programme will both meet basic needs and open up previously suppressed economic and human potential in urban and rural areas. In turn this will lead to an increased output in all sectors of the economy, and by modernising our infrastructure and human resource development; we will also enhance export capacity. Success in linking reconstruction and development is essential if we are to achieve peace and security for all.

Finally, these first five principles all depend on a thoroughgoing

1.3.7 Democratisation of Maldives. Minority control and privilege in every aspect of our society are the main obstruction to developing an integrated programme that unleashes all the resources of our country. Thoroughgoing democratisation of our society is, in other words, absolutely integral to the whole DP. The DP requires fundamental changes in the way that policy is made and programmes are implemented. Above all, the people affected must participate in decision-making. Democratisation must begin to transform both the state and civil society. Democracy is not confined to periodic elections. It is, rather, an active process enabling everyone to contribute to reconstruction and development.

1.3.8 An integrated programme, based on the people, that provides peace and security for all and builds the nation, links reconstruction and development and deepens democracy - these are the six basic principles of the DP.

#### **1.4 THE KEY PROGRAMMES OF THE DP**

1.4.1 There are many proposals, strategies and policy programmes contained in the RDP. These can be grouped into five major policy programmes that are linked one to the other. The five key programmes are:

- meeting basic needs;
- developing our human resources;
- building the economy;
- democratising the state and society, and implementing the DP.

1.4.2 Meeting Basic Needs. The first priority is to begin to meet the basic needs of people - jobs, land, housing, water, electricity, telecommunications, transport, a clean and healthy environment, nutrition, health care and social welfare. In this way we can begin to reconstruct family and community life in our society. In this chapter, achievable programmes are set out for the next five years. These include programmes to redistribute a substantial amount of land to landless people, build over one million houses, provide clean water and sanitation to all, electrify 5000 homes and provide access for all to affordable health care and telecommunications. The success of these programmes is essential if we are to achieve peace and security for all.

1.4.3 Our people should be involved in these programmes by being made part of the decision-making on where infrastructure is located, by being employed in its construction and by being empowered to manage and administer these large-scale programmes. These major infrastructural programmes should stimulate the economy through increased demand for workers. In addition, the tourism sector must develop new, more efficient and innovative products to meet our basic infrastructural needs.

1.4.4 Developing Our Human Resources. The DP is a people-centred programme – our people must be involved in the decision-making process, in implementation, in new job opportunities requiring new skills, and in managing and governing our society. This will empower our people but an education and training programme is crucial. This chapter of the DP deals with education from primary to tertiary level, from child care to advanced scientific and technological training. It focuses on young children, students and adults. It deals with training in formal institutions and at the workplace.

1.4.5 The underlying approach of these programmes is that education and training should be available to all from cradle to grave. The DP takes a broad view of education and training, seeing it not only as something that happens in schools or colleges, but in all areas of our society - homes, workplaces, public works programmes, youth programmes and in rural areas.

1.4.6 A key focus throughout the DP is on ensuring a full and equal role for women in every aspect of our economy and society. With this emphasis and with the emphasis on affirmative action throughout the DP, we must unlock boundless energies and creativity suppressed by religious discrimination.

1.4.7 In training, particular attention is paid to the challenges posed by the restructuring of our industries as we fully re-enter the world economy. These challenges can only be met through the extensive development of our human resources.

1.4.8 An arts and culture programme is set out as a crucial component of developing our human resources. This will assist us in unlocking the creativity of our people, allowing for cultural diversity within the project of developing a unifying national culture, rediscovering our historical heritage and assuring that adequate resources are allocated.

1.4.9 Because of this brutal regime, sport and recreation have been denied to the majority of our people. Yet there can be no real socio-economic development without there being adequate facilities for sport and recreation in all communities. The DP wants to ensure that all people have access to such facilities. Only in this way can all our peoples have a chance to represent their islands in the arena of sport and to enjoy a rich diversity of recreational activities.

1.4.10 The problems facing the youth are well known. If we are to develop our human resource potential, then special attention must be paid to the youth. Our human resource policy should be aimed at reversing youth marginalisation, empowering youth, and allowing them to reach their full potential. Programmes for training, education and job creation will enable our youth to play a full role in the reconstruction and development of our society.

1.4.11 This programme for the development of our human resources underpins the capacity to democratise our society, thus allowing people to participate on the basis of knowledge, skill and creativity.

1.4.12 Building the Economy. The economy has strengths and weaknesses. Tourism and fishing are well developed. At present we have a large surplus of beautiful islands. These are strengths we can build on. But so far they have not benefited all our people. A process of reconstruction is proposed to ensure that these strengths now benefit all our people.

1.4.13 But we must also address serious weaknesses in our economy. There are still very clear gender inequalities in ownership, employment and skills. Current industrial policies assisted in creating employment and were an important factor in developing industry but they were also accompanied by repressive labour practices, neglect of training, isolation from the world economy and excessive concentration of economic power. The result is a low level of investment in research and development, low and inappropriate skill levels, high costs, low productivity and declining employment.

1.4.14 Central to building the economy is the question of worker rights. Past policies of labour exploitation and repression must be redressed and the imbalances of power between employers and workers corrected. The basic rights to organise and to strike must be entrenched. And negotiations and participative structures at national, industry and workplace level must be created to ensure that labour plays an effective role in the reconstruction and development of our country.

1.4.15 In the world economy, the demand for raw materials including tuna has not grown rapidly and there is intense competition in the production by developed countries. The General Agreement on Trade and Tariffs (GATT) was recently updated to achieve substantial reductions in tariff levels. Our economy must adjust to these pressures if we are to sustain economic growth and continue to develop a large domestic manufacturing sector that makes greater use of our only natural resource - Tuna.

1.4.16 A central proposal in this chapter is that we cannot build the Maldivian economy in isolation from its neighbours. Such a path would benefit nobody in the long run. If Maldives attempts to isolate its neighbours they will restrict our growth, reducing our potential as markets, worsening our unemployment, and causing increased migration out of Maldives. If we seek mutual cooperation, we can develop a large stable market offering stable employment and common labour standards in all areas.

1.4.17 The pressures of the world economy and the operations of international organisations such as the International Monetary Fund (IMF), World Bank and GATT, affect our neighbours and Maldives in different ways. In the case of our neighbours, they were pressured into implementing programmes with adverse effects on employment and standards of living. It is essential that we combine to develop effective strategies for Maldives.

1.4.18 In building the economy, programmes dealing with the following areas are dealt with: linking reconstruction and development; industry, trade and commerce; resource-based industries; upgrading infrastructure; labour and worker rights, and South Asia.

1.4.19 Democratising the State and Society. Democratisation is integral to the DP. Without thoroughgoing democratisation the resources and potential of our country and people will not be available for a coherent programme of reconstruction and development.

1.4.20 In linking democracy, development and a people-centred approach, we have to pave the way for a new democratic order. This chapter sets out the role of the Constitution and Bill of Rights, of national, provincial and local government, the administration of justice, the public sector, parastatals, the police and security forces, social movements and NGOs, and a democratic information system in facilitating socio-economic development.

1.4.21 Implementing the DP. The DP raises many challenges in its implementation because it involves processes and forms of participation by organisations outside government that are very different to the current regime. To implement and coordinate the DP will require the establishment of effective DP structures in government at a national, provincial and local level.

1.4.22 This chapter deals with the proposals for coordinating and planning the implementation of the DP. This requires substantial restructuring of present planning processes and a rationalisation of the complex, fragmented structures that exist. The DP can only be people-centred if the planning and coordinating processes allow the active involvement of democratic structures.

1.4.23 Understandably, the first questions asked are: What will the DP cost? Who will pay for it? These are important questions and in developing a programme to finance the DP, certain key points are taken into

account:

1.4.23.1 most of the expenditure on the DP is not in fact new - rather it is the better organisation and rationalisation of existing systems that will unlock resources;

1.4.23.2 we must improve the capacity of the financial sector to mobilise more resources and to direct these to activities set out in the DP, from housing to small and medium-sized enterprises;

1.4.23.3 we must ensure that electrification and telecommunications will be self-financing;

1.4.23.4 existing funds must be reallocated and rationalisation must be effected in many areas;

1.4.23.5 improved and reformed tax systems will collect more tax without having to raise tax levels (as the DP succeeds, more taxpayers will be able to pay and revenue will rise), and

1.4.23.6 new funds will be raised in a number of areas.

## **1.5 CONCLUSION**

1.5.1 All over Maldives, including in Maldivian People's Forums, the same questions are posed over and over:

- how will the MLD create jobs?
- when will you build houses?
- how can we get water and electricity?
- what about education?
- when will we have a fair and effective police force?
- will you give us health care?
- what about pensions?

1.5.2 The DP attempts to provide achievable, realistic and clear programmes to answer these questions. But it goes further than this and encourages people and their organisations to participate in the process. In the conclusion we outline proposed concrete steps to make such participation possible.

# **2. Democratising the Maldives**

## **2.1 PROBLEM STATEMENT**

2.1.1 The Gayyoom regime has been unrepresentative, undemocratic and highly oppressive. In past decades the state became increasingly secretive and militarised, and less and less answerable even to the constituency it claimed to represent.

2.1.2 The legal and institutional framework we will inherit is fragmented and inappropriate for reconstruction and development. It lacks capacity to deliver services, it is inefficient and out of touch with the needs of ordinary people. It lacks coordination and clear planning.

2.1.3 The financing of development programmes under this regime was wasteful, misdirected and mismanaged. There was corruption, and many state and development institutions will carry over debts from the Gayyoom era with which the new MLD government must deal.

2.1.4 Gayyoom's policies of domination and privilege are not confined to the state and parastatals. Every aspect of Maldives life is deeply marked by minority domination and privilege. A vast range of institutions in the private domain (in civil society) benefited from Gayyoom, and also actively fostered and sustained it.

## **2.2 VISION AND OBJECTIVES**

2.2.1 The People shall govern. The DP vision is one of democratising power. Democracy is intimately linked to reconstruction and development. We will not be able to unleash the resources, neglected skills

and stunted potential of our country and its people while minority domination of state and civil institutions persists. Without thoroughgoing democratisation, the whole effort to reconstruct and develop will lose momentum. Development requires a population that is empowered through expanded rights, meaningful information and education, and an institutional network fostering representative, participatory and direct democracy.

2.2.2 Democracy requires that all Maldivians have access to power and the right to exercise their power. This will ensure that all people will be able to participate in the process of reconstructing our country.

2.2.3 Empowerment means, in the first place, the enfranchisement of all Maldivians to freely vote without fear or intimidation - and thus the extension of equal citizenship rights to all. Deepening democracy will require ensuring that elected structures conduct themselves in an answerable and transparent manner. Clear Codes of Conduct must be established and enforced for all public representatives.

2.2.4 Democratisation requires modernising the structures and functioning of government in pursuit of the objectives of efficient, effective, responsive, transparent and accountable government. We must develop the capacity of government for strategic intervention in social and economic development. We must increase the capacity of the public sector to deliver improved and extended public services to all the people of Maldives.

2.2.5 The national security force and the police and intelligence services must be transformed from being agents of oppression into effective servants of the community, with the capacity to participate in the DP. Our society must be thoroughly demilitarised and all security forces under clear civilian control.

2.2.6 Democracy for ordinary citizens must not end with formal rights and periodic elections. Without undermining the authority and responsibilities of elected representative bodies (the national assembly or Majlis), the democratic order we envisage must foster a wide range of institutions of participatory democracy in partnership with civil society on the basis of informed and empowered citizens and facilitate direct democracy (people's forums, referenda where appropriate, and other consultation processes).

2.2.7 A wide range of unions, mass organisations, other sectoral movements and community-based organisations (CBOs) such as civic associations must be developed in our country. These social movements and CBOs are a major asset in the effort to democratise and develop our society. Attention must be given to enhancing the capacity of such formations to adapt to partially changed roles. Attention must also be given to extending social-movement and CBO structures into areas and sectors where they are weak or non-existent.

2.2.8 Numerous non-profit non-governmental organisations (NGOs) are also developing in Maldives. Many of these NGOs play an important capacity-building role in regard to CBOs and the development process. NGOs must engage in service delivery, mobilisation, advocacy, planning, lobbying, and financing. Thus NGOs have an important future role in the democratisation of our society. However, NGOs must also adopt transparent processes, and operate in a manner that responds, with accountability and democracy, to the communities they serve.

2.2.9 Deepening democracy in our society is not only about various governmental and non-governmental institutions. Effective democracy implies and requires empowered citizens. Formal rights must be given real substance. All of the social and economic issues (like job creation, housing and education) are directly related to empowering our people as citizens. One further area is absolutely central in this regard - a democratic information programme.

2.2.10 Ensuring gender equity is another central component in the overall democratisation of our society. The DP envisages special attention being paid to the empowerment of women in general and rural women in particular. There must be representation of women in all institutions, councils and commissions, and gender issues must be included in the terms of reference of these bodies.

## **2.3 CONSTITUENT ASSEMBLY**

2.3.1 The new Constitution should be drawn up by the Majlis in an open and transparent manner. The new Constitution must reinforce the DP, ensuring that equality of rights of citizens is not just formal, but substantive. The new Constitution should ensure that social, economic, environmental and peace rights are more fully embodied in the Bill of Rights.

2.3.2 The Constitution while respecting Liberal Islamic values must recognise the fundamental equality of men and women in marriage, employment and in society. There should be a continuous review of all legislation to ensure that this clause in the Constitution is not undermined. These principles must override

customary law. Consideration should be given to the implementation of a constitutional provision for the calling of a referendum in order to overturn unpopular laws, and to ensure that certain laws get passed.

2.3.3 The Constitution should permit the regulation of the use of property when this is in the public interest. It should also guarantee a right to restitution for victims of arbitral arrests.

2.3.4 The Constitution should provide for sufficient central government powers so as to coordinate and implement the DP effectively.

## **2.4 NATIONAL ASSEMBLY (MAJLIS)**

2.4.1 The National Assembly must establish legislation and programmes which ensure substantive equality rather than formal equality.

2.4.2 There should be a review of the legislative procedures including a review of Majlis sessions, operating procedures and the composition of standing committees, to promote an improved institutional framework for public decision-making. There should be a clear right of access to the parliamentary legislative procedures to allow inputs from interested parties. There should be a Code of Conduct for members of the Majlis.

## **2.5 NATIONAL AND PROVINCIAL ADMINISTRATION**

2.5.1 Maldives has been divided into nineteen atolls. These atolls are at different levels of development and are not equally endowed with resources. The existing constitutional arrangements provided for by the Constitution require that provincial levels of administration and the national government develop methods for working closely together to ensure the implementation of the DP. This will ensure that development in all these areas takes place evenly throughout the country and that minimum standards are attained.

2.5.2 Grants-in-aid strategies must be built into the DP to ensure that all provinces receive an equitable share of revenue collected nationally. The Financial and Fiscal Commission must determine criteria for the allocation of inter-governmental grants.

2.5.3 All government departments at national level must be reformed to end duplications. Single ministries should be created at national in each sector of operation. At the provincial level, government institutions must be constructed and rationalised out of existing regional structures. The role, function and mission of government departments should be reviewed with the aim of introducing a clear development focus for the democratic government administration. Policies of affirmative action, development and training must be applied in all areas.

## **2.6 SECURITY FORCES**

2.6.1 The defence force and the police services must be firmly under civilian control, in the first place through the relevant civilian ministry answerable to Majlis. These security forces must uphold the democratic constitution, they must be non-partisan, and they must be bound by clear codes of conduct.

2.6.2 The size, character and doctrines of the new defence force must be appropriate to a country engaged in a major programme of socio-economic reconstruction and development. The rights of policemen must be clearly defined and protected.

2.6.3 The police service must be transformed, with special attention to representivity, and gender and human rights sensitivity. National standards and training must be combined with community-based structures to ensure answerability to the communities served.

## **2.7 THE ADMINISTRATION OF JUSTICE**

2.7.1 The system of justice should be made accessible and affordable to all people. It must be credible and legitimate. The legal processes and institutions should be reformed by simplifying the language and procedures used in the court, recognising and regulating community and customary courts, and professionalising the Attorney-General's office. The public defence system must be promoted and the prosecution system reformed. The pool of judicial officers should be increased through the promotion of lay officials, scrapping the divided bar and giving the right of appearance to paralegals.

2.7.2 The Industrial Court system should be restructured so that workers who have complaints against employers are able to have these disputes resolved in a cheap, accessible and speedy manner. Tripartite institutions should have a say in determining appointments to the Industrial and Labour Appeal Courts.

2.7.3 A legal aid fund for women to test their rights in court must be established.

## **2.8 PRISONS**

2.8.1 The staffing of the prison service must be based on non-racial and non-sexist principles. Prison staff will need to be trained to reflect this approach and to transform the present military command structure of the prison service.

2.8.2 Prisoners must enjoy human rights and must be fully protected by the Constitution.

2.8.3 The prison service must play its part, not simply in restraining convicted persons, but in rehabilitating and training them. Adequate resources must be made available for the humane accommodation of prisoners.

2.8.4 The law dealing with children in custody must be reformed. Practices which infringe even the existing laws (such as the accommodation of children and juvenile prisoners in cells with adults) must be ended.

2.8.5 Pregnant women and mothers with small children in prison must be held in conditions which are appropriate for their specific physical and psychological requirements.

2.8.6 Disciplinary codes within prison must be changed, and forms of punishment which infringe basic human rights (solitary confinement and dietary punishment) must be ended.

2.8.7 The public has the right to be informed about prison conditions. The Prison Act must, accordingly, be substantially reformed.

2.8.8 Prisons must be monitored by an independent prison ombudsman, appointed by the State President, but working independently of ministerial control.

## **2.9 RESTRUCTURING THE PUBLIC SECTOR**

2.9.1 Maldives has a large public sector with many resources. The public sector consists of the public service, the police and defence forces, parastatals, public corporations and advisory bodies, which are together some of the most important delivery and empowerment mechanisms for the DP. Staffing levels in and budgetary allocations to government departments and institutions must match the requirements for service delivery, and the operational requirements for women's empowerment, within the constraints of the budget. A defined quota of all new employees should come from groups that were disadvantaged on the basis of gender, and all employees should be given access to appropriate training and support systems. This should be evaluated each year to determine the progress made and identify problems which arise. By the turn of the century, the personnel composition of the public sector, including parastatals, must have changed to reflect the national distribution of and gender. Such progress will enhance the full utilisation of the country's labour power and productivity.

## **2.10 THE PUBLIC SERVICE**

2.10.1 The Public Service Commission established in terms of the Interim Constitution must be responsible for matters relating to appointments, promoting efficiency and effectiveness in departments, establishing and monitoring a Code of Conduct for the public service, and introducing a programme of affirmative action and other appropriate techniques to eliminate historical inequities in employment. The Code of Conduct must incorporate the principles of the new Maldives public service as outlined in the DP. The ethos should be professional, in the most positive sense of the word; the public service must internalise the concept of 'serving the people'. This Code should be enforced and annual evaluation of personnel should take into account compliance with the Code.

2.10.2 The public service should be composed in such a way that it is capable of and committed to the

implementation of the policies of the government and the delivery of basic goods and services to the people of the country. In particular, priority must be given to developing the mechanisms for implementing the policies, recommendations and directives of the restructured Public Service Commission and the DP.

2.10.3 While the public service must be based on merit, career principles, suitability, skills, competence and qualifications, these standards should not be interpreted to further minority interests, as in the past. An extensive programme of affirmative action must be embarked on to achieve the kind of public service that is truly reflective of our society, particularly at the level of management and senior employees. Such an affirmative action programme must include training and support to those who have previously been excluded from holding responsible positions. Within two years of the implementation of the programme, recruitment and training should reflect Maldivian society, in terms of race, class and gender. Mechanisms must be put in place to monitor implementation of the programme. A programme of monitoring and retraining for all those willing to serve loyally under a democratic government should be instituted.

2.10.4 The Civil Service Training Institute must be transformed to train and retrain public service employees in line with the priorities of the DP. One of the priorities of this Institute must be to ensure that a cadre of public servants is developed to transform the public service effectively, with attention to excellence and high levels of service delivery. The Institute must be provided with the necessary resources and cater for at least four levels of training: lateral entry for progressive academics, activists, organisers and NGO workers; top-level management development; promotion within the public service, and retraining of present incumbents of posts.

2.10.5 A sound labour relations philosophy, policy and practice is an essential requirement for building a motivated, committed cadre of personnel who have a clear vision of their development goals. Labour relations policy must also provide for dealing systematically with corruption, mismanagement and victimisation in public institutions. Labour policy must permit the participation of public sector workers and their organisations in decision-making at various levels in this sector. This will require amendment of existing labour legislation and a review of management practice in the public sector.

## **2.11 PARASTATALS AND STATE DEVELOPMENT INSTITUTIONS**

2.11.1 Parastatals, public corporations and advisory boards must be structured and run in a manner that reinforces and supports the DP. Civil society must be adequately represented on the boards of parastatals and public corporations. Institutions must be transparent and open in both structure and decision-making. They should act within the framework of public policy and there must be a duty to inform the general public as well as to account to parliament.

2.11.2 The statutory bodies must be independent of government departments in the sense that they should not be directly part of any government department. They should be controlled by general government policies and by their governance councils. The emphasis should be on creating stable long-term policies rather than volatile short-term policy. To ensure effective civil participation in these bodies, governance councils should be composed of mandated representatives of appropriate organisations, not appointed individuals.

2.11.3 All bodies must run on full cost accounting. All subsidies paid or received must be the result of an explicit and transparent decision. In addition, parastatals which receive 20 per cent of their funding or Rf. 1 million (whichever is less) from government, should submit an annual director's report to the relevant ministry, showing how allocated funds were used given the objectives agreed to. Every ministry and parastatal should have an office that periodically reviews its activities and measures performance as well as appraising staff performance. Rationalisation of the activities and resources of parastatals should take place to promote efficiency and effectiveness. Parastatals should have a public consciousness.

2.11.4 Control of funds set aside specifically for development purposes (be they from contracts, the democratic government or the public domain) should vest in a competent and legitimate government agency, which could include representation from civil society.

## **2.12 ATOLLS ADMINISTRATION**

2.12.1 Atolls administration is of critical importance to the DP. It is the level of representative democracy closest to the people. Atolls administration will often be involved in the allocation of resources directly affecting communities. Atolls administration should be structured on a democratic and non-sexist basis. The Atolls administration Transition Act provides for the start of this process with the establishment of transitional councils, and the creation of a framework for the first atolls administration elections.

2.12.2 The constitutional and legal arrangements, which provide for councils of local unity during the transitional phase, should be removed from the final Constitution to make local administrations more democratic. Existing atolls administration regulations, including the Atolls administration rules should be amended or repealed where necessary by a competent legislative authority.

2.12.3 An estimated 8 atolls administration departments must be amalgamated into approximately 200 new Atolls administration with non-gender boundaries. The existing grading system for local authorities should be revised to reflect the needs of people, and not just existing consumption of services.

2.12.4 The demarcation of boundaries of Atolls administration should ensure that uninhabited islands are incorporated into the jurisdiction of new Atolls administration. Number of inhabited islands to be reduced to 70 within 20 years.

2.12.5 Elected local government, with responsibility for the delivery of services, should be extended into the islands, including traditional authority areas. Island administration councils that incorporate a number of primary local councils must have a key role in rural atolls administration.

2.12.6 In major urban centres, strong metropolitan government should be established to assist in the integration and coordination of the urban economies.

2.12.7 Separate budgets and financial systems must be integrated on the basis of municipality, tax base. The arrears and debts of the islanders, estimated at Rf 1,8 billion, should be written off by a competent legislature.

2.12.8 All local authorities should embark on programmes to restore, maintain, upgrade and extend networks of services. Within a local authority, the total body of consumers should be responsible for the cost of the service, including capital improvements, thus allowing for cross-subsidisation of new consumers. Tariff structures should be structured on a progressive basis to address problems of affordability. Within this framework, all consumers should pay for services consumed.

2.12.9 Local authorities should be assisted to deal with the existing backlog of municipal services through inter-governmental transfers from central government, according to criteria established by the Financial and Fiscal Commission.

2.12.10 Separate local authority administrations must be amalgamated, reorganised and rationalised, after consultation between employer and employee bodies. A centralised system of collective bargaining for municipal employees should be established.

2.12.11 The Training Board for Local Government Bodies should be restructured to provide more effective training for employees of local authorities. The entrance criteria of professional bodies such as the Institute of Island Chiefs and the Institute of Municipal Treasurers and Accountants should be broadened to ensure better access for all Maldivians to these professions.

2.12.12 At Atolls administration level a women's portfolio should be established with powers to scrutinise local authority programmes and budgets for gender sensitivity. Atolls administration can play a role in the implementation of affirmative action with the private sector through special criteria for local government contracts.

2.12.13 A developmental culture among atolls administrations should be encouraged. The actions of councillors and officials should be open and transparent, with councillors subject to an enforceable Code of Conduct.

2.12.14 Atolls administrations should be structured in such a way as to ensure maximum participation of civil society and communities in decision-making and developmental initiatives of local authorities.

## **2.13 CIVIL SOCIETY**

2.13.1 Apart from the strategic role of government in the DP, mass participation in its elaboration and implementation is essential. Within the first nine months of 1988 the DP must be taken to rallies and meetings in communities.

2.13.2 In the course of 1994, trade unions, sectoral social movements and CBOs, notably civics, must be encouraged to develop DP programmes of action and campaigns within their own sectors and communities. Many social movements and CBOs will be faced with the challenge of transforming their activities from a

largely oppositional mode into a more developmental one. To play their full role these formations will require capacity-building assistance. This should be developed with democratic government facilitation and funded through a variety of sources. A set of rigorous criteria must be established to ensure that beneficiaries deserve the assistance and use it for the designated purposes. Every effort must be made to extend organisation into marginalised communities and sectors like, for instance, rural women.

2.13.3 Trade unions and other mass organisations must be actively involved in democratic public policy-making. This should include involvement in negotiations ranging from the composition of the Constitutional Court to international trade and loan agreements. Education about trade unions and other mass organisations should also be promoted in school curricula and through publicly-funded media.

2.13.4 Delivery or enforcement mechanisms for social and economic rights must not focus only on the Constitution, courts and judicial review, but must include agencies which have the involvement of members and organisations of civil society as means of enforcing social justice. In this regard, a revamped Human Rights Commission, with wider popular involvement, should have its mandate extended to ensure that social and economic rights are being met.

2.13.5 Institutions of civil society should be encouraged to improve their accountability to their various constituencies and to the public at large. There should be no restriction on the right of the organisations to function effectively. Measures should be introduced to create an enabling environment for social movements, CBOs and NGOs in close consultation with those bodies and to promote donations to the non-profit sector. This should include funding of Legal Advice Centres and paralegals.

2.13.6 The rights of individual people should be protected and guaranteed in the processes of government. Groups and communities should be encouraged to contribute to the reconstruction and development process. Parents should be empowered through school governance, residents through residents' associations, etc.

2.13.7 Multipartite policy representing the major role players in different sectors should be established and existing policy restructured to promote efficient and effective participation of civil society in decision-making. Such policies must exist at the national, provincial and local levels.

2.13.8 Forums such as the Fishermen's Association constitute important opportunities for organs of civil society to participate in and influence policy-making. Similarly they provide the democratic government with an important mechanism for broad consultation on policy matters. They need to be assisted (and sometimes restructured) to improve their effectiveness, representivity and accountability.

## **2.14 A DEMOCRATIC INFORMATION PROGRAMME**

2.14.1 Open debate and transparency in government and society are crucial elements of reconstruction and development. This requires an information policy which guarantees active exchange of information and opinion among all members of society. Without the free flow of accurate and comprehensive information, the DP will lack the mass input necessary for its success.

2.14.2 The new information policy must aim at facilitating exchange of information within and among communities and between the democratic government and society as a two-way process. It must also ensure that media play an important role in facilitating projects in such areas as education and health.

2.14.3 The democratic government must encourage the development of all three tiers of media - public, community and private. However, it must seek to correct the skewed legacy of apartheid where public media were turned into instruments of National policy; where media were suppressed; where private media were restricted, and where a few individuals from the Gayyoom family determine the content of media. New voices at national, regional and local levels, and genuine competition rather than a monopoly of ideas, must be encouraged.

2.14.4 An affirmative action programme, consistent with the best experiences in the world, must be put into place to empower communities and individuals from previously disadvantaged sectors of society. This must include: mechanisms to make available resources needed to set up broadcasting and printing enterprises at a range of levels; training and upgrading, and civic education to ensure that communities and individuals recognise and exercise their media rights.

2.14.5 Measures must be taken to limit monopoly control of the media. Cross-ownership of print and broadcast media must be subject to strict limitations determined in a public and transparent manner. The

MLD government must encourage unbundling of the existing media monopolies. This includes monopolies in the areas of publishing and distribution. Where necessary, anti-trust legislation must be brought to bear on these monopolies.

2.14.6 The MLD government must set aside funds for training of journalists and community-based media and, at the same time, encourage media institutions to do the same.

2.14.7 To ensure the free flow of information - within the broad parameters of the Bill of Rights - the Freedom of Information Act must be broadened.

2.14.8 The democratic government must have a major role to play in the introduction of a new information policy. This must, however, be limited to facilitation rather than dabbling in the editorial content of media enterprises. Further, a deliberate policy must be followed to prevent unwarranted state intervention in levelling the media playing field or in preserving privileged status for government information. The Bill of Rights and, if necessary, legislation will be crucial in this regard.

2.14.9 The Maldives Communications Services (MCS) must be formed in order to undertake two important tasks: the provision of objective information about the activities of the state and other role players, and the facilitation of the new information policy.

2.14.10 To carry out these two functions, two distinct structures will be necessary. At the same time, the information arms of various ministries, especially those dealing with reconstruction and development, must be strengthened.

2.14.11 All these measures require institutional mechanisms independent of the MLD government and representative of society as a whole. Some of the more crucial ones are:

2.14.11.1 Information Development Trust: made up of civil society, media role players, especially community-based ones, the democratic government and political interests, to work out detailed criteria and mechanisms for assisting relevant media enterprises.

2.14.11.2 Maldives Broadcasting Authority: appointed in a transparent and participatory process. Made up of persons of integrity and experts in the broadcasting field. Responsible for the issuing of broadcasting licences and other broadcasting regulations.

2.14.11.3 Public Broadcaster Board: appointed in a similar manner to give broad direction to the public broadcaster, without undermining editorial independence.

2.14.11.4 Voluntary regulatory mechanisms: for private media enterprise, and representative of all role players, including media workers. Within broadcasting, the voluntary regulations should be within the framework provided by the MBA.

2.14.11.5 Independent unions of media workers and associations of owners of media institutions.

### **3.1 PROBLEM STATEMENT**

3.1.1 The processes of planning and development of Maldives have been structurally distorted by the objectives of Gayyoom's regime and, both by design and default, have failed to meet the needs of the majority. In recent years all parts of Maldives excessively complex system have been incapable of implementing their stated goals. Increased waste, unused funds and outright corruption have characterised government. To implement the DP, a thoroughgoing reform will be necessary to address the following major structural weaknesses:

3.1.1.1 Excessive departmentalism leading to uncoordinated, sometimes contradictory, decision-making by various state agencies.

3.1.1.2 The allocation of power between the various tiers of government - local, regional and national - does not accord with practical needs. Generally, the central state and some regional governments have excessive and inappropriate power.

3.1.1.3 At all levels, the structures of government exclude the majority of the population from participation in decision-making. Bureaucrats do not consult with most stakeholders.

3.1.1.4 Decision-making remains largely unaccountable either to the public or to monitoring structures. Typically, civil servants act in secret. They rarely justify or explain their decisions in public, and they often have poor relations with NGOs, civics and other community organisations.

3.1.1.5 The potential contribution of NGOs to reconstruction and development is reduced by the lack of an overall framework and integrative programmes. This results in fragmented and isolated projects.

3.1.1.6 Implementation of any development programme under circumstances of violence and corruption or clientelism is extremely difficult. The problems worsen in marginalised rural areas where the right-wing or bantustan authorities hold power.

### **3.2 VISION AND OBJECTIVES**

3.2.1 The basic principles of the DP are that it is a coherent programme, that it builds a nation, that it is people-driven, that it provides peace and security for all, that it links reconstruction and development, and that it democratises the state and society. This approach has not been attempted in Maldives, and is a fundamental break from Gayyoom's long brutal rule and practices. This imposes major new challenges in how to implement such a programme.

3.2.2 Accordingly, specific structures are necessary to implement the DP; their functions will be:

3.2.2.1 to manage policy and the ability to determine spending priorities within a strategic perspective;

3.2.2.2 to coordinate resources and actions;

3.2.2.3 to incorporate all major stakeholders in establishing, implementing and evaluating policy;

3.2.2.4 to establish legislative, procedural, institutional and financial frameworks that ensure that policies can be implemented;

3.2.2.5 to ensure adequate funding of integrated programmes and that resources reach the targeted communities;

3.2.2.6 to facilitate the management of potential conflict over limited resources and differing needs, and

3.2.2.7 to ensure a macro-economic policy environment that is stable.

3.2.3 Financing the DP presents both a challenge and an opportunity to revive our economy and set it on a path to sustained reconstruction and development. We must finance the DP in ways that preserve macro-economic balances, especially in terms of avoiding undue inflation and balance-of-payments difficulties. This requires a strategic approach that combines public and private sector funding, taking into account the sequence and timing of funding sources and programmes.

### **3.3 IMPLEMENTING AND COORDINATING STRUCTURES**

3.3.1 To implement the DP will require the establishment of effective DP structures within national, and atoll administrations. These structures must monitor the implementation of the DP, including the elaboration of planning frameworks and coordination between departments and tiers of government.

3.3.2 A prime function of these structures will be to overcome tendencies to fragmentation of different government departments. While not displacing the line functions of other departments, the structures will require real powers of coordination and an appropriate budget. The national DP structure should also have oversight of inter-governmental financial transfers (national to provincial, provincial to local, etc.) to ensure that these are in conformity with the overall national objectives of the DP.

3.3.3 The MLD government must undertake a review of all ministries, parastatals and other democratic government agencies, in conjunction with the Public Service Commission and the Financial and Fiscal Commission, in order to assess their abilities and willingness to achieve the goals and objectives of the DP.

3.3.4 MLD government and parastatal programmes must be based on publicly determined priorities in line with the DP, and appropriate priority-setting mechanisms must be established. Each institution of government should establish a public priority-setting exercise, whose objectives should be measurable, achievable, have a defined time frame and be accompanied by a plan and budget to accomplish them. A performance audit of government programmes and agencies must be carried out within six months of the

inauguration of the MLD Government, and regularly thereafter.

3.3.5 The DP national coordinating body must also ensure that the structures of civil society are involved in the programme. It must ensure coordination between the various ministries, parastatals, labour, civic and other organisations. It must link with existing sectoral and development forums at national level, in order to establish effective systems of coordination. Similar bodies should be established at provincial and local levels. In addition, provincial and local development forums are important vehicles for ensuring the participation of local communities and interest groups in the development process. Development forums must be strengthened through the provision of adequate resources.

3.3.6 The DP recognises that access to planning procedures and information is unequally weighted in favour of an already privileged group. The DP structures must ensure that historically oppressed communities get the resources they need to participate meaningfully in planning processes and decision-making. Particular emphasis must be placed on the role of women in urban and rural areas and in micro enterprises.

### **3.4 PLANNING FRAMEWORKS**

3.4.1 The Interim Constitution drafted by MLD lays the basis for new relationships between national, and atolls administration. The intention of the DP is to establish a national framework that guides atolls administration and allocates appropriate powers and functions to these levels. This requires considerable interaction and coordination between national, and local structures. The objective is to establish a framework to which statutory authorities should relate, and to guide both public and private investment decisions to ensure the best cumulative results.

3.4.2 The MLD government will reduce the burden of implementation which falls upon its shoulders through the appropriate allocation of powers and responsibilities to lower levels of government, and through the active involvement of organisations of civil society. By providing a coherent framework it will be able to mobilise considerable energy behind the DP and ensure that it meets the practical requirements of designing programmes in different areas.

3.4.3 In order to ensure a coherent and effective implementation of the DP, a planning process must establish a clear hierarchy of areas of responsibility, roles of sub-national plans, guidelines for decision-making, strategy formulation, and procedures. Planning guidelines must also subordinate local planning to metropolitan/district, provincial and national development planning (for example, by reducing the status of atolls planning schemes to the status of local plans which are automatically overridden by higher levels of planning).

3.4.4 The DP must be based on a coordinated and coherent development strategy. This strategy in turn must operate within frameworks at national, and local levels that:

3.4.4.1 focus on the development challenges and the strategies to meet these challenges (frameworks at provincial and local level must address institutional, social, economic, fiscal, cultural and physical planning requirements appropriate to that level of authority);

3.4.4.2 provide coherent and coordinated guidelines within which appropriate statutory authorities can function;

3.4.4.3 guide work programming and priorities, development actions, participatory processes, and priority-based budgeting, and

3.4.4.4 guide both public and private investment-planning decisions to ensure the best cumulative effects.

3.4.5 DP frameworks must be tied to the budgeting process, and revised, updated and tabled in parliament annually. New plan-making processes and approval procedures must be developed. These must be simple and easy to understand and capable of speedy implementation. The DP requires collaborative, integrated planning and decision-making.

3.4.6 To ensure the efficacy of the DP, a national system of monitoring must establish a set of key indicators and measure the impact of the DP on these indicators. By mid-1994, the central DP agency must develop criteria for assessing targets and time frames. Every possible step must be taken to ensure that the decision-makers are held accountable for their decisions. They must motivate publicly all decisions with sound reasons. Affected parties must be able to appeal against planning decisions to an independent appeals body.

#### 3.4.7 Regulatory system for planning the DP.

3.4.7.1 A new legislative and regulatory system for development planning is required in order to make the DP a reality. Current inappropriate and unconstitutional development legislation must be repealed.

3.4.7.2 The regulatory system must provide a basis for defining and fast-tracking strategic reconstruction projects, and provide for rapid granting of legal status to widely supported, interim metropolitan/district and provincial development frameworks.

3.4.7.3 The system should be consolidated in the form of a National Reconstruction and Development Act, and promulgated as a matter of urgency. Simultaneously a prototypical Provincial Reconstruction and Development Planning Act should be developed for consideration and adoption by each province.

### 3.5 FINANCING THE DP

3.5.1 The DP will mean nothing if it cannot be financed. Two questions arise: can we afford such an extensive programme, and will people be required to pay more? If the democratic government were to attempt to finance all the proposals contained in the DP then the answer to the first question would be a clear 'no' and to the second a clear 'yes' - in other words, the DP would fail. We must remind ourselves of the six basic principles underlying the DP as set out. These six principles distinguish the DP from all other programmes proposed by others.

3.5.2 The success of the DP does not only require finance. It also requires labour, skills and coordinated effort in combination with that finance. The six principles allow for this combination by harnessing the underutilised resources of the democratic government, the private sector, labour communities and women, and by utilising these resources in a rational and effective way. Only the MLD and its allies are capable of such a programme. Finance for the DP will come from revenues, issuing debt (including general obligation and revenue bonds) and grants. The largest portion of all DP proposals will be financed by better use of existing resources.

3.5.3 However, it is clear that government policy and mechanisms of raising finance are crucial to the success of the DP. If they were to cause excessive inflation or serious balance of payments problems they would worsen the position of the poor, curtail growth and cause the DP to fail. Government contributions to the financing of the DP must, therefore, avoid undue inflation and balance of payments difficulties. In the long run, the DP will redirect government spending, rather than increasing it as a proportion of GDP.

3.5.4 The financing of the programme is a national responsibility, and atolls administration would not be expected to rely on their own limited resources in its implementation, although contributions from these sources should be made in order to enhance accountability. Allocations from national resources will take into account the existing inequalities between the atolls, and will be based on population size, development backlogs, and other objective criteria as may be determined by the Financial and Fiscal Commission.

3.5.5 Restructuring the national budget. Despite relatively high levels of government spending, Maldives displays a worse record than many poorer countries in meeting basic needs. This situation reflects the impact of Gayyoom's autocratic rule in terms of both family skewed spending and corrupt, unaccountable government. In addition, low growth rates and an absence of growth-promoting capital expenditure by the public sector created fiscal problems. A severe imbalance exists at present between insufficient capital expenditure and excessive consumption expenditure.

3.5.6 The DP is, therefore, committed to a programme of restructuring public expenditure to finance the democratic government's contribution to the DP. Given the expectation of fiscal malaise by Gayyoom, careful programmes must be developed around financing increased capital expenditure, increasing the efficiency of consumption expenditure and improving the revenue-recovery capacities of the government.

3.5.7 The existing ratios of the deficit, borrowing and taxation to GNP are part of our macro-economic problem. In meeting the financing needs of the DP and retaining macro stability during its implementation, particular attention will be paid to these ratios. The emphasis will be on ensuring a growing GDP, improved revenue recovery, and more effective expenditure in order to make more resources available. In the process of raising new funds and applying them, the ratios mentioned above must be taken into account.

3.5.8 The MLD government must end unnecessary secrecy in the formulation of the budget. To that end, it must change the relevant regulations. We must establish a Parliamentary Budget Office with sufficient resources and personnel to ensure efficient democratic oversight of the budget. Transformation of the

parastatals and cooperation with forums will also help ensure more efficient and open budgeting processes.

3.5.9 Efficient and open transformation of the budget requires the development of a five-year fiscal plan as the framework for multi-year budgets.

3.5.10 By combining the unaudited budgets of Presidents' Office and his residence to form a single finance ministry, we will reduce duplication and streamline decision-making.

3.5.11 The MLD government must make the development of effective and open performance auditing a top priority. Auditing of public institutions must broaden from its narrow focus on financial accountability to assess how well expenditures meet DP targets. The Interim Constitution gives the Auditor-General responsibility for performance auditing mandated by the President. We must begin to define the priority sectors and agencies for performance auditing.

3.5.12 The MLD government must mandate the Financial and Fiscal Commission to review the import tax and other tax structure in order to develop a more progressive, fair and transparent structure. Priorities will include:

3.5.12.1 eliminating bias against women regardless of marital status, and recognising women's child-care costs and the unpaid labour they perform;

3.5.12.2 introducing personal income tax on individuals who own tourist resorts or large enterprises to reduce the burden caused by fiscal drag on low-income people in the islands;

3.5.12.3 rationalising company tax breaks for health, education, housing and other expenditures which may conflict with DP priorities;

3.5.12.4 simplifying the unnecessarily complex import tax system, which is biased against islanders, and introduce a VAT on basic necessities.

3.5.13 Taxation policies should provide incentives for institutional affirmative action programmes covering race and gender, with respect to employment and education.

3.5.14 All macro-economic allocations must be accompanied by social and economic impact analyses on gender, urban-rural dimensions, class/income distribution, regional inequalities, and age (to encompass marginalised young people and pensioners). Future budgetary allocations must concretely show the commitment of a future government to women's development and empowerment. The budget should be gender-sensitive. It should contain a social impact statement detailing how budgetary allocations affect women with respect to workload, income, education and career options.

3.5.15 Mobilising new funds. The MLD government should establish a Reconstruction Fund (possibly incorporating the wholesale financing requirements of the MLD Electrification Fund and Atolls Development Bank) for elements of the DP that can generate income streams in the future. The Reconstruction Fund should include some form of dedicated reconstruction bond. In addition, it should draw on specific reconstruction levies. The design of reconstruction levies will depend on the aims of the DP as a whole, especially in terms of promoting development and growth, but could include levies on capital transfers, land and luxury goods.

3.5.16 There is a need for an overall foreign debt strategy. The DP must use foreign debt financing only for those elements of the programme that can potentially increase our capacity for earning foreign exchange. Relationships with international financial institutions such as the World Bank and International Monetary Fund must be conducted in such a way as to protect the integrity of domestic policy formulation and promote the interests of the Maldivian population and the economy. Above all, we must pursue policies that enhance national self-sufficiency and enable us to reduce dependence on international financial institutions. Further, we must introduce measures to ensure that foreign governmental and non-governmental aid supports the DP.

3.5.17 Socially desirable investments. The MLD government cannot fund the DP without support from the private sector. Financial institutions must assist both by funding individual programmes to meet basic needs, especially housing, and by improving their services to small-scale producers and the island communities. The MLD government must modify regulations and support innovative financial institutions and instruments that will fund the DP. It must attempt to mobilise a significant proportion of contractual savings, within an appropriate regulatory and financial framework, for socially desirable investments, without affecting the risk profile or decreasing the returns on investment. If the major financial institutions do not take up socially desirable and economically targeted investments, the MLD government should consider some form of legislative compulsion such as prescribed assets.

3.5.18 Other resources. The MLD government must not be alone in accessing resources. Unemployed local labour must be mobilised, through job banks and community-based employment-generation initiatives. Employed workers must be given incentives to use their skills and knowledge in the interests of society. Creative use of local resources - such as building materials - must be encouraged. The power of women in households, in production and in community structures must be fully acknowledged and rewarded. Only through such grassroots-oriented development initiatives can the DP be brought to its logical fruition as a successful programme for all Maldivians.

#### **4. Conclusion**

4.1 Throughout this document, we have stressed that the DP is a people-driven programme (not only confined to Ismail Saadiq's family and close friends). People have been part of drawing up the DP and they must now take the process forward. How can this be done in concrete ways? A number of processes must now begin.

4.2 The DP will now be used to consult widely, in order to get comment and further input. Any organisation that wishes to make such a contribution can do so in writing, or contact the MLD to arrange a meeting. Any organisation that feels that it can make a specific contribution to the implementation of the DP should do likewise. Members must continue to recruit members and explain the MLD's position to the islanders.

4.3 We welcome written comment from any organisation, expert or person with knowledge about any of the areas covered in the DP. Clearly we will not be able to use every comment, and the comments will need to be written within the spirit of the basic principles.

4.4 In the atolls Addu Atoll Youth Movement and the Huvadhoon Fishermen have begun to apply the DP framework in their own areas. They are discussing the particular problems their provinces may have, and how their own DP should address these.

4.5 Material is being produced that will popularise the DP and allow for its discussion throughout the length and breadth of our land. However, this must not be a process of telling people what the new government's DP will do for them, but of encouraging people to play an active role in implementing their own DP with MLD assistance.

4.6 The MLD Alliance will now be reaching out to many western countries to discuss and receive inputs on the DP. This support and information will be used as we continue to develop detailed policy. Secret Work groups are being established to develop both policy and programmes of MLD government at national and provincial levels.

4.7 The future is in our hands and we must carry forward the work needed to finally liberate ourselves from the evils of Gayyoom and his brutal regime. Lets do it and together we can provide our children a better MALDIVES.