



A Year of Multi-Party Democracy in Maldives

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Summary

In Maldives a multi-party democracy was ushered in towards the end of the year 2008. The newly elected government of president Nasheed tried to deepen this democracy during 2009 by holding elections for the Majlis. His government is faced with several challenges. The profligate economic policies of President Gayoom had left the country nearly bankrupt. The economic woes were worsened by the global recession. President Nasheed managed the situation well by seeking financial assistance from international institutions and friendly countries. He also implemented certain austerity measures which helped improve the situation though they also made him somewhat unpopular. Maldives is also facing the problem of rising Islamic fundamentalism. This problem has now been acknowledged by President Nasheed who proposes to take action in consultation with the security and defence agencies of the country. For the low-lying islands of Maldives climate change has been a serious issue. In the past year, Nasheed managed to highlight the issue at several international fora. His government also took several steps on the foreign policy front. His government took a bold step of reviving ties with Israel. The country's relationship with India has also seen marked improvement. Its relationship with the US and China has also been growing. The new constitution is working well and the country at present seems to be well on the road towards a genuine democracy.

Maldives had witnessed a successful transition to multi-party democracy towards the end of the year 2008. The 2008 elections brought to power Mohammed Nasheed, and caused the exit of Maumoon Abdul Gayoom. The year 2009 was no less important from the point of view of political developments in the country. During the year, an effort was made to further consolidate multi-party democracy by holding elections for the Maldivian parliament, the Majlis. These elections were held on May 9, 2009 and were the first multi-party election for the Majlis.¹ 458 candidates participated in the electoral battle. The Maldivian Democratic Party (MDP) put up 76 candidates, 56 were from Gayoom's Dhivehi Rayyithunge Party (DRP), 17 from the Republican Party, 4 from the Adhaalath, and 5 from the Islamic Democratic Party (IDP). Gayoom's brother and leader of the People's Alliance (PA) also put up some candidates. Besides, a large number of independent candidates were in the fray.

PARLIAMENTARY ELECTION 2009

Summary of the 9 May 2009 Maldivian Assembly election results

Party	Votes	%	Seats
Dhivehi Rayyithunge Party	40,886	24.62%	28
Maldivian Democratic Party	51,184	30.81%	26
People's Alliance	8,283	4.99%	7
Dhivehi Qaume Party	5,854	3.52%	2
Republican Party	7,001	4.22%	1
Justice Party	1,487	0.90%	-
Social Liberal Party	674	0.41%	-
Gaume Itthihaad	518	0.31%	-
Islamic Democratic Party	214	0.13%	-
Maldives National Congress	119	0.07%	-
DFP	50	0.03%	-
Independents	49,835	30.00%	13
Total	166,105	100.00%	77

Source: Electoral Commission of the Maldives As quoted in http://en.wikipedia.org/wiki/Maldivian_parliamentary_election,_2009

¹ Nicholas Milton, Maldives holds first fully democratic parliamentary election, The Telegraph (UK) 09 May 2009 at <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/maldives/5297813/Maldives-holds-first-fully-democratic-parliamentary-election.html>

In these elections MDP failed to get a majority. The DRP, combined with the PA, emerged as a very strong opposition with just four seats short of a simple majority.² Still, the election results were not seen as a setback for Nasheed. This kind of verdict was expected since the MDP did not fight these elections as part of a coalition. The presence of numerous candidates in the fray had ensured that the MDP would not sweep the polls. But a clear majority would have definitely given the president a free hand especially in a situation where the opposition is not so well-disposed towards him. The smaller parties were washed out in the elections. Parties like the Adhaalath party and Islamic Democratic Party which placed too much emphasis on religion also lost. There was an incremental increase in the MDP vote share. Still, it is too early to say whether Maldives is moving towards a two-party system.

Nasheed probably underestimated the influence of Gayoom who, along with his brother, emerged as a formidable opposition. Nasheed also made the mistake of thinking that the bitterness between him and the opposition had disappeared permanently after he was elected president. This expectation of Nasheed was based on the bonhomie that existed at that time between him and the former President. Actually, at the press conference held just before Nasheed's take over, Gayoom did call on the people to embrace the changes in the "spirit of unity and nationalism, forgetting the past rivalry and differences." Nasheed thought that Gayoom's party would cooperate with the new government. But, unfortunately, this did not happen and Gayoom went back on what he had promised. Though Gayoom had received all the privileges and monetary support from the government, he was probably looking for immunity for his past actions. However, the government was not willing to provide him such an immunity. As a result Nasheed faced difficulty in implementing his policies and programmes. The first three-month-long session of the Majlis ended in September without a single bill being passed.

The members of the new Majlis took oath on 19 May 2009. Former foreign minister Abdulla Shaeed of DRP was elected as the Speaker while the post of Deputy Speaker went to Ahmed Nazim of PA. Both have tainted pasts and were adversely commented upon in the Auditor General's report for financial irregularities.

Despite his party failing to get a majority in parliament, Nasheed gave the impression that it was a good thing since it would help to keep the government accountable. But soon he faced a practical problem when the opposition started frustrating his every move and created hurdles in his running of the country. The government received some comfort when four MPs from other parties including the foreign minister Dr. Ahmed Shaheed decided to support the ruling party. But this was a short-lived comfort and soon the Dhivehi Qauvmee Party (DQP) led by former Attorney General Dr. Hassan Saeed withdrew its

² Maryam Omid, Provisional results reveal opposition victory, Minivan News, 13 May 2009, at http://www.minivannews.com/news_detail.php?id=6509

support to the government. This party was started by Dr. Hassan Saeed along with the current foreign Minister Dr. Ahmed Shaheed and Dr. Mohammed Jameel. They had also whole heartedly supported President Nasheed in the run off to the second round of Presidential elections.

Though the differences have been simmering they came out in the open when Dr. Hassan Saeed openly called for the resignation of the Finance Minister for his poor performance. Subsequently, the party also withdrew support to Nasheed and alleged the MDP of irresponsible behaviour and not consulting its allies. With the exit of DQP from the government, the Foreign minister had no choice but to leave the DQP and join the ruling party - the MDP. He justified this step by saying that it was time to reinforce the government and time to reassess "where we all stand."

Nasheed refrained from being vindictive towards the opposition. When the opposition threatened to carry out island-wide demonstrations in the first week of November, Nasheed stated in a party meeting that he would not stop them from holding demonstrations against the government. He showed unwillingness to repeat what had happened to his party and himself during the regime of Gayoom. In this way, he tried to be different from the earlier regime.

The new constitution of Maldives completed a year in the month of August 2009. The ratification of this constitution by President Gayoom just in time on 7 August 2008 had enabled the country to go through the Presidential elections before his term ended. This was also partly because of the spirited fight of the unofficial MDP members and a no nonsense Speaker of the Special Majlis - Gasim Ibrahim.

Maldives, a homogenous country, appears quite comfortable with the new dispensation although it is just one year old. President Nasheed has acknowledged that he had not found any difficulty in running the country according to the constitution. Some credit for bringing in this new constitution was also given to former president Gayoom who despite having all the powers did not try to block a completely new constitution. But at the same time he ensured that the constitution did not bar him from contesting again. Clearly, Gayoom at that time had the ambition to become President again after three decades of absolute rule. Thankfully, it appears that now he has given up that dream.

President Nasheed took some hard decisions once the parliamentary elections were over. He sacked one of his cabinet ministers, two senior and experienced army officers and his Attorney General. He also created controversy by forming a six-member investigative commission on 17 May 2009 to investigate into embezzlement of state funds, fraud and corruption. The opposition DRP called it a foul play and termed the order as unconstitutional. It felt that the President was not authorized to establish commissions which could issue arrest warrants. They alleged that it was a veiled attempt to harass, defame senior DRP leaders like former President Gayoom and of the PA. They also termed

it as an “erosion of democracy.” But Maldivian constitution does allow the president to appoint temporary commissions to advise him on national issues and to conduct investigations. Interestingly, the DRP tried to project itself as a champion of democracy after 30 years of not so democratic rule and Gayoom accused the Nasheed government of regressing from the democratic ideals established under his rule. He also called upon the Parliament to hold the government accountable. Gayoom also lodged a complaint with the Human Rights Commission of Maldives about the treatment being meted out to him.

This action of president Nasheed also indicated a departure from his “forget and forgive” policy which he had adopted immediately after winning the elections. This policy was a little risky for him as Gayoom, despite his despotic rule, enjoyed significant support in the country. Moreover, he had allowed a smooth transition. This policy could have easily disturbed the smooth functioning of the government, which to a large extent it did.

It appears that there were two possible reasons for the change in Nasheed’s approach. First the enormity of the embezzlement of the state funds made it difficult for him to ignore it. Secondly, his colleagues were also putting pressure on him to prosecute Gayoom who, after having obtained all the privileges for a “former president”, was going about criticising the government repeatedly on all issues in party meetings. Many of them had also suffered under his regime.

While there were many cases of diversion of sources and misuse over a period of time, the 2007 audit report of the government particularly revealed waste, fraud and money laundering. The report of the Auditor General Ibrahim Naeem showed widespread fraudulent practices by government officials who cooked books and fudged documents. There were serious instances of corruption on the supply side. Further, the 2008 budget had an unacceptable deficit of Rf 4 billion and according to the Auditor General it was not a balanced one. He also informed that his warnings were not heeded and the existing dollar shortage was directly related to the imbalanced budget. Thus the former government was directly seen as responsible for the present severe economic crisis of Maldives.

Probably because of these factors, Nasheed was forced to take a relook at his earlier policy. The Presidential commission formally summoned Gayoom to its office on 12 July 2009 to probe into alleged embezzlement and corruption of state funds and resources. If all this lowered the status of the former president it also created an environment of confrontation between the ruling MDP and the opposition.

However, not all actions of the president were free from controversy. While he was perfectly justified in sacking the Attorney General for her out of turn remarks that were made public even before these reached the President, the sacking of Dr. Mohamed Jameel, minister for civil aviation and communications, and some army officers appear to be for reasons other than their inefficiency. Jameel had earlier gone public to the media about the government’s disregard for the constitution and the appointment of atoll and island councillors who were allegedly influencing the electorate.

Challenges before New Government

The new government in Maldives had taken over at a time of global recession and many Muslim countries are facing the problem of Islamic fundamentalism. This has presented several challenges before the government of President Nasheed.

Economic Situation

Nasheed had inherited an almost bankrupt government. He made this very clear when a World Bank delegation visited him. The country did not even have the minimum fiscal reserve that is required under the Constitution. The national debt was \$ 471.7 million in 2008 and was expected to go up.³ This was approximately 45 per cent of the GDP. The Maldivan Monetary authority feared that the national reserve would further plunge. The fiscal deficit rose to 13¾ percent of GDP in 2008, reflecting rapid increases in current expenditures, particularly in the wage bill, combined with a fall in tourism-related revenue in the second half of 2008, driven by the global downturn. In 2009, additional increases in salaries and wages have driven up spending, while revenues have been reduced further as the global crisis unfolded. Without corrective action, the fiscal deficit would have reached 33 percent of GDP in 2009.⁴ The magnitude of the crisis can be understood from the fact that President Nasheed had decided not to attend the “Copenhagen Summit” as a follow up to the Kyoto protocol, notwithstanding the fact that Maldives is one of the countries that will be adversely affected by climate change. Subsequently, however, the UN came forward to finance his trip to Copenhagen and to New York for the meeting at the United Nations.

Though the global recession was partly responsible for the economic woes of the Maldives, there were also a number of factors which were peculiar to Maldives. The salaries of government employees were increased. The previous government had also started construction work without making adequate provisions for it. These liabilities had to be borne by the new government. The previous government had appointed a large number of incapable people in senior positions with fat salaries, and it was managing all this by resorting to deficit budgeting. Besides, the country had to spend money on three elections in quick succession. The investigation of Presidential Commission has now revealed more details about Gayoom’s profligate habits, including huge expenses incurred at expensive hotels, medical treatment for family members, and loans to staff of the President’s office personnel and relatives.

To take stock of the economic situation in Maldives, an IMF delegation visited Maldives on 11 June 2009. This delegation however felt that there is very little that the administration

³ Report prepared by World Trade Organization, for the second trade policy Review of Maldives, 22 September 2009, p.13 at http://www.trade.gov.mv/publication_files/4af9b99a8bd89.pdf

⁴ “IMF Executive Board Concludes Article IV Consultation with Maldives,” IMF Public Information Notice (PIN) No. 09/142, December 30, 2009 at <http://www.imf.org/external/np/sec/pn/2009/pn09142.htm>

could do to insulate the country from the global economic crisis. The IMF delegation was of the opinion that GDP was likely to come down by 4.5 per cent. The Maldivian economy revolves around fish exports and tourism. Fish exports have come down and tourist arrivals have also shown a decline.

The grave economic situation forced President Nasheed to take some desperate measures which has also made the government somewhat unpopular. Steps have been taken to control government expenditure. Cabinet ministers were directed to reduce the wages in their departments by 20 per cent. Various departments were told not to hire private buildings for the government or for the departments under them. The government is also making efforts to move some government offices away from the capital to reduce expenditure. It is contemplating reduction in number of political appointees and some civil servants. Mosques specially built for women are being closed down to reduce the expenditure. The Deputy Minister for Islamic affairs has argued that in Islam the best place for women to pray is at home.

The government however could not succeed in reducing the salaries of the Members of Parliament (MPs) who are getting a salary of Rf 62,500 (US \$4800) per month. The members cutting across party lines joined hands and defeated the proposal. Some of the ruling party members also voted against the reduction.

The President's decision to reduce the salaries and allowances of civil servants was also objected to by the opposition. Nasheed's suggestion that the cuts would be restored with the improvement in economy was not accepted. A group of MPs belonging to DRP, PA and IDP filed a petition before the Civil Service Commission to reject the government's efforts to lay off civil servants or to reduce their pay and allowances. Even the Human Rights Commission of Maldives sided with the bureaucracy and urged the government not to reduce the allowances. This showed the clout the bureaucracy had in the country.

The same group of MPs also travelled to Colombo and addressed a press conference where they criticised the government on its intention of establishing diplomatic relations with Israel, economic and financial mismanagement and of the government's proposed action to a cut of about 20 per cent of salaries and allowances of civil servants. This group also had plans to visit Europe, USA and China to continue their campaign. This was surprising as the country's president himself had to depend on other countries to attend the global summit on climate change in New York and Copenhagen.

In Maldives, the number of civil servants is about 32,000, which is about 12 per cent of the total population. Nasheed felt that this ratio was very high. He wants to reduce this number by half before 2011. It is estimated that roughly 12,000 government employees are redundant. But these people cannot be simply sent home without adequate compensation. Moreover, efforts will also have to be made for their alternative employment.

The government is also planning some economic measures. It is contemplating some long term lease of islands for development and fisheries. Initially, four or five islands will be leased out. Nasheed also approached international financial institutions to overcome the crisis. He got positive response from many of them. The International Monetary Fund approved a total of \$92.5 million in financing to help the country tackle economic problems arising from the global downturn.⁵ The World Bank has also agreed to provide financial assistance. The European Union Investment Bank has also expressed its willingness to help out.

The Government of India had initially offered a loan of \$100 million. But this amount was substantially raised when a delegation from the Export-Import Bank of India visited Maldives on 1 July 2009. It offered a substantial \$300 million loan to the private sector of Maldives with government backing. Of these \$50 million will be spent in health and education sectors. Half the loan will be spent on public-private partnership programme in sewage management, road and harbour facilities.

Nasheed's attempts to bring the fiscal deficit down to 15 per cent have so far not succeeded. But he has spared no effort in seeking help from international institutions, friendly countries and even private parties to help the country come out of a severe crisis that was not his making. Economic difficulties have provided no time for Nasheed to make substantial progress on some of his pet schemes like restructuring the country, a national health scheme with a graduated health insurance for all, reduction in drug trafficking and drug addiction, social protection for the disadvantaged people and providing housing to the people particularly in Male.

Growing Extremism Posing Threat to Security

Maldives is also facing the problem of rising Islamic fundamentalism. In fact, this could prove to be the greatest challenge for the present government. The problem has become serious because of the free arrival of qualified and unqualified clerics from abroad. It is suspected that the Adhaalath party that has strong connections with Saudi Arabia is also playing a role in fuelling Islamic extremism in the country.

Unfortunately, a representative of the Adhaalath party has been made the minister for religious affairs in the cabinet. Nasheed had to do this as he had taken the help of Adhaalath party in the run-up to elections to rally anti-Gayoom forces. The minister banned former pop singer Al Rameez from reciting the azaar (call to prayer) and leading prayers in the mosques. It suspended the Imam of Ibrahmi mosque without valid reasons and blocked Islamic web sites indiscriminately. There was also inconsistency in awarding preaching licenses. Most importantly, the minister was opposed to opening to the public the tomb at

⁵ IMF approves \$92.5 mln in financing for Maldives, Reuters, December 5, 2009 at <http://in.reuters.com/article/marketsNewsUS/idINN0442124820091204>

Medhu Ziyaaraiy. This tomb is of Abdul Barakaa Yoosuf -al Barbari, who is believed to have brought Islam to Maldives in the year 1153. Though people in Maldives are very keen to visit this tomb, the Adaalath party has called it un-Islamic and forbidden by religion. To check this misuse of power, Nasheed has now appointed Sheikh Mohamed Farook, a religious scholar of the MDP, as a deputy minister of religious affairs.

Maldives has now officially admitted that many Maldivians were secretly collaborating with foreign militant organizations especially in Afghanistan and Pakistan and taking part in Jihad. Some of them have also been killed. In recent times, various religious organizations under different names have sprung up in Maldives and there is confusion about religious principles. Some of these organizations are suspected to have links with foreign religious groups and are supporting their activities.

On April 2, 2009 the Maldivian Defence Ministry announced that nine armed Maldivians were arrested in Pakistan's northern district of Waziristan.⁶ Earlier three Maldivians were arrested in a similar fashion in March. It is not yet clear whether these Maldivians were on their way to join the Taliban or were planning an attack. One of those arrested is said to be an accused in the Sultan Park explosion case but was reportedly released earlier for want of evidence.

The growing phenomenon of Islamic extremism has given rise to many controversies. An unsubstantiated allegation was made that the President during his visit to India consumed wine as a "toast" for the visiting dignitary. This frivolous allegation was however ignored by the president.

In the second week of June a Tabligh delegation from Sri Lanka visited Maldives to preach. This was a cause of another controversy as during the previous government the entry of the Tabligh was banned under the provisions of "Protection of Religious Unity Act." The State minister for religious affairs tried to defend the decision of the government by saying that the members of the Tabligh were not extremists. The earlier guidelines were that only a scholar with an under graduate degree from an Islamic University and who has lived in Maldives for a minimum of one year is eligible to preach.

There is a growing number of instances of public flogging particularly of women. In the year 2006, there had been 184 cases of flogging in public for extra marital sex of which 146 were women. Many such instances were reported in the year 2009 as well.

There has also been controversy over the TV channel "God" of Airtel which showed preaching by Christian missionaries round the clock. The government has asked Airtel to stop the telecast of this channel or face closure. To check the consumption of pork and

⁶ Pakistani's security force arrest 9 armed Maldivians, Maldives National Defence Force, 01 April 2009 at <http://www.mndf.gov.mv/news.asp>

alcohol, the Islamic Minister has called on the government to form a separate account for levies on these items, if they were essential for tourism in Maldives. It appears that while taking this decision the minister had assumed that only non-Islamic individuals consumed alcohol and pork.

On 8 November 2009 the al Qaeda released a video clip which featured a Maldivian national who reportedly killed himself in a suicide attack. The person shown was Ali Jaleel, a resident of Male. He stated that he would wage jihad and die as a martyr. He thought that his sacrifice would take the Ummah to its glory.

Though the government was slow in acknowledging this problem, it appears that it has decided to come to grips with the ground realities. Nasheed discussed this issue candidly during his weekly radio broadcast of 30 October 2009. He acknowledged that according to the information available with his government 10 Maldivians had died in the ongoing war in South Waziristan. He also revealed that there were close to one hundred Maldivian nationals in Waziristan and in the border region of Pakistan and Afghanistan. Besides, a hundred more Maldivian nationals have received military training in Pakistan to fight a war or for some other activities. A few Maldivians are also locked up in Pakistani jails. There are also Maldivians who have received such training and are back in Maldives. Interestingly, the parents of the Maldivians who are in South Waziristan believed that their children had gone for higher education and not for fighting a war.

Nasheed proposes to take action in consultation with the security and defence agencies in the country. He has cautioned parents not to send their children to Pakistan or even to India to study in madrassas. He feared that even students sent to Pakistani universities could be recruited for extremist activities.

Though religion still happens to be a sensitive issue in Maldives, with multi-party democracy and free press religious issues are being discussed openly in the country. The phenomenon of rising Islamic extremism has also been confirmed by Ahmed Abdul Kareem who is a member of the Human Rights Commission of Maldives (HRCM). He has pointed out that prayers are now being conducted in non-designated places and in many cases girls are not being sent to schools. Children are not being vaccinated and girls are often forced to marry at a young age. Cases of concubinage were also reported. The member criticised the government for not taking action against the extremist religious leaders and allowing them to spread extremism in Maldives.

Recently, to dissuade people from going to Waziristan, the Minister of Islamic Affairs stated that fighting a war is not the only part of Jihad. The Minister has also revealed that three years ago he had come across a group of women who were leaving Maldives to fight a religious war in the name of Jihad. These women returned to their homes when they were told that fighting is not the right way to Jihad.

Religious extremism is not limited to Maldives and is an international issue. But Maldives, because of its small size and population, cannot afford to withstand an offensive of the type witnessed elsewhere. The new government in Maldives will need to take appropriate measures if it wants to control the phenomenon of Islamic extremism.

Foreign Policy

Maldives faces the gravest threat to its survival from the rising sea levels due to global warming. It is hardly surprising that climate change has been a priority area in Maldivian foreign policy. Soon after taking over, Nasheed made a surprising statement that he would like to set apart some funds for purchasing land elsewhere in view of the steady sinking of his country made up of over 1200 islands and atolls. Some thought that his announcement was strange and weird. But subsequently he successfully managed to highlight this problem in various international fora. He presented climate change as a human rights issues because it was threatening peoples' right to life. In March 2009 Maldives declared its intention to become the first carbon-neutral country in the world, a goal it plans to achieve within a decade. Nasheed and his cabinet members held an underwater cabinet meeting on 17 October 2009 in an effort to draw the attention of the world to the need to reduce global warming.⁷

Nasheed also made a five day visit to India during which the main event for him was the Delhi High Level Conference on Climate Change and Technology Transfer. He was the guest of honour at the conference.⁸ He reportedly discussed with Indian leaders the issue of climate change prior to the Copenhagen meeting. While it is difficult for India and Maldives to adopt a common approach over the issue of climate change, still India could help Maldives achieve its plans to become carbon neutral by 2020.⁹

President Nasheed made an impressive speech at the UN Summit on global warming in New York where he urged international action against global warming rather than just making empty pledges. The speech brought Maldives to the centre stage of international efforts to contain warming. He called upon developed countries to acknowledge their historic responsibility for global warming and accept emission reduction standards that would accept an average increase of not more than 1.5 degree Celsius. He indirectly urged India and China to take steps to check the phenomenon of climate change. He also successfully managed to carry along with himself the Alliance of Small Island States (AOSIS) to insist on a cap of an increase of global temperature by 1.5 degrees only, although

⁷ "Maldives Government dives for climate change," The Hindu, 17 October 2009 at <http://beta.thehindu.com/news/international/article35268.ece?css=print>

⁸ B. Muralidhar Reddy, "Maldivian president on five-day visit to India," The Hindu, 20 October 2009 at <http://beta.thehindu.com/news/article36073.ece>

⁹ B. Muralidhar Reddy, Climate change, bilateral ties top Nasheed's agenda for India visit, The Hindu, October 19, 2009, at <http://beta.thehindu.com/news/international/article35734.ece?css=print>

earlier a figure of 2 degrees Celsius was being talked about. He made three suggestions to deal with the problem of climate change.

- Developed Countries should accept a binding emission target consistent with a temperature rise of not more than 1.5 degree Celsius.
- Developing Countries, including India and China, should accept binding emission reduction to targets under the principle of common but differentiated responsibility.
- Developed Countries should provide additional and predictable adaptation finance.

Nasheed also pointed out that climate change has reached a critical phase and would soon become not just an environmental threat but a security concern too and if the world was at all serious about this problem then saving Maldives could be a good starting point.

Diplomatic Ties with Israel

President Nasheed took the important decision of establishing diplomatic ties with Israel. He revealed this decision while addressing the UN General Assembly. At the same time, he expressed his support for an independent and sovereign Palestinian homeland. He called for the release of Aung San Suu Kyi of Burma. He also expressed his abhorrence for terrorism in all its forms.

However, the decision of his government to revive relationship with Israel came under severe criticism. The opposition DRP virtually declared a war against his government. Foreign Minister Dr. Ahmed Shaheed tried to justify the decision by saying that donor countries like Qatar, UAE, Saudi Arabia and Kuwait were consulted before taking the decision. It appears that economic considerations played a major role in reviving ties with Israel.

Relations with India

The geographic location of Maldives, sitting astride the Sea Lines of Communication (SLOCs) in the Indian Ocean, makes it strategically significant for many countries around the world including India. Besides, Maldives is an important country of SAARC. Hence, both Maldives and India have tried to further deepen their bilateral relationship under the new dispensation.

A high-powered delegation from India visited Maldives on 30 June 2009. The delegation was led by the National Security Adviser of India and included the Foreign Secretary, Defence Secretary, Joint Secretary North and Director in the PMO dealing with Maldives. The delegation reportedly discussed the establishment of an Air wing of the Maldives National Defence Forces (MNDF) though no representative from the Indian Air Force was part of the Indian delegation. The delegation assured the MNDF of support for joint manoeuvres, protection of fishing grounds, joint operations to combat “challenges being faced” in the safety and security of the Indian Ocean.

To take Indo-Maldivian relations to a higher plane, Indian Defence Minister visited Maldives from 20 to 22 August 2009. Unfortunately, due to some unwarranted controversies, it turned out to be a low-key visit. This happened because a lot of hype was created in Maldivian media on the eve of the visit. Two prominent English language Maldivian newspapers created the impression that the Indian Defence Minister was visiting Maldives to sign a Defence Pact. The papers added that Maldives will soon be brought under the Indian security net. Two helicopters will be provided for air surveillance cover and that radars will be placed in all the 26 Atolls of the country to keep a watch on all vessels and aircraft approaching the island country. The data generated was to be fed into an Indian command centre, and to be used for joint naval and army exercises. It was also mentioned that under the agreement India would place its military assets including radars on Maldives to provide surveillance to that country and Indian warships would patrolling its waters to safeguard the country against terrorist attacks and sea pirates.

Following serious criticisms from a section of the public, Foreign Minister Dr. Ahmad Shaheed had to publicly defend the agreement and condemn those who were spreading "misinformation". He asserted that the agreement with India to expand defence capacity would not compromise the country's sovereignty. He rubbished the opposition's argument that the defence agreement with India would undermine Maldives's independence. He emphasized that Maldives needed foreign assistance to develop a sophisticated defence system, but overall security would remain with MNDF. He made it clear that none of the territorial waters of Maldives would go under Indian control and the present agreement was not like the agreement Maldives had with the United Kingdom hundred years ago.

The DRP's stand on the agreement is not clear, but enough hysteria about sovereignty likely to be compromised by the agreement was seen in the media in Maldives. The DRP leader Thamseen Ali pointed out that India and Maldives had always enjoyed close relations and the installation of radar systems in the islands of Maldives with the assistance of Indian government by the present government was nothing new. He urged all parties concerned to not spread stories and rumours without proper verification. He said, "India has maintained close relations with Maldives for a long time, India has always been a very friendly country; we, the DRP, have confidence that India will never do anything that may affect Maldives sovereignty and independence, we have every confidence that India will not involve in the internal affairs of Maldives; we have good reasons to say this; in the past India has acted very responsibly when Maldives sovereignty and independence was at stake, India deserves our gratitude."¹⁰ DRP thus subsequently distanced itself from opposition to the agreement but by that time the damage was already done.

The joint communique at the end of the visit mentioned the provision of an Indian-made Dhruv helicopter and a 25-bed military hospital for the MNDF. Defence Minister A.K. Antony

¹⁰ "DRP confident India will not involve in Maldives internal matters," Miadhu Daily, 18 August 2009 at <http://www.miadhu.com/2009/08/local-news/drp-confident-india-will-not-involve-in-maldives-internal-matters/>

announced that the scope of the ongoing joint MNDF Marines/ Army and Coast Guard exercises would be enhanced. He also said a hydrographic survey and other joint events, including surveillance and coordinated patrolling by the Indian Navy and MDNF Coast Guard ships, would continue.¹¹

The whole episode highlighted the fact that India would have to be more careful while dealing with its smaller neighbours. Before going for such major agreements India must do proper homework and try to create a consensus in the host country. Unless there is bi-partisan support for such agreements it would be difficult for India to sell them to that country. Both India and Maldives require each other to ensure their security as well as to secure Indian Ocean.

Another important official Indian visit to Maldives was the visit of the special envoy of Prime Minister of India, Shyam Saran. He visited Maldives to personally hand over an invitation for President Nasheed to inaugurate and deliver the key note address on technology development in Climate Change Summit held at Delhi from 22 to 23 October 2009. During the visit Shyam Saran reportedly remarked that developed countries will have to compensate for emitting green house gases which they have been doing for the last 200 years. Maldives however now wants all countries including India and China to cut emissions.

Indo-Maldivian relationship at present seems to be on track. However, the arrest of Maldivian extremists in Pakistan is a cause of concern for India particularly when the state closest to Maldives, Kerala, is also having problems with Islamic extremism.

India can help Maldives in combating the challenge of Islamic extremism. This can be done by helping Maldives create good educational institutions so that it can prevent people from going to madrasas of foreign countries. Assistance can also be given to the country in creating jobs for the unemployed youths who could be lured into jihad in foreign countries otherwise.

Maldives Relations with other Countries

The Chinese have been making concerted efforts to increase their presence in all parts of South Asia. The Maldives figure prominently on their radar. On 27 August 2009 the Maldives Government signed an MoU with China National Machinery & Equipment & Export Corporation (CMEC) for the construction of 4000 housing units in Male and other atolls. The payment for this project would be made by the Government of Maldives over an extended period of time.

¹¹ K. V. Prasad, No agreement signed during Antony's visit to Maldives, *The Hindu*, August 25, 2009 at <http://beta.thehindu.com/news/national/article9141.ece>

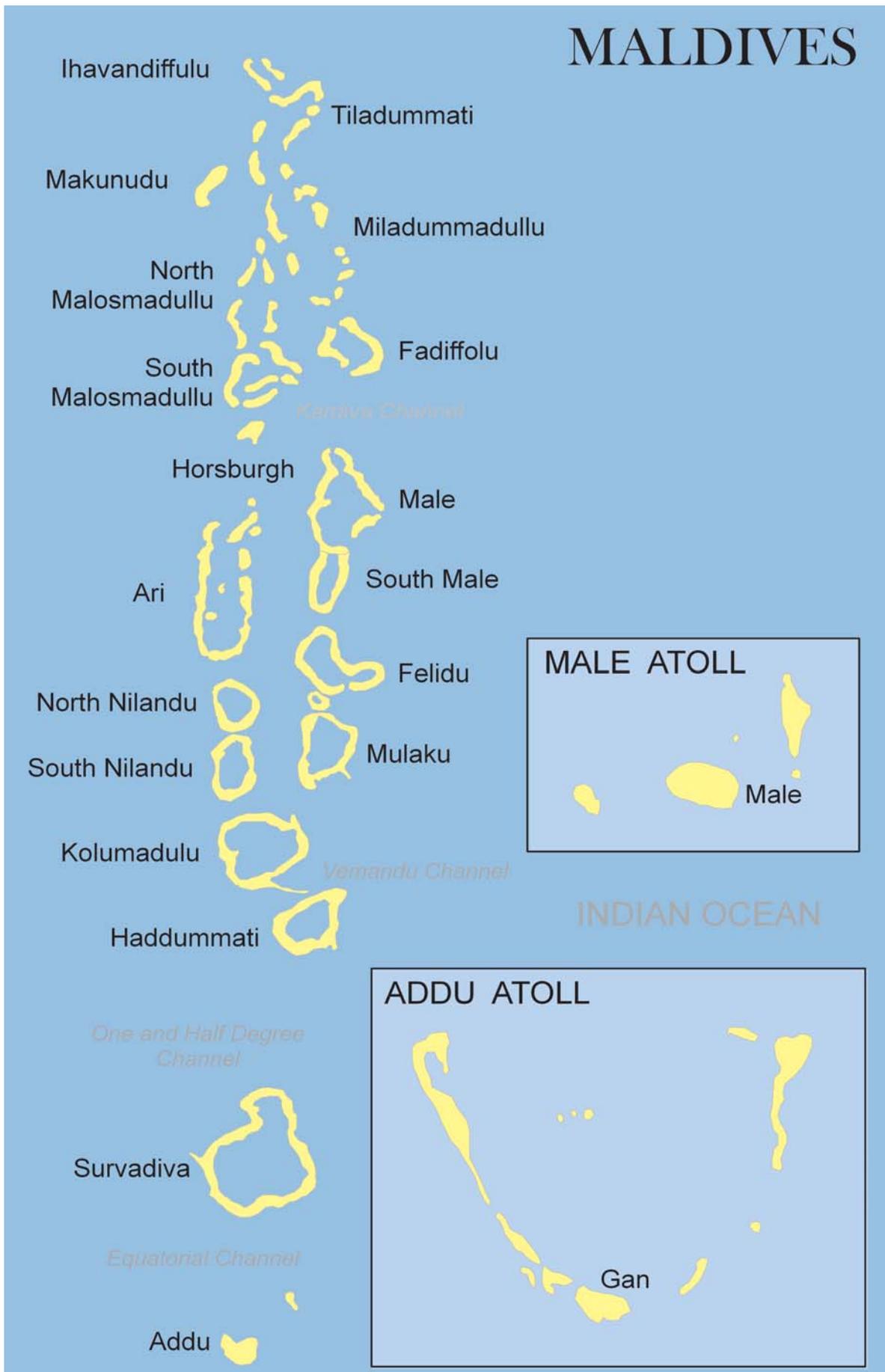
An official delegation of the Chinese Communist Party visited Maldives on 6 September 2009. It called on the President besides meeting others. The Ruling party, the MDP, hosted a dinner for the delegation in which the President participated. The members of the delegation hoped that they will be able to maintain close ties with the MDP. A Chinese business delegation has also visited Maldives at the invitation of the Minister of State for economic development.

US President Barack Obama approved the sale of defence materials to Maldives to strengthen the security and promote world peace on 7 September 2009. The nature of the “defence articles” has not been disclosed.

Conclusion

Elections in Maldives not only brought multi-party democracy to the country but also made clear that the country has a large number of educated and capable people who are willing to participate in governing the country. The new constitution of Maldives also seems to be working well. However, the new government has taken over at a time when the country is in the grip of serious economic crisis. This situation has emerged because of the corruption and profligate habits of past governments. The global recession has also been partly responsible for it. But Maldives has been making all out efforts under the new president to stem the crisis. The government has taken austerity measures in the domestic front. At the same time, it has sought and received financial help from international institutions. The government has also successfully managed to highlight the problem of global warming, the biggest threat to the physical existence of Maldives.

The new president Nasheed once stated that his aim was to bring an exemplary democratic system to Maldives which could serve as a model for other Muslim countries in the region. At present Maldivians are well on the road towards a genuine democracy. However, the problem of Islamic fundamentalism which continues to afflict the country is a serious one. It will be interesting to see how Maldives manages its modernization, liberal democracy and Islam all together. It is hoped that Nasheed would prove that democracy and Islam could go together and Maldives, a hundred per cent Muslim country with stricter supervision of Islam, in due course would become a model Islamic democratic State for other Muslim countries in Asia to follow.



Summary statistics

Region	South-central Asia
Currency	Rufiyaa (MVR)
Surface area (square kms)	298
Population in 2007 (projected, 000)	306
Population density in 2007 (per square km)	1025.4
Largest urban agglomeration in 2007 (population, 000)	Male (111)
United Nations membership date	21 September 1965

Economic indicators

Gross domestic product (GDP) (million current US\$)	2007	1055
GDP per capita (current US\$)	2007	3453.7
Gross national income (GNI) per capita (current US\$)	2007	3277.2
Gross fixed capital formation (% of GDP)	2007	48.4
Exchange rate (national currency per US\$)	2007	12.80 Market rate.
Balance of payments, current account (million US\$)	2007	-423
Employment in industrial sector (% of employed)	2007	24.3 2006.
Employment in agricultural sector (% of employed)	2007	11.5 2006.
Labour force participation, adult female pop. (%)	2007	54.3
Labour force participation, adult male pop. (%)	2007	76.2
Tourist arrivals at national borders (000)	2007	676 Air arrivals.
Exports (million US\$)	2007	108.2
Imports (million US\$)	2007	1096.3
Major trading partners (% of exports)	2007	Thailand (40.9), Sri Lanka (15.0), United Kingdom
Major trading partners (% of imports)	2007	Singapore (22.5), United Arab Emirates (19.1), India

Social indicators

Population growth rate 2005-2010 (% per annum)	1.8
Population aged 0-14 years in 2008 (%)	31.0
Population aged 60+ years in 2008 (women and men, % of total)	6.1/6.1
Sex ratio in 2008 (men per 100 women)	105.0
Life expectancy at birth 2005-2010 (women and men, years)	69.5/67.6
Infant mortality rate 2005-2010 (per 1 000 live births)	34.1
Total fertility rate 2005-2010 (live births per woman)	2.6
Contraceptive prevalence (ages 15-49, %)	39.0
Urban population in 2007 (%)	36.6
Urban population growth rate 2005-2010 (% per annum)	5.3
Rural population growth rate 2005-2010 (% per annum)	-0.3
International migrant stock (% of total population)	1.0 Estimates.

Environment

Threatened species in 2008	55
Forested area (% of land area)	3.0
CO2 emission estimates (000 metric tons and metric tons per capita)	715/2.4
Energy consumption per capita (kilograms oil equivalent)	965.0
Mean total rainfall (millimetres)	1901
Mean temperature °C (minimum and maximum)	25.8/30.6

Source: World Statistics Pocketbook as presented at UNDATA, United Nations Statistics Division at <http://data.un.org/CountryProfile.aspx?crName=Maldives>