



THE ROLE OF SOCIAL CAPITAL IN ENHANCING THE
PERFORMANCE OF THE LOCAL GOVERNMENT IN
THE MALDIVES

BY

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ABSTRACT

This study investigates the relationship between social capital components, (trust, networks of civic engagement, norms of reciprocity and cooperation) with the performance of the local government of Maldives. It also sheds some light on the formation, development and the functions of the local government. In order to address the research questions, multiple methods of data collection such as interviews, questionnaires and document analysis were used. Participants and respondents for the study were selected using purposive sampling, systematic random sampling and convenience sampling. The findings suggest that there is a significant relationship between the components of social capital and local government performance, with the exception norms of reciprocity. The findings also reveal that there is a decline in the levels of citizens' trust in the local government institutions particularly at the local levels, independent commissions and political parties. The study also indicates that the political parties influence in the local councils has stifled public participation to a high degree and there is little effort done to involve the local citizens in the decision making process. On the effects of division, institutional antagonism and lack of cooperation, the study found negative effects on the performance of the local government. The findings suggest that as a result of political competition among councillors, they are torn between fulfilling their obligations towards the local citizens and their parties. As a result, many councillors do not cooperate with the central government which is essential to provide the necessary services to the local citizens. For effective local government performance, the study suggests conducting awareness programmes for councillors to become informed about how to redirect their efforts towards improving the socio-economic well-being of their community. The implications of the study suggests that there is an urgent need to make amendments to the Local Government Act in order to reduce the unnecessary costs to administer the current local government system. The central government should be mindful to treat all councils equally. Finally, the Local Government Authority should conduct developmental programmes for the councils where they can exchange and share their ideas and experiences with other council members. In addition, more ways should be established to monitor the work of councillors on a regular basis.

ملخص البحث

إهتمت هذه الدراسة بالبحث عن علاقة مكونات رأس المال الإجتماعى مثل الثقة، وشبكة العلاقات المدنية، ومعايير المعاملة بالمثل، والتعاون، مع فعالية الحكومة المحلية في جزر المالديف. وقد أوضحت الدراسة كذلك تركيب و تنمية الحكومة المحلية ومهامها في جزر المالديف. و من أجل معالجة أسئلة البحث، استعمل البحث أساليب متعددة في جمع البيانات كالمقابلات والإستبيانات وتحليل الوثائق. وقد تم اختيار المشاركين والمستطلعين بطريقة أخذ العينات الهادفة، و أخذ العينات العشوائية المنتظمة، و أخذ العينات الملائمة. تقترح نتائج البحث على أن هناك علاقة قوية بين مكونات رأس المال الإجتماعى و فعالية الحكومة المحلية مع إستثناء مكونات معايير المعاملة بالمثل. واكتشفت الدراسة كذلك أن هناك هبوط في مستوى ثقة المواطنين في مؤسسات الحكومة المحلية خصوصا في المستويات المحلية، واللجان المستقلة، والأحزاب السياسية. وقد أشارت الدراسة أيضا إلى أن درجة تأثير الأحزاب السياسية لدرجة كبيرة في المجالس المحلية عاقت المشاركة الشعبية حيث لا يبدل الأحزاب السياسية إلا الجهد القليل في اشراك المواطنين المحليين في عملية اتخاذ القرارات، أو العمل الأمور المتعلقة بأولويات المواطنين. أما في شأن تأثير الإنقسامات والعداء المؤسسي وعدم التعاون، فقد وجدت الدراسة أن هناك تأثيرا سلبيا في أداء الحكومة المحلية. وتقترح النتائج أن دواعي أو عوامل المنافسات السياسية بين أعضاء المجالس المحلية قد دفعتهم إلى تمزق في أداء الوفاء لواجباتهم تجاه المواطنين المحليين وأحزابهم السياسية. نتيجة لذلك، نجد كثيرا من أعضاء المجالس المحلية لا يتعاونون مع الحكومة المركزية بالرغم من ضرورة تقديم الخدمات اللازمة والأساسية للمواطنين المحليين. وأما في شأن الأداء الفعال من جانب الحكومة المحلية فقد اقترحت الدراسة إجراء برامج توعية لأعضاء المجالس المحلية ليصبحوا على علم حول كيفية إعادة توجيه جهودهم نحو تحسين رفاهية المواطنين اجتماعيا واقتصاديا في مجتمعاتهم. تقترح الدراسة أن هناك حاجة ماسة وملحة إلى تعديل قانون الحكومة المحلية لأجل تخفيض التكاليف غير الضرورية المتضمنة في إجراء نظام الحكومة المحلية الحالي. ويجب على الحكومة المركزية أن تهتم بالتعامل مع جميع المجالس بالمساواة حتى وإن لم تكن في مجالس معينة من الأغلبية للحكومة المركزية. وأخيرا، يجب على هيئة الحكومة المحلية إجراء برامج تنموية للمجالس، على أن يكون هناك تبادل في الأفكار في المجالس والخبرات مع أعضاء مجالس أخرى. كما يجب وضع آليات لمراقبة أعمال أعضاء المجالس بشكل منتظم.

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DECLARATION

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This dissertation is dedicated to my beloved parents

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Maldives is a small island nation consisting of 1192 geographically scattered islands. Maldives has been a sovereign state for many years. For the better part of its history the country was under a powerful authoritarian leadership either in the form of a monarchy in which the sovereignty is embodied in the King appointed at the time or in the form of autocracy in which full political power is concentrated in the hands of the President (Fathuhy, 2011).

Maldives gained independence from the British on the 26th of July, 1965. The beginning of the period of self-rule in the Maldives was symbolised by absolute authority of the President. During this time, powers were concentrated in the office of the President and there were no clear cut division of power to the other organs of the government. Maldives is administratively divided into 20 atolls¹ with each atoll chief being appointed by and responsible to the President. This makes them executioners of central government's policies.

In 2008, a new Maldives Constitution also called the "Green Constitution" was ratified. This allowed the country to take part in its first multiparty presidential election. The presidential election of 2008 led to the emergence of a democratically elected political leadership and the abolition of the autocratic order that was in place prior to the elections. Another important change that took place was the local council elections held in Maldives for the very first time. Several analysts considered these as

¹ A coral island or series of coral islands forming a ring that nearly or entirely encloses a shallow lagoon.

major breakthroughs for local democracy in the Maldivian history as democratic governance is completely a new concept to the Maldivians.

The local government institutions first began functioning in the Maldives in response to people's desires and demand. However, the local councils have been constantly criticized by the public for not providing necessary services to the public. The main reason for this has been highlighted as lack of cooperation and trust between the central government and the local government. Both the central and the local government blame each other for the inefficiency. Moreover, due to the scattered geography of the Maldivian islands, it was difficult for the government to administer the atolls and to provide necessary services to the people across the islands. Therefore, it was necessary for the central government to come up with a better plan to distribute the power to the local councils in order to serve the general public efficiently (Ministry of Atoll Development, 2006).

The local government structure in the Maldives consists of City Councils, Atoll Councils and Island Councils. Altogether, there are 20 Atoll councils, 2 City Councils (Male' and Addu) and 188 Island Councils. The function of the Atoll Councils is to look into the administrative and development matters and to monitor and coordinate the activities carried out by the Island Councils. Members of the Atoll Councils are elected for a 3-year period from the electoral constituencies of the administrative divisions within its boundaries. Elected members of the Atoll Council indirectly elect the President and the Vice President of the council through a secret ballot (Commonwealth Local Government Forum, 2011).

The City Councils have a population range of more than 25,000 people. This is the necessary population capacity required specifically by the central government for the delivery of services and other productivity purposes (Maldives Government

Gazette, 2010). Except for Male' and Addu, every inhabited island is governed by an Island Council. The function of the Island Councils is to prepare island development plans in consultation with the community, and to submit them to the Atoll Council. Members of the Island Councils are representatives drawn from various islands and they are responsible for the establishment of a safe and peaceful environment in the island (Commonwealth Local Government Forum, 2011). The elected representatives for the councils include 17 seats for the City Council, 132 seats for the Atoll Council and 942 seats for the Island Council. Islands with a population of less than 3,000 elect 5 members, islands with a population from 3,000-10,000 elect 7 members and islands with populations over 10,000 elect 9 members. Male' and Addu City Councils are allocated seventeen councillors for their local administration (Maldives Government Gazette, 2010; Commonwealth Local Government Forum, 2011).

According to a report by the Ministry of Atoll Development (2006), the most obvious local government systems are Atoll Councils. This is because they can play the role of an intermediary between the center and the islands. Later on in the Presidents' reform agenda, the proposal to create both Island and Atoll councils were raised. The report has also discussed the roles that would be allocated to the council members. In addition, the functions of both the Atoll Councils and Island Councils are clearly stated in the same report. However, there is no detailed information on how the atolls will function and be monitored, the type of power it will exercise and how the atolls will relate to the local government and central authority.

There are also some key concerns related to the implementation of local councils' activities in the Maldives. In 2009, United Nations Development Program reports three major concerns relating to implementing local government activities in the Maldives. These include: (a) power distribution to the island councils (b)

delegation of power to atoll council and province, and lastly; (c) technical assistance provided to the decentralized authorities. With the election of the local government in February 2011, it was aimed that the democratically elected new local government system would be able to address and resolve some of the concerns outlined in the UNDP report.

1.2 STATEMENT OF THE PROBLEM

As stated, the democratically elected local government system was introduced in 2011 for the first time in the history of the Maldives and is now facing several challenges. Some of these challenges are: (a) division and institutional antagonism among members of the councils, and different councils. So, they cannot raise their concerns in a single voice; (b) lack of unity at the local government levels; (c) lack of trust and cooperation between central and local government, and (d) ineffective service delivery (Hassan, 2012).

There are regular complains from the public that quality services are not delivered to the public by the local councils, due to lack of cooperation and trust between the central and the local governments. While the central government expects cooperation and support from all local councils, on many occasions the local councils are reluctant to cooperate in implementing central programmes and planning. Highlighting this issue, the Former President of Maldives, Dr Mohamed Waheed Hassan Manik, stated that the central government needs support from all councils in order to deliver the public services. He also emphasized that councils should cooperate and support the central government policies to deliver goods and services to the public (Fiyaz, 2012).

On the other hand, the local councils blame the central government for holding their budgets thereby making it impossible to meet their obligations i.e. delivering services to their people. For example, the Fuahmulah Dhiguvaadu island council expressed its dissatisfaction by claiming that starving the local councils of their budget is making it difficult for these councils to provide services (Yoosuf, 2012). The citizens of the Maldives are disappointed over the issue of ineffective service delivery by the local councils thus show lack of motivation in participating local government activities. In addition, local councils in the Maldives are weak in terms of financial and administrative authorities.

1.3 RESEARCH OBJECTIVES

This study examines the role of social capital in strengthening decentralized and effective local government with public participation in order to ensure the local councils' accountability and responsiveness to their local citizens. The specific objectives of the study are:

1. To determine the factors that influences the formation, development and functions of decentralized local government in the Maldives;
2. To investigate the relationship between trust and the performance of the local government and to understand the impact of trust in achieving more effective decentralized local government in the Maldives;
3. To find out the relationship between networks of civic engagement and the performance of the local government and to explore the impact of public participation on the performance of the local government in the Maldives;
4. To assess the relationship between norms of reciprocity, cooperation, and the performance of the local government, and to evaluate the:

- a. causes of division, institutional antagonism, and lack of cooperation among the local government;
- b. strategies to overcome division, institutional antagonism, and lack of cooperation among the local government.

1.4 RESEARCH QUESTIONS

This study intends to answer the following research questions:

RQ1: What are the factors that influence the formation, development and functions of decentralized local government in the Maldives?

RQ2: Is there a relationship between trust and the performance of the local government? Specifically, what is the impact of trust in achieving more effective decentralized local government in the Maldives?

RQ3: Is there a relationship between networks of civic engagement and the performance of the local government? Specifically, what is the impact of public participation on the performance of the local government in the Maldives?

RQ4: Is there a relationship between norms of reciprocity, cooperation, and the performance of the local government? Specifically, how does division and institutional antagonism or lack of cooperation influence the performance of the local government in the Maldives?

1.5 HYPOTHESES

This study intends to test the following hypotheses:

Hypothesis 1: People with higher levels of trust tend to be more satisfied with the performance of the local government.

Hypothesis 2: People in networks of civic engagement tend to be more satisfied with the performance of the local government.

Hypothesis 3: People with norms of reciprocity tend to be more satisfied with the performance of the local government.

Hypothesis 4: People who are cooperative tend to be more satisfied with the performance of the local government.

1.6 JUSTIFICATION OF THE STUDY

This study can be justified from the following point of views: Firstly, studying local government in developing countries like the Maldives will help to understand the ongoing processes of democratization at the local level. Such studies will eventually highlight ways to strengthen good governance at local level with equitable access to service and the maintenance of rule of law, promote an active and thriving civil society with opportunities for engaging in policy formation and implementation. Thus, studying the processes of democratization would help to identify the causes that have prohibited easy access of citizens to different strategies and policies promoted by local organizations in the Maldives.

Secondly, this study will help to redefine the traditional role of civic community to create social trust among citizens which in turn would facilitate public participation that ultimately would help to strengthen the local government in the Maldives. Thirdly, understanding the public participation for democratic performance is significant in examining quality output and responsiveness in the delivery of public services. In this way, the citizens would be able to hold their elected members accountable for their actions. There are no earlier studies examining the impact of social capital in the context of local government in the Maldives. This study will