

THE MALDIVES NATIONAL REPORT
for HABITAT-II City Summit
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SUMMARY

The Maldives is an archipelago of low-lying coral islands that cluster into a number of natural groups of varying sizes. For administrative purposes they are divided into 20 jurisdictions or "atolls" whereby the larger ones are divided into two or more parts. Situated in mid-Indian Ocean between seven degrees north and one-half degrees south of Equator, the islands are scattered over a space that stretches some 800 km in length and about 120 km at the widest points. The combined land area is only about 300 sq km and, when divided over 1,190 islands, yield an average of just over a quarter of a square kilometer per island. Of the total, 201 islands were inhabited in 1995, 74 were used as tourist resorts, and the remaining used for various other purposes, mostly minor agriculture. The climate is tropical and has a rather heavy rainfall; there being a dry season as well as a wet monsoon season. Life in these islands depends on seasonal rain, and the thin, undefined layers of fresh water formed at shallow depths by its percolation through the porous coral sand.

Given the tiny and scattered land areas and populations, and the resulting small resource base and lack of ability to manufacture a variety of outputs locally, the Maldives has to rely heavily on the outside world for continuation of life at reasonable levels. As a result, the state of articulation of this relationship to various settlements is inextricably linked to the life quality that they can have. The current situation is characterized by a severe polarization of this relationship towards the centre, and has resulted in excessive concentration of economic activities and service facilities, and hence population. For example, 35% of jobs, 90% of telephones, and some 75% of the electric power generated in the nation are currently concentrated in the centrally located capital Male'. And, while government spending amount to 58% of gross domestic product, on a per capita basis, a person living in Male' shares 88% as compared to only 12% by someone living in outer areas. Similar figures illustrate per capita shares of doctors and secondary education: share in Male' being, respectively, 78.5% and 71% as compared to 21.5% and 29% in the periphery. Concentration of population in Male' reflects this reality. Currently, more than 25% of the nation's (local) population lives in Male' island's less than two square kilometers and, when the expatriates are also taken into account, gives rise to a gross density of more than 36,000 persons per sq km and an average of more than 16 persons per plot. And the populations of the 12 islands with more than 2,000 persons each add up to only 73% of the population of Male'. Obviously, changing this situation has to be among top-ranking tasks, if equitable development is a seriously proclaimed goal.

Current polarized condition is an outcome and reflection of the transformation that has occurred mainly over past two decades. The main components of this change are the restructuring of the spatial distribution of population and economic activities, and the general socioeconomic development as well as population growth. These in turn are outcomes, at least in part, of deterministic influences of geographical and physical setting of the country, population structure and distribution, status as developing nation, and the limitations and conditions arising thereof. The beginnings of modern changes date back to some fifty years, to Second World War and its aftermath. Two sets of forces that helped shape the process of this transformation could be identified. The first, although more pervasive and undefinable, was the general awakening that came about under two influences: the new world order and its offshoots, such as the various organizations of the United Nations, and general education that began in 1950s, which was superseded by English medium education, introduced to the Maldives in the 1960s. As a result of this awakening, people were no longer content to exist in a state of near-subsistence they once were; they demanded a better life. The impetus of this awakening was further fueled by lowering of the living standards as a result of the severance of the independent trade links that existed earlier between various regions of the Maldives and trade centres on the coastline of the Indian subcontinent and also Sri Lanka (then Ceylon) as a result of shakeup and restructuring following World War II of the then existing international order. The second and more specific force behind recent transformation was advent of international tourism to the Maldives in 1972 and its growth around the international airport located within the vicinity of the centrally located capital Male', coupled with associated, parallel growth of economic activities in the region. In the twenty year period between 1975 and 1995, tourism bed capacity in the region grew from less than 1,000 to more than 10,000, while the population of Male' saw more than a three fold increase; no other factor can be singled out as being a source fueling the growth in the region.

Yet, it would be difficult to establish a rigorous causal relationship between the two variables, partly because of the inadequacy of data on financial flows and employment structure, and perhaps mostly due to the difficulty of discerning such a relationship even if the data existed, given multiplicity of factors and interactions involved. In general, the current situation is perpetuated by two further causal factors. One is that while the Maldives depends upon imports to sustain its current standards of life, virtually all external relations transpire through Male' region via the only international airport and port facilities while this linkage is not articulated in any adequate manner to the periphery by means of an effective transport and communications system. The second factor is directly related to the first one, and is the tendency for finance flowing into the economy to find domicile in

the region, as multiplier generated by this influx would constitute the driving force behind differential growth of this region vis-a-vis others. These dual deprivations experienced by other regions are thus largely responsible for their relative stagnation relative to Male' region.

Given the intricate interrelationships described above, it is obvious that any strategy aimed at addressing these issues and seeking to achieve sustainable and equitable development has to start from realities of the situation in the Maldives -- physical, economic, social, political, and also geopolitical. Any strategy borrowed from elsewhere and does not take into account of these aspects is likely to be inapplicable to the Maldives as it would not have the capacity for effectively guiding its development towards desired ends. Given all this, and in view of the integral relationship of the economy and, by implication, the well-being of settlements at large, with activities generated by external finance, a first step to restore a more balanced and equitable growth would be to articulate the necessary external relations to peripheral regions by enabling external finance to induce regional growth. For sustainable growth of settlements depends on the vitality of their economic bases, which in turn depends upon vigor of the regions in which they function. And since regional growth in turn depends upon external finance and that the main source of this finance is tourism, facilitating the growth of tourism in peripheral regions will contribute significantly towards both getting the economy moving and also raising earning capacities needed to achieve higher standards of living. In efforts for regional development, however, it is important not to repeat the mistakes that happened in Male' region where, as outline, an excessive concentration of economic activities, based mostly on the impetus generated by tourism, led to vast interregional disparities that in turn underlie many serious ills faced by the nation today. To avoid such a scenario would call for concepts of "decentralized concentration," as minimum levels of activity concentration would be a prerequisite for generating the economies of scale needed for economic activities and associated services to be cost-effective, hence for the whole effort to be financially sustainable.

An implicit ingredient indispensable in the process of regional development is an efficient linkage system to effectively articulate the centre and the periphery. This is needed not only to articulate external relations to the outlying regions but also to enhance the functioning of national economy as an integrated whole. This would, over time, lead to a marginal reduction in the external relations as the economy develops and, as a result, the demand for local products or services increases vis-a-vis foreign outputs. And this would in turn have its impact on settlements development in the outer regions as a significant proportion of economic activities under the new, restructured system will revolve around them. Moreover, as the level of economic activity in various settlements would vary according to circumstances, the process would

yield a hierarchy of regional/national activity centres. As this would depend on the opportunities available and the ensuing investments, the regional centres currently targeted for growth would become their focal points. As such, they should be planned to enhance their new role, and the services needed for regional growth accommodated so that the usage can be as close to optimum as possible.

At the level of individual settlements, several elements would contribute towards their effective development. A quick list of such actions would comprise: assessing and enhancing the enlargement of the settled islands through reclamation (since most of them are rather tiny); developing effective land use plans for them (extreme scarcity of land dictates their optimal usage); finding innovative infrastructure systems to enhance sustainable development (similar to mostly unique road surfacing and solid waste disposal systems currently in operation in Male'); developing building systems that could solve low-cost housing problems of the Maldives; developing alternative building materials/techniques that will enhance sustainability of the reef system (as it forms prime source of construction materials and is easily destroyed); developing a capable construction industry that could undertake the projects needed for development; establishing financing mechanisms that could help the process to continue and take off; and finally, establishing mechanisms for effective management which will at the same time enhance public participation. There are significant obstacles in the path of achieving these ends, however. Like all other developing countries, the Maldives also faces a severe shortage in personnel that could effectively contribute to the sustenance of a higher standard of living. With regard to sustainable development of human settlements, this shortage is found in the professional technical fields and in construction industry and also capacity for self-management. This will thus form the basis for international cooperation.

An integral part of sustainability of development in the Maldives at levels of both the general economy and human settlements is awareness by the general public of impacts of their actions, and their willingness to adopt values and behaviour that are more conducive to the sustenance and continuity of life on these islands. The criticality of values arises from fragility of natural environments on the one hand and on the other from dense conditions that prevail in most settlements as a result of both the smallness and the necessity dictated by a higher living standard. Given this state of affairs, relatively minor human action can and does give rise to rather high impact levels at both the human-environment interface and the human-society interface. This in turn has the potential to deteriorate the quality of life to levels detrimental to societal well-being. And since it is the values that underlie behaviour and life-styles, adoption of relevant values becomes critical for sustainability of development in the fragile compactly settled islands of the Maldives.