

Decentralization in Small Island Developing States: The Case of a Selected Atoll in the Maldives and Its Governance Challenges

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Abstract

This qualitative case study examines the impact of decentralization on local governance in the selected atoll, focusing on the complex socio-economic and geographical context of Small Island Developing States (SIDS). The decentralization policy, aimed at empowering local councils and promoting grassroots democracy, is critically assessed through interviews with local stakeholders. Findings reveal that decentralization has not achieved its intended goals, as local councils remain hindered by financial constraints, political interference, and low civic engagement. The study highlights the persistent inequalities in development across islands and the lack of independence within local governance structures. It calls for reforms, including legislative changes, capacity-building initiatives, and public awareness programs, to enhance local council autonomy, encourage community participation, and ensure fair resource distribution. This research contributes valuable insights to the discourse on decentralization in island contexts and proposes actionable recommendations for strengthening governance frameworks in the Maldives and similar SIDS.

Keywords: Civic participation, decentralization, local governance, Maldives, Small Island Developing States (SIDS)

INTRODUCTION

In 2010, the Maldives passed the Decentralization Act to empower local communities by transferring decision-making authority from the central government to island and atoll councils (Hlynsdóttir, 2020) [1]. This followed earlier decentralization efforts, including the 1990s attempts and the formalization of decentralization in the 2008 Constitution (Zulfa, 2019) [2]. The act aimed to improve governance by enhancing administrative efficiency and bringing governance closer to the people.

Decentralization reforms in the Maldives began in the late 1990s, culminating in a new Constitution in 2008 and a coalition government formed in 2008 after a presidential election (Smith, 2012; Timilsina, K. P. (2020) [3, 4]. In 2009, provincial administrations were created, accompanied by health and utility corporations, which took over assets from the Ministry of Health and Island Development Committees to improve service delivery (Ministry of Foreign Affairs, 2009) [5].

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The Decentralization Act of 2010 formalized the roles of Atoll and Island Councils as democratically elected bodies responsible for local governance, though it excluded provincial administrations from decision-making. While the act granted Island Councils responsibility for primary care services, utility corporations retained control over certain assets such as water supply (UNICEF, 2013) [6].

Proponents of decentralization argue that decentralization enhances service delivery, fosters local development, and increases citizen involvement (UNDP, 2022) [7]. However, challenges remain, including securing financial resources for local councils, building their capacity, and addressing power dynamics between elected officials (UNDP, 2022) [7].

In the selected atoll, local councils significantly influence infrastructure projects, health and education services, and environmental conservation efforts, engaging local stakeholders in decision-making processes (Selected Atoll Council, 2020) [8]. Despite challenges, such as limited financial resources and inconsistent central government support, decentralization in the Atoll has fostered democratic participation and promoted sustainable development in this remote region. Selected atoll, comprising 34 islands with 14 inhabited, has a population of approximately 19,016 residents (National Bureau of Statistics, 2022) [9].

Decentralization is widely acknowledged as an important strategy for improving local governance and service delivery, especially in developing nations. However, its outcomes are often inconsistent, with some regions experiencing positive results while others face significant difficulties in fully realizing its benefits (Lange, 2008) [10]. The case of the selected atoll in the Maldives is one such example where the effects of decentralization have not been comprehensively studied. The atoll's geographical isolation, limited resources, and unique socio-economic conditions present both challenges and opportunities for decentralization. Despite the growing emphasis on local governance for sustainable development, there is a lack of research on how decentralization has shaped governance at the local level in such small island communities. This study seeks to address this gap by examining the impact of decentralization on local governance in the atoll, particularly in relation to decision-making, resource allocation, community involvement, and accountability mechanisms.

PURPOSE AND RESEARCH QUESTIONS

The purpose of this research is to understand the perceived impact of decentralization on local governance in a Selected Atoll in the Maldives. Specifically, the study seeks to explore how decentralization has influenced key aspects of local governance such as decision-making processes, resource allocation (both human and financial), and community involvement. It will also examine the accountability mechanisms within the decentralized system to ensure governance remains responsive and responsible. Considering the atoll's distinct socio-economic and geographical context, this research aims to offer a comprehensive understanding of how decentralization impacts local governance outcomes in this unique setting. The insights gained are intended to inform policymakers, local authorities, and development practitioners working to strengthen local governance in the Maldives and other small island developing states (SIDS). To guide the investigation, this study seeks to answer the following research questions:

- To what extent has decentralization been implemented in the Selected Atoll?
- What are the primary challenges faced by local government institutions such as limited administrative capacity, difficulties in resource distribution, lack of political autonomy, and intergovernmental relations?
- How do these challenges impact the efficiency of local governance and the quality of public service delivery?
- What practical solutions can be suggested to policymakers, local government officials, and other stakeholders to overcome the identified challenges and improve local governance performance?

This research contributes significantly to the existing literature on decentralization, particularly in the context of small island developing states (SIDS), an area that has been relatively underexplored. The selected atoll provides a unique case study due to its geographical isolation, political dynamics, and the interaction between traditional leadership systems and modern governance structures. Gaining a better understanding of how these elements influence local governance is crucial for improving governance systems in similar island settings. Furthermore, this study contributes to the broader discourse on governance and sustainable development by emphasizing the crucial role of effective local governance in

achieving sustainable development goals. Strengthening local governance in the Maldives can promote more equitable resource distribution, enhance public service delivery, and encourage greater civic participation – key components for advancing democratic and development objectives. The findings from this study will provide valuable insights and practical recommendations for policymakers, local authorities, and development practitioners, ultimately aiming to improve the effectiveness and accountability of local governance systems. Additionally, the study's results may offer guidance for similar decentralization efforts in other small island states, furthering the global understanding of governance processes in such contexts.

LITERATURE REVIEW

Theories of Decentralization

The Theory of Decentralization posits that local governments are better equipped to deliver public services efficiently and equitably compared to higher levels of government (Grant, Drew, Grant, & Drew, 2017) [11]. This is because local authorities are closer to the people and thus have a better understanding of their specific needs. In the context of the Maldives, this theory supports the delegation of powers to local councils, as decentralization could enhance local governance and service delivery by empowering those who are more attuned to the specific needs of their communities.

The Principal-Agent Theory explores the relationship between central authorities (principals) and local governments (agents) (Braun & Guston, 2003) [12]. This framework examines issues, such as trust, accountability, and the mechanisms through which the central government regulates and monitors its relationship with local authorities. In the case of the Maldives, this theory helps to illuminate the challenges that arise due to the power dynamics between the central government and local councils, particularly in terms of maintaining effective oversight and ensuring accountability in decentralized governance structures.

The Financial Federalism Theory focuses on the fiscal dimensions of decentralization, including the allocation of resources between different levels of government (Oates, 2008) [13]. In the Maldivian context, this theory is pertinent as it considers the challenges local councils face in generating revenue and managing financial resources. The theory highlights the importance of fiscal decentralization in ensuring the success of decentralization efforts, as financial autonomy is critical for enabling local governments to meet the demands of public service delivery.

The Governance Networks Theory emphasizes the need for collaboration between various actors, such as civil society organizations, private sector entities, and other stakeholders, in addressing local governance challenges (Klijn & Koppenjan, 2012) [14]. For the Maldives, this theory underscores the importance of coordination and networking among different governance actors during the decentralization process. Weak coordination among these actors can lead to inefficiencies and hinder the overall success of decentralization efforts.

The New Public Management (NPM) framework advocates for performance measurement, competition, and a focus on efficiency in public administration (Christensen & Lægreid, 2022; Islam, 2015) [15, 16]. While NPM has been critiqued for overlooking issues of social justice, particularly regarding fairness, it can still be applied in the Maldivian context to assess the potential benefits and drawbacks of decentralization. This framework can help to evaluate how decentralization might enhance the efficiency and effectiveness of public service delivery by local governments.

Decentralization is complex and cannot be fully understood by focusing solely on autonomy. Decentralization should be considered in relation to other aspects such as fiscal centralization and administrative deconcentration (Altamimi, Liu, & Jimenez, 2023; Xu, 2022) [17, 18]. This perspective is particularly relevant when examining the decentralization process in the Maldives, where local councils may have devolved administrative powers but lack sufficient financial resources, complicating comparisons with other regions that exhibit different levels of fiscal and administrative decentralization.

Comparative Analysis of Decentralization in Various Countries

The decentralization process in the Maldives has evolved significantly over the past few decades. Historically, the Maldives had a highly centralized system of governance with Malé as the political and administrative center. However, the demand for decentralization grew as the country faced challenges in managing its geographically dispersed islands. The passage of the Decentralization Act in 2010 was a significant milestone, aiming to empower local councils and involve citizens more directly in governance (Waheed, 2018) [19]. The intent was to improve local governance, reduce inequalities between islands, and decentralize decision-making authority. Despite this, challenges, such as limited financial autonomy, capacity constraints, and political fragmentation, have hindered the full realization of decentralization in the Maldives (Latheef, 2019) [20]. Nonetheless, decentralization remains a national priority, with the aim of enhancing local governance and promoting inclusive development.

In Switzerland, decentralization is deeply embedded in the country's political and administrative structure. The Swiss system of cooperative federalism grants substantial autonomy to its 26 cantons and over 2,000 municipalities, enabling them to manage various aspects of governance independently (Linder & Mueller, 2021) [21]. Switzerland's decentralization is rooted in historical processes dating back to the 13th century, with a clear demarcation of powers between federal and cantonal governments. The fiscal decentralization model in Switzerland is particularly notable, with reforms such as the fiscal equalization program of 2008 enhancing financial autonomy and ensuring equitable distribution of resources across regions (Crevoisier & Quiquerez, 2005; Dafflon, 2005) [22, 23]. While the Swiss model has largely been successful in promoting local autonomy and effective service delivery, challenges related to balancing federal and local powers persist, particularly in areas where "creeping centralization" threatens local autonomy (Vatter, 2018) [24].

Decentralization process in Indonesia began following the fall of the authoritarian Suharto regime in 1998. The country implemented a series of laws, notably Laws No. 22/1999 and Laws No. 25/1999, which granted significant autonomy to provincial and district governments (Nugroho & Handayani, 2022) [25]. This shift aimed to address regional disparities and improve public service delivery by decentralizing administrative and financial powers. However, fiscal dependence on central government transfers has remained high, limiting local governments' financial autonomy and undermining the full potential of decentralization (Triyanto, Wahyudi, & Ananda, 2017) [26]. Despite these challenges, decentralization in Indonesia has led to improved governance transparency and more tailored public services that address regional needs.

In India, the decentralization process gained momentum in the 1990s with the enactment of the 73rd and 74th Constitutional Amendments. These amendments institutionalized the Panchayati Raj Institutions (PRIs) in rural areas and Urban Local Bodies (ULBs), giving constitutional recognition to local governance and transferring powers to local governments (Datta, 2024; Singh, 2016; Venkatesu, 2016) [27, 28, 29]. The decentralization reforms aimed to empower local governments with more financial and administrative resources, but the extent of autonomy varies across states. Challenges, such as political interference, inadequate financial devolution, and inefficiencies due to overlapping functions, persist (Kumar, 2024; Panda & Thakur, 2016) [30, 31]. Nevertheless, decentralization in India has enhanced political participation, especially for marginalized groups, and has been particularly successful in states like Kerala, where decentralized governance has facilitated inclusive community development (Hari, 2022) [32].

Nepal has been undergoing decentralization since the 1990s, transitioning from a unitary system to a federal structure in response to regional and ethnic disparities (Gyawali, 2018) [33]. The Local Self-Governance Act of 1999 and the Constitution of 2015 laid the legal foundation for decentralization by establishing three levels of government: federal, provincial, and local. Despite these reforms, challenges, such as power struggles between different levels of government, misappropriation of funds, and a lack of transparency, have slowed the progress of decentralization (Bhattarai, 2020) [34]. However, decentralization has also led to increased community participation and improved access to justice through local courts (Timilsina, 2020) [4].

In Estonia, the decentralization process began after the country gained independence from the Soviet Union in 1991. The Local Government Organization Act (1993) established self-governing municipalities with responsibilities for local matters such as education, social services, and infrastructure. Estonia's decentralization has been successful in fostering grassroots democracy and effective service delivery, particularly through the use of digital governance tools (Kalvet, 2012) [35]. However, challenges remain, particularly for smaller municipalities that struggle with resource limitations, which affect their ability to implement large-scale projects (Siemiatycki, 2017) [36].

Decentralization processes in the Maldives, Switzerland, Indonesia, India, Nepal, and Estonia provide a broad range of insights into the challenges and successes of decentralizing governance. While decentralization can enhance local autonomy, improve public service delivery, and foster more inclusive governance, its success depends on several factors, including fiscal autonomy, capacity building, political stability, and effective coordination among different levels of government. The theoretical frameworks discussed in this review offer valuable perspectives for understanding the complexities of decentralization and its implications for governance and public administration in the Maldives and other countries.

METHODS

Design

This study adopted a qualitative case study research design to investigate the phenomenon under examination. A qualitative approach was deemed appropriate for this exploratory inquiry, as it provides in-depth insights into the participants' perceptions, behaviors, and experiences when limited prior knowledge exists on the topic. The interpretive nature of qualitative research allows for an exploration of the complexities of human behavior and social interactions, which is particularly valuable in contexts where subjective experiences and meanings are central. The research employed a phenomenological approach, focusing on understanding the lived experiences of participants involved in decentralization processes within the atoll. This design was particularly relevant due to the lack of comprehensive data on decentralization and local governance practices in the area, which posed significant challenges related to geographical remoteness and limited expertise (Adam, 2019) [37].

This research, through its qualitative design, serves as a foundation for future studies, offering initial insights for further exploration into the subject matter.

Population and Sample

The target population for this study encompassed individuals and entities directly or indirectly involved in the decentralization process in the atoll. This includes elected local leaders, government employees, members of non-governmental organizations (NGOs), and residents living under the jurisdiction of community councils within the atoll. The population for the study, as defined by Lavrakas (2008) [38], comprises all individuals and establishments whose roles or experiences are connected to the decentralization process. The sample size for this research was composed of seven individuals selected from various backgrounds and sectors, including council members, civil servants, NGO staff, and local residents. Sampling was purposefully conducted to represent a diverse array of perspectives, including those from the most populous, medium, and least populated islands within the atoll. In total, the sample comprised the following groups: elected local council members (1), central government officials (1), council staff members (2), NGO members (2), and a local citizen (1). The demographic range of participants spanned from 25 to 55 years of age, each with at least three years of experience in local governance-related activities.

Data Collection

Data collection for this study primarily involved semi-structured interviews, which are commonly used in qualitative research to gather rich, detailed insights from participants. The semi-structured format allowed for a balance between predetermined questions and the flexibility to explore emerging themes during the interviews. Participants were selected through purposive sampling, which enabled the researcher to choose individuals with relevant expertise or experience related to the research topic (Creswell, 2013; Schreier, 2018) [39, 40].

Before the interviews, participants were provided with an introductory email, an informed consent form, and an explanation of the interview process. Interviews were conducted in a private online meeting room to ensure confidentiality and minimize distractions. The interview guide was divided into two sections: the first gathered basic demographic information, while the second addressed the key research questions, allowing participants to provide open-ended responses related to their experiences with decentralization and governance.

Data collection continued until saturation was reached, meaning that no new themes or insights were emerging from the interviews. Once saturation was achieved, further data collection was deemed unnecessary as the data gathered had become sufficiently rich and comprehensive to address the research objectives. This approach ensured the robustness and completeness of the findings of this study.

Data Analysis

Thematic analysis was employed as the primary method for analyzing the qualitative data collected during this study. This approach is well-suited for identifying patterns and themes within textual data, such as interview transcripts, and offers a systematic way to interpret qualitative data by uncovering the underlying meanings and commonalities across the dataset. According to Alhojailan (2012) and Vaismoradi and colleagues (2016) [41, 42], the process of thematic analysis involves several key stages, beginning with familiarization with the data. In this initial phase, the audio recordings were transcribed, and the data was thoroughly reviewed to identify recurring patterns and initial insights. Following this, preliminary codes were generated to capture key ideas emerging from the data, which were subsequently grouped with supporting data to create a more organized structure.

The next steps in the thematic analysis process involve developing broader themes by organizing the codes and exploring the relationships between them, including the identification of subthemes. Once these themes were established, they were reviewed and refined to ensure they were distinct, relevant, and adequately supported by the data. Finally, the findings were synthesized into a coherent narrative that emphasized the key themes and their implications for the research questions. Thematic analysis provided a structured framework for data analysis while maintaining flexibility, allowing for the incorporation of new insights that emerged throughout the research process. This adaptability ensured a thorough and nuanced understanding of the data, contributing to the depth and rigor of the findings of this study.

Ethical Considerations

Ethical approval for this research was obtained from the relevant ethical review committee, and all procedures adhered to established ethical guidelines for research involving human subjects. Informed consent was obtained from each participant prior to data collection, ensuring they were fully informed about the objectives of the study, their role in the research, and their right to withdraw at any point without consequence. To protect the confidentiality of participants, all data were de-identified immediately following collection and securely stored, with access to identifying information restricted solely to the researchers. These measures were implemented to safeguard participant rights and maintain the integrity of the research in accordance with ethical standards.

RESULTS

Implementation of Decentralization in the Selected Atoll

The implementation of decentralization within the atoll has been met with mixed responses, revealing both successes and significant challenges. While there have been some positive changes, such as increased autonomy for local councils, the overall effectiveness of decentralization has been hindered by several factors. A key challenge highlighted by participants was the limited power and resources allocated to local councils. As A1 points out,

“The powers given by law and regulations are not yet implemented. There are few income sources within the jurisdiction of the council.”

Additionally, many councilors lack the necessary expertise to navigate the decentralization system, as C2 notes:

“Councilors are unfamiliar with the system, and people are new to this system and not properly informed about decentralization.”

Centralized control, particularly from the atoll capital, remains a significant bottleneck, as emphasized by C1, who stated,

“Local Councils are still not able to make decisions independently. The power of decentralization lies on [the atoll capital], which presents the largest hurdle towards implementing decentralization.”

Another prominent issue identified was the lack of effective communication and collaboration between local councils and the public. The councils are not effectively engaging with residents, which hinders the success of decentralization efforts. C1 highlighted,

“Local Councils get in touch with the public hardly at all,”

while D1 emphasized the need for better education and consultation, saying,

“The public should be educated about decentralization, and councils should consult with any issue which are related to people.”

This lack of public engagement is compounded by a general disinterest in island development, with only a few councils actively engaging with citizens. However, there is some indication of growing interest among youth, as noted by D2, who remarked,

“While there is limited engagement with the general public, there is significant engagement with the youth.”

Despite these challenges, some positive shifts have been observed with the decentralization process. A notable improvement is the increased autonomy councils now have in managing their budgets and services. As A1 explained,

“Before the central government made all the decisions, but now a lot of powers have been left to the councils. The council’s budget does not seek the permission of anyone.”

This shift has led to greater efficiency and faster service provision, with E1 noting,

“Many services that were not provided then are being provided today. That’s also faster than ever.”

This newfound freedom has also allowed councils to better respond to the needs of their communities, with C1 observing,

“The demand for services and the number of services provided has increased drastically.”

Decentralization has also fostered closer relationships between councils and local communities, particularly through the active involvement of clubs and associations. D1 noted that

“Councils provide assistance to clubs and associations, and councils seek their input and consultation when making decisions,”

highlighting the collaborative efforts that have been established between the councils and local organizations. These partnerships have proven beneficial for island development, as D2 explained,

“The community and associations benefit as the council’s planned activities are executed through Island clubs and associations with financial aid.”

However, despite these successes, E1 pointed out that while decentralization has empowered councils,

“a village can be developed in the most complete way with an adequate budget,”

suggesting that the success of decentralization is still heavily reliant on sufficient funding.

Key Challenges Faced by Local Government Institutions

The local government institutions in the atoll face significant governance and political challenges, particularly related to the limited autonomy of local councils and political conflicts between central and local authorities. A recurring issue is the shifting of powers back to central government, which undermines the councils' ability to operate effectively. A1 highlights that

“With the change that comes every 5 years, the changes in the system cause a huge weakness in the system, including the reduction of powers given by the previous central government.”

The lack of consensus between local politicians and the central government further exacerbates the situation, with C2 noting,

“When there is a difference in political thought between the leading government and the council members of an island, it’s hard for councils to operate at their optimum speed.”

This issue is compounded by administrative duplication, particularly with the existence of both a city council and atoll council, which complicates governance structures and reduces efficiency.

Local councils in the atoll are struggling with limited capacity and resource constraints that hinder their effectiveness. While some councils have the necessary human resources, financial limitations and a lack of qualified personnel are significant barriers. A1 points out that while there is potential,

“the government should work to empower the councils financially, guide them, but all this depends on the education of the incoming council members and their capacity.”

Despite the presence of manpower, councils often face challenges in attracting and retaining qualified staff, as D2 states,

“There is insufficient capacity. Regardless of how well-designed the system is, an effective method must be established.”

Financial constraints are also a significant issue, with councils receiving insufficient budgets to carry out development projects. As C1 explains,

“The system is still not functioning properly due to lack of educated youth in the island and lack of people familiar with the system.”

Unequal distribution of resources and development efforts across the islands is a major concern in the atoll, with development concentrated in more populous and politically connected areas. A1 highlights that

“Many things are done by the government for island councils who have political connections with the central government,”

which creates disparities in the distribution of resources. This is especially evident in the atoll capital, where development is prioritized due to its larger population and political influence, while smaller islands suffer from neglect. C1 remarks,

“Development comes to populated islands, development is based on the number of votes cast there. And to the political ideology there,”

underscoring how political considerations influence resource allocation. Smaller, less politically connected islands are left behind, resulting in uneven development across the atoll, as noted by D1:

“It is very noticeable that road and infrastructure development occur predominantly in larger villages due to population growth.”

The centralization of power and the limited financial autonomy of local councils are significant challenges that prevent effective decentralization in the atoll. A1 acknowledges that while councils have some freedom in spending, the central government controls the overall budget, saying,

“There is freedom of spending. However, the budget is determined by the central government. Councils get very little budget.”

This lack of financial independence severely restricts the councils’ ability to implement development projects and meet local needs. C1 further elaborates,

“There is freedom of spending. However, there is no freedom for development in budgeting,”

which highlights the lack of control councils have over their financial decisions. The centralization of development in the atoll capital, where most services and resources are concentrated, is also a point of contention, with E1 arguing,

“[Atoll capital] has received excessive attention regarding provincial development at the expense of other areas that need equal focus for balanced development efforts.”

These issues reflect the ongoing challenges in achieving true decentralization in the atoll.

Impact of Challenges on Governance and Service Delivery

The participants identified significant legal and administrative obstacles that hinder the effectiveness of local governance and the delivery of public services. One key issue raised by A1 is the limited autonomy of councils in managing their finances and decision-making, with A1 stating,

“Councils should be given full powers of council jurisdiction. It would be better if the government could allocate the budget for a budget made by the council.”

This point was echoed by C1, who highlighted the detrimental impact of restrictive legislation that prevents councils from accessing necessary financial resources such as being unable to open dollar accounts or collect taxes:

“The law needs to be changed very drastically, councils do not have the freedom to collect taxes, councils do not have the freedom to open dollar accounts under the law.”

C2 further noted the ongoing centralization of authority, which reduces the councils’ capacity to manage local development effectively, saying,

“The government has retained many of the powers of the decentralization system, including land and jurisdiction. Therefore, all powers should be left to the councils to make this system work properly.”

Moreover, D1 emphasized the importance of community involvement for effective governance, suggesting that councils need to engage directly with residents through consultations to better understand local needs, with D1 mentioning,

“Peoples collaboration on development projects led by the councils... councils should conduct house-to-house visits to seek public consultation and to know their needs.”

These legal and administrative barriers, as identified by the participants, significantly undermine the councils' ability to manage resources and provide quality services to their communities.

Participants provided several recommendations aimed at overcoming the challenges faced by local councils and improving governance. A1 suggested that the central government should create a standardized model framework that considers the unique needs of each island while promoting similar practices across the country:

“Central government should set a model module, all islands are different, but a model should be developed for similar things.”

C1 added that councils should retain all income generated within their jurisdiction to better fund local projects, asserting,

“All income from the jurisdiction of the council should go to the island... the council should get a certain percentage of any project implemented by the central government in the Island.”

Furthermore, C2 called for the involvement of local authorities in critical decision-making processes and emphasized the need to set aside political differences for the betterment of village development:

“When it comes to the development of the village, the practice of local governance can be improved only by isolating political ideology and working together with all parties.”

D1 underscored the importance of providing local councils with adequate resources, suggesting that the Local Government Authority (LGA) should support councils by providing them with the budgets needed to function effectively:

“The LGA should fully support the local council and provide a budget to facilitate activities and granting freedom to spend and acquire other income resources.”

D2 also pointed to the need for more public engagement and sufficient government funding for decentralization efforts, with D2 stating,

“Councils can promote decentralization through engaging the public in dialogue and by being allocated reasonable budgets from the central government for implementation of their projects.”

E1 proposed an increase in public awareness to improve local leadership, with E1 noting,

“Raise public awareness.”

These suggestions collectively highlight the need for a more decentralized system that is supported by both legal reforms and effective resource management to improve the quality of governance and public service delivery.

Practical Solutions for Enhancing Local Governance

Participants offered a range of practical recommendations aimed at enhancing local governance by empowering councils and ensuring fair development across regions. A1 stressed the importance of decentralizing power to councils, removing political interference, and granting them the highest level of authority. A1 mentioned,

“End political discrimination by the central government by decentralizing power and granting authority to councils at the highest possible level.”

Similarly, C1 suggested giving councils full autonomy to manage their affairs without interference from central government, stating,

“Decentralization can be done by giving the council the power to decide everything... and by ceasing the interference of the central government in the affairs of the village council.”

C2 recommended appointing qualified, educated individuals to councils and implementing training programs to ensure effective governance, with C2 adding,

“Appointment of competent educated persons as council members. Training of council members, and to organize programs to raise awareness among the islanders.”

D1 emphasized the need for proper funding for grassroots-level development projects, while also highlighting the role of public awareness, saying,

“A budget given, implementation of structural development projects and level of public awareness.”

E1 called for balanced development across all villages, regardless of their size, urging that

“The central government should work to develop all villages, ensuring that development reaches both large and small population villages equally.”

These suggestions reflect a collective push for more autonomy, fairness, and active community participation in governance and development.

Participants proposed several reforms to improve the legal and institutional frameworks that govern local councils. A1 advocated for revising laws to ensure that all local councils, regardless of size, receive equal jurisdiction and support from the central government. A1 emphasized,

“Determination of rural jurisdiction in consultation with the people and councils... And laws should always be revised with changes. Each of these changes should be consulted with the councils and the people and councils should be aware of any changes they bring to Act.”

C1 suggested that the Decentralization Act should be amended with public involvement, emphasizing that islanders, rather than individuals from Male', should be on keyboards to make decisions impacting local councils. C1 stated,

“Parliament should amend the Decentralization Act with the participation of the people... Male' people are still on the boards in the central government to make major decisions related to Island councils. This too needs to change.”

Furthermore, C2 recommended setting qualifications for council members to ensure competent leadership and proposed better management systems for councils. D1 echoed the need for legal revisions to improve the existing framework, stating,

“The Parliament should alter the law because the current one is not workable... The LGA should do more than just monitoring councils; it should solve their problems too.”

D2 called for more equitable financing and development opportunities for all councils, along with better collaboration and consultation mechanisms with the public. E1 underscored the need for the central government to support all islands equally, proposing,

“The central government should eliminate discrimination in development and promote growth in all islands, while transferring governance with full authority to local councils.”

These proposals suggest a multi-faceted approach to strengthening local governance through legal reforms, better representation, and increased public involvement in decision-making.

DISCUSSION

The findings indicate that the decentralization process in the atoll presents both progress and persistent limitations. A primary challenge is the incomplete transfer of authority to local councils, limiting their autonomy and governance effectiveness. The contradiction between policy objectives and implementation realities mirrors findings in Indonesia, where decentralization efforts are constrained by centralization tendencies despite legal frameworks supporting local governance (Nugroho & Handayani, 2022) [25]. The lack of authority affects decision-making at the local level, weakening the ability of councils to address community needs effectively.

Resource constraints are another major barrier to effective decentralization in the atoll. The shortage of financial resources and human capital limits local councils' ability to provide essential services. This challenge aligns with experiences in Switzerland, where despite a well-established federal system, resource distribution remains a barrier to decentralized governance (Debela, 2020) [43]. In the selected atoll, councils struggle with inadequate budgets and staffing shortages, which impede service delivery and governance efficiency.

Public participation and awareness also significantly influence decentralization outcomes. Findings suggest that citizen engagement in governance processes is limited, reducing the effectiveness of participatory governance. This contrasts with the successes observed in India's Panchayati Raj system, where active public participation has strengthened local governance (Johnson, 2003; Mathew, 2020) [44, 45]. Without regular public consultations, local councils may struggle to align policies with community needs.

Political dynamics between central and local authorities further complicate decentralization efforts. The study highlights the role of political affiliations in shaping local governance decisions. When local councils operate under the influence of central government political priorities, their autonomy is compromised, reducing responsiveness to local needs. This phenomenon is also observed in India, where diverse political and ideological interests have hindered decentralized institutions (Singh, 2016) [28].

Financial dependence on the central government is another major constraint. Findings indicate that local councils receive budgets that do not reflect their actual needs, limiting their capacity for independent governance. This challenge is comparable to the experience in Indonesia, where local governments lack financial freedom due to central control over fiscal allocations (Triyanto, Wahyudi, & Ananda, 2017) [26]. Without adequate financial resources, local councils are unable to implement policies effectively, reinforcing dependence on the central government.

A key limitation to effective decentralization in the atoll is the lack of capacity among local government officials. The study found a shortage of skilled personnel, particularly young professionals with governance expertise. Councilors often lack the necessary knowledge and training to operate within a decentralized framework. Similar challenges are reported in Indonesia, where capacity limitations restrict governance efficiency (Triyanto, Wahyudi, & Ananda, 2017) [26]. Strengthening training and capacity-building programs is essential for improving governance outcomes.

The study also reveals disparities in development levels among the islands of the atoll. More developed islands demonstrate better governance performance, while less developed areas struggle due to financial and administrative constraints. This mirrors findings from Indonesia, where regions with stronger political ties to the central government receive more development support (Nugroho & Handayani, 2022) [25]. Addressing these disparities is critical to ensuring equitable service delivery and achieving decentralization objectives.

CONCLUSION AND RECOMMENDATIONS

This study provides a comprehensive analysis of the decentralization process in the atoll, Maldives, and the challenges encountered by local councils in implementing decentralized governance. The findings indicate that while decentralization holds significant potential for improving local governance, the process is hindered by factors such as the limited transfer of authority, inadequate resource allocation, and insufficient local capacity. Political interference and limited public engagement further exacerbate these challenges, underscoring the need for a more robust framework for decentralization. These findings are consistent with international studies on decentralization, which often identify similar barriers to effective implementation. The study emphasizes the importance of addressing these issues to ensure that decentralization can achieve its intended outcomes of improving governance and promoting local development.

While this study contributes valuable insights, it is important to acknowledge its limitations. The research focuses solely on a selected group of islands within the atoll, which may not fully represent the experiences of other regions in the Maldives. As such, the findings may not be directly applicable to the entire country, and future research should seek to extend the geographic scope to capture a more diverse range of experiences. Additionally, the study primarily relies on qualitative data, which, while rich in context, lacks the quantitative precision required to measure socio-economic impacts in a more detailed manner. The limitations in data collection methods, combined with the potential biases in stakeholder responses, further highlight the need for caution in generalizing the findings to a broader context.

The practical implications of this study are significant for the ongoing decentralization efforts in the Maldives. Addressing the resource constraints faced by local councils is crucial for enhancing the effectiveness of decentralization. Financial autonomy and administrative reforms are necessary to ensure that local governments can manage budgets, access funding, and implement decentralization policies effectively. Moreover, this study underscores the importance of broadening public participation in the decentralization process. By increasing citizen engagement and fostering greater transparency, local councils can enhance their accountability and better meet the needs of their communities. The experience of decentralized governance models in other countries, such as Switzerland's cooperative federalism, suggests that partnerships between different levels of government can strengthen the effectiveness of decentralization.

The study recommends several key policy reforms to address the challenges identified in the research. First, there is a need for administrative changes that enhance the capacity of local councils in budgeting and accessing resources. Strengthening the financial independence of local governments through increased revenue generation and decentralization of funding would enable local councils to fulfill their governance responsibilities more effectively. Additionally, policies that encourage collaboration between local councils and communities can help address resource limitations and foster a more inclusive governance model. The central government must also implement policies that rectify systemic imbalances and promote equitable spatial development, ensuring that the benefits of decentralization are spread across all regions.

Future research on decentralization in the Maldives should seek to expand the geographical scope of the study to include more islands across different regions. A comparative approach would allow for the identification of best practices and the development of guidelines for regions facing similar challenges. Furthermore, integrating quantitative methods, such as surveys and statistical analysis, would provide a more comprehensive understanding of the socio-economic impacts of decentralization and resource allocation. Longitudinal studies that track the evolution of decentralization over time would offer valuable insights into the sustainability and long-term effectiveness of decentralization policies. Finally, future research should explore the role of public education and citizen engagement in fostering a more inclusive and effective decentralized governance system. Understanding how citizens interact with local governance structures can inform the development of policies that enhance participation and improve governance outcomes.

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