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Maldives' Engagement with International Law

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The Maldives is an archipelagic state situated in the Indian Ocean. It is one of the world's most geographically dispersed sovereign States having close commercial, cultural and political ties to India and Sri Lanka. In the 12th century, Islam reached the shores of the Maldives, which was consolidated as a Sultanate developing close ties with Asia and Africa.

Maldives' legal engagement with European countries began in 1558 when it became an administrative territory of the Portuguese. By the mid-17th century, the Portuguese were replaced by the Dutch. While the Dutch administration established hegemony over Maldivian affairs, it was not directly involved in the local governance. In 1796 Maldives came under British rule when the Dutch were expelled from Ceylon ([SILVA, 2016](#)).

In the year 1887, the Sultan of Maldives signed a Protection Agreement with the British Governor of Ceylon turning the Maldives into a British-protected State. During the British period, the Maldives continued to be ruled by successive Sultans. The British encouraged the Sultan to have a constitutional monarchy, and their influence could be seen in the proclamation of the first Constitution of 1932. The British promised military protection and non-interference in local administration in exchange for an annual tribute ([Kumar, 2016](#)). In the 1950s, the political history of Maldives was largely influenced by the British military presence in the Islands. In 1956 the United Kingdom took Gan and Hithadhoo on a hundred years lease in return for £2,000 per annum ([Metz, 1994](#)).

In 1960, Maldives re-allowed the UK to continue to use both Gan and Hithadhoo facilities for 30 years with the payment of £750,000 from 1960 to 1965 for Maldives' economic development. On July 26, 1965, Maldives gained independence under an agreement signed with Britain. In a national referendum in March 1968, Maldives abolished the sultanate and established a republic ([Metz, 1994](#)).

Maldives's Inauguration to the Family of Nations

The contemporary international legal order is based on the Westphalian idea of sovereign States. The Montevideo Convention on the Rights and Duties of States, 1933 under Article 1 provides that the State as a person of international law should have a permanent population, a defined territory, a government, and the capacity to enter relations with the other states ([Shaw, 2017](#)). While the Maldives possessed all the essentials, its capacity to enter relations with other states was corroborated by Article 2 of the [UK-Maldives Agreement \(1965\)](#). This agreement provides:

“The United Kingdom Government confirms their recognition of the State of the Maldives Islands as a composite sovereign and fully independent State possessing all rights to have direct relations politically and otherwise with all countries and international organizations.”

Agreement Between United Kingdom and Government of the Maldivian Islands. (1965, July 26).

Following Independence, Maldives joined the United Nations in 1965 and the Commonwealth of Nations in 1982. Maldives became a founding member of the South Asian Association for Regional Cooperation (SAARC) in 1985 and later became a member of the World Trade Organisation (WTO) in 1995. Currently, Maldives is a member of 63 international organizations (Maldives Foreign Policy, 2022).

Five Decades of Maldives' Engagement with Contemporary International Law

Initially, Maldives' foreign policy projected the framework of a third world country and favored principles of non-alignment, peaceful coexistence, disarmament, nuclear non-proliferation, and declaration of the Indian Ocean as a Zone of Peace and Independent of colonial countries ([Kumar, 2016](#)). Currently, the [foreign policy of Maldives](#) focuses on the principles of Sovereign Equality, a rule-based international law system, non-interference in internal affairs, and supremacy of diplomacy in resolving global problems. As of 2022, Maldives is a [member of 63 international organizations](#) and is a [party to more than 200 bilateral and multilateral treaties](#).

The Maldives economy is hugely [dependent on tourism](#) contributing 30% of GDP and generating more than 60% of foreign currency earnings. The Maldives has received the highest investment in the tourism sector and is expected to receive investments in infrastructure projects and the real estate sector. However, the foreign investment sector is not limited to these major sectors. [FDI is almost everywhere in the Maldives](#) and makes up a major economic segment. A huge number of international food brands such as Burger King, PizzaHut, Gloria Jeans Coffees, KFC and several other franchises (e.g. Miniso) operate on a royalty-sharing basis. In recent years, [other major brands have invested in the Maldives](#) such as the InterContinental Marriott International, Atmosphere Hotels, TATA Housing, etc. Maldives is a signatory to the World Trade Organization (WTO) and became a founding member on 31 May 1995. Maldives had been a contracting party to the General Agreement on Tariff and Trade (GATT) since 19 April 1983.

Of late [Maldives has contested](#) important international arbitration disputes with foreign investors and has lost most of them. The Maldives government has paid huge settlements awarded by the International Arbitration Court in Singapore, including \$271 million for the cancellation of an airport development agreement and \$18 million for the cancellation of a border control project. As of now, Maldives has signed only one bilateral investment treaty with United Arab Emirates ([Maldives- UAE BIT 2017](#)). Foreign investments in the Maldives are governed by Law on Foreign Investments ([Law No. 25/79, 2022](#)). Keeping in view the foreign investments and lack of a legal framework to settle disputes, in 2019, [Maldives signed](#) the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1959 and UN Convention on International Settlement Agreements Resulting from Mediation 2018. The Maldives is also party to a dispute concerning delimitation of the maritime boundary with Mauritius before the International Tribunal for the Law of the Sea ([Dispute Concerning Delimitation of the Maritime Boundary between Mauritius and Maldives in the Indian Ocean, 2021](#)). Mr. [Abdulla Shahid was elected](#) to be the President of the seventy-sixth session of the United Nations General Assembly on 7 June 2021. He will continue as the President till September 2022. The Maldives also won the bid to host the 2023 Indian Ocean Island Games.

Conclusion

In the past few years, Maldives has been conducting a much more active foreign policy. This dynamism has been most noticeable since the departure of the British from Gan in 1976. Maldives' active participation in the United Nations dates from 1977 when Maldives' President was appointed as the first permanent representative of his country ([Phadnis & Luithui, 1981](#)). With huge attraction for foreign investment and its strategic location in the Indian Ocean, Maldives engagement with international law is going to take a new shift in coming years. With such engagements there will be a need to have international law practitioners and scholars. Maldives legal education should focus on producing home trained international law practitioners and scholars who are trained in Maldives State practice and foreign policy.

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