Public Willingness to Adapt to Fiscal Reforms in Small Island Developing States: Lessons for the Maldives

Ifaad Waheed and Aminath Shafiya Adam

Islamic University of Maldives

DOI: https://dx.doi.org/10.47772/IJRISS.2025.903SEDU0655

Received: 14 October 2025; Accepted: 21 October 2025; Published: 14 November 2025

ABSTRACT

This review examines the public willingness to embrace fiscal reforms in Small Island Developing States (SIDS), with a particular focus on lessons applicable to the Maldives. The review synthesizes insights from peer-reviewed articles, institutional reports, and relevant case studies to explore the factors that influence public acceptance of fiscal policy changes in developing island contexts. The review was conducted in accordance with PRISMA guidelines. Literature was sourced from eight databases, including JSTOR, Scopus, Web of Science, Google Scholar, IMF eLibrary, World Bank, ADB Knowledge, and OECD iLibrary. Search terms combined variations of “fiscal reform,” “tax reform,” “public acceptance,” “public willingness,” and “SIDS” or “developing countries.” An initial pool of 3,310 results was narrowed down to 64 studies after screening titles, abstracts, and full texts. Inclusion criteria required relevance to public attitudes toward fiscal reform in SIDS or comparable contexts, while papers with only technical or macroeconomic analyses were excluded. A structured matrix was used to extract data thematically. PRISMA’s four-phase flow was followed to ensure transparency in article selection. Findings reveal that successful fiscal reforms in SIDS are driven more by political-economic factors such as institutional trust and equitable burden-sharing, than by technical design. Caribbean SIDS like Jamaica and Barbados offer practical models through their emphasis on stakeholder engagement and social protection mechanisms. The study highlights a critical gap in empirical research on public attitudes toward fiscal reform in SIDS and underscores the need for locally grounded, people-centered approaches in the Maldivian context.

Keywords: Fiscal reform measures, systematic literature review, public willingness

INTRODUCTION

The role of public acceptance in fiscal reform has been increasingly recognized as crucial in achieving sustainable economic governance, particularly within Small Island Developing States (SIDS). Over the past decade, research has explored various dimensions of fiscal reform, including tax policy restructuring, rationalization of public expenditures, and reforms in public financial management. Despite these efforts, challenges such as low public trust in institutions, limited citizen engagement, and the political unpopularity of austerity measures continue to hinder successful reform implementation.

Although numerous studies have examined the technical aspects and macroeconomic outcomes of fiscal reforms, there is a lack of comprehensive synthesis that brings together findings across different geographic and institutional contexts especially in small island economies. Previous reviews (e.g., Clements et al., 2013; Tanzi, 2011) have been largely limited to advanced economies or focused narrowly on fiscal performance, without systematically exploring the socio-political dynamics that shape public willingness. Hence, a systematic literature review (SLR) is necessary to consolidate existing knowledge and identify critical gaps for future research and policy formulation, especially for vulnerable economies like the Maldives.

This review aims to systematically analyze the existing literature on public willingness to accept and adapt to fiscal reform in SIDS, with a focus on identifying key influencing factors, examining international experiences, and deriving policy-relevant lessons for the Maldives. Guided by this overall aim, the review addresses three central research questions: Which factors influence public willingness to accept fiscal reform measures in developing economies, particularly in SIDS? What approaches have other countries used to overcome public resistance to fiscal reforms, and which communication strategies have proven most effective? And finally, which international experiences provide viable lessons for shaping fiscally supported reforms in the Maldives? These questions frame the analysis and ensure the review generates both theoretical insights and practical guidance for inclusive fiscal transformation.

The paper is organized as follows: Section 2 describes the methodology of the SLR, including search strategy, inclusion/exclusion criteria, and data extraction techniques. Section 3 presents the main findings across thematic areas. Section 4 discusses the implications of these findings in light of fiscal reform theory and Maldivian realities. Section 5 concludes with key insights and recommendations for future research and policy action.

METHODOLOGY

This systematic literature review was conducted using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework to ensure transparency, reproducibility, and methodological rigor (Moher et al., 2009). The review focuses on Small Island Developing States (SIDS), particularly the Maldives, aiming to appraise and synthesize available evidence on public willingness to accept fiscal reform measures.

Search Strategy

A comprehensive search was carried out across academic databases (JSTOR, Scopus, Web of Science, Google Scholar) and institutional repositories (World Bank, IMF, ADB, OECD). Grey literature, including policy briefs and technical reports, was also included. Boolean search strings combined core fiscal terms ("fiscal reform," "tax reform," "austerity measures") with response-related terms ("public acceptance," "citizen attitudes," "public resistance") and contextual keywords ("Maldives," "SIDS," "developing countries"). Search strings were adapted per database—for example: ("fiscal reform" OR "tax reform") AND ("public acceptance" OR "public willingness") AND ("developing countries" OR "SIDS"). The review considered English-language publications from 2005 to 2024 to capture pre- and post-global financial crisis reforms. Reference chaining was used to supplement database results as seen in Table 1.

Table 1: Detailed Search Strategy by Database

JSTOR	("fiscal reform" OR "tax reform") AND ("public acceptance" OR "public willingness") AND ("developing countries" OR "SIDS")	643	89	12
Scopus	TITLE-ABS-KEY("fiscal reform" AND "public acceptance" AND ("small island" OR "developing"))	721	127	18
Web of Science	TS=(("fiscal reform" OR "austerity") AND ("public opinion" OR "citizen acceptance"))	589	93	15
Google Scholar	"fiscal reform public acceptance" "small island developing states" "Maldives"	894	156	23
IMF eLibrary	"fiscal consolidation" "public support" "small states"	127	47	8
World Bank	"fiscal reform" "citizen engagement" "public participation"	156	62	11
ADB Knowledge	"tax reform" "public acceptance" "Pacific" "island economies"	89	34	6
OECD iLibrary	"fiscal policy" "public trust" "government reform"	91	28	4
Total		**3,310**	**636**	**97**

Inclusion and Exclusion Criteria

Studies were included if they:

1. Addressed public attitudes or behavioral responses to fiscal reform.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue XXVI October 2025 | Special Issue on Education

2. Offered empirical data or theoretical frameworks on public acceptance of economic policy.
3. Focused on developing countries or SIDS.
4. Were peer-reviewed journal articles, institutional reports, or government documents.
5. Were published in English between 2014–2024.

Excluded were:

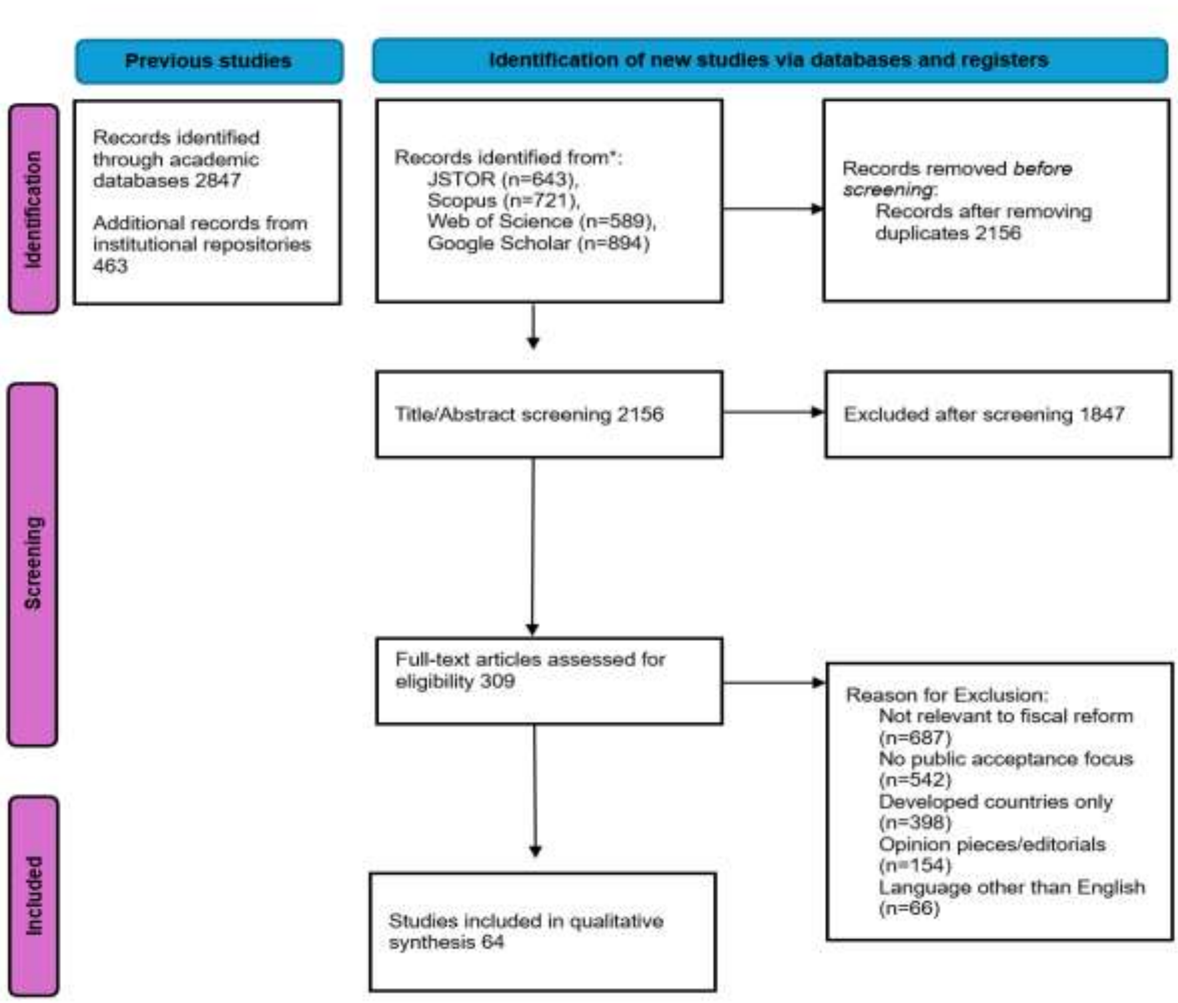
1. Studies solely focused on technical or macroeconomic design without public response.
2. Research exclusively based on developed economies
3. Opinion pieces or editorials lack empirical analysis.
4. Incomplete publications such as abstracts or book reviews.
5. Duplicates or studies lack methodological clarity.

Screening And Selection Process

Screening involved two stages: title/abstract and full-text review. Two reviewers independently assessed eligibility, resolving conflicts through discussion or with a third reviewer. A literature grid documented study aims, methods, and relevance to the research questions. The PRISMA flowchart was used to transparently report the number of studies identified, screened, excluded, and included as illustrated in Figure 1.

Figure 1. PRISMA Model

Data Extraction Framework



A standardized literature matrix was used to extract bibliographic details, study characteristics (objective, method, sample), geographic focus, type of reform (tax, subsidy, expenditure), and political/economic context. Key themes captured included communication strategies, trust in institutions, and factors influencing resistance or adaptation. For Maldives-specific studies, additional variables like cultural and governance dimensions were recorded.

Quality Appraisal

Study quality was assessed using adapted CASP tools. For quantitative studies, emphasis was placed on design fit, analytical robustness, and sample representativeness. Qualitative studies were assessed based on methodological rigor, transparency, and theoretical grounding. Institutional reports were evaluated on data validity, evidence-based conclusions, and policy relevance. Each study was rated as high, medium, or low quality. Low-quality studies were referred carefully but not excluded. Inter-rater reliability was tested by dual reviewing a subset of studies and refining criteria as needed as seen in Table 2.

Table 2: Quality Assessment Summary

Quality Rating	No of Studies	Percentage	Criteria Met
High Quality	23	35.9%	Rigorous methodology, large sample, clear findings, high relevance
Medium Quality	31	48.4%	Adequate methodology, moderate sample, relevant findings
Low Quality	10	15.6%	Limited methodology, small sample, or narrow relevance
Total	64	100%	

Data Synthesis and Analysis

Given the heterogeneity of study designs and outcome measures, thematic synthesis was selected over meta-analysis. Following Thomas & Harden (2008), studies were coded line-by-line for concepts related to public acceptance. These codes were grouped into descriptive themes, which were then developed into broader analytical themes to address the research questions. Initially, six thematic areas emerged:

1. Public perception and understanding of fiscal reform.
2. Socioeconomic determinants of acceptance.
3. Trust in institutions and governance.
4. Communication and citizen engagement.
5. Resistance mechanisms and mitigation.
6. Adaptation responses in small island contexts.

Tabular summaries were used to compare findings and quality across studies. Particular attention was given to lessons applicable to the Maldivian context. Confidence in findings was judged based on the consistency, quality, and relevance of supporting evidence. Where evidence was extrapolated from non-SIDS contexts, such limitations were noted as illustrated in Table 3. Table 4 also outlines the geographic distribution of the studies included along with important characteristics of the studies chosen for this review as seen in Table 5.

Table 3: SIDS Case Studies Included in Review

Country	Study Period	Reform Type	Key Findings	Quality Rating
Jamaica	2013-2019	Comprehensive fiscal consolidation	High public support through stakeholder engagement	High
Barbados	2018-2024	BERT program implementation	"Home-grown" approach increased acceptance	High
Seychelles	2020-2024	Climate-linked fiscal reforms	Environmental framing enhanced support	Medium

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue XXVI October 2025 | Special Issue on Education

Trinidad & Tobago	2015-2023	Oil revenue management	Commodity dependence complicates acceptance	Medium
Mauritius	2018-2022	Tax system modernization	Gradual implementation successful	High
Fiji	2016-2021	Post-cyclone fiscal measures	Disaster recovery framing effective	Medium
Maldives	2019-2024	Tourism tax increases	Limited public consultation, mixed results	Medium

Table 4: Geographic Distribution of Included Studies

Geographic Focus	No of Studies	Specific Countries/Regions
Caribbean SIDS	8	Jamaica (3), Barbados (2), Trinidad & Tobago (2), Other Caribbean (1)
Pacific SIDS	7	Fiji (2), Seychelles (2), Vanuatu (1), Samoa (1), Tonga (1)
Indian Ocean SIDS	4	Maldives (2), Mauritius (1), Comoros (1)
Multi-country developing	31	Africa (12), Asia (10), Latin America (9)
Global/Theoretical	14	Cross-national analysis, theoretical frameworks
Total	**64**	

Study Characteristics Table

Table 5: Summary of Included Studies (N = 64)

Study Category	Number of Studies	Percentage	Key Characteristics
Peer-reviewed articles	38	59.4%	Empirical research with rigorous methodology
Institutional reports	26	40.6%	IMF, World Bank, ADB, OECD publications
Geographic Focus			
SIDS-specific	19	29.7%	Caribbean (8), Pacific (7), Indian Ocean (4)
Developing countries	31	48.4%	Multi-country comparative studies
Global/theoretical	14	21.9%	Cross-national analysis and frameworks
Methodology			
Quantitative	24	37.5%	Surveys, econometric analysis, experiments
Qualitative	22	34.4%	Interviews, case studies, ethnographic
Mixed methods	18	28.1%	Combined quantitative and qualitative

Time Period Studied			
2005-2010	12	18.8%	Post-2008 crisis reforms
2011-2015	18	28.1%	Austerity and consolidation period
2016-2020	21	32.8%	Contemporary reform experiences
2021-2024	13	20.3%	COVID-19 and recovery measures
Reform Type Focus			
Tax reforms	27	42.2%	Income, consumption, property taxation
Expenditure cuts	19	29.7%	Public sector, subsidies, social spending
Comprehensive packages	18	28.1%	Multiple reform components

RESULTS AND DISCUSSION

Important results are discussed with emerging themes of the included studies.

Drivers of Public Support or Resistance

According to the systematic research, various factors interact with one another either favorably or negatively supporting public acceptance or opposition to fiscal reform policies. Under the economic self-interest perspective, people would favor those policies they believe will improve their financial condition while opposing those that directly hurt them (Bartels & Haselswerdt, 2023). This pattern is influenced by a number of critical factors within the relationship, ranging from perceived fairness, distributional effects, and long-term economic compulsion.

Necessity of reforms decides to a great extent the acceptance of reforms by the populace to support measures with greater acceptance in times of crisis (Alesina et al., 2019). In this regard, the case of Jamaica is illustrative how PNG with a debt-to-GDP ratio of 147 percent engendered public awareness of the urgency of reforms, while acceptance was thus given to a primary surplus target of 7.5 percent.

Fairness perceptions lie at the root of sustainable reform acceptance. Progressive adjustment measures receive a far higher level of public approval than regressive measures, which in relative terms lay a heavy burden upon the lower income groups (Limberg, 2020). The BERT program in Barbados is a classic case where the burden had been shifted away from labor and vulnerable groups toward capital and the visitor economy, resulting in an unparalleled level of public endorsement (IMF, 2024).

An essential modulator of the link between reform design and public approval is trust in reform execution. Studies reveal that while those with low trust oppose reforms regardless of their technical merits, those who have excellent faith in institutions typically accept short-term expenses for long-term advantages (Braun & Tausendpfund, 2014). This outcome particularly interests recently democratized SIDS like the Maldives, where institutional trust still suffers even after decades of authoritarian control.

Given that cultural and ideological factors determine acceptance patterns in ways beyond individual economic self-interest, research conducted in Muslim-majority countries indicates that reforms advertised in accordance with the Islamic principles of social justice and collective responsibility garner greater acceptance than those promoted solely on economic grounds (Treisman, 2000). The Maldives' constitutional requirement that all citizens be Muslims thus opens unique avenues for the religious framing of fiscal responsibility.

Communication and Trust in Government

Communication strategies, though crucial in shaping consciousness and rallying support for fiscal reforms, go

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue XXVI October 2025 | Special Issue on Education

unutilized in many parts of the world. In fact, if communication by the government is top-notch, transparent, and unambiguous, the majority would embrace the reforms, whereas inconsistent messaging would only clue the general public out of such acceptance (Bischoff & Kanuha, 2019).

Multi-stakeholder engagement platforms represent best practice in reform communication, as highlighted by the case of Jamaica's Economic Program Oversight Committee (EPOC). This framework constituted monitors from private sector, labor unions, government, academia, and media, thus making monitoring transparent and engendering true ownership of the reform process.

Framing effects significantly influence the public's response to the same fiscal measures. The research of Haselswerdt and Bartels (2023) shows that people respond differently when tax expenditures are framed as "spending through the tax code" than they do when the exact same spending is seen as a direct expenditure.

Trust in government institutions is the mediator between communication quality and reform acceptance. Essentially, the studies show that the governments with higher levels of trust can implement reforms with fewer intensive communication efforts, while those with the deficit of trust will have to go through comprehensive engagement strategies to achieve the same levels of acceptance (Hartman et al., 2022).

Equity and Distributional Effects

The impacts of fiscal reforms on different groups may well turn out to be the most critical factor determining public acceptance. Equity notions often take precedence before efficient arguments in citizens' considerations with respect to policy measures. Public support is generally highest when the reform burden is progressively distributed, and regressive impacts generate persistent opposition regardless of the economic gains to the entire society (Kallestrup, 2024). The impacts of income inequality become particularly precocious in evaluating fiscal measures by the public. It has been shown that tax cuts favouring high earners increase inequality while failing to generate growth benefits, thus causing public discontent detrimental to the realization of the entire reform program (Nguyen et al., 2022).

Within countries, regional disparities engender complex distributional dynamics whose discussion becomes relevant in the SIDS context. The Maldives represents such an instance of this problem, with incomes in Malé being 75 percent higher than those of outer island populations, thus creating differential burdens for identical fiscal measures across geographic regions (World Bank, 2024).

The other factor of sectoral considerations becomes imperative in economically concentrated SIDS. The research depicts that tourism-based economies come with unique challenges when fiscal reforms impact operations in the hospitality industry and visitor costs, as recent increases in the Maldives tourism tax have shown (Orbitax, 2024).

Table 6: Summary table of reform measure taken by SIDS country

Reform Measure	Country Context	Relevant to the Maldives	Source
Broad-based fiscal reform with primary surplus targets, EPOC oversight, gradual implementation, strategic communication	Jamaica - Political continuity, national ownership, and sustained reform implementation	(High) Maldives can benefit from institutional oversight (e.g. EPOC-style committee), strategic communication, and gradual reform	IMF, 2020
Home-grown reform program, progressive burden sharing, integration with climate resilience, social protection maintained	Barbados - Locally developed and inclusive reform	(High) Especially applicable in public engagement and climate integration, with need to preserve social protection	IMF, 2024

	with high debt-to-GDP ratio		
Climate Budget Tagging to align fiscal reform with environmental goals; strong social assistance	Seychelles - Fiscal-environment integration with emphasis on climate resilience	(Moderate to High) Maldives can adopt climate budgeting to align with its climate-vulnerable status	IMF, 2024
Commodity-linked fiscal policy; challenges of procyclicality and weak reform durability	Trinidad and Tobago - Oil-dependent economy with fluctuating public support based on global oil prices	(Low) Maldives is tourism-reliant, not commodity-based, but lesson on institutional resilience is relevant	IMF, 2024
Post-disaster resilience-linked fiscal reforms with limited fiscal space	Fiji (Pacific Islands) - Reforms post-cyclone linked to environmental resilience, but with limited capacity	(Moderate) Similar disaster-prone context, useful for linking fiscal reform with resilience	IMF, 2024

Lessons for the Maldives from Other SIDS

The analysis of fiscal reform strategies in Jamaica, Barbados, Seychelles, Trinidad and Tobago, and Fiji reveals key insights that hold varying degrees of relevance for the Maldives. While all these countries share the structural vulnerabilities typical of Small Island Developing States (SIDS), the design and implementation of their fiscal reforms have differed significantly in approach, outcomes, and sustainability.

Jamaica's experience stands out as the most structured and politically sustainable. The formation of the Economic Program Oversight Committee (EPOC), with representatives from government, private sector, labor, media, and academia, created a multi-stakeholder platform that ensured transparency and legitimacy. This model of inclusive oversight, combined with consistent political will across changing governments, made reform outcomes credible. For the Maldives, where public trust in institutions remains low and political fragmentation is common, a similar oversight mechanism would not only institutionalize accountability but also build confidence in the reform process.

Barbados offers another highly relevant model, particularly in its emphasis on home-grown solutions and the equitable distribution of fiscal burdens. The deliberate shift of burden away from labor to capital, and the integration of climate resilience within the economic reform framework, demonstrate a socially conscious and forward-looking model. For the Maldives, where economic vulnerability is tied closely to tourism and external shocks, designing reforms that are progressive, locally driven, and linked with climate adaptation could significantly enhance both public support and international credibility.

The Seychelles model, with its Climate Budget Tagging approach, highlights a strategic alignment between fiscal reform and environmental sustainability. This linkage is highly appropriate for the Maldives, which faces existential threats from climate change. However, such a framework would require stronger data systems and institutional capabilities than currently exist in the Maldives. Nonetheless, the principle of framing reforms through the lens of climate resilience could increase public support.

On the other hand, Trinidad and Tobago's challenges underscore the dangers of relying on volatile sectors like commodities. While the Maldives is not a resource-exporting economy, its dependence on tourism makes it similarly vulnerable to external shocks. The lesson here is the importance of building institutional mechanisms that sustain reform momentum even when economic conditions fluctuate. Fiscal reform in the Maldives must be designed to outlast short-term political or sectoral shifts.

Lastly, Fiji's post-disaster fiscal reforms highlight the potential of leveraging crisis moments to introduce resilience-focused economic adjustments. The Maldives, also highly disaster-prone, could adopt a similar strategy by aligning fiscal reform narratives with resilience and disaster preparedness. However, as seen in Fiji, limited fiscal space and administrative capacity can constrain reform effectiveness unless supported by external assistance or regional cooperation.

Overall, common elements across the successful cases include:

- Seizing crisis moments as windows of opportunity
- Strong stakeholder engagement mechanisms
- Incremental and adaptive implementation
- Regional or external technical collaboration
- Alignment of fiscal and climate objectives

These components resonate with the Maldivian context and provide a practical blueprint for tailoring fiscal reform to its unique structural constraints and political economy.

Most Relevant Reform Model for the Maldives

The Maldives has made notable progress in achieving its development goals; however, sustaining and expanding these accomplishments requires addressing ongoing fiscal challenges. According to Sislen (2023), efficient public expenditure, coupled with the timely implementation of expenditure reforms and well-targeted social support, is critical to ensuring resilience in the face of growing economic pressures.

Among the cases studied, Jamaica's model emerges as the most relevant to the Maldives. Its blend of strategic communication, broad-based stakeholder oversight, and political continuity offers a robust framework adaptable to the Maldivian setting. This relevance is heightened by the Maldives' own need for trust-building in public institutions and for managing reforms in a way that survives electoral cycles.

Barbados follows closely behind, especially in the context of integrating fiscal reform with climate resilience and social protection, both key needs for the Maldives. The Seychelles and Fiji models also offer targeted insights, especially for climate and disaster-responsive budgeting. The synthesis of these reform experiences should guide the Maldives toward a holistic fiscal reform strategy, one that is inclusive, climate-aware, socially equitable, and politically resilient.

Public Participation, Transparency, and Governance Capacity

Public participation is critical to legitimizing and sustaining fiscal reform, yet many governments neglect participatory mechanisms. Meaningful citizen involvement fosters ownership and reduces resistance by addressing information asymmetries (Petrie, 2017). While participatory budgeting has gained traction in some developing countries, its application to structural reforms remains limited. Evidence suggests communities involved in budgeting better understand fiscal trade-offs, improving support for reforms (Sintomer et al., 2012). However, scaling such engagement requires substantial institutional capacity.

Transparency also underpins reform trustworthiness. Governments providing regular, detailed updates enjoy higher public support than those relying on inconsistent communication (Gaventa & McGee, 2013). Jamaica's EPOC model illustrates best practice through quarterly reports and frequent stakeholder briefings. Digital participation platforms are promising, especially for dispersed SIDS populations. Though online consultations improve perceived inclusion, their actual policy influence remains limited, and digital divides risk excluding vulnerable groups (Macintosh & Whyte, 2008). Engagement with civil society can build reform legitimacy where institutional trust is weak. Civil society can explain reforms and monitor implementation, though maintaining independence while cooperating with governments remains a challenge (Fölscher, 2010).

Governance quality is foundational for reform success. Weak institutions, despite sound technical design, often lead to failed reforms. Independent Fiscal Institutions (IFIs) can enhance credibility, but their impact depends on design, backing, and capacity conditions that strain SIDS systems (Beetsma et al., 2018). Limited administrative capacity, technical gaps, and coordination failures further hinder reform (Andrews, 2013). Regular monitoring and strong public reporting, such as in Jamaica's EPOC, are key to public trust (Schick, 2013).

Key Trends and Comparative Insights

The review highlights broad trends influencing public acceptance of fiscal reforms. A major shift has occurred from technocratic to participatory approaches, with institutions like the IMF emphasizing stakeholder acceptance, communication, and trust (IMF, 2025). Another key trend is the growing focus on equity studies now show perceived fairness outweighs aggregate efficiency in shaping support (Limberg, 2020). This reflects post-crisis demands for social justice.

Climate integration is another dimension, as seen in Seychelles' Climate Budget Tagging, linking fiscal reform to environmental resilience (IMF, 2024) a model applicable to the Maldives. Similarly, digital platforms have improved participation, though digital divides risk exclusion (Chen & Gao, 2021). Regional peer learning also emerges as a strong trend among SIDS.

Jamaica's EPOC model achieved national ownership, political continuity, and strong communication, sustaining reform momentum and confidence. Barbados' BERT focused on progressive burden-sharing, climate resilience, and maintaining social cohesion. Seychelles framed reform through climate urgency, building support. Trinidad and Tobago's volatility highlights the need for stabilizing institutions. Fiji shows crisis can be leveraged for reform if aligned with resilience goals.

Common success factors include inclusive design, communication, gradual implementation, and integration with broader goals. Failures stem from exclusion, regressivity, poor communication, and weak institutions. The examination of the articles included outlines several gaps as given below:

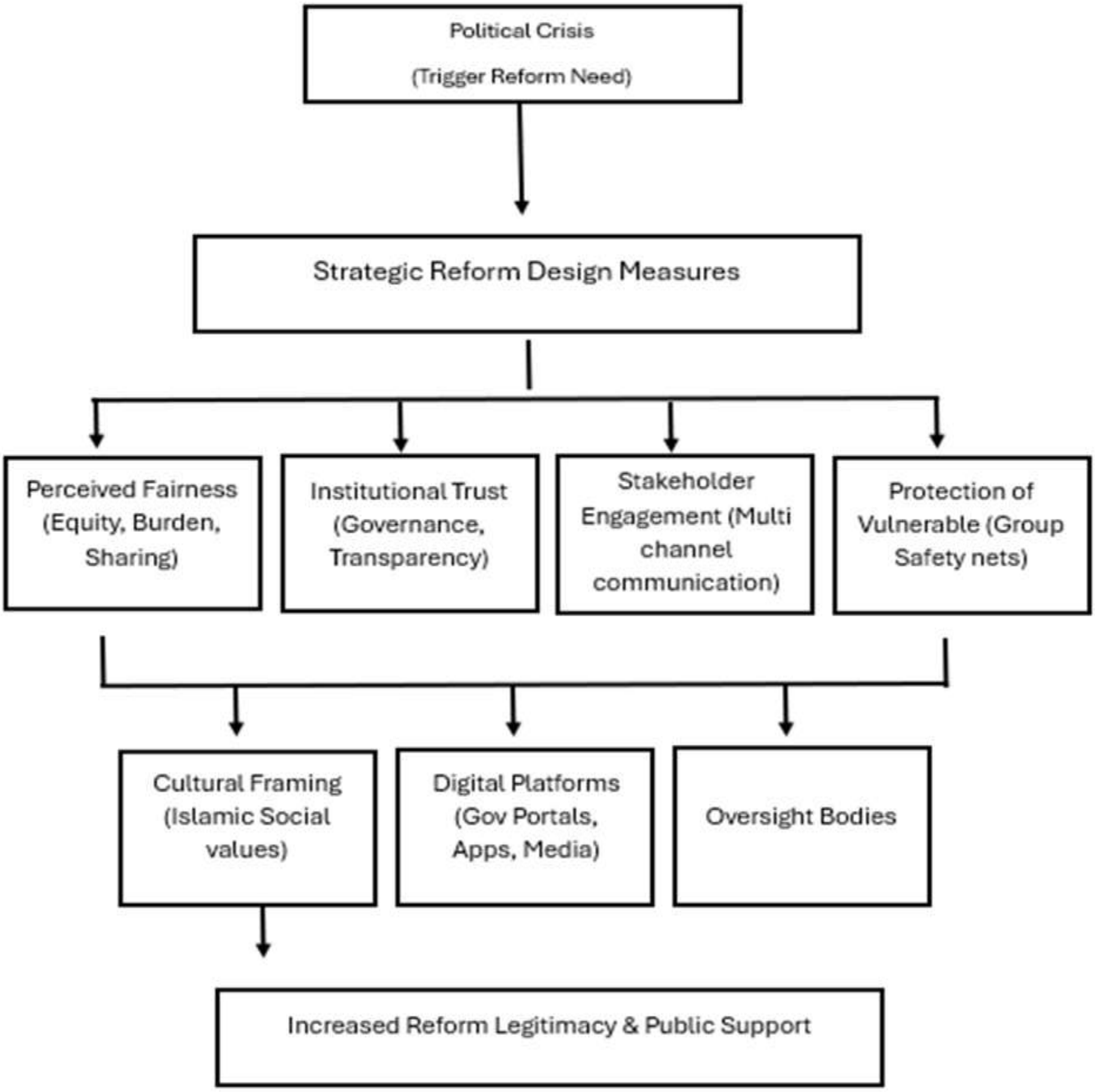
1. Causal Links: Study causal effects of specific reform designs on public acceptance using experimental or quasi-experimental methods.
2. Religious Framing: Examine how Islamic values and religious leadership affect reform acceptance in Muslim-majority SIDS.
3. Geographic Dispersion: Analyze how island dispersion impacts communication, implementation, and stakeholder inclusion.
4. Tourism Dependence: Investigate reform sequencing, visitor cost impacts, and industry support in tourism-driven economies.
5. Digital & Behavioral Tools: Explore digital engagement strategies and behavioral framing effects in fiscal policy communication.
6. Climate & Inclusion: Assess how climate framing and gender-inclusive design influence reform, support and outcomes.

This systematic literature review of 64 studies explores public willingness to adapt to fiscal reform, showing that political economy factors often outweigh technical policy design. Public support is largely determined by perceived fairness, institutional trust, effective communication, crisis framing, cultural alignment, and the protection of vulnerable groups, highlighting that reforms must prioritize equity, transparency, and social engagement over purely technical efficiency. Trust plays a central role in implementation: in high-trust contexts, reform can proceed with limited engagement, while in low-trust settings, active stakeholder involvement is essential, making institutional trust-building particularly critical for long-term reform legitimacy in small island developing states (SIDS). Communication enhances acceptance when it is continuous, culturally appropriate, and accessible, with narratives that connect economic goals to shared social values.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue XXVI October 2025 | Special Issue on Education

In SIDS, conditions such as strong social cohesion and potential for community engagement can facilitate reform, though these advantages are constrained by limited administrative capacity and geographic challenges. The findings suggest that leveraging unity while addressing systemic limitations is key for reform success. However, the review also reveals limitations, including the lack of primary empirical data from SIDS, few longitudinal studies on reform acceptance, limited attention to Muslim-majority SIDS, insufficient gender-disaggregated analysis, and minimal exploration of the private sector's role in stakeholder engagement. Further, Table 7 outlines the visual map on reform measures to bring the linkage across authorities.

Table 7: Visual map on reform measures bringing the linkage across authorities



This framework (Table 8) illustrates how 4 key reform acceptance factors interact with each other and the authorities responsible for implementation in Small Island Developing States (SIDS). It shows the flow from political crisis to public support, mediated through institutional trust, fairness, stakeholder engagement, and cultural framing.

CONCLUSION AND RECOMMENDATIONS

The findings of this research are summarised along with the research questions below:

What factors influence public willingness to accept fiscal reform in developing economies and SIDS?

The review identifies six key factors. Fairness and distributional equity are crucial citizens support reforms perceived as progressive and rejected those viewed as regressive. Reforms that eliminate regressive subsidies while enhancing targeted social protection gain broader acceptance.

Institutional trust and governance quality also mediate public acceptance. High-trust environments require less engagement, whereas low-trust contexts demand transparency, disclosure, and active stakeholder participation. A crisis window often triggers public acceptance of otherwise unpopular reforms, but support is more sustainable during recovery rather than peak crisis moments. Protecting vulnerable groups during implementation is essential for maintaining social cohesion. Reforms are more acceptable when they preserve a social floor through targeted compensation. Cultural and religious framing also matters, reforms that align with local values or religious principles tend to enjoy more support than those framed purely in technical terms.

How have other countries managed public opposition and what communication strategies worked?

Successful countries have adopted inclusive, innovative approaches. Jamaica's experience with its Economic Program Oversight Committee (EPOC) turned externally imposed reforms into nationally owned initiatives. Transparent monitoring and reporting helped sustain public trust over six years of fiscal consolidation. Barbados employed a home-grown reform model, emphasizing national sovereignty and burden-sharing. Its BERT program redistributed fiscal adjustment costs from labor to capital while integrating climate resilience objectives. Effective communication in all cases shared common traits: broad stakeholder engagement, multi-platform outreach, cultural relevance, consistent reporting, and transparent updates. Reform narratives connected to economic needs with collective values. Moreover, successful reformers engaged potential opposition early, sequenced reforms thoughtfully, and provided compensation where impacts were sharpest. Gradual rollouts allowed for adaptation, and continuous dialogue helped manage resistance.

What lessons are most applicable to the Maldives?

Lessons from other SIDS suggest several directions for Maldives. Institutionally, a Maldives Economic Reform Council modeled after Jamaica's EPOC should be created to foster ownership. This council must include representatives from government, civil society, religious institutions, and business sectors.

Culturally, communication should embed Islamic values and climate concerns. Framing fiscal responsibility through religious concepts like Amanah (stewardship) or Adl (social justice), and trying reform to sustainable tourism, could increase public buy-in.

Strategically, sequencing reforms is key. Begin with revenue measures particularly those targeting tourism and luxury goods, while shielding basic services. Stakeholder engagement must be genuine, with digital tools complementing traditional governance channels to reach dispersed communities. Implementation should follow a phased, adaptive approach over 3–5 years, starting with low-resistance reforms and gradually moving toward deeper structural changes. This approach builds capacity and acceptance simultaneously.

Strategic Recommendations for Maldives

Fiscal reform in the Maldives requires an inclusive approach built on strong institutions, transparent governance, and equitable policies. Establishing a Maldives National Reform Council with diverse representation would provide a guiding framework, supported by quarterly reports, stakeholder briefings, and annual reviews. Public communication should draw on mosques, local councils, radio, and mobile apps, with an annual "State of Reform" speech to align reforms with Islamic values and climate resilience.

Sustainability depends on progressive revenue measures and strengthened social protection. Revenue expansion should include luxury and tourism-related taxes, digital economy taxation, and income tax systems that protect low earners. At the same time, welfare must be preserved through conditional cash transfers, health subsidies, and education incentives. Addressing equity requires targeted infrastructure funds for outer islands, alongside training and employment schemes for youth and women.

Reforms should be implemented through a phased plan:

- Foundation (0–12 months) – establish institutions and capacity.
- Revenue Expansion (13–24 months) – diversify taxation.
- Expenditure Reform (25–36 months) – improve spending efficiency.
- Consolidation (37–48 months) – embed resilience and stability.

The path forward must shift from government-imposed policies to a nationally-owned program shaped by inclusive governance and social trust. Drawing on lessons from other SIDS such as Jamaica and Barbados, success will depend on equitable burden-sharing, consistent communication, and protection of vulnerable groups. Ultimately, sustained political will, institutional capacity, and democratic values will determine whether the Maldives achieves inclusive and lasting fiscal transformation.

REFERENCES

1. Alesina, A., Favero, C., & Giavazzi, F. (2019). Austerity: When it works and when it doesn't. Princeton University Press.
2. Alt, J. E., Lassen, D. D., & Rose, S. (2006). The causes of fiscal transparency: Evidence from the U.S. states. IMF Staff Papers, 53(1), 30–57. https://doi.org/10.1057/palgrave.imfsp.9450002
3. Andrews, M. (2013). The limits of institutional reform in development. Cambridge University Press.
4. Asian Development Bank. (2022). Maldives: Country partnership strategy 2020–2024. https://www.adb.org
5. Barro, R. J. (2002). Nothing is sacred: Economic ideas for the new millennium. MIT Press.
6. Bartels, L. M., & Haselswerdt, J. (2023). Perceptions of taxing and spending: A survey experiment. Yale Law Journal, 132(6), 1501–1552.
7. Beetsma, R., Bluhm, B., Giuliodori, M., & Wierts, P. (2013). From budgetary recommendations to fiscal rules: EU fiscal surveillance over the years. Economic Policy, 28(76), 697–766. https://doi.org/10.1111/1468-0327.12014
8. Bischoff, I., & Kanuha, A. (2019). How do communication and agency costs influence budget transparency and civic engagement? Public Choice, 180(3–4), 327–347. https://doi.org/10.1007/s11127-019-00674-5
9. Bird, R. M., & Zolt, E. M. (2018). Taxation and development: The weakest link? Routledge.
10. Braun, D., & Tausendpfund, M. (2014). The impact of the Euro crisis on citizens' support for the European Union. Journal of European Integration, 36(3), 231–245. https://doi.org/10.1080/07036337.2014.885750
11. Busemeyer, M. R., Goerres, A., & Weschle, S. (2008). Attitudes towards redistributive spending in an era of demographic ageing. European Journal of Political Research, 48(4), 443–466. https://doi.org/10.1111/j.1475-6765.2009.01817.x
12. Chen, L., & Gao, M. (2021). Digital government and citizen satisfaction: Evidence from China. Government Information Quarterly, 38(3), 101582. https://doi.org/10.1016/j.giq.2021.101582
13. Clements, B., Gupta, S., & Inchauste, G. (Eds.). (2013). Energy subsidy reform: Lessons and implications. International Monetary Fund.
14. Fölscher, A. (2010). Budget transparency: New frontiers in transparency and accountability. Open Society Foundations.
15. Gaventa, J., & McGee, R. (2013). The impact of transparency and accountability initiatives. Development Policy Review, 31(S1), S3–S28. https://doi.org/10.1111/dpr.12017
16. Gupta, S., Clements, B., & Tiongson, E. R. (2014). Fiscal policy and income inequality (IMF Staff Discussion Note No. 14/02). International Monetary Fund.
17. Hallerberg, M., Strauch, R. R., & von Hagen, J. (2009). Fiscal governance in Europe. Cambridge University Press.
18. Hartman, T. K., Stocks, T. V., Ahluwalia, R., Amaral-Garcia, S., Blavatnik, I., Klavina, D., … Nettle, D. (2022). The authoritarian dynamic during the COVID-19 pandemic. Perspectives on Politics, 20(2), 747–770. https://doi.org/10.1017/S1537592721000046

19. Heinemann, F., & von Hagen, J. (2008). Fiscal consolidations: Quality, economic conditions, and success. Fiscal Studies, 29(3), 455–476. https://doi.org/10.1111/j.1475-5890.2008.00080.x
20. Hübscher, E., Sattler, T., & Wagner, M. (2021). Voter responses to fiscal austerity. British Journal of Political Science, 51(4), 1751–1760. https://doi.org/10.1017/S0007123419000659
21. International Monetary Fund. (2020). Jamaica: IMF lending case study. https://www.imf.org/en/Countries/JAM/jamaica-lending-case-study
22. International Monetary Fund. (2021). Fiscal monitor: A fair shot. https://www.imf.org
23. International Monetary Fund. (2024). Small states monitor. https://www.imf.org
24. International Monetary Fund. (2025). Fiscal monitor: Fiscal policy under uncertainty. https://www.imf.org/en/Publications/FM/Issues/2025/04/23/fiscal-monitor-April-2025
25. Kallestrup, M. M. (2024). Do fiscal consolidations reduce government approval? European Political Science Review, 16(1), 89–108. https://doi.org/10.1017/S1755773922000144
26. Kaufmann, D., Kraay, A., & Mastruzzi, M. (2010). The worldwide governance indicators: Methodology and analytical issues (World Bank Policy Research Working Paper No. 5430). World Bank. https://doi.org/10.1596/1813-9450-5430
27. Limberg, J. (2020). What's fair? Preferences for tax progressivity in the wake of the financial crisis. Journal of Public Policy, 40(2), 171–193. https://doi.org/10.1017/S0143814X18000492
28. Macintosh, A., & Whyte, A. (2008). Towards an evaluation framework for eParticipation. Transforming Government: People, Process and Policy, 2(1), 16–30. https://doi.org/10.1108/17506160810862928
29. Maldives Policy Think Tank. (2024). Women and fiscal reform: The dawn of austerity in the Maldives. https://maldivespolicythinktank.com
30. Manning, N., & Mukherjee, R. (2000). Public officials and their institutional environment. World Bank.
31. Moher, D., Liberati, A., Tetzlaff, J., Altman, D. G., & The PRISMA Group. (2009). Preferred reporting items for systematic reviews and meta-analyses: The PRISMA statement. PLOS Medicine, 6(7), e1000097. https://doi.org/10.1371/journal.pmed.1000097
32. Nguyen, T. D., Vu, H. L., & Tran, K. M. (2022). Distributional effects of fiscal policy in emerging economies. Journal of Development Economics, 156, 102821. https://doi.org/10.1016/j.jdeveco.2022.102821
33. Organisation for Economic Co-operation and Development. (2020). Restoring public trust in government: Key challenges and recommendations. https://www.oecd.org
34. Orbitax. (2024). Maldives to increase GST rate for tourism sector. https://orbitax.com/news/archive.php/Maldives-to-Increase-GST-Rate--57015
35. Schick, A. (1998). Why most developing countries should not try New Zealand's reforms. The World Bank Research Observer, 13(1), 123–131. https://doi.org/10.1093/wbro/13.1.123
36. Tanzi, V. (2011). Government versus markets: The changing economic role of the state. Cambridge University Press.
37. Thomas, J., & Harden, A. (2008). Methods for the thematic synthesis of qualitative research in systematic reviews. BMC Medical Research Methodology, 8(1), 45. https://doi.org/10.1186/1471-2288-8-45
38. Treisman, D. (2000). The causes of corruption: A cross-national study. Journal of Public Economics, 76(3), 399–457. https://doi.org/10.1016/S0047-2727(99)00092-4
39. World Bank. (2023). Maldives economic update: Navigating fiscal consolidation. https://www.worldbank.org
40. World Bank. (2023). Statement by David Sislen, regional country director for Maldives, Nepal and Sri Lanka. World Bank. https://www.worldbank.org/en/country/maldives/publication/maldives-development-update-2024
41. World Bank. (2024, October 9). Maldives needs urgent, comprehensive economic reforms to maintain development progress. https://www.worldbank.org/en/news/press-release/2024/10/09/maldives-needs-urgent-comprehensive-economic-reforms-to-maintain-development-progress