

Country report – Maldives

The objective of this country report is to assess the data availability on labour force, country policies on informal sector and status on employment of informal sector and its contribution to Maldivian economy.

Status of labour force data and statistics

o Existing data collection activities and methodologies/ or plans

Creating employment opportunities has always been a key objective of the government. However so far there has been no specific survey done to collect labour force statistics. In Maldives, the labour force data are collected either through population and housing census or household budget surveys, which is conducted every five years. The statistical system in Maldives is a decentralized statistical system and the central statistics office, National Bureau of Statistics (NBS) is in charge of data collection and dissemination of labour force data.

The latest employment data collected in Census 2014 will be available at the end of July 2015. Currently the data processing and data cleaning activities are carried out of the census data.

o Presentation of time series of key labour force indicators

Table 1: Overview of labour force, 2006 - 2010

	2006			2010			Change		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Republic									
Total Population 15 years and over	193,771	91,799	101,972	213,872	99,822	114,050	20,101	8,023	12,078
Labour Force (broad definition)	117,434	64,569	52,865	136,886	74,971	61,915	19,452	10,402	9,050
Share of labour force		55%	45%		55%	45%		53%	47%
Male'									
Total Population 15 years and over	77,417	37,944	39,473	82,289	39,849	42,439	4,872	1,905	2,966
Labour Force (broad definition)	42,547	25,661	16,886	52,153	30,758	21,395	9,606	5,097	4,509
Share of labour force		60%	40%		59%	41%		53%	47%
Atolls									
Total Population 15 years and over	116,354	53,855	62,499	131,584	59,973	71,611	15,230	6,118	9,112
Labour Force (broad definition)	74,887	38,908	35,979	84,733	44,213	40,520	9,846	5,305	4,541
Share of labour force		52%	48%		52%	48%		54%	46%

Figure 1: Percentage change in labour force by sex, 2006 - 2010

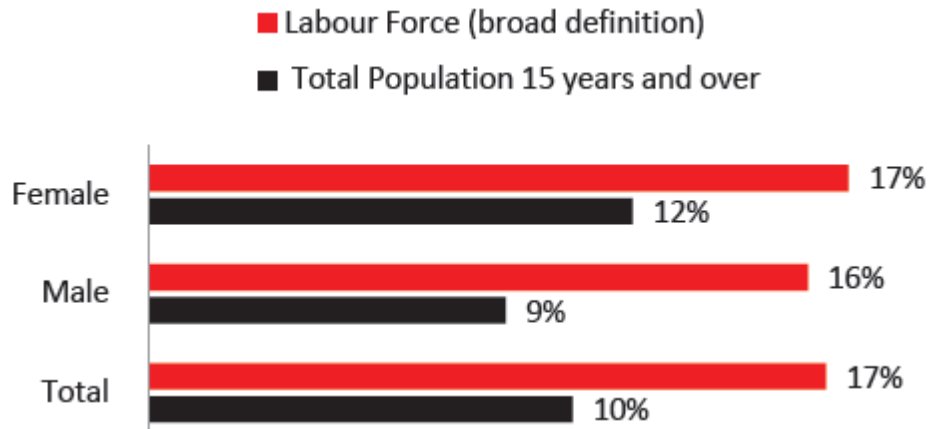


Table 2: Overview of Employment and unemployment rate, 2006 - 2010

	2006			2010			Change		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Republic									
Employed	98,941	58,691	40,250	98,393	60,828	37,565	(548)	2,137	(2,685)
% share		59%	41%		62%	38%			
Unemployed	18,493	5,878	12,615	38,493	14,142	24,351	20,000	8,264	11,736
% share		32%	68%		37%	63%			
Male¹									
Employed	37,746	23,684	14,062	39,775	25,657	14,118	2,029	1,973	56
% share		63%	37%		65%	35%			
Unemployed	4,801	1,977	2,824	12,378	5,100	7,277	7,577	3,123	4,453
% share		41%	59%		41%	59%			
Atolls									
Employed	61,195	35,007	26,188	58,618	35,171	23,447	(2,577)	164	(2,741)
% share		57%	43%		60%	40%			
Unemployed	13,692	3,901	9,791	26,115	9,042	17,073	12,423	5,141	7,282
% share		28%	72%		35%	65%			

Country policies on the informal economy and status

Considering the important role played by the informal economy in creating jobs and livelihood opportunities in the outer islands of the Maldives, the government policies on informal economy are geared to achieve the following.

- 1- Promote employment and enterprising opportunities for vulnerable groups, particularly women and youth
- 2- Foster formation of co-operatives in sectors such as agriculture, fisheries and craft making and empower informal workers to carry out income generating activities as a recognized and registered legal vehicle.
- 3- Encourage formalization of informal enterprises through regulation and incentives.

- 4- Expand safety nets available to workers operating in the informal economy.

Under the above policies the government has been implementing the following programs.

- 1- A dedicated program to foster micro, small and medium enterprise development was initiated in 2009 and is being continued with various up and downs. The program extends business support services to SMEs through Business Centers established in outer islands, provide concessionary financing for business start ups and business development, and address market access issues faced by small business. To further strengthen support measures provided, towards end 2015 the government will be launching incubation services and a credit guarantee fund. Provision and continuity of such support measures for small business have been guaranteed through the SME Act enacted in 2012.
- 2- A dedicated program targeting home-based workers, particularly women, to engage in income earning activities. The program provides skills development and entrepreneurial training, assist in product development and design and facilitate market access for products produced by home based workers. A dedicated co-operative society, with predominant shareholding by women home-based workers, has been formed to sustain these support activities. The program has been running since 2012.
- 3- A dedicated youth entrepreneurship program to foster enterprising activities among youth has been initiated in 2014. This program attempts to address the high level of unemployment and underemployment issues faced among youth.
- 4- In agriculture and fisheries sector, to promote value added activities, especially in outer islands, assistance is provided to form co-operatives. In this processes, economic activities previously which goes unnoticed is being increasingly converted and registered as enterprises operating in the formal sector. In addition, to address and reduce risks faced by farmers and fisherman, the government in 2014 has launched an insurance scheme to cushion adverse shocks and impacts to income in the event of disasters. In addition, the government has initiated work on registering agricultural plots allocated in various islands and take stock of farmers working in such land plots.
- 5- Formal registration of enterprises operating in the informal economy has been pursued under three main laws which were recently enacted. The Business Profit Tax and the General Goods and Services tax introduced in 2012 led many enterprises operating in the informal economy to register their businesses for tax purposes, which for the first time resulted in many small entrepreneurs undertaking formal registrations. In addition, under the SME Act of 2013, all small business operating in the informal economy, for the first time were encouraged to register their businesses. Incentives provided through the SME Act program were tied to registration. In addition under the Business Registration Act passed in 2014, except for a few excluded business areas, all other economic activities were required to be registered under the law. This has enabled many individual business or sole traders, which otherwise not registered, to be captured as enterprises operating in the formal sector.

- 6- Since 2012, the government has launched a universal health insurance scheme to provide health care coverage to all Maldivians. In addition, to attract and enlist workers operating in the informal economy under the pension scheme, a special program was launched in 2014. However the take up of registration has been very minimal to date.

Status of statistics on informal employment, employment in the informal sector and contribution of the informal sector to the economy

Currently Maldives does not have any data on informal sector or informal employment. However, the Household Income and Expenditure Survey (HIES 2015), which is designed with the technical assistance from International Labour Organisation (ILO), World Bank and ESCAP, and is planned to be launched in August will capture the informal sector and informal employment. The draft HIES 2015 questionnaire is in the annex below.