

RAPID LIVELIHOOD ASSESSMENT

IMPACT OF THE COVID-19 CRISIS IN THE MALDIVES

PART II - IMPACT ON EMPLOYMENT

With support from the National Bureau of Statistics,
The Maldives National University, Ministry of Tourism,
Ministry of Fisheries, Marine Resources and Agriculture,
Ministry of Youth, Sports and Community Empowerment
and the Ministry of Arts, Culture and Heritage.



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CHRONOLOGY OF EVENTS RELATED TO THE COVID-19 CRISIS IN THE MALDIVES

03 February 2020

Restricted entry to all passengers, regardless of nationality—except for Maldivian citizens—who have China as their port of embarkation or have transited through China

07 March 2020

First confirmed positive cases of COVID-19 in the country (two tourists)

12 March 2020

State of Public Health Emergency declared

14 March 2020

Restricts travel from resorts to all inhabited islands of the Maldives, and vice versa, and suspends all check-ins at all guesthouses and city hotels in the Greater Malé Region

15 March 2020

Established travel restrictions for passengers originating from, transiting to or with a travel history in Iran, South Korea, Italy, Bangladesh, Spain, Germany and France

17 March 2020

Established travel restrictions for passengers from Malaysia and the UK

.....
A nationwide shut down of all guesthouses and city hotels

19 March 2020

Government offices and schools and education service providers closed

.....
Suspension of entry of all tourists arriving via safaris, yachts and other passenger vessels

20 March 2020

Government announced the Economic Recovery Plan (ERP) of \$162 million, to support businesses and individuals severely impacted by the crisis

21 March 2020

All passengers entering the country subject to mandatory quarantine for 14 days

22 March 2020

All dine-in services offered by local restaurants and hotels in the Greater Malé Region closed

23 March 2020

All tourist excursions across the country banned

25 March 2020

Employees at resorts and safari boats are instructed to remain on board for 14 days after the last guest departs

27 March 2020

First Maldivian tested positive for COVID-19 while in quarantine facility

.....
Suspension of on-arrival visa for all passengers arriving to the Maldives by air and sea¹, except for individuals with special permission granted by the Government

2 April 2020

A three-hour (5 pm to 8 pm) curfew in the Greater Malé Region enforced

15 April 2020

The first case of community transmission was confirmed in the capital, Malé

.....
A 24-hour lockdown in the Greater Malé Region announced

¹ Maldivians and spouses of Maldivians who are foreign nationals will be allowed in but subject to quarantine measures.

16 April 2020

Ban on nationwide travel and public gatherings

17 April 2020

Lockdown extended for a period of 14 days as cases increase

22 April 2020

Income support of MVR5,000 under ERP to lodged cases in Job Center portal

23 April 2020

Community transmission surpasses 100 cases

25 April 2020

The national carrier, Maldivian, commenced delivering cargo to all domestic airports to solve supply issues faced within the atolls

701 foreigners granted clearance to travel back home on evacuation flights

28 April 2020

The first community transmission outside of the capital, in an outer atoll, confirmed

29 April 2020

First COVID-19 related death: a Maldivian woman of 83 years

2 May 2020

Special visas granted to certain parties, such as resort owners and investors, as well as officials from international institutions, to travel to the Maldives

7 May 2020

National Taskforce on Resilience and Recovery established by the President to plan recovery

14 May 2020

Lockdown extended in Greater Malé Region until 28 May 2020

29 May 2020

Lockdown easing measures introduced in the Greater Malé Region in phases

31 May 2020

Government offices reopen for essential work with limited hours and staff

12 June 2020

Community transmission surpassed 2,000 cases, with 8 fatalities

15 June 2020

Nationwide restrictions on travel and public gatherings lifted, except Greater Male' Region

20 June 2020

Government announced reopening of borders on 15 July 2020; resorts can resume operations

1 July 2020

National Emergency Operation Centre phased out; tasks shifted to the Ministry of Health

Businesses, including offices, shops, cafés and restaurants, reopened on 1 July 2020, adhering to health and safety guidelines from HPA and relevant authorities

5 July 2020

Government offices and schools for key stages reopen

15 July 2020

State of Public Health Emergency extended

Borders reopen, 40 resorts resume operations

INTRODUCTION

BACKGROUND TO THE CRISIS

The World Health Organization declared a COVID-19 pandemic on 11 March 2020. A highly communicable disease caused by a newly discovered coronavirus, COVID-19 first broke out in late 2019 in Wuhan, China.² Symptoms include respiratory illness, and severity is dependent on age and underlying medical conditions. The safest way to prevent transmission is by practicing sanitary and respiratory etiquette, as no specific vaccines or treatment have yet been found, despite many ongoing clinical trials.

The first positive cases of COVID-19 emerged in the Maldives on 7 March 2020. The cases were imported cases that originated in tourist resorts. The first case of community transmission was reported in the capital Malé on 15 April 2020 and the Greater Malé Region has been the epicentre of the outbreak with sporadic outbreaks in some of the outer lying atolls. As of 5 August 2020, a total of 4,446 confirmed cases and 19 deaths have been reported, and the mortality rate has been as low as 0.43 percent.³

To prevent the transmission of the virus, several restrictions were placed on tourism-related travel into the country. On 3 February 2020, a travel ban was placed on those travelling from China. Since then, travel restrictions were placed on those travelling from high-risk countries or virus hotspots. These restrictions

were further tightened with the cancellation of on-arrival visas for foreigners on 27 March 2020, which effectively closed the country's borders. The country's borders were reopened on 15 July 2020, with 40 resorts resuming operations on the same day.⁴

Since the middle of March 2020, the Government of Maldives has put in place strict containment measures, including closing government offices and education facilities, closing eateries, imposing travel bans to and from resorts, quarantining all incoming travellers to the Maldives, and barring tourists who were transferred to resorts from travelling to any inhabited islands. Since the community outbreak, the Greater Malé Region and several islands were under a 24-hour lockdown with restricted movement, and a nationwide ban on travel and public gatherings was imposed. The lockdown-easing measures were implemented in a phased approach starting at the end of May 2020. Government offices and schools started gradually reopening on 1 July 2020. Travel out of the Greater Malé Region to other atolls remains restricted to essential travel with requirement of 14-day self-isolation upon arrival.

² World Health Organization, COVID-19 Situation Report-67

³ As of 05 August 2020 - <https://worldometers.info>

⁴ 15 July 2020, Joint Press Statement by Ministry of Tourism, Maldives Marketing & PR Corporation and Maldives Airports Company Ltd

IMMEDIATE ECONOMIC POLICY RESPONSES TO THE CRISIS

The Government of Maldives, on 22 March 2020, introduced an Economic Recovery Plan (ERP) of \$162 million, which included economic relief support packages for large businesses, MSMEs, self-employed, and employees. All individuals and households benefited from subsidized electricity and water from March 2020 onwards.

The ERP included a loan facility to support businesses and the eligibility for assistance involved conditions for ensuring maximum employment retention. The loan assistance covered resort establishments (for a maximum loan of MVR 7.7 million), businesses with annual turn-over of MVR 10 million (for a maximum loan of MVR 1 million) and for businesses with an annual turn-over less than MVR 10 million (for a maximum loan of MVR 500,000).

The ERP included the Income Support Allowance scheme, which was initiated in April 2020. The scheme provides an allowance of up to MVR 5,000 for individuals whose employment is affected by the crisis, as well as self-employed individuals who face loss of income due to the crisis. The income support programme was designed initially for three months (April-June 2020 period) but has now been extended for another three months. The target beneficiaries apply for Income Support Allowance through the government's online job portal (<https://jobcenter.mv/>), hosted by the Ministry of Economic Development. The job portal is the primary avenue for lodging complaints on COVID-19 related concerns on employment and income. Subsequently, a Call Center (1475) was established within the JobCenter to ensure support assistance be provided to individuals affected by the crisis. Data from Income Support Allowance shows, as of 27 July 2020, a total of MVR 27.2 million had been disbursed to 5,226 individuals under the scheme.⁵

⁵ Income Support Allowance, Ministry of Finance

To formulate the recovery path and ensure its effective implementation, a National Task Force in Resilience and Recovery was established on 07 May 2020, with three working groups focusing on finance, economic recovery, and social sector, to work under the direct guidance of the President. Some of the key priorities of the economic recovery plan include: comprehensive stimulus packages for businesses, MSMEs, and the self-employed, to ensure a quick bounce back and recovery; diversification to new income-generating avenues, including acceleration of the digital economy; phased-out re-opening of the tourism industry; operational efficiency improvements in the tourism sector; efficient job matching of unemployed with appropriate jobs; upskilling programs for youth; and, business support services for MSMEs.

PURPOSE OF THE ASSESSMENT AND METHODOLOGY

This report is commissioned by the Ministry of Economic Development, the Government of Maldives. The assessment was completed with support from UNDP Maldives. To address the sensitivity of time and urgent need to understand the context, a preliminary report was released in early June 2020 with initial findings and recommendations. This final report is a compendium of three separate reports. They include: Part I: Economic Overview; Part II: Employment Impact; and, Part III: Impact on MSMEs.

The rapid livelihood assessment aimed to understand the extent and nature of the impact of the COVID-19 crisis on the Maldivian economy. More specifically, the assessment covers the impact on employment and Micro, Small and Medium Enterprises (MSMEs). The overall purpose of the assessment was to support timely economic response and recovery planning for the Maldives.

This report, Part II of the Rapid Livelihood Assessment, explores the impact of COVID-19 on employment. At the onset of the crisis, it was clear that tourism sector employment would be affected. Therefore, as early as mid-March 2020, it was decided that this assessment would primarily study the employment effects in the tourism sector. However, given the prolonged nature of the crisis and slow recovery predictions, the assessment broadened its approach to look at employment impacts across all sectors. While a broad level of employment analysis is available for the whole economy, the report provides more in-depth insights to the tourism sector, because the tourism sector is the largest industry in the Maldives, the largest private sector employer and the sector most directly exposed to the external shock from the very early stage of the crisis. This report, therefore, looks at broader employment impacts, and the type of employment impacts experienced across all economic sectors, including in-depth analysis of the trends in job loss and income loss. The report further explores high impact groups that have been affected, such as young people, those on probation contracts, migrant workers and self-employed freelancers. The report attempts to understand some of the gender-based impacts of the crisis on employment.

To guide the direction and scope of the assessment, and to provide technical support and quality assurance to the data collection, a technical team composed of key partners was formed (see list of technical members above). The technical team met regularly and has, to date, provided support to develop the assessment methodology, data collection tools and provided quality assurance on reporting and analysis.

A mixed-method approach of utilizing both quantitative and qualitative data was developed. The data collection approach builds on available secondary information as much as possible. To assess the impact on employment, key secondary data sources that were reviewed and analysed include the latest tourism employment data shared by the National Bureau of Statistics and dataset extracted from the Government's online job portal, JobCenter.mv. The JobCenter.mv provides the primary avenue for lodging complaints concerning COVID-19 related employment impacts and for seeking income support from the Government's ERP. Although

the preliminary report of this assessment examined JobCenter data with a focus on tourism employees, this report assesses all 7,516 responses received by the JobCenter by the end of May 2020. The JobCenter dataset covers individuals working across all economic sectors. The dataset was cleaned and analysed with data visualization support received from experts at the UNDP Bangkok Regional Hub (BRH).

Primary data collection for the assessment included a phone survey that was targeted to resort management and in-depth interviews conducted with select individuals who lodged employment complaints in the JobCenter.mv. The phone survey with resort management level respondents, covering a total of 34 resorts out of 40 sampled, was completed during the April to June period. The 34 resorts had a total of 13,327 payroll employees, which is equivalent to a third of the total employee population⁶ of the resort establishments in the Maldives. The detailed sampling strategy for the resorts is provided in Appendix 1 of this report, and the background information on the list of respondents of the survey is provided in Appendix 4. The in-depth key informant interviews with 30 resort employees registered in JobCenter.mv, covering 13 resorts, were completed during the last week of April 2020. The sampling strategy for selecting respondents from the JobCenter.mv is provided in Appendix 2 of this report and the list of informants are provided in the Appendix 3 of this report. The preliminary findings of this assessment were presented to a group of external stakeholders for feedback and the discussions were used to develop concrete recommendations based on the findings. The list of stakeholders that attended the validation meetings are detailed in Appendix 6.

There were many limitations to the design and implementation of the assessment. As official unemployment data is non-existent in the Maldives, the data from the JobCenter.mv were analysed. Some of the limitations of these data are that they exclude foreign expatriate workers and the quality of reporting was weak, as the fields selected for employment sector are in many cases not specific or subjective. Similarly, with the introduction of the Government's income support

⁶ Payroll employees with contracts

programme, which was processed through applications on the JobCenter.mv, it was evident that the large majority of those who reported cases were those facing severe impacts and who are seeking income support. Although the JobCenter.mv and income support programme covers the self-employed, the lack of documentation has been reported as a barrier for those working in the informal sector to apply for income support. Therefore, the data is not representative of some key vulnerable groups, such as migrant workers and informal workers.

Other limitations of the assessment include delayed survey implementation. The resort management survey was launched during the first week of April 2020 and aimed to be completed within two weeks. However, given the slow response from resorts due to several reasons, the survey had to be extended over a two-month period, which delayed initial analysis and reporting. Considering the sensitivity of time and the importance of sharing time-relevant findings, a preliminary report was released on 4 June 2020. The other limitation was that proposed assessments which were factored into this assessment design did not materialize. This included an employee survey by the National Bureau of Statistics, which could not be completed as intended due to the unavailability of respondent information and contacts. The National Bureau of Statistics strategized their survey to an online self-directed survey, but is currently facing slow response rates.

The final reporting of this assessment was undertaken from mid-July to early August 2020. The draft report was reviewed by the technical advisory team members, members of the UN Maldives Socio-Economic Working Group on COVID-19, technical experts at the UNDP Global Policy Network (GPN), and thematic experts at the UNDP Bangkok Regional Hub (BRH). Editing and additional quality assurance support was provided by the UNDP BRH and UNDP Maldives.

THE LABOUR MARKET LANDSCAPE

This section aims to provide an overview of the labour market and the existing challenges within the sector prior to the COVID-19 crisis. The main sources of data used in this section are the 2016 Household Income and Expenditure Survey (HIES) and data provided directly by the NBS with the assessment team on tourism employment statistics gathered in 2019. It is noted that HIES data excludes tourism sector employment data and undocumented migrant labour data.

The definition of the labour force includes those that are in employment, as well as those that are unemployed i.e. those that are available and actively seeking work. According to the 2016 HIES, a total of 151,706 people were in the labour force, 43 percent from Malé and 57 percent from the atolls (Table 1). The labour force has significantly more men than women, and similarly the labour force participation rate is much higher for men

at 75.1 percent, compared to 42.2 percent for women. A large percentage of women, 72 percent, are considered to be outside of the labour force,⁷ i.e. they are neither employed nor seeking work, due to unpaid care work and domestic responsibilities. The unemployment rate is 6.1 percent nationally and is significantly higher in the capital Malé compared to the atolls. The unemployment rate is lower for women compared to men because most women are not active job seekers or not available for work, and therefore they are not counted as unemployed as they are considered to be outside of the labour force. Amongst the employed population, average monthly earnings in main job were MVR 10,229, with earnings significantly lower for women (MVR 7,510) compared to men (MVR 11,977).

Table 1 Employment data

	POPULATION ABOVE 15 YEARS OF AGE	LABOUR FORCE (EMPLOYED & UNEMPLOYED)	LABOUR FORCE PARTICIPATION RATE	UNEMPLOYED	UNEMPLOYMENT RATE
TOTAL	263,311	151,706	57.7%	9,284	6.1%
MALE	123,354	92,659	75.1%	5,958	6.4%
FEMALE	139,956	59,047	42.2%	3,326	5.6%
MALÉ	118,000	66,000	60.7%	5000	7.5%
ATOLLS	145,000	76,000	55.1%	3000	4.9%

Source: National Bureau of Statistics. 2016. Household Income and Expenditure Survey (HIES) Analytical Report III: Employment 2016. Government of Maldives, Malé, Maldives.

⁷ Tourist resorts, industrial islands as well as labour quarters with more than 10 occupants were excluded from the scope of HIES

According to the latest HIES data, the public sector/state is the largest employer and accounts for 39 percent of employment. Private establishments account for 32 percent of employment, and the remaining 29 percent of the employment is in the informal sector. The participation of women in public sector employment and in the informal sector is usually higher than in the private sector. Men dominate the labour market activity in the tourism and construction sectors - the largest industries in the country, which are also highly dependent on foreign migrant labour. According to a recent study by the Food and Agriculture Organisation (FAO), 94 percent of those employed in construction are male.⁸ Similarly, data from the NBS show that the share of women in the tourism sector is 10 percent, with local female employment being at 3 percent. It has been widely documented that women do not seek employment in the tourism sector because of several reasons: (i) relocating to the resort islands; (ii) negative views and taboos associated with women working on resorts; and, (iii) women having to work in male dominated environments, which often is associated with sexual harassment and safety issues.

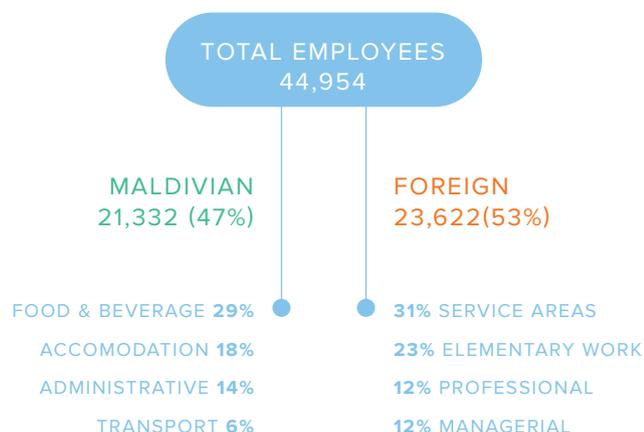
A mid-2019 survey by the National Bureau of Statistics targeting all tourist resorts in the Maldives showed that a total of 44,954 payroll employees work in tourist resorts (Figure 1).⁹ Local employees accounted for 47 percent of the total payroll employees. Out of the total payroll employees, only 10 percent were female, of which 3 percent were local female employees. Out of the total payroll employees, 2,615 reported that they commute daily to work. Among female employees, a proportionally higher percentage, 11 percent, reported that they commute daily to their work, which indicates mobility as a potential enabler for female employees to be engaged in resort work.

The structure of employment in resorts show that the large majority of employees work in Food & Beverages (F&B), while 18 percent work in accommodation, 14 percent in administration and 6 percent in transport. When considering the structure of employment, findings show that the majority of employees (31 percent) work in service areas, while 23 percent are engaged in elementary work. About a third of the employees work at managerial (12 percent) and professional levels (12 percent).

Resorts outsource various departments and services to third parties, so this was assessed as part of the survey. Of the total resorts, 66 percent outsource their retail shops to a third-party, 21 percent outsource the diving centre services, and 13 percent outsourced other services. A breakdown of the data relating to the outsource establishments shows that dive centers have the largest number of employees amongst the outsourced activities. A large percentage of other outsourced activities have numerous female employees, as many of the spa services of resorts fall into this category.

EMPLOYMENT TRENDS IN RESORT ESTABLISHMENTS

Figure 1 Employment trends in resort establishments



⁸ FAO. 2019. Country Gender Assessment of Agriculture and the Rural Sector in Maldives. Malé.

⁹ Data shared directly by the National Bureau of Statistics with the rapid livelihood assessment team

EXISTING CHALLENGES IN THE LABOUR MARKET

The following highlights some of the systemic issues that existed prior to the COVID-19 crisis and have exacerbated the crisis' negative impacts on employment.

LARGE NUMBER OF YOUNG MALDIVIAN MEN AND WOMEN REMAIN OUT OF THE LABOUR FORCE

Many young Maldivian men and women are considered as discouraged workers who have effectively exited the labour force and are best characterized as 'NEETs' (Not in Employment, Education, or Training). About 22 percent of working-age young Maldivians fall into this category.¹⁰ The reasons reported by young people for not working include the lack of economic opportunities on their island of residence and their inability to find suitable employment that matches their respective education or training. About 50 percent of young females are NEET, due to household chores and childcare responsibilities.¹¹

The tendency for employers to recruit foreign workers puts many young Maldivians at a disadvantage. A recent report by ILO provides insights on wage expectations of Maldivians. Approximately 48,000 persons would be willing to join the labour market to work as a full-time worker for a wage equal to MVR 5,000. Additionally, 30,405 women and 6,885 men (not in employment) are willing to work in manual jobs that require no specific skills.¹² Currently, there is a significant share of foreign workers engaged mainly in the construction and tourism sectors, with lower wages than average employees. Firms employ foreign workers as these workers have a lower reservation wage than the Maldivian nationals and will work for lower wages and fewer other benefits.¹³

¹⁰ Ministry of Higher Education. 2019. Environmental & Social Management Framework, The Enhancing Employability through Human Capital and Entrepreneurship Development Project. Government of Maldives.

¹¹ Ibid.

¹² ILO. 2019. The Maldives minimum wage report Assessment of the needs of workers and their families, and economic factors. ILO.

¹³ Ibid.

¹⁴ UNFPA and National Bureau of Statistics, Ministry of Finance and Treasury. (2016). Maldives Population Projections 2014-2054. Assumptions and Results Analysis. Male', Maldives

CHALLENGES IN MANAGING THE FOREIGN MIGRANT LABOUR FORCE

According to latest Census, there were 97,774 foreign migrant persons in the Maldives, accounting for 22 percent of the total Resident Maldivian Population.¹⁴ 88 percent of the foreign population is comprised of males; 58 percent, from Bangladesh; and 21 percent, from India.¹⁵ According to population projections in the Census, during the period 2014-2021 the foreign population is expected to grow by at 10 percent per year and, by 2054, it is projected that the share of the foreign population will overtake the Maldivians in the country's resident population structure.

The increased number of foreign workers leads to outward remittance of foreign currency, possible increased pressure and demand for the provision of adequate social services for foreign workers, and the presence of a large vulnerable population without adequate medical or social security coverage. The pandemic has exposed the vulnerabilities of the migrant worker population. It is estimated that there are 60,000 irregular¹⁶ migrant workers in the Maldives, who have little to no access to healthcare due to lack of resources or required identity documents¹⁷ A majority of migrant workers face difficult living conditions, whereby their accommodations are often overcrowded, unhygienic and poorly ventilated. Per surveys of migrants in the forthcoming IOM Migrant Health Situational Analysis,¹⁸ an average of 29 persons share an accommodation unit in these settings. Since 2010, the Maldives have been placed on the watch list (Tier 2) by the Trafficking in Persons Report on Maldives published by the State Department of the United States mainly due to the country's inability to prosecute those engaged in human trafficking. The 2019 Trafficking in Persons Report on

¹⁵ Ibid.

¹⁶ Documents lost and Quota/EA expired migrant workers

¹⁷ Migration in Maldives – A Country Profile 2018.

¹⁸ Reviewed by the Health Protection Agency; Mariyam Suzanna, 'Situational Analysis of Migrant Health in the Maldives,' International Organization for Migration (to be published).

Maldives by the State Department of the United States estimates that an unknown number of the approximately 169,000 documented and 65,000 undocumented foreign workers in Maldives, primarily Bangladeshi and Indian men in the construction and service sectors, are subjected to practices indicative of forced labour, including fraudulent recruitment, confiscation of identity and travel documents, withholding or non-payment of wages, and debt bondage. According to the same report, migrant workers pay approximately \$2,500 to \$4,000 in recruitment fees to work in the Maldives, contributing to their risk of debt bondage upon arrival.

The increased number of irregular migrants and undocumented workers is associated with inherent challenges in the labour governance system that have persisted for more than a decade. This includes weak governance in managing the migrant labour force, including gaps in quota policy formulation; administration, governance, implementation; and the absence of a client charter and service standards. The 2009 report by the Human Rights Commission of Maldives, for example, mentioned non-payment of wages to migrant workers being a persistent problem which continues to be the case for the migrant population during the pandemic. The Ministry of Economic Development is taking steps to overcome the challenges, such as automating the expatriate management database and putting in place improved governance and control measures on quota and Employment Approval processes. To address the issue of growing numbers of irregular migrant population, the Government introduced a regularization programme in 2019.

Migrants were disproportionately affected by COVID-19 (over 60 percent of total infected cases), because of general poverty and poor accommodation conditions. Some of the immediate response measures undertaken by the Government included a flu clinic designated to expatriate workers, and the temporary relocation of migrant workers to safer accommodation facilities in the Greater Malé Region. The Ministry of Economic Development has issued new procedures which include a set of guidelines for minimal required accommodation standards and space to person ratios for foreign workers. The facilities need to be registered with required documentation in the designated online platform, prior to seeking Employment Approval. These regulations

come into effect on 11 October 2020.¹⁹ Work to develop an accommodation facility with a capacity to house 40,000 workers on a reclaimed land in Gulhifalhu has also been initiated.²⁰ Since April 2020, the Government has initiated a repatriation program, where workers wishing to return home were given the opportunity to apply for repatriation, and those who lacked valid travel documents were to be provided with documents issued by the relevant embassies. As of 06 July 2020, more than 3,000 irregular migrants have been repatriated under the program.²¹

WEAKNESSES IN LABOUR MARKET GOVERNANCE

Other weaknesses in labour market governance include the absence of tripartite labour consultative mechanisms; of labour unions and nationally recognized employer bodies; of a legal framework to govern unions; and of timely review and revision of labour laws, such as the employment act which dates to 2010, and regulations to ensure compliance with international labour obligations to which Maldives is signatory to. Labour market institutions such as minimum wages²² and collective bargaining are still absent. Dispute resolution and mediation functions are not fully institutionalized nationally to deal with major labour issues and there are challenges in enforcing employment tribunal judgements in a timely manner. Labour market information is inadequate, with limited periodic surveys done to assess changes and trends in labour market; lack of timely labour force data, particularly on the tourism sector; and lack of data exchange and integration among relevant ICT systems

¹⁹ Expatriate Accommodation Guideline, Announcement, Ministry of Economic Development

²⁰ <https://raajje.mv/77549>

²¹ <https://en.sun.mv/61546>

²² In 2019 the Maldives established a Salary and Wage Advisory Board (SAWAB) to initiate work for determining a minimum wage, for the first time, for the country. The board report was finalized and further revised in Parliament. The COVID-19 crisis has put on halt the decision to fix and implement the minimum wage. <https://miadhu.mv/article/en/13060>

<https://edition.mv/news/17155>

to registered employment information. This lack of data impedes the formulation of evidence-based policies to achieve medium to long term labour market objectives and impacts the ability to undertake periodic research on labour markets.

Poor working conditions, without a decent living wage; poor accommodation, without workers’ accommodation standards; a lack of occupational health and safety

standards, without relevant laws and regulations; lack of appropriate framework to report workplace accidents, injuries, deaths; are other challenges that disproportionately affect the self-employed and migrant workforce.

INCOME SUPPORT PROGRAMME FOR INDIVIDUALS POST-COVID

Table 2 Income Support Allowance beneficiary details

MONTH	NO. OF APPROVED BENEFICIARIES	TOTAL APPROVED AMOUNT FOR THE MONTH (IN MVR)	AVERAGE PER BENEFICIARY (IN MVR)
APRIL	7245	14,677,068	2,026
MAY	5437	10,677,427	1,966
JUNE	4323	3,869,796	895

Source: Ministry of Economic Development

The Government rolled out the income support programme for individuals whose employment is affected due to COVID-19. Beneficiaries receive up to MVR 5000 monthly cash relief. Table 2 to the right summarizes the beneficiary data.

Data shared by the Ministry of Economic Development show that a total of 17,005 applications for the Income Support Scheme were received by 9,000 unique applicants or individuals. Table 2 summarizes the approved funds for the months of April, May, and June. The applicants represent various industries such as tourism, construction, wholesale and retail trade, etc., including self-employed individuals. The data from the Ministry of Economic Development shows that 22

percent of the beneficiaries have reported deductions in salaries, 21 percent reported they were on non-paid leave, and almost 15 percent were terminated from their jobs. Moreover, 19.4 percent of the total beneficiaries in the three months were self-employed individuals. An average of 22 percent of the approved applications for the three months were submitted by women; while 660 applications, from a total of 3,784, benefitted self-employed women under the scheme during the months of April, May, and June 2020.

The number of approved beneficiaries and funds appears to be lower from month to month. One of the challenges in processing the applications is the lack of documentation to meet minimum requirements. The Ministry of Economic Development has reduced documentation requirements to qualify for the support and extended deadlines to apply for the month of May, until mid of June 2020.²³

²³ Announcement – Extension of deadline for May Income Support Application, Ministry of Economic Development

KEY FINDINGS: IMPACT ON EMPLOYMENT

This report, Part II of the Rapid Livelihood Assessment presents findings as follows: (i) overall impacts of the crisis on employment in general; (ii) nature of impact on employment; and, (iii) an in-depth look at three dimensions of employment impacts - a. job loss and risk of increased unemployment, b. income loss, and c. most vulnerable groups to the negative impacts on employment from the crisis.

The analysis builds on three main sources of data gathered for this assessment: (i) resort management survey; (ii) JobCenter data from the government's online job portal (<https://jobcenter.mv/>); and, (iii) key informant interviews that were undertaken amongst impacted resort employees, identified from those registered with the JobCenter.

The findings of the resort management survey validate the existing data from the National Bureau of Statistics (NBS). Existing data from the NBS showed that the foreign to local ratio was 53:47, while the population covered in the resort management survey had a ration of 52:48. The resort management survey also indicated the low percentage of females in the employee population (5 percent, a majority of whom were foreign). The employment statistics of the NBS show that 10 percent of employees are female, 7 percent being foreign female employees. As such, key findings from the resort management survey can be applied to the wider resort employee population of 45,000 employees, including 22,000 local employees. Similarly, the resort management survey findings show that about 85 percent of the employees in the resorts work below managerial level in elementary occupations and clerical level jobs, while managerial level workers constitute on average 14 percent or less. This is similar to the employment statistics gathered by the NBS (presented in the previous section) which show that about 12 percent of employees are in managerial positions. The analysis in this section therefore focuses on the large majority of non-managerial employees working in the resorts.

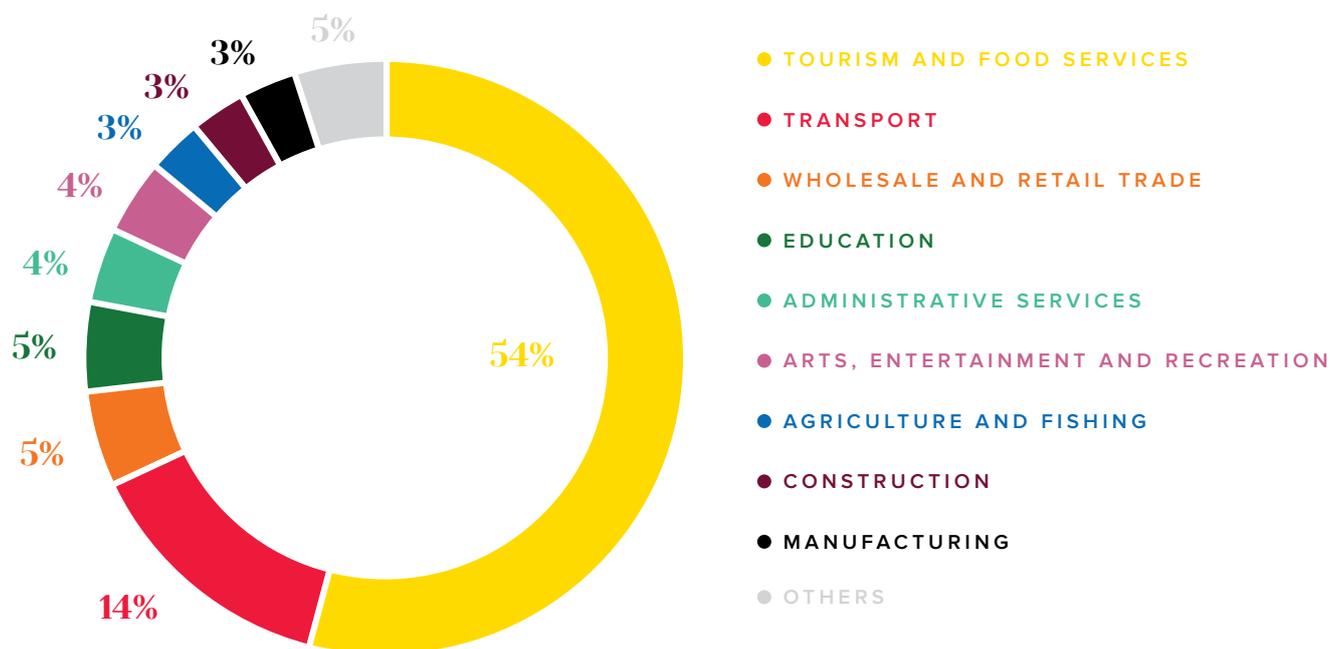
Part I of this publication provides the detailed background context on the impact of the crisis, the impact of the closure of the tourism industry on resort operations, and the impact on the industry as a whole. The initial impacts in February and early March resulted in a fall in occupancy and several challenges and additional costs to operations. At the end of March 2020, the country's border was closed, and on-arrival tourist visas were suspended, bringing 95 percent of tourism resort operations to an unforeseen standstill. Findings from the resort management survey showed that, at the time of the interview, 62 percent of the survey resorts planned to completely shut down with only daily maintenance works ongoing for the three months, April – June 2020. About 21 percent of resorts planned to undertake some renovation works during the same period. About 10 percent of resorts reported that they would continue to operate during the same period with some long-stay visitors who had been on the resort before the on-arrival visa suspension was announced. The following analysis explores in-depth the implications of these impacts on resort operations and on employment.

KEY FINDING 1: OVERALL IMPACTS OF THE CRISIS ON EMPLOYMENT

EMPLOYMENT IMPACT IS MOST APPARENT IN TOURISM AND TOURISM-RELATED SECTORS

The data gathered from the online job portal covering an impacted population of more than 7,500 people indicate that the largest number of employment complaints made on the job portal were amongst people in the tourism sector, while complaints from employees and service providers in other sectors are significantly low.

Figure 2 Employment impact across sectors



More than half (54 percent) of those impacted said they worked in tourism sector. Amongst the others who reported being impacted, 14 percent worked in transport and storage, 5 percent in trade, 5 percent in education, 4 percent in administrative services, 4 percent in arts, entertainment and recreation, 3 percent in agriculture and fisheries, 3 percent in construction, 3 percent in manufacturing and 5 percent in the other industries combined (Figure 2).

The tourism sector employees are the largest impacted group because tourism is the largest industry in the economy, and the single largest private sector employer. It is the sector which had a direct exposure to the global shocks, with immediate impacts felt from February 2020 onwards (see impacts discussed in Part I of this assessment). It is also the first industry that had to completely stop operations, due to the closure of borders and suspension of on-arrival visa to the Maldives at the end of March 2020. As a result, the impact was felt across many tourism-dependent sectors. This is the most likely reason why a high number of employment complaints are evident in tourism-related sectors: such as transport; arts, entertainment and recreation; and trade (Figure 2). Most businesses in other sectors ceased operations much later (mid-April onwards), with the onset of community transmission and subsequent lockdown in the Greater Malé Region.

It should be noted that industries with a large share of foreign migrant labour force, such as the construction industry has proportionately fewer employee complaints compared to the size of the industry, as the ability to lodge cases in the job portal is exclusive to locals. Similarly, sectors which are likely to have a high proportion of informal workers, such as manufacturing, have low numbers of employee complaints in the job portal, indicating barriers to access and registration.

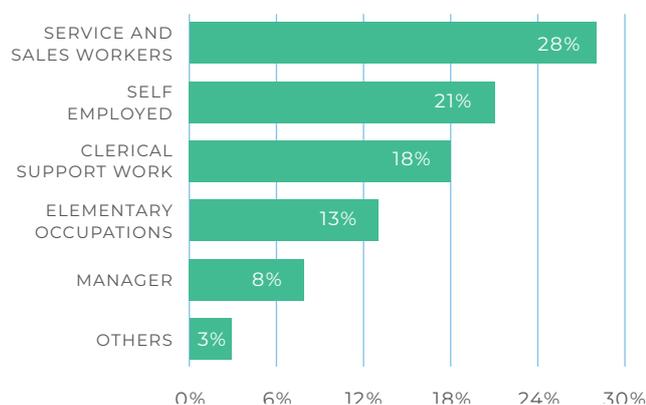
Employees in the public sector are relatively less affected because there have been no dismissals and salary cuts did not result in incomes below MVR 5000 which makes them eligible for the income support programme and registration in the JobCenter. Public sector employment has a large share of female representation, particularly in sectors such as education, health, financial services and administrative support sectors. Employee complaints in these sectors were low, which may partly be the reason for the small percentage of women found in the JobCenter data. The employee complaints in the JobCenter portal within the education category were mostly linked to private sector educational institutions and self-employed education service providers, who were affected due to fall in demand associated with COVID-19 containment measures.

MAJORITY OF THOSE AFFECTED ARE IN SERVICE AREAS, LOWER SKILLED CATEGORIES OR ARE SELF-EMPLOYED

The impacted occupation trends in the JobCenter dataset are an indication of the groups most vulnerable to the negative employment impacts of COVID-19, including income insecurity, poverty and unemployment. This is because registering in the JobCenter portal was mandatory to apply for the Government's income support programme, which provides a monthly relief income of up to MVR 5000. Figure 3 highlights the occupational groups that were most affected, as per the JobCenter data.

Most of the self-employed cases relate to taxi drivers. This is mainly concentrated in the Greater Malé Region, where taxis are a key form of land transport. Since the capital, Malé, was the epicentre of the community spreading of the virus, strict containment measures, including a 24-hour lockdown from April-July 2020, restricted movement and demand for transport.

Figure 3 Impacted occupation groups



Employees working in the area of service and sales work (28 percent) are the most impacted with job or income loss as a result of COVID-19. This corresponds to the type of work most common in the key sectors impacted: tourism, trade and education. The second highest occupational group impacted are the self-employed (21 percent). Clerical workers (18 percent) and elementary workers (13 percent) are also among the most impacted with job and income loss. Only 8 percent of impacted people said they worked in managerial positions (Figure 3). Gender comparisons across the occupational groups show that the ratio of men to women impacted is higher across all occupational groups. The gender ratio difference is lowest in the clerical and support work group, which has a man to woman ratio of 53:47.

The JobCenter data show that the highest ratio of people who reported as self-employed are those in the transport sector, followed by tourism, agriculture and fishery, arts, entertainment, recreation, and education.

KEY FINDING 2: NATURE OF IMPACT ON EMPLOYMENT

KEY EMPLOYMENT IMPACTS WERE IN THE FORM OF REDUNDANCY, NO PAY OR REDUCED PAY

Figure 4 Nature of impact on employment

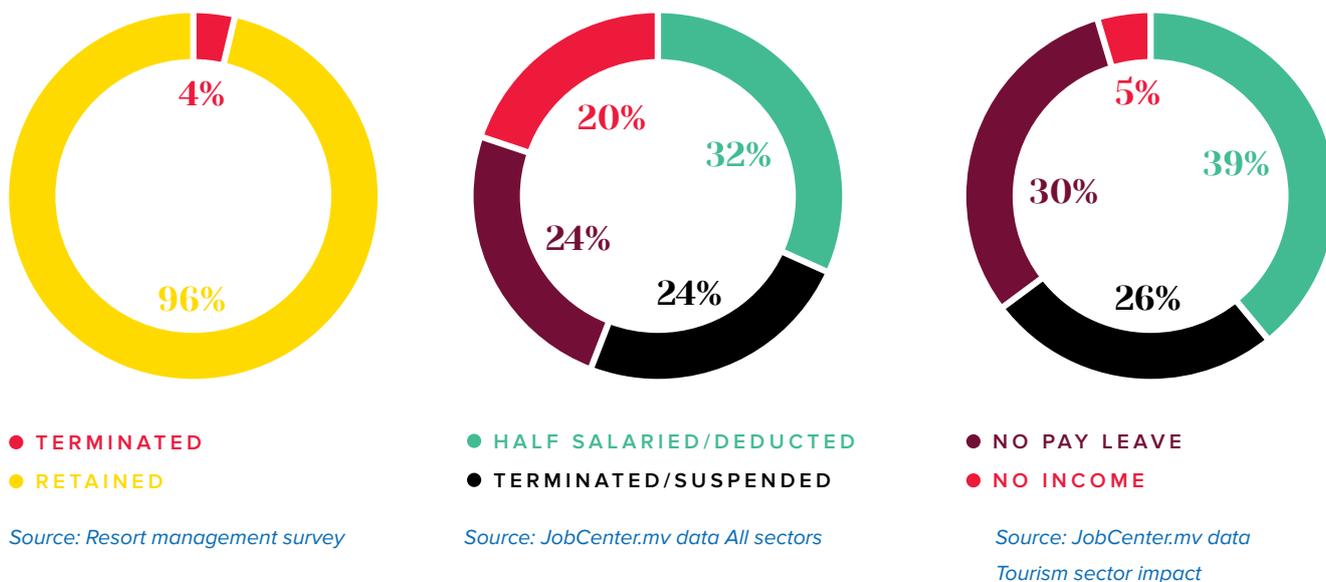


Figure 4 contains three figures showing the impact of COVID-19 on employment, looking first at retention figures from the resort management survey, and then examining employment impacts from the JobCenter data, first looking across all sectors and then looking specifically at tourism.

When considering the impact on employment across all sectors as reported in the JobCenter, 44 percent reported loss of work or redundancy, 24 percent were put on no pay leave, and only 32 percent of the cases were receiving partial pay (Figure 4). This means that more than 68 percent of the cases in JobCenter relate to complete income loss. In the JobCenter data, loss of employment has been reported as either ‘suspension’ or ‘termination’. ‘Suspension’ is likely to be more relevant to the self-employed cases, where individuals’ services were suspended for the period of closure of a given client industry or sector. Similarly, the JobCenter data had cases of ‘no income’ versus ‘no pay’, where ‘no income’ refers to the loss of work and income for the self-employed, while ‘no pay’ status was most relevant to salaried employees.

When assessing the impact on the tourism sector, the findings of the resort management survey show that only 4 percent of payroll employees were made redundant. About 55 percent of the surveyed resorts said all payroll employees would be retained. Thirty eight percent surveyed said that only some payroll employees would be retained, with an overall retention of 96 percent of payroll employees for the resort closure period between April – June 2020. According to the resort management survey, all retained payroll employees were offered some form of pay package for the operationally closed period April – June 2020, except for the two resorts that mentioned at the time of the survey that decisions had been made for the month of April 2020 only. There were several variations across the resorts on how payments were to be made during April – June 2020. Some forms of pay package options included:

- Salary not deducted, but unpaid days to increase with 2-3 unpaid days a week
- Partial pay leave, part voluntary unpaid leave
- Pay packages with significant reduction in salaries
- Salary variations between employees who remain on the resorts and employees who return to their home islands
- Employee redundancy for senior level and other employees
- Only basic salaries ensured until all leave types are exhausted

the most impacted groups, including those who lost jobs or all income. It is likely that JobCenter data had employees in resorts with a high rate of ‘probation’ employees. Above average redundancy ratios were seen in newly-opened resorts, and resorts with severe cashflow issues. The difference between the resort management survey data and the JobCenter data further validates that the negative impact of COVID-19 on employment across the broader tourism value chain is larger than it is for resorts (Figure 4).

For about 68 percent of the resorts, employees’ annual leave was deducted during the first three months of the resort closure period, April-June 2020. Likewise, other leave types were also affected during this period for most resort workers.

The JobCenter data extracted for the tourism sector show that 69 percent of employees were retained, 30 percent were on no pay, and 39 percent were receiving partial pay. About 26 percent of those in JobCenter reported redundancy, while 5 percent reported income loss.

The JobCenter data differ significantly from the resort management survey, because the resort management survey covers the impact on payroll staff of resorts, while the JobCenter data cover self-employed, consultants, and payroll staff of various operations within the tourism value chain, in addition to resort establishments. As mentioned before, since the JobCenter was the avenue for applying for the Government’s income support programme, it is likely that the majority registered in order to apply for the income support. Thus, it attracted

KEY FINDING 3: INCREASED JOB LOSS AND UNEMPLOYMENT PRESSURES

A study of socioeconomic aspects of COVID-19 in the Maldives led by key health experts and members of the Maldives National University (MNU) showed that, out of 2,697 complete responses, only 5 in 10 jobs were completely secure during the crisis.²⁴ Job security is mostly assured for public sector employees, while in the private sector, employment impact was widely felt.

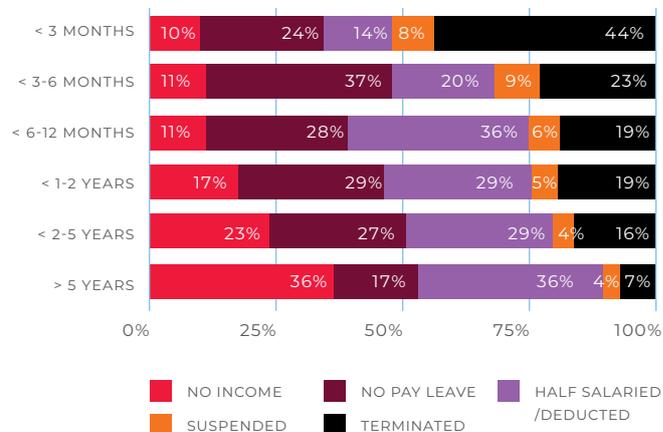
LOSS OF EMPLOYMENT WAS AVOIDED IN THE INITIAL PHASE OF THE CRISIS (APRIL-JUNE 2020 PERIOD) AMONGST THE MAJORITY OF RESORT EMPLOYEES

The resort management survey shows that about 4 percent of payroll employees were immediately terminated, which could mean that potentially 1,800 or so local and foreign payroll employees in resorts lost their jobs in March/April, as a result of the COVID-19 crisis. The JobCenter data shows higher levels of redundancy for the tourism sector (26 percent) than for all other sectors (24 percent).

The resort management survey showed a high retention ratio of employees (96 percent payroll employees) with pay in resorts. This indicates that most of the 45,000 or so payroll employees in resorts, including the 22,000 local payroll employees, were not immediately affected with job loss between April-June 2020. A similar trend was also observed in the in-depth interviews held with resort workers. Out of 31 interviewees from 13 resorts, only one resort had applied for redundancy across the board, except for the core team that would remain on the island during the period of the resort closure. All other resorts had different employee retention arrangements in place. Feedback from interviewees, however, indicated a possibility of redundancy after June if the resorts are not able to reopen.

IMMEDIATE REDUNDANCY WAS MOSTLY EXPERIENCED BY EMPLOYEES ON PROBATION

Figure 5 Duration of employment amongst impact groups



The resort management survey and the JobCenter data both report that redundancy was most common amongst ‘probation’ employees. It’s common practice that any employee with a contract less than 3 months has a probation contract. Given that job transitions amongst employees in resorts, particularly amongst Maldivian employees tend to be frequent, it is likely that a high proportion of employees have probation status at a given time. Similarly, newly-opened resorts tend to have high proportion of probation staff. Consultations held to validate the findings of this assessment pointed to cases where employees had probation status after 3 months, although this practice may contradict employment law. These practices are associated with weak enforcement of the employment law and labour monitoring, as discussed in the previous sections.

Figure 5 shows that from the JobCenter data, termination and suspended cases were highest among impact groups that had contracts less than 3 months. Termination and suspension rates were less amongst impact groups that had longer contract durations. It is assumed that those with contracts less than 3 months were on probation. Likewise, the resort management survey shows that about 4 percent of payroll employees were on probation at the time of survey. Of them nearly one third (29 percent) lost their jobs.

The in-depth interviews held with resort workers indicated a similar finding, that employees who were on probation faced a high risk of redundancy. Out of

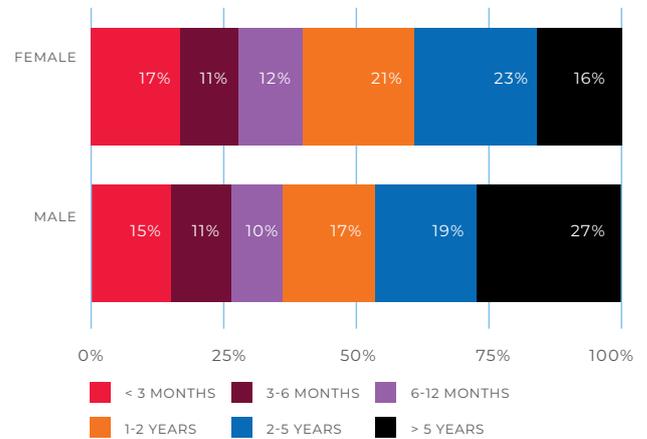
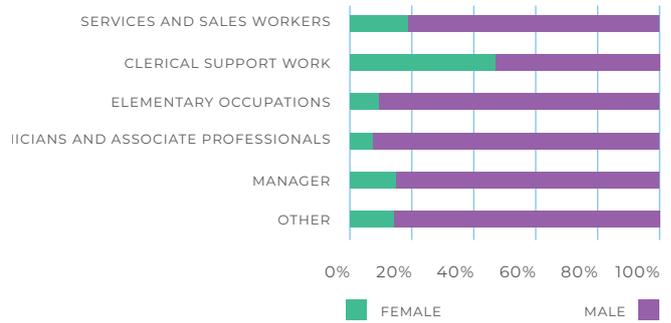
²⁴ <https://covid19.health.gov.mv/>

the 31 in-depth interviews conducted, five informants were on probation and all five were made redundant. The interviewees also expressed that most probation employees in their respective resorts were made redundant and one interviewee expressed that there were about 17 employees on the resort who were on probation and their contracts were terminated. Two respondents reported that they were employees who were remaining on the resort due to the Health Protection Agency (HPA) enforced lock-down, and yet they were not being paid.

PEOPLE WORKING IN SERVICE AREAS AND SALES WORK ARE AMONGST THE MOST AFFECTED

As indicated earlier, the overall impact on employment is highest amongst service and sales employees, clerical support workers, and those in elementary occupations. This is partly because more than half of the people who reported impacts on JobCenter were in the tourism sector, which is a service industry, with almost 85 percent workers in service and sales work or elementary occupations (see Figure 1). Likewise, employees in the occupational groups of wholesale and retail, trade, transport and education sectors were also affected with job loss. (Figure 6).

Figure 6 Job loss by age group, duration of work and gender



SLOW TOURISM SECTOR RECOVERY POSES MAJOR RISKS OF A RAPID RISE IN UNEMPLOYMENT FROM JULY 2020 ONWARDS

About two million arrivals were forecasted for 2020. However, only 382,760 arrivals have been recorded between January and April 2020, which is 40 percent lower than the same period for 2019. Historical arrival trends show that about 50 percent of annual arrivals take place during the last two quarters of the year. However, the arrivals for the third quarter of 2020 are anticipated to be very low, given the current trends of airline schedules and visitor sentiments. A research study undertaken by the MNU for the Parliament of Maldives on challenges to the tourism industry forecast low occupancies, of an average of 30 percent for the third and fourth quarters of 2020. Hence, there is uncertainty about resort operations normalising this year. The speed at which operations will normalise to pre-COVID-19 levels is an important factor that will determine the job security for employees of resort establishments, as well as employees across the tourism value chain, job seekers, and new entrants to the labour market.

These uncertainties were echoed in the resort management survey findings, which showed that, at the time of the survey, a majority of the resorts (57 percent) expressed uncertainty as to when operations would normalize. According to some resorts, it would depend on when the government reopened borders for international visitors. It should be noted that, at the time of the survey, the border reopening date was not yet announced. As we update this report in July 2020, the borders reopened on 15 July, and, although resorts drive the economy, only 39 resorts became operational immediately after the border reopening. Other resorts will eventually start operations, with some resorts anticipating opening in October, or later in the year. According to the resort management survey, the following was observed:



Given the slow recovery forecasts for the tourism sector, it is likely that existing unemployed individuals and those in job transition are at risk of facing prolonged unemployment. Similarly, new entrants to the job market will face challenges in securing employment. Increasing unemployment pressures may push young women out of the labour force permanently or may prevent young women from entering the labour force all together (see discussion below on gender impacts).

The resort management survey findings show that 63 percent of the payroll employees were sent back to their home island/country as a result of the operational decisions made by the resorts during the initial closure period of April – June 2020. This puts those sent back to their home islands/country at a higher risk of redundancy beyond June 2020 if the resorts do not become operational in the third and fourth quarters of 2020.

The in-depth interviews with resort workers attempted to understand their plans for April-June 2020, which was the initial closure period most employees were informed of at the time of the interviews. Feedback from the in-depth interviews with resort workers are similar to the findings from the resort management survey, with the majority of the resort workers expected to return to resort work as operations resume. Feedback indicated that most informants were generally optimistic and anticipated for the resorts to call them back (irrespective of whether they are currently on no-pay leave or were made redundant) when the resorts reopen in July 2020, as had been indicated by the resorts at the time of closure. However, the informants, when probed, accepted the fact that the closure might be prolonged, depending on how the pandemic evolved over time.

The general feedback received indicated that the informants would find alternative ways of coping for the three-month resort closure period, either through cost-cutting measures and/or by undertaking some casual work. The majority of the interviewees were not considering changing jobs or shifting career and hoped to return to resort work when operations resumed. According to informants, this is because of the limited employment opportunities elsewhere, with alternative options being construction work, fishing and fish

processing, or agriculture, where the income earned is generally lower than that on resorts.

KEY FINDING 4: SUBSTANTIAL INCOME LOSS FOR THE MAJORITY OF THE EMPLOYED POPULATION

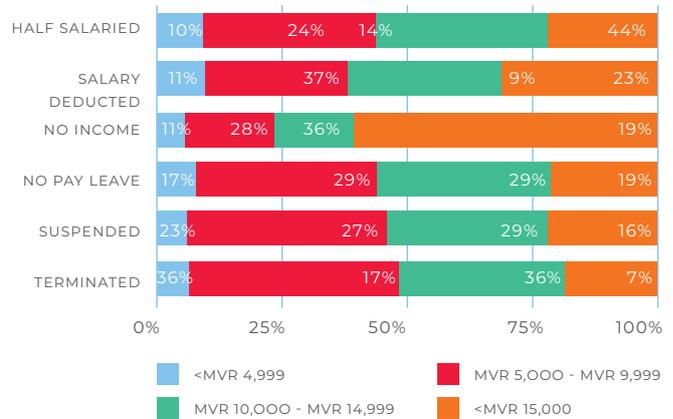
INCOME STATUS OF THE EMPLOYMENT IMPACT GROUPS

According to JobCenter data, the average income across all industries is MVR 12,064 (\$782) per month. The average income comparison across gender shows that women earn on average 24 percent lower than men, roughly MVR 3,056 (\$198) less than the average income earned by men. The average income for women reported on the JobCenter is MVR 9,671 (\$627), while it is MVR 12,727 (\$825) for men. Although the average income is lower for women, it should be noted that that women who filed JobCenter reports were mostly working in lower paying occupations, such as clerical support work. JobCenter also saw higher numbers of impacted women with two years of work experience or less, which could affect the average wage reported. The median and average income comparisons show that the average income is above median for all categories, implying that income earned is more concentrated at the lower end than at the upper end.

The HIES undertaken in 2016 provides the most recent data on incomes. HIES findings show that the average monthly earning for an employed person for their main job is MRV 10,229, with a huge income gap between Malé (MVR 13,528) and the atolls (MVR 7,385). HIES also shows that women (MVR 7,510) on average earned lower than men (MVR 11,977), and that the highest earning occupation groups are managers (MVR 22,275). Although data from HIES and JobCenter cannot be directly compared, as HIES omits employment data of resorts, while JobCenter captures employment across the whole economy; in general, the income data from the JobCenter validates the income status of the employed population from HIES.

OVERALL INCOME LOSS FOR THE IMPACTED GROUPS

Figure 7 Impact on income across bands of income



The analysis of the JobCenter data showed that, of the total cases reported, 68 percent faced complete income loss, while 38 percent reported reduced pay (Figure 7). Two out of every ten people who reported complete income loss were self-employed. About 61 percent of the self-employed people who reported on the JobCenter lost income of more than MVR 15,000 (\$973) per month (Figure 7). For those impacted with no pay leave, 70 percent lost income between MVR 5,000 and 14,999 (\$324 - \$973), while about 21 percent lost income of over MVR 15,000 (>\$973). Likewise, for those terminated, 75 percent lost income between MVR 5,000 and 14,999 (\$324 - \$973), and 18 percent lost over income MVR 15,000 (>\$973) (Figure 7).

OVERALL INCOME LOSS DURING THE THREE MONTHS IS MORE THAN 70 PERCENT OF PRE-COVID-19 LEVELS FOR RESORT EMPLOYEES AND FULL INCOME LOSS BEYOND JUNE 2020 IS LIKELY FOR MANY EMPLOYEES

The JobCenter data shows that tourism sector employees were earning an average income of MVR 12,480 (\$809) per month prior to COVID-19, slightly higher than the total average income earned when compared with all sectors. Based on the JobCenter cases, 2,400 tourism sector employees were faced with complete income insecurity as a result of COVID-19, which is estimated to result in an average income loss of more than MVR 30 million rufiyaa (\$1.9 million) per month for these tourism sector employees.

The resort management survey shows significant income loss to employees retained during the resort closure period between April – June 2020. For those benefitting from pay packages in this period, the average minimum salary is \$325 (MVR 4,996.08). About 26 percent of the resorts reported to pay above this rate between \$350 - \$500 (MVR 5,397 – MVR 7,710), while 24 percent resorts reported minimum salary in the next three months to be below \$200 (MVR 3,084). There are resorts that have set monthly salary to be merely \$69 (MVR 1,000). Furthermore, only one resort reported minimum salary above \$500 (MVR 7,710).

In-depth interviews with 31 resort workers indicated that employees will experience an average income loss of MVR 12,480 (\$809) per month until July 2020. Almost all interviewees indicated a reduction of 80 percent of their take home salary. This is because the pay packages offered by resorts for the period of the resort closure were set against the basic salary of resort employees. However, feedback from the interviews indicated that, beyond a monthly basic salary ranging from \$275 to 360, employees also took home a considerable amount of additional pay through service charges, tips for the front-of-the-house employees, and overtime for the back-of-the-house employees.

While some employees started experiencing income loss from the onset of the crisis and lost all income completely, the retained employees are anticipated to have lost more than 70 percent of their average monthly income earned prior to COVID-19. The three months' pay package period ended in June 2020 for most retained employees, and most resorts have not resumed operations. This increases the risk of dismissal or no pay beyond June 2020, and in turn a complete income loss.

IMPACTS ON INCOMES ON RESORT EMPLOYEES WERE FELT AT THE ONSET OF THE CRISIS DUE TO A FALL IN SERVICE CHARGE, WHICH ACCOUNTS FOR MORE THAN 40 PERCENT OF INCOME FOR MOST EMPLOYEES

The resort management survey shows that the average service charge earned by resort employees in March 2020 was 38 percent lower than that of the previous year. The average service charge paid by the survey resorts in February and March 2020 was \$621 and \$442 respectively. Most resorts experienced a decrease in service charge payments in March 2020, compared to the same period last year, while there was no difference for about 18 percent of resorts in the survey. The difference in service charge payments between March 2020 and the previous year was 40 percent or more for 35 percent of the resorts.

The temporary closure of all operations across 95 percent of resorts in the second quarter of 2020 resulted in zero arrivals, for the first time in the history of tourism. Therefore, resort employees earned no service charge between April and June 2020. Service charge income contributes to more than 40 percent of the monthly income earned for those resort workers below professional levels and managerial positions, as observed from the JobCenter data. The resort management survey shows that the average monthly service charge income earned between April – June in 2019 was US\$ 482. Therefore, an average income loss of about \$482 (MVR 7,432) per month for resort employees from loss in service charge alone was experienced for the three months between April – June 2020, as a result of COVID-19, which is equivalent to \$32 million (MVR > 450 million) in losses for local employees in resorts during this period.

In-depth interviews with 31 resort workers registered on the government's online job portal showed a similar finding: 7 informants across different resorts indicated that they received a fixed service charge allowance ranging from \$500-600, while many other informants indicated that they receive a fluctuating service charge allowance based on resort occupancy. Many interviewees confirmed that service charge accounted for a significant share of their monthly incomes.

IMPACTS ON OTHER ALLOWANCES

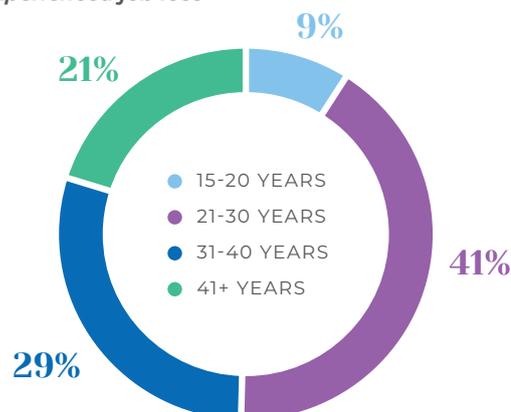
The resort management survey and in-depth interviews with resort employees were not able to cover the losses from other allowances, such as annual bonuses. However, some interviewees amongst the 31 covered in in-depth interviews indicated that they did not receive the Ramadan allowance in 2020. Amongst them, one resort was mentioned which enforced redundancy across the board, and informed employees that they would not get Ramadan allowance, as they were made redundant. Feedback from the probation employees who were made redundant also indicate that they did not receive Ramadan allowance. Similarly, feedback from interviewees indicated that one resort that enforced a 3-month no-pay leave had not paid the Ramadan allowance at the time of the interview. Two informants from this resort indicated they were told they would get the Ramadan allowance, but as of the first day of Ramadan they had not received the payment.

KEY FINDING 5: AN INDEPTH LOOK AT MOST AFFECTED AND THOSE VULNERABLE TO NEGATIVE EMPLOYMENT IMPACTS

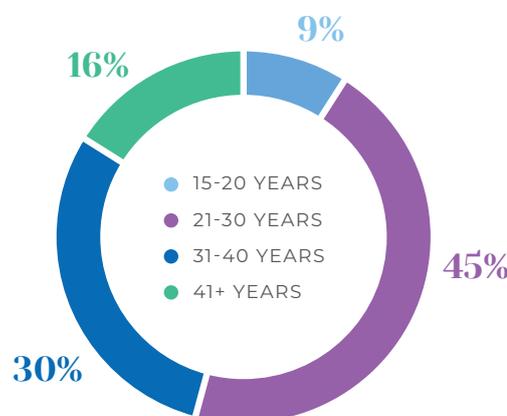
(I) YOUNG PEOPLE – MORE THAN HALF OF THE EMPLOYMENT COMPLAINTS IN THE JOBCENTER RELATE TO THOSE UNDER THE AGE OF 30

The JobCenter data shows that the median age of those impacted is 30 years. Gender comparisons show that the median age is 2 years younger for women (29 years) than for men (31 years). Overall, more than two out of every five people (41 percent) who reported of COVID-19 related employment or income impact on JobCenter are young people aged 21 to 30, and about 9 percent are those between 15-20 years (Figure 8). A similar trend was found amongst those in the tourism sector, where 9 percent of employment complaints were from those aged 15-20 and 45 percent were in the 21-30 years age group. It should be noted that, although the age group is classified as 15-20 years in the JobCenter data for comparisons with other nationally available data, the youngest age group reported on the JobCenter is 18 years.

Figure 8 Proportion of impacted population who experienced job loss



Source: JobCenter.mv - all sectors



Source: JobCenter.mv - tourism sector

Age group differences across industries show that the impact on individuals aged 15-20 years is highest in the trade sector. Two out of every ten people impacted in trade sector are in this age group. Likewise, those impacted below the age of 30 years are highest in administrative and support services (63 percent), trade (61 percent) and tourism and food services (54 percent). In contrast, the impact on people in the age group over 41 years is greatest in the construction (47 percent), and agriculture and fisheries (45 percent) sectors.

JobCenter data show that, across the tourism and food services sectors, redundancy and therefore loss of income was highest amongst young people between 15-20 years. Most people in this age group served in elementary and clerical level jobs. About 75 percent of young people in the 20-30 year age group are experiencing loss of complete incomes and 39 percent between 21- 30 years, and 25 percent between 15 - 20 years are affected with partial income loss (Figure 10).

Figure 9 Duration of work

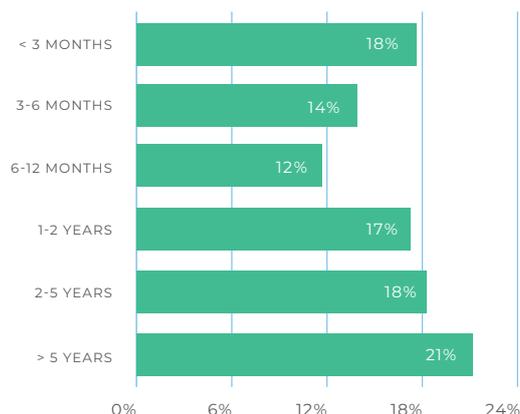
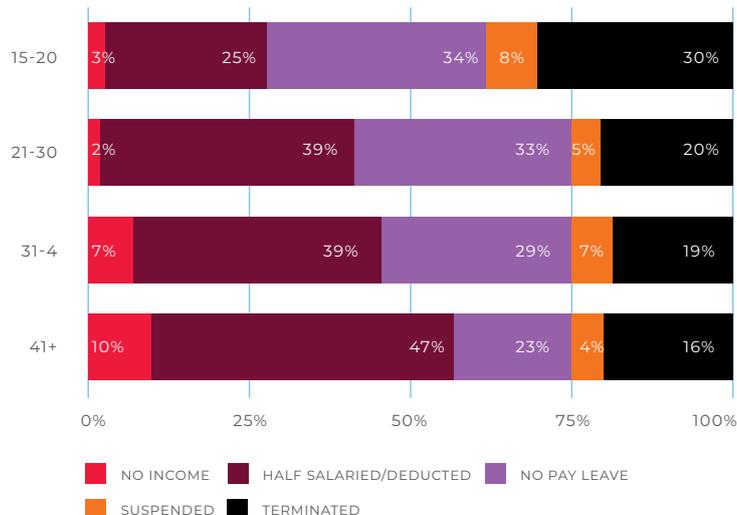


Figure 10 Type of impact by age group



The average income earned by those between 15-20 years and between 21-30 years is significantly lower compared to other age groups (Figure 11). These findings are in line with findings from HIES 2016, which show that the age group between 15-19 years and above 55 years had a higher rate of low earning compared to other age groups. This is because young people between 18-24 years are new entrants to the job market and have fewer years of work experience, which affects overall income.

According to HIES, more than one third (35 percent) of the population without past work experience are between 18-19 years and about one forth (23 percent) are between 20-24 years. On average, young people aged 15-20 years who reported on JobCenter were affected with income loss of about MVR 8,324 (\$540) per month and those between 21-30 years, on average, experienced income loss of about MVR 11,287 (\$732) per month (Figure 12).

Figure 11 Average income by age group

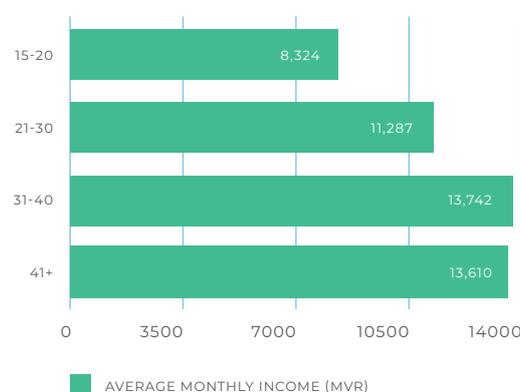
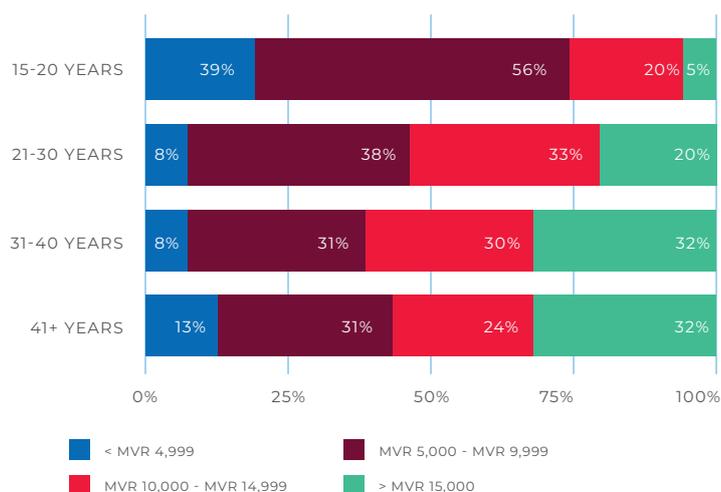


Figure 12 Income impact by age group



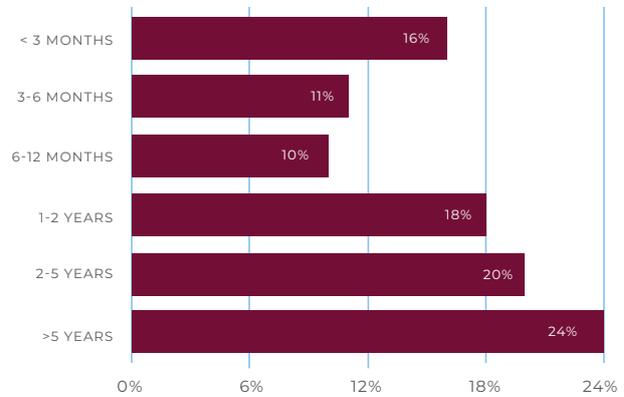
(II) EMPLOYEES ON PROBATION CONTRACTS WERE MOST PRONE TO REDUNDANCY

As discussed above, employees on probation contracts (typically those with a contract less than 3 months) were immediately affected with the onset of the crisis. Employment impacts and job risks are therefore higher amongst sectors where job transitions are frequent. Most employees on probation status were made redundant. JobCenter findings for the overall impact of job loss in all sectors, the impact on the tourism sector separately, and resort management survey findings all suggest that probation employees are amongst the most affected with job loss from the onset of the crisis. Similarly, employment adjustments reported by MSMEs in part III of the Rapid Livelihood Assessment validates the impact on probation employees.

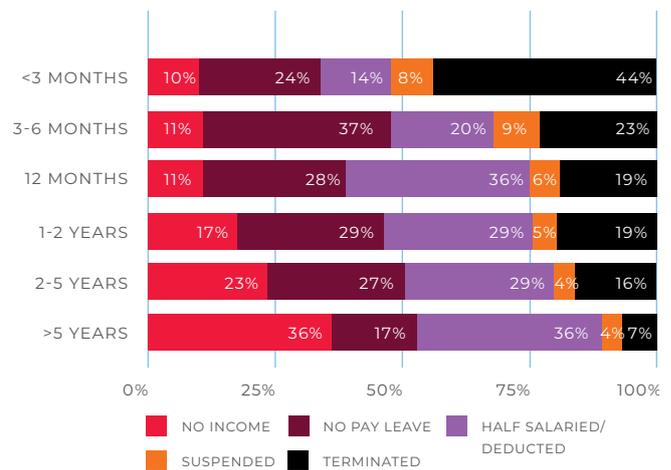
JobCenter data across all sectors show that about 37 percent of those impacted had worked for one year or less, and 16 percent, for less than three months, which accounts for probation employees. Furthermore, amongst those who had worked for three months or less, 86 percent reported redundancy, which is significantly higher than for those who had worked for durations over three months of work (Figure 13 – all sectors).

Likewise, the impact of job loss in the tourism sector shows that the impact on probation employees is somewhat similar: 44 percent of those impacted had worked for less than a year and 18 percent had worked for less than 3 months, indicating the significant impact on probation employees (Figure 13 – tourism sector). The resort management survey also shows that about 574 (4 percent) of payroll employees were on probation at the time of survey. Of these probation employees, about 71 percent said to be retained between April-June 2020, while nearly one third (29 percent) of probation employees had lost their jobs.

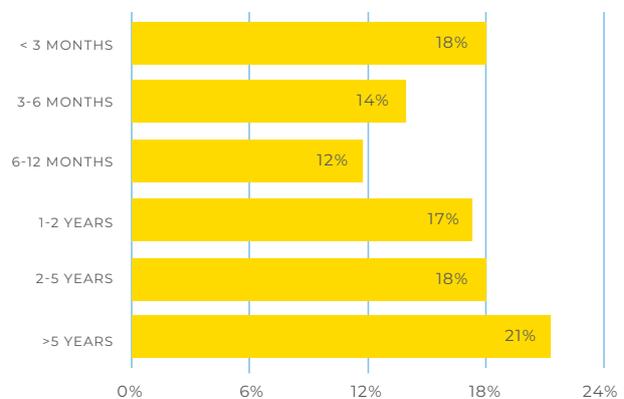
Figure 13 Job loss by duration of work



JobCenter data - all sectors



JobCenter data - all sectors



JobCenter data - tourism sector

(III) THIRD PARTY CONTRACT EMPLOYEES EXPERIENCED TEMPORARY DISMISSAL

The employment statistics from the National Bureau of Statistics, discussed in the previous section, and the resort management survey findings, show that in resort establishments, third party contracts are made between some of the guest service departments such as dive schools, water sports centres, guest shops and spas, many of whom work on a revenue share model. Some third-party contracts are made with contractors who offer services for the resort’s operations departments, such as landscaping, security, stewarding, transport, etc., who are paid for contractual services.

The resort management survey indicated that there were about 1,186 employees in third party contracts amongst the survey resorts. While the third-party contract employees are outside the payroll of the resort, food and accommodation for most third-party employees are arranged by the resort, especially those working on a revenue share model, such as dive school, water sports centres and spa. Findings from the survey show that different contractors in the survey resorts have taken different measures for the employees in third party contracts. Information gathered from the survey resorts show some such measures taken by the contractors include terminating all contracts until operations resume, significantly reducing employees in third party contracts, and prohibiting all third-party contract employees from staying on the resorts during the period of resort closure.

(IV) MIGRANT CASUAL WORKERS WERE DISPLACED

Apart from the payroll employees, resort operations are also supported by a foreign migrant workforce who are considered casual workers. While there is no accurate information on the number of such workers in resorts, the resort management survey supports the anecdotal evidence that resorts hire foreign migrant male workers, most commonly from Bangladesh through third party contracts and sometimes as direct employees. These foreign migrant workers work on a regular or temporary basis, commonly in operations departments of the resort, such as landscaping, food and beverage, cleaning, gardening, stewarding, or as security guards. Casual workers are hired by resorts for service areas during

peak season and festivals. Consultations undertaken with industry stakeholders to validate the preliminary findings of the assessment indicated that some resorts hire as many as 10 to 30 percent of the total workforce in the resort, as third party contract workers work for cheaper wages and are excluded from benefits such as service charge earnings and other allowances. The resort management survey shows that arrangements for casual migrant workers during the COVID-19 crisis varied by resort.

ARRANGEMENTS FOR CASUAL MIGRANT WORKERS



In-depth interviews held with resort employees indicated that, while none of them were themselves third-party contract employees, most the employees working for third party service providers in their respective resorts lost their jobs, including the migrant casual workers. These interviews also highlighted that many migrant workers were sent off to neighbouring inhabited islands and Malé city, which cut them off from free food and proper shelter, and exposed them to deeper vulnerabilities and insecurities. This is especially dangerous during a crisis period, as evident from the high ratio of migrant workers who had to be sent off to quarantine facilities resulting from positive cases, and some, whose lives were lost during the crisis. The crisis also exposed the many undocumented migrant workers trafficked into the country as cheap labour and hired by contractors for third party services, in the lucrative tourism industry and other industries. The employment adjustments reported by MSMEs in part III of the Rapid Livelihood Assessment validates the impact highlighted in this report on foreign migrant workers.

The JobCenter does not cover foreign employees and, hence, the impact of Covid-19 to migrant workers is not truly captured in the JobCenter data.

(IV) SELF-EMPLOYED, FREELANCERS AND COMMUNITY VENDORS LOST THEIR LIVELIHOODS

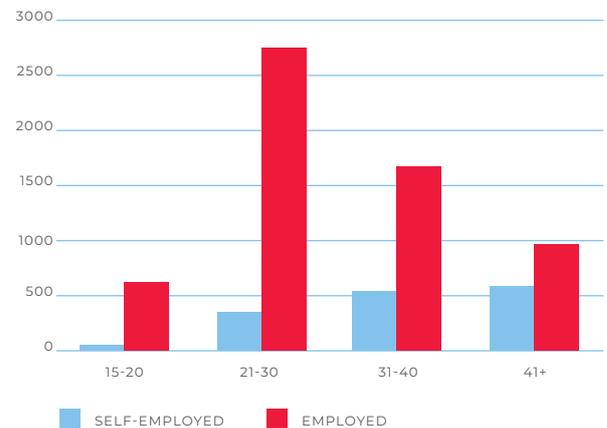
According to the 2014 Census, the informal sector comprised one third of the Maldivians employed, and the subsistence economic activities undertaken by women have not been fully documented. The informal sector, including the gig economy is likely to have grown in the past six years and reduced income vulnerabilities for several people. Findings from this assessment also show that an absence of formal contracts, lack of documentation, and the informal nature of the work undertaken by freelancers make it difficult to prove income loss, and would have restricted freelancers from reporting in the JobCenter. These freelancers are largely found in the arts, recreation and entertainment sectors, often providing services to resorts. In contrast, the high reporting from taxi drivers amongst the self-employed people might have been possible due to the cooperative nature of operation that exists amongst taxi drivers and amongst the taxi centers (employers).

The JobCenter data shows that two out of every ten individuals who reported income loss are self-employed (20 percent self-employed men and 18 percent self-employed women), and most are over the age of 30 years. (Figure 14). Self-employed people are highest amongst the impacted 41+ age group (Figure 15).

Figure 14 Reported cases by self-employed and employed by gender

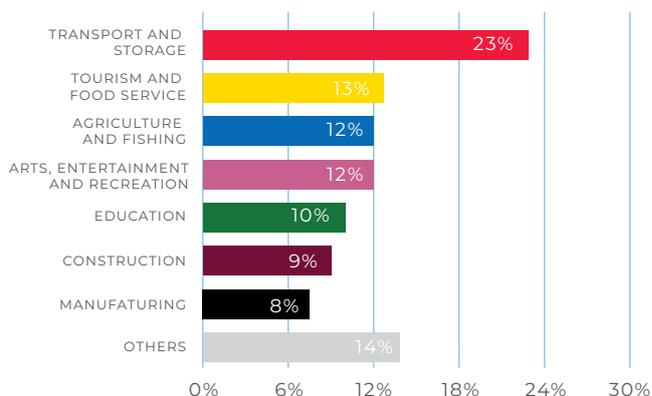


Figure 15 Reported cases by self-employed and employed by gender



Amongst the self-employed, most people who reported impact are in the transport sector (23 percent), followed by tourism and food services (13 percent), agriculture and fisheries (12 percent) and arts, entertainment and recreation (12 percent), as seen in Figure 16. About 43 percent of the impacted self-employed people have worked for over 5 years while 23 percent have worked for 2 to 5 years and 15 percent have worked for 1 to 2 years (Figure 17). The recovery of income for self-employed seems unpromising, with the forecasted slow recovery of tourism and tourism-dependent sectors, such as artists and creative groups, whose incomes depend on resort operations and social occasions.

Figure 16 Impacts to self-employed across sectors



Income loss amongst the self-employed people who reported on the JobCenter shows that more than half of the self-employed (52 percent) earned income over MVR 15,000 (\$973), while 27 percent of self-employed people earned between MVR 5,000 to MVR 9,999 (\$324 - \$648), and 17 percent earned between MVR 10,000 to MVR 14,999 (\$646 - \$973) per month (Figure 18) which has been lost due to the COVID-19 crisis.

Figure 17 Impacts to self-employed across employment durations

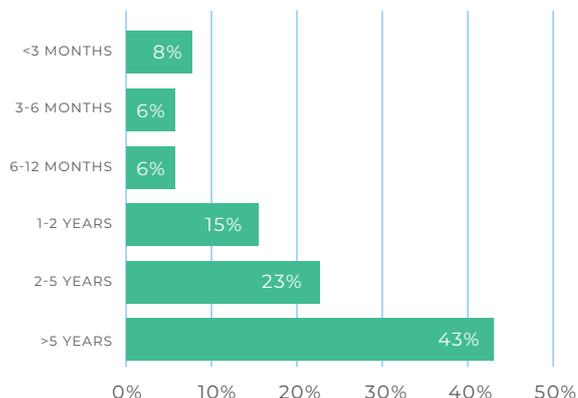
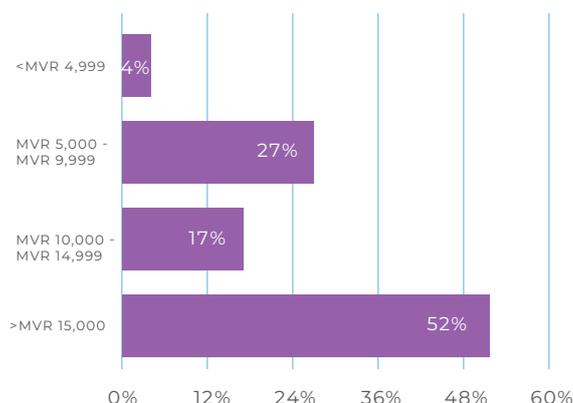


Figure 18 Impacts to self-employed across income levels



The resort management survey showed more than 500 freelance workers providing services to the surveyed resorts, which indicates the high number of freelancers working with and dependent on income from resorts. Findings indicate that, before the COVID-19 crisis began and the resorts shut down temporarily, several resorts were working with music bands, DJs, boduberu groups (traditional Maldivian music and entertainment), and photographers freelancing in arts and entertainment field. About 38 percent of resorts worked with music bands, while 35 percent worked with DJs, 20 percent of resorts worked with both boduberu groups and 26 percent resorts worked with photographers. JobCenter data show that those impacted in arts, entertainment and recreation sector are amongst the highest income earners compared to those impacted in other sectors. Most of the people in this sector work as freelancers and reported an average monthly income of MVR 14,521 (\$942), indicating the significant loss in income.

With regards to food suppliers, the resort management survey indicated that more than 6 out of every 10 resorts were getting their fresh fish supplies from local community vendors. Resorts also had vegetables and fruit suppliers and other local vendors supplying cooked food, most commonly women who provide 'short eats' and 'roti' for the staff canteen and sometimes for the tourist buffet. Some resorts also said their chemical supplies and waste transport service were outsourced to community vendors/suppliers.

79% RESORTS WORK WITH FREELANCERS



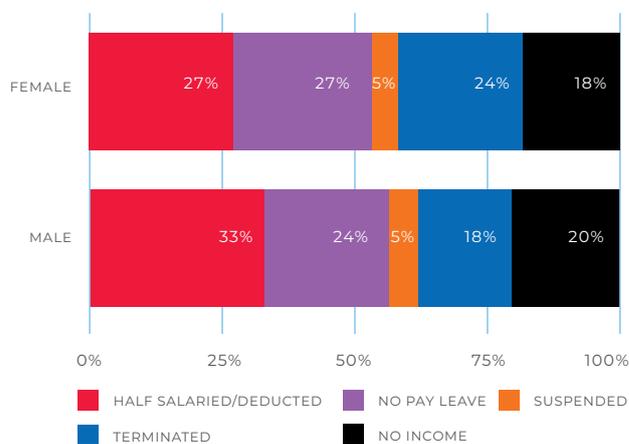
The resort management survey shows that free lancers/ local vendor service providers lack income security as the majority work based on mutual understanding, with no formal contract. This exposes most freelancers and suppliers of services to income vulnerabilities in crisis situations, without any safety nets or supporting documents to access benefits through government support programmes. Although the majority of resorts said they would continue with the services with the freelancers; since most services are offered upon demand, and there is not likely to be any demand when resorts are shut down, the short-term income opportunities for freelance workers and some vendors look unpromising, with low occupancy forecasts and therefore low demand in the tourism sector.

**(VI) GENDERED IMPACTS ON EMPLOYMENT;
WOMEN WERE DISPROPORTIONATELY
AFFECTED**

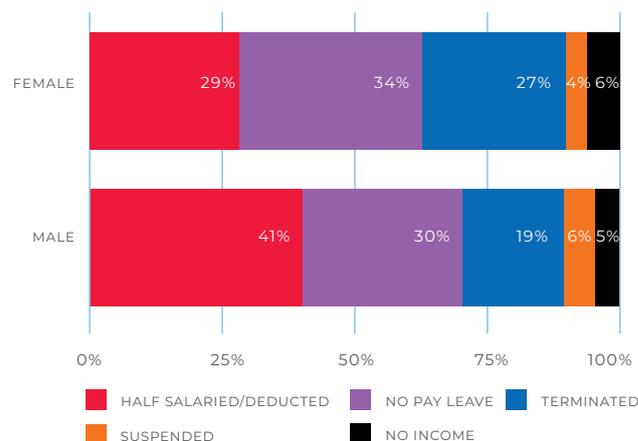
The JobCenter data shows that 79 percent (5,914) who reported being impacted were men, while 21 percent (1,602) were women. Amongst those who reported in the tourism sector, 87 percent were men and 13 percent, women. It should be noted that a higher proportion of employed women are in the public sector such as in education, health services and financial services. The under-representation of women compared to men in the JobCenter may be due to several reasons. First, a majority of women in the working age group are out of the labour force, due to unpaid care work responsibilities. Second, the majority of employed women work in the public sector and, as noted earlier, public sector employees did not face dismissals, rather salary cuts across state institutions and Government, that have been enforced months into the crisis. Third, according to the Census 2014, female representation in the informal sector is high, which is again not reflected amongst those who reported on the JobCenter, as reporting on the JobCenter required formal documentation. JobCenter data show that women were earning less income compared to men. Analysis shows that fewer years of work experience and women’s employment in lower paying occupations are amongst the reasons for low reported income for women on JobCenter. The 2016 HIES shows that a pay gap exists between men and women amongst the employed population.

The JobCenter data for all sectors show that redundancy and complete loss of income was higher for women than men. About 55 percent of women compared to 47 percent of men reported redundancy (Figure 19 – all sectors). The gender difference is even higher when the tourism sector data on JobCenter are analysed. According to the JobCenter data on the tourism sector, 65 percent of women faced redundancy, while the same was true for 54 percent men (Figure 19 – tourism sector). This reveals the higher vulnerability of young women to employment risks. Furthermore, the risks of losing vital work experience and professional development time, that would enable income independence, leads to financial insecurity of women in the future.

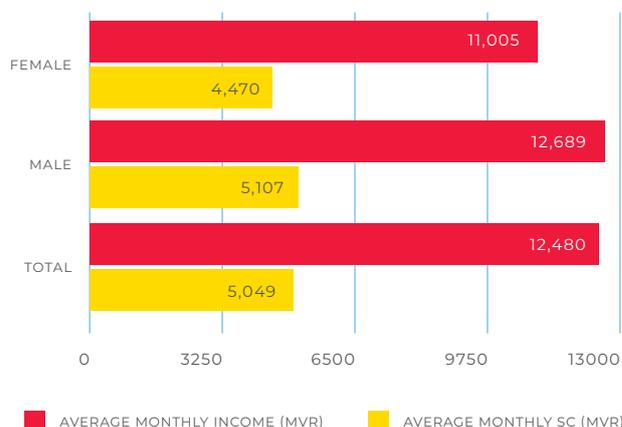
Figure 19 Redundancy and income loss impact by gender and income comparisons



JobCenter data - all sectors



JobCenter data - tourism sector



JobCenter data - tourism sector

The redundancy of women also risks driving many young women out of the labour force altogether (see discussions in the previous section on the labour market trends and low labour force participation rates among women). The JobCenter data show that the ratio of redundancy-impacted men between 15-30 years and men made redundant over the age of 30 years is 48:52. This is significantly lower than the redundancy ratio of women in these respective age groups, which is 59:41, indicating a fall in women’s employment with age (Figure 20). According to HIES data, women’s labour force participation rate starts to fall from 30 years onwards in Malé and, in the case of atolls, falls between 30-34 and increases at a slow rate until 60 years, before starting to fall again.

The gender comparisons on the JobCenter data also show that the ratio of women who are impacted with duration of work below 2 years and above 2 years is 61:39, whereas the ratio across the same age groups for men is 54:46. This indicates that the younger age group of women are in jobs who have been impacted, exposing them to more vulnerabilities (Figure 21).

Figure 20 Reported cases by gender and age groups

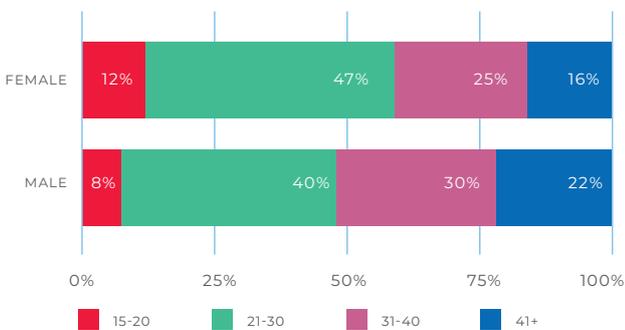
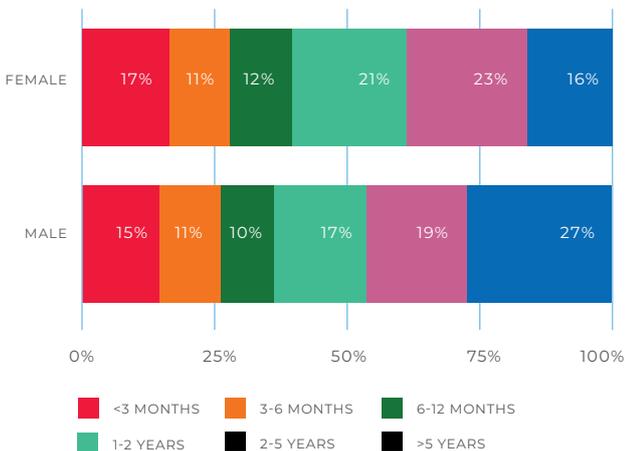


Figure 21 Reported cases by gender and contract duration



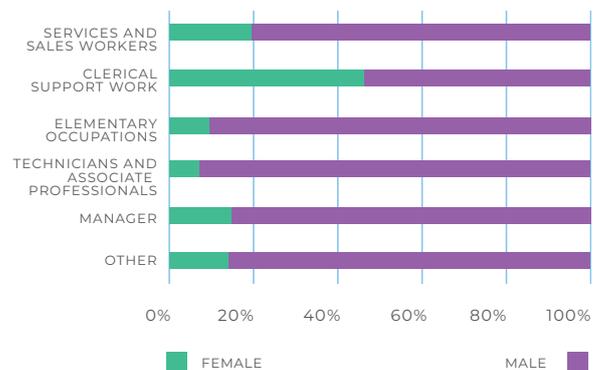
Gender comparisons across occupation groups impacted showed more than 8 out of every 10 people impacted in the education sector are women. Likewise, the ratio of women impacted in industries in the ‘other’ category (health sector, household activities and professional services) are higher. The ratio of men impacted from the rest of the industries is higher - more than 93 percent of those impacted from agriculture and fisheries, 88 percent from construction, and 87 percent from tourism and food services, are men (Figure 22).

Gender comparisons across the occupational groups show that the ratio of men compared to women impacted is higher across all occupation groups. The gender ratio difference is lowest in the clerical and support work group which has a man to woman ratio of 53:47 (Figure 23). These gender dimensions reflect the difference in gender composition across industries and type of work.

Figure 22 Reported cases by gender and occupation groups



Figure 23 Reported cases by gender and type of work



OTHER IMPACTS ON EMPLOYEES - SPECIFIC TO RESORT EMPLOYMENT

Beyond the key impacts on employment discussed above and the in-depth analysis of groups most vulnerable to employment impacts, the following outlines some of the other employee concerns and impacts that were experienced by those working in resort establishments, particularly at the early stage of the crisis.

IMPACT ON EMPLOYEES DURING THE INITIAL STAGE OF THE CRISIS (FEBRUARY – MARCH 2020)

Travel ban to and from resorts at the onset of the COVID-19 crisis affected employee movement the most. As a result of the travel ban to and from resorts announced on 14 March 2020, the resorts were affected by the restricted movement of employees. This varied across resorts, depending on several factors. Some experiences from resort survey findings show challenges, such as the unexpected announcement and short notice given to resorts, giving them less than 3 hours to manage staff transfers for those out of resorts to return. This affected many employees who were on vacation and as a result several employees in their home islands and Malé couldn't get back to their resorts. Likewise, some staff who had family emergencies and other urgent personal matters to attend to were deprived of those for a prolonged duration. Operational challenges, such as workers who commute daily/weekly from their home island being restricted to reside on the resort, affected employee morale and mental wellbeing, which had to be managed by resorts on top of other persistent issues. The impact of these staff residing on the resort also caused additional cost burden for resorts, which was not forecasted. Employee morale was also affected, as resorts could not organize transfers for employees who wanted to go on leave. Furthermore, resorts also had to organise new flights for employees who had previously applied for leave during that period. Some resorts with licenses to operate as joint properties faced challenges in providing services across the properties. Lessons from these experiences show the disconnection between the decision-making authorities in Malé and the tourist resorts and other tourism establishments, and could result to huge social and economic implications, for both resorts and the employees.

Several employees felt disconnected and left out, with delayed communication about their leaves and job security. In-depth interviews undertaken with resort workers indicated that, although they were informed of the resort management's decisions for the three month period, resort managements had no formal conversation, negotiation or communication when the decision was made regarding the pay packages or leave arrangements for the duration of resort closure. Some informants talked about not having a choice when the decision was made. For instance, one informant talked about desperately trying to get back to the resort in February 2020, as the informant was at that time on a short no-pay leave away from the resort. The management of the resort asked the informant to remain on no-pay leave, with no further avenue for discussion. Seven informants who were, at the time of crisis, not residing on the resort indicated confusion with the communication they received and expressed concern that there was no official communication at all. These informants echoed feelings of isolation and disconnect from resort management and the need for belonging during a time when certainty of employment was most needed.

Employees, especially in front line services, felt the high risk of disease exposure and some felt that adequate precautionary measures were not taken by employers. As per some resort managers from the resort survey, health and safety of the team members was a priority for their resorts. Those resorts expressed implementing improved hygiene standards, procedures and conducting employee trainings. However, in depth-interviews held with 31 resort workers representing 13 resorts indicated mixed results. While some interviewees said that resorts took HPA guidelines and precautionary measures seriously, others indicated that the management did not prioritize the health and safety of employees. One interviewee gave the example of their management not attending to the meeting held between management level employees organized by HPA with support from Ministry of Tourism, saying that it was too short-notice. This, according to the interviewee, was proof that the management did not take safety issues seriously at the time of the disease's onset in the Maldives. Others also highlighted that precautionary measures and hygiene practices introduced in their resorts were limited because there was no positive case of the virus in most resorts.

Out of 31 interviewees, 14 expressed concerns relating to their role and proximity for exposure to the virus. Their concerns ranged from being in contact with a person who may not have had any symptoms, but with the possibility of carrying the virus and in turn infecting their own family members; to having to shake hands with guests; and providing services without proper safety measures, such as wearing masks, gloves and using sanitizers. Interviewees also talked about roles where they worked interchangeably as an airport representative, a room boy or boat crew, waiter, or diver, and how those increased their exposure to the virus. Two interviewees indicated that there were fitting social programmes organised by the resort management to keep the employees on the resort appropriately occupied for their mental wellbeing. These experiences of resort managers and employees show the need for a well-planned, thoroughly implemented approach in service delivery across all resorts and tourism establishments when resorts prepare for resuming operations. Otherwise, poor planning might cause disruption to services and cost lives, when the world is still early stages of discovering the disease and all its effects.

A third of employees remain on the resorts during the period the resort is operationally closed. The resort management survey showed that, on average, 37 percent of employees would remain on the resorts during the three months April-June 2020 or period of closure. In-depth interviews with resort workers indicated that in most resorts a 'core operational team' was selected to continue working on the resort during the closure, mainly on maintenance areas. This ranged from 35 to 70 employees. The core team would receive a reduced salary. One of the female informants indicated that she felt uncomfortable staying in the core team, as it would mean she would be the only female worker on the resort. Similarly, informants cited wanting to spend the time with family instead of taking a reduced salary to stay on the resort. One interviewee indicated a case of 'voluntary resignation'. The employee was given two options, either stay in the resort with 50 percent of the basic salary deduction or resign. He resigned due to the unsatisfactory terms, and conditions in the resorts.

Employees relocation - Findings of the resort management survey indicate that most resorts covered travel cost for all the payroll employees to return to their home islands/countries. Only 9 percent of resorts interviewed stated that they were covering transport costs of some employees. This supports the findings from the in-depth interviews. Feedback from interviews with employees indicated difficulties in being able to travel to their home islands, due to disruptions in inter-island transport services.

Feedback from in-depth interviews also showed that most of the local employees based on the resort have their families on their home-islands surrounding the resort, with only a handful who are known to have their families living in Malé. All respondents were already relocated on their islands when the interviews were held. Most of them travelled back to their home island in early April 2020. According to the interviewees, most of the expatriate employees were stranded on their resorts, owing to the border closure and travel restrictions, while others managed to fly back to their home country through special flights that were arranged.

RECOMMENDATIONS

The following recommendations focus on mitigating the negative impacts of the protracted economic crisis associated with COVID-19, in the short term. The second part of this section proposes an economic recovery framework that is to be implemented in the medium to longer term.

RECOMMENDATIONS FOR THE SHORT TERM (6 MONTHS)

Key recommendation 1: Implement immediate support for those directly affected. The initial feedback received during the assessment indicated that the resorts will be closed for three months and the waiting period would be until end of June 2020. However, the current forecasts show that the economic recovery will be much slower than initially anticipated and will prolong for another year or more. The findings show that this will increase the level of redundancy and unemployment within tourism and across all sectors. It is therefore critical that the Government continues to reach those affected and provide a range of support services. Critical support services include:

Psychosocial Support (PSS), personal development and coaching for those who have registered in the JobCenter.mv. The assessment shows that employees are going through high levels of stress, due to the impact on employment, and that they do not have any plans beyond expectations to return to work to resorts when operations resume. It is recommended that all those who register in the JobCenter.mv undergo counselling support covering PSS, personal development and values coaching, to assist them to navigate through the waiting period. This can be facilitated in collaboration with private sector service providers.

Scale-up higher education and skill development opportunities, targeting those affected. Training programmes can be provided in a range of areas and can be delivered online and for free. For online courses, it is important that the Government ensures internet access and affordability for those taking part in the programme, in collaboration with telecommunications partners. The recruitment of those affected should be directly done by the training institutes, in collaboration with the Ministry of Higher Education through a large-scale outreach programme where every single individual in the JobCenter.mv is contacted and counselled on their training path.

Academic courses for young women and men. The assessment shows that that majority of those affected are young (below 30 years of age) and many that were interviewed expressed interest to participate in hospitality-related trainings. Young people should be offered the opportunity to pursue academic courses of interest offered at the Maldives National University and/or any other higher education institution.

Skilling for those working in service areas, low skilled jobs and those employees that had probation contracts. The assessment indicated that those working in service areas and low skilled jobs, and those that had probation contracts, were most affected in terms of overall impacts on employment, and specifically with respect to employment dismissal. Short courses in the area of F&B, language courses or other specialized skilling can be targeted to these groups.

Upskilling Maldivians into middle and upper management positions and professional categories. Given the departure of foreign employees and concerns of resort managers about their ability them to return when borders re-open, there exists an opportunity to utilize the waiting period for upskilling

Maldivians to fill in jobs held by foreign expatriate workers. This is particularly important at middle management and upper management levels, which would be beneficial from the point of view of business continuity, as more Maldivians in management positions will increase the resorts' operational continuity, even in circumstances where foreign expatriate workers have to be evacuated. Therefore, the crisis provides entry points to increase the role of Maldivians in resort management, which can be achieved through targeted skilling required for management roles. This can be delivered in partnership with businesses and associations, such as the Maldives Association of Human Resource Professionals (MAHRP).

- Training and job matching tailored to new job profiles that might be relevant to the new normal operation, such as health and safety and ICT related work.** This crisis has shown that resorts, guest houses and businesses in general require new job profiles and job categories, that could potentially absorb some of those unemployed from the crisis. Emerging professions in the post-Covid context include health and safety officers, biomedical technicians, ICT and e-commerce experts, data and monitoring officers, mental health counsellors, Business Continuity Planning (BCP) advisors/specialists, creative media and agro-technology expertise. It is recommended that current training programmes tailor these new normal requirements and that these trainings are offered to those who report redundancy. Similarly, current students who are completing training programmes in these areas should be directly linked with employers through job matching services.

Key recommendation 2: Upgrade JobCenter.mv services and ensure current support systems are adapted to a context of slow economic recovery and protracted crisis. The Government established the online job portal JobCenter.mv and facilitated the registration of employees that were affected by the crisis from a very early stage. Given that the current design and operation of the job portal serves mostly for the purpose of providing immediate relief in response to the crisis, it is critical that the JobCenter.mv services be upgraded and made more comprehensive to respond to the new reality of prolonged economic crisis and the rise in unemployment trends that are predicted in this report. Key actions to be taken include:

- Ensure JobCenter.mv registration continues and is developed further into a formal system for tracking unemployment and for generating labour market intelligence for both the Government and private sector.** This will ensure frequent reporting on job losses and regular monitoring of the employment situation, so that corrective measures can be implemented in a timely manner.
- Introduce job matching and career counselling services through the JobCenter.mv for those whose employment is affected.** This is critical, given that the impact on employment is likely to be prolonged beyond the 3 month period of resort closure. This can be done in partnership with various organizations that are currently taking up the task in one form or the other. For example, during the pandemic, several island councils have introduced registration and support services for unemployed. Feedback provided to the assessment team by the Ministry of Tourism indicated that they are developing a mobile application for interacting with tourism sector employees on their employment issues. Similarly, start-up companies such as 'Jobsicle' and many other platforms provide support services. The Ministry of Economic Development should ensure that the JobCenter.mv connects all service providers to provide counselling and job matching support in a coordinated manner.

- I Develop separate features for registration of freelancers/self-employed entrepreneurs and informal workers within the JobCenter.mv.mv.** The findings of the report show that self-employed and freelancers are amongst the worst affected due to the sudden loss of income and livelihood with limited social protection and livelihood protection that they have, as most work on ‘mutual understanding’ basis. Similarly, the findings note the data limitation on most informal workers and home-based workers, as many do not register with JobCenter.mv due to lack of formal documentation, despite experiencing income losses. While the current portal allows for registration of self-employed and freelance workers, it is recommended that a separate feature is developed within the JobCenter.mv platform for registration of self-employed freelancers and informal workers. The registration should be done through a nationwide outreach programme which can be delivered through island councils, NGOs and through employers. With comprehensive registration, these vulnerable groups can be provided with more tailored support services such as job matching, contract negotiation, and talent promotion.
- I Ensure that JobCenter.mv is institutionalized and that it establishes a network of service providers at the local level** through NGOs and various Government outlets such as youth centers, community centers and the island councils. Given that the impact population is expected to increase in the coming months, it is recommended that JobCenter.mv conducts outreach at the local level and that those worst affected are connected to some form of a support service through local outlets.
- I Identify and facilitate job transition for those affected from tourism to other employment areas such as fisheries, agriculture and the Government’s Public Sector Infrastructure Programme (PSIP).** It is recommended that the JobCenter.mv conducts targeted job matching and employment transition programmes for those affected to areas where employment generation or manpower is needed. Similarly, this service should attempt to identify ways to engage affected employees in community-based activities. The findings show that a large number of resort employees have relocated to their home islands due to the resort closure. The in-depth interviews held with those registered in the JobCenter.mv indicated that they are willing and interested in community-based activities and informal work when the lock down eases. The government can mobilize this available manpower on the islands for emergency response work related to COVID-19, for developing community-based infrastructure and for launching alternative livelihood schemes such as agriculture.
- I Introduce contract negotiation and familiarization services for employees on the employment law and redressal mechanisms.** The assessment indicated that many of the resort employees, while having seen their contract documents, were not fully versed on their terms offered and legal aspects. The online job portal services can be enhanced to provide awareness building, one-on-one counselling on contract negotiation, and familiarization with employee rights. Similar services can be extended to Human Resource (HR) professionals.
- I Increase advocacy on employment rights.** Continuous advocacy on employment and labour rights, targeting employers and employees, shall be implemented in collaboration with development partners, NGOs, the Human Rights Commission of the Maldives, business and employee associations.

Recommendation 3. Harmonize income support scheme with labour market services and expand the programme in the context of slow economic recovery to mitigate the impacts of the protracted crisis.

The government has introduced income support to those who have lost jobs and incomes with a monthly cash benefit of MVR 5,000.00 for the period of April to June 2020. The assessment findings validate the need for income support, given the substantial income losses experienced by the majority of employees, including those that were put on some form of a paid leave during the past months. Building on this support and complementing the efforts of the labour market services discussed above, it is recommended that social protection support be strengthened for the longer term. The prolonged impact on employment is forecasted to extend much beyond June 2020 and will take a year or more for normalizing. The recommendations made in this light are:

Expand the income support programme in collaboration with business actors and development partners. The programme should open a second window for informal workers and self-employed freelancers with requirements that are favourable to these vulnerable groups.

The government initially introduced the income support programme for 3 months (April-June period) but it has now been extended for another three months with more relaxed eligibility requirements. Given that a large proportion of the employed population have lost substantial portion of their incomes and given the slow economic recovery forecasts, it is recommended that to prevent a rise in poverty, additional funding be secured for the scheme in collaboration with business actors and development partners so that it can be implemented until job recovery takes place.

Ensure that the income support is complemented with job market services from the JobCenter.mv.

In order to facilitate the timely graduation of those affected and receiving income support into productive employment, it is important that those on income support receive job matching, career counselling services and that they are encouraged to become active job seekers. If this

is not carried out in parallel, it is likely that many will become dependent on income support and lose interest in actively seeking employment, which will add to the financial burden of the scheme and, in turn, limit its coverage.

Facilitate establishment of an investment fund for health and other types of insurance for tourism employees, to mitigate employment impacts in future crises.

The findings of the report show that employment impacts were most pronounced in tourism and tourism-related sectors, including those working in service areas and F&B. Given the heavy reliance of the economy on tourism and its exposure to external shocks, the pandemic has shown the importance of employment stability and resilience in this sector. It is therefore recommended that the Government discuss with insurance providers and industry stakeholders to explore the feasibility for a well-regulated fund for employees through employer and employee contributions such as a monthly 'health and social payment', to be used by employees in contingencies and for human resource development. The fund can be supplemented with annual governmental contributions.

Design a remittance bond or savings product targeting foreign and local employees working in the tourism sector.

The findings of the report indicate that employees had limited savings to allow themselves to cope with the impacts of the crisis. It is therefore recommended that a remittance bond or savings product be introduced to employees in the tourism sector. Opening the scheme for foreign employees could help minimise the outward remittance and foreign currency flowing out of the country.

Recommendation 4: Accelerate labour governance reforms:

The impacts of the crisis and response have exposed several weaknesses in the institutions and policies related to labour governance. The following recommendations are made with respect to labour governance reforms, with a view to strengthening the institutional response to labour issues in the future, building on the various steps taken by the Government in response to the crisis.

Strengthen labour monitoring by the Labour Relations Authority (LRA).

The assessment highlighted several issues that might potentially conflict with the employment legal framework. Examples include the existence of temporary contracts, even when employees have completed two years of service with a given employer; employees with probation and or 'internship' status contracts, even if individuals have completed the three months' probation period; and a lack of discussion and dialogue when employees were given redundancy notice. These issues indicate the need for improved capacity of the LRA to undertake labour monitoring, particularly in the context of crises where labour issues are likely to magnify.

Ensure that health and safety standards are met by employers through effective enforcement mechanisms.

The findings of the report highlight the various concerns of employees, particularly those who work in the front office and service areas of the tourism sector. While recognising that guidelines have been formulated by the government for new normal operations, it is also important for the guideline document to be a live document regularly reviewed and improved, based on the situation. The LRA should conduct regular compliance checks on business operations and ensure that a well-trained health and safety workforce is in place to work in the new-normal environment.

Improve labour standards in third-party contracting undertaken by resorts and eliminate the engagement of 'irregular' or 'undocumented' migrant workers in the tourism industry.

The assessment has brought to light the large number of employees that are contracted through various third-party agents to carry out services of resort operation. In particular, several services relating to resort cleaning, maintenance and landscaping engage a high percentage of unskilled foreign expatriate labour from developing countries in the South Asia region, most notably Bangladesh. Feedback received from resort employees interviewed in this assessment indicated that they include both legal and undocumented migrant workers and that most were made redundant with no job security or protection when resorts started closing. The resort management survey findings validate potential redundancy of the third-party workers, although resorts themselves do not track or monitor how third party contracted employees are managed. Given that the crisis has exposed various issues around the lack of protection for unskilled foreign expatriate workers, the following interventions are proposed as part of this assessment's recommendations: (a) the government should commit resources to put an end human trafficking, by strengthening the capacity of the institutions responsible for monitoring the foreign expatriate population and institutions responsible for investigating trafficking; (b) develop a national voluntary charter of standards for treating unskilled foreign expatriate workers (or migrant labour force) and undertake national-level advocacy with NGOs and business associations to promote these standards; (c) LRA should certify third-party service providers and recognize those service providers that meet the standards, so that potential contractors, such as resorts, could give preference to LRA-certified third parties in the future; and (d) LRA to randomly monitor the clauses of the contracts signed between resorts and the third party agents, to ensure that minimum labour standards and requirements are stated in the contracts and enforced by the resorts.

Address underlying issues within the labour sector, such as legal reforms and institutional capacity building to combat human trafficking.

The consultations held with the government, private sector, business associations and employee associations to validate the findings of this research indicated that underlying issues affecting employment and labour need to be addressed to provide permanent or long-term solutions to the problems that have been magnified during the crisis. Two important reforms proposed by the stakeholders include strengthening the employment law and the capacity of institutions investigating human trafficking. Reforms to the employment law include general amendments needed for ensuring employee wellbeing, job security and safety and specific amendments to include a chapter on 'redundancy' and a chapter on 'health and safety'.

Recommendation 5: Improve planning and decision making - strengthen and streamline the labour force statistics. The assessment process and research execution illuminated limited data availability on employment, including data on resort employment. The lack of data prevents accurate job forecasting and planning for employment creation and skill development. Stakeholder consultations also indicated that data is poor partially because data collection is done ad hoc by various agencies.

Revise tourism statistics regulation to include regular data collection on employment statistics in all types of employment, which will be reported to one single agency. The aim should be to harmonise tourism employment contracts, employee data management, grievance, awareness and monitoring through one agency responsible for tourism employment. This should include employee data of third-party contractors and freelancers engaged by resorts on a regular basis.

Invest in a national statistical system and strengthen legal framework for statistics.

Prioritise providing adequate resources to ensure the labour market and business statistics required to monitor the economic recovery are made available for evidence-based decision making.

Introduce a regular labour force survey.

Availability of timely and comprehensive data on labour force is critical to assess the medium and longer-term impacts and pace of recovery from the impact of COVID-19.

Improve administrative data systems and data quality.

Existing administrative data maintained by the Ministry of Economic Development, Ministry of Tourism, MIRA, Maldives Immigration, Maldives Pension Administration Office and the National Social Protection Agency (NSPA) need to be standardised with common coding systems. Inter-operability of the systems will allow data-sharing mechanisms across relevant agencies, to enable the generation of comprehensive, reliable and timely employment and business statistics (employment by industry and occupation, gender, nationality, locality, by firm size etc) at the required level of disaggregation.

Conduct regular business surveys and maintain an updated statistical business register.

Business surveys targeted to key industries such as tourism, construction, and trade need to be conducted regularly to improve national accounts and national statistics. In the absence of a proper business register, there is no sample frame that can be used to select a representative sample and raise the available data to the business population.

Produce a Tourism Satellite Accounts (TSA) for the Maldives.

A TSA, with relevant data gathered to study the direct and indirect benefits of the industry and impact on employment, is essential to the Maldives, which is heavily reliant on the tourism industry. This is a critical resource and statistical tool that can be used to understand the inter-linkages of the industry and to quantify the contribution of tourism to the economy and society.

Recommendation 6: Design and implement a collective strategy to revive the tourism sector for the upcoming high season (October 2020-March 2021).

Given the heavy reliance of the economy on tourism, the restoration of employment and rehabilitation of MSMEs depend to a large extent on the recovery of the tourism sector. Despite the reopening of the Maldives border in mid-July 2020, tourist arrivals remain extremely low. The Government, in collaboration with all actors, needs to develop a coordinated strategy for tourism recovery for the upcoming high season of tourist arrivals. October to March is typically the peak travel season for the Maldives and the period typically generates more than 50 percent of arrivals. Therefore, it is critical that the country is equipped to attract visitors and manage travel for the upcoming peak season. To achieve this, the following actions are recommended:

- Establish a business task force for revitalizing tourism.** The Ministry of Tourism should facilitate a collaborative working platform with the business community through setting up a business task force for travel and tourism recovery for the Maldives. The business taskforce should include representatives of the private sector, business associations and employee associations.
- Conduct collective destination marketing.** While recognizing the advantages of the unique ‘one island one resort’ concept in the Maldives, acknowledging travel is a challenge to many visitors given the disruptions in airline industry, and understanding visitor sentiments to travel to safe destinations; it is vital for the government to partner with travel industry stakeholders to formulate a strategic destination marketing and promotion plan for the tourism recovery process. A unified strategic approach is important for faster recovery across the properties instead of singular efforts by tourism establishments, tour operators and airlines separately. A unified approach will benefit the industry as a whole and can facilitate efficient resource use allocation and better return on marketing investments. An intensified effort is needed to prepare businesses and services to match the expectations of visitors and bilateral arrangements are essential to boost tourism in the immediate term.

Ensure testing, isolation and treatment capacity is developed across the atolls. This can be co-invested by the Government and private sector and utilized by the visitor population and local population in each atoll. It is important that benchmarks are set and capacity is built across the atolls, to ensure both visitor and employee well-being and safety is guaranteed.

Develop arrangements for rehabilitating guest house tourism. This can be achieved through arrangements facilitated for domestic travel. Similarly, special arrangements can be made to attract digital nomads and those working from home to carry out long stays in the Maldives’ guest houses.

RECOMMENDATION FOR THE MEDIUM TO LONG TERM – ‘BUILD FORWARD BETTER, BLUER AND GREENER’

Combined with the above-mentioned recommendations to mitigate the negative impacts of the protracted economic crisis, a medium to long-term recovery and development framework is being proposed as a final recommendation.

An economic recovery framework based on the core principles of the Agenda 2030; resilience, sustainability and inclusion. Building on the short-term recommendations, the medium to long-term recovery framework aims to convert the key vulnerabilities of the Maldives that were exposed by the COVID-19 crisis into opportunities for transforming its economy, to generate long-term benefits for the people and the environment. The key dimensions of the recommended recovery framework are:

A more inclusive and sustainable tourism industry for the Maldives. As tourism is the current driver of the economy and the main source of employment, transforming the tourism industry can build resilience of the population in the future. The Maldives’ exclusive brand leverage can be further consolidated by three key strategies proposed. The first strategy is to reduce onsite employees through establishing living and commuter facilities between resorts and neighbouring inhabited islands. Businesses and the government can jointly invest in developing selected islands in given atolls with housing/accommodation, schooling, day care, health and training facilities for resort employees and their families. This can unlock employment opportunities for those with barriers to on-site resort living, such as women. Investments in employee families can help to increase motivation, productivity and minimize employee turnover for resorts. This new model will also be conducive to managing health and safety standards, social distancing and exclusivity of resorts for visitors. The second strategy is to support the digitalization and automation of resort operation functions and facilitate a transition to virtual operations. The report indicates that 14

percent of the resident resort populations work in administration. By taking departments such as human resource management, procurement/purchasing, finance, administration, reservations and telephone operators online, resorts can minimize on-site employees, increase productivity and engage more diverse groups in employment, including women and persons with disabilities (PWDs) that have barriers to living onsite. The workforce management of the industry should prioritize decent wage, work life balance and upskilling Maldivians to create the next generation of business leaders. The third strategy is facilitating transition of the Maldives’ tourism into a low-carbon path. Echoing the World Bank Maldives Development Update of June 2020, it is important to facilitate private investments in renewable energy, especially solar photovoltaic technology within the tourism industry, promoting circular models of waste reduction, and management of food waste.

A diversified economy and future of work integrating the blue, green, digital and care economies. The pandemic has exposed the vulnerability of the economy due to its heavy reliance on tourism and due to the economy’s heavy reliance on imports, including food and fuel. Strategies proposed to overcome this include: (i) harnessing the blue economy, through sustainable fisheries and protection of coastal and marine resources; (ii) creating local green industries and entrepreneurship in the areas of clean and climate smart technology, developing solar powered marine transport, sustainable farming and developing circular models for existing industries; and, (iii) boosting the digital economy through a range of digital services and (iv) putting in place the necessary labour protection guarantees and affordable and quality care services to enable women to enter and remain in the labourforce. Policy, legal and financing incentives therefore need to be designed and put in place to unlock investments in these alternative growth sectors. Similarly, building the MSME ecosystem and ensuring its integration into these value chains through increased capital, training, technology, and research and development partnership is key.

- A future of work and future of skills framework aligned with the diversification priorities.** The alternative growth sectors identified above will not take off unless a readily available workforce exists to carry forward the new industry ambitions. Skilling and re-skilling Maldivian women and men to integrate themselves to either work or conduct business within the value chain of the green, blue and digital economy is critical. This should include professional skill development in environmental and marine science, data science, AI and machine learning and ICT.
- A more integrated, efficient and holistic social protection system based on the principles of universal basic income (UBI).** The crisis has exposed the vulnerabilities of the population, including the risks of households falling into poverty as a result of the impacts on employment. Existing income and wealth disparities are likely to increase. A strong social protection system is therefore key to ensuring that the most vulnerable are protected against future crises including climate-related impacts. The current social protection system includes a range of benefit schemes that are run for various target groups through different modalities and financing, and their effectiveness is yet to be determined. Old-age benefit schemes, such as monthly allowance by the state, overlap with a contributory pension scheme. New benefit schemes such as the unemployment benefit have been planned.²⁵ It is recommended that current schemes be revisited, to create a more holistic system where all vulnerable groups are covered with a basic income.
- An integrated financing strategy for enabling recovery and transformation to sustainable development.** To unlock additional financing and to ensure that current financing generates impact towards sustainable development as envisioned in the proposed dimensions of the economic recovery framework, it is recommended that an integrated financing strategy be developed that explores the role of all types of financing flows, including the national budget, international development assistance, private sector participation and innovative financing. Some of the emerging innovative instruments in the financing landscape for sustainable development include those that could be highly relevant to the Maldives, including debt restructuring and debt swaps such as the ‘debt for nature’ scheme, blue financing, climate finance, blended finance and risk insurance, digital finance and impact investing that paves the way for social entrepreneurship. Similarly, while fiscal space is limited in the current context, an opportunity exists to make the right fiscal adjustments, prioritizing inclusive and sustainable investments and incentivizing the same for the private sector.

²⁵ Government of Maldives Strategic Action Plan 2019-2023

APPENDICES

APPENDIX 1 - SAMPLING STRATEGY FOR RESORT MANAGEMENT SURVEY

For the selection of sample for resort islands, a weighed, two-stage, stratified sampling approach was used. In the first stage, resort islands were selected as primary sampling units from each stratum. The sampling frame for the resort islands was prepared using the list provided by Ministry of Tourism and the total number of workers in the resorts was obtained from the resorts.

Resorts were grouped by star category based on rating in bookings.com. Within the groups, systematic random selection was used to select the resorts, with probability proportional to the number of employed people per resort.

SAMPLE FRAME

Table 1. Distribution of resorts by star ranking

ATOLLS	TOTAL NUMBER OF RESORTS	AVERAGE NUMBER OF WORKERS PER RESORT
REPUBLIC	145	310
3 STAR	5	235
4 STAR	43	318
5 STAR	97	311

The list of the name of the resort was obtained from Ministry of Tourism and the employment figures were collected from the resorts. The total number of workers working in the resorts was used to calculate the margin of error.

The Primary Sampling Units (PSUs) selected at the first stage are resorts, which are small operational islands. Each resort is considered as one enumeration block. A total of 145 resorts are in the country. These 145 resorts

were grouped by star category based on bookings.com. Table 1 shows the distribution of the resorts by star ranking.

FIRST STAGE: Selection of EBs

Table 2. Allocation of resorts

ATOLLS	TOTAL NUMBER OF RESORTS	SAMPLE NUMBER RESORTS
NATIONAL	145	40
3 STAR	5	1
4 STAR	43	12
5 STAR	97	27

At the first sampling stage, we selected the resorts systematically with Point Prevalence Survey (PPS) from the ordered list of resorts in the sampling frame. The measure of size for each resort was based on the number of workers residing in the resorts.

The final allocation of the selected number of resorts is shown in Table 2.

DATA LIMITATIONS:

Although 40 resorts were targeted, only 34 resorts participated in the survey. The full set of data required to perform a staff retention analysis was not received by a few resorts. Resorts said that almost all payroll employees were retained, although that may not have been the case. The staff retention ratio should be used with careful caution, as there is no means to verify the data, and those retained might have been put on no-pay leave and may not be earning any income, but retain hope for re-employment, depending on operations. Also, JobCenter data show several people had claimed unemployment benefits resulting from income loss.

APPENDIX 2 - SAMPLING STRATEGY FOR IN-DEPTH INTERVIEW OF RESORT EMPLOYEES

Table 1. Employment status

EMPLOYMENT STATUS	NUMBER OF EMPLOYEES	%
FULL SALARIED	31	4%
HALF SALARIED	107	14%
NO PAY LEAVE	316	41%
SALARY DEDUCTED	137	18%
SUSPENDED	61	8%
TERMINATED	124	16%
GRAND TOTAL	776	100%

The required data for sampling was obtained from Ministry of Economic Development (MED). The frame used was the online JobCenter data. The major characteristics of the frame are given below.

Based on Table 1, it is clear that most employees/cases in the database have been impacted significantly. This shows that the frame used has a similar characteristic and it is homogeneous in respect to employment situation or the degree of variability is smaller.

The ‘degree of variability’ describes the distribution of attributes in the population. The more heterogeneous a population, the larger the sample size required to obtain a given level of precision. The more homogeneous a population, the smaller the sample size required.

SAMPLE SIZE

The sampling methodology for in-depth interviews with resort employees to explore the impact on resort employees uses a multi-stage stratified random probability design.

PRIMARY SAMPLING UNITS – PSUs

The number of resorts was ideal to be used as PSUs for the first stage of selection. A total of 15 resorts were selected using probability proportional to employees. Before selecting 15 resorts, the frame was divided into 2 strata.

Stratum 1 includes the resorts which were selected for the resort management survey. Stratum 2 includes all other resorts. This stratification was important to justify the findings from the resort management survey (see Appendix 5.1)

In stratum 1, all the 8 resorts were selected with the probability of 1. And in stratum 2, 7 resorts were selected using probability proportional to size sampling.

FINAL STAGE OF THE DESIGN

For the selected resorts, a maximum of 4 employees from each resort will be selected using SRS for the interview.

APPENDIX 3- LIST OF KEY INFORMANT INTERVIEWS WITH RESORT EMPLOYEES REGISTERED IN THE JOBCENTER PORTAL

KEY INFORMANT #	MALE OR FEMALE	FACILITATOR TEAM (1,2 3)	METHOD - ONLINE (ZOOM) OR PHONE OR OTHERS	DATE
#01	Male	Team 1 (AR/FS)	Viber group call	22 April 2020
#02	Female	Team 1 (AR/FS)	Viber group call	22 April 2020
#03	Male	Team 1 (AR/FS)	Zoom	22 April 2020
#04	Male	Team 1 (AR/FS)	Zoom	22 April 2020
#05	Male	Team 1 (AR/FS)	Zoom	22 April 2020
#06	Female	Team 1 (AR/FS)	Viber group call	22 April 2020
#07	Male	Team 1 (AR/FS)	Viber group call	23 April 2020
#08	Male	Team 1 (AR/FS)	[agreed to a Viber call, but did not answer]	-
#09	Female	Team 1 (AR/FS)	Viber group call	23 April 2020
#10	Male	Team 1 (AR/FS)	Viber group call	23 April 2020
#11	Male	Team 1 (AR/FS)	Viber group call	25 April 2020
#12	Male	Team 2 (AS/SM)	Conference call	23 April 2020
#13	Male	Team 2 (AS/SM)	Conference call	22 April 2020
#14	Male	Team 2 (AS/SM)	Conference call	22 April 2020
#15	Male	Team 2 (AS/SM)	Conference call	22 April 2020
#16	Male	Team 2 (AS/SM)	Conference call	23 April 2020
#17	Male	Team 2 (AS/SM)	Conference call	23 April 2020
#18	Male	Team 2 (AS/SM)	Conference call	23 April 2020
#19	Male	Team 2 (AS/SM)	Conference call	24 April 2020
#20	Male	Team 2 (AS/SM)	Conference call	24 April 2020
#21	Male	Team 2 (AS/SM)	Conference call	25 April 2020
#22	Male	Team 2 (AS/SM)	Conference call	25 April 2020
#23	Male	Team 3 (AS/AN)	Viber	22 April 2020
#24	Male	Team 3 (AS/AN)	Viber	22 April 2020
#25	Male	Team 3 (AS/AN)	Conference call	22 April 2020
#26	Male	Team 3 (AS/AN)	Conference call	22 April 2020
#27	Male	Team 3 (AS/AN)	Conference call	22 April 2020
#28	Male	Team 3 (AS/AN)	Conference call	22 April 2020
#29	Male	Team 3 (AS/AN)	Conference call	23 April 2020
#30	Male	Team 3 (AS/AN)	Conference call	24 April 2020
#31	Male	Team 3 (AS/AN)	Conference call	24 April 2020
#32	Male	Team 3 (AS/AN)	Conference call	25 April 2020
#33	Male	Team 3 (AS/AN)	Conference call	

APPENDIX 4 - LIST OF RESORTS COMPLETED – RESORT MANAGEMENT SURVEY

	MANAGEMENT TYPE	STAR RATING	INTERVIEW DATE
1	International	5 ★★★★★	10 April 2020
2	International	4 ★★★★★	10 April 2020
3	International	5 ★★★★★	10 April 2020
4	International	5 ★★★★★	10 April 2020
5	International	5 ★★★★★	10 April 2020
6	International	5 ★★★★★	11 April 2020
7	International	5 ★★★★★	11 April 2020
8	Local	4 ★★★★★	11 April 2020
9	International	5 ★★★★★	13 April 2020
10	Local	5 ★★★★★	13 April 2020
11	International	5 ★★★★★	14 April 2020
12	Local	5 ★★★★★	15 April 2020
13	International	5 ★★★★★	15 April 2020
14	International	5 ★★★★★	15 April 2020
15	International	5 ★★★★★	23 April 2020
16	Local	4 ★★★★★	26 April 2020
17	International	5 ★★★★★	27 April 2020
18	Local	4 ★★★★★	27 April 2020
19	Local	5 ★★★★★	29 April 2020
20	Local	4 ★★★★★	29 April 2020
21	International	4 ★★★★★	29 April 2020
22	Local	5 ★★★★★	30 April 2020
23	Local	4 ★★★★★	12 May 2020
24	Local	5 ★★★★★	25 May 2020
25	Local	5 ★★★★★	25 May 2020
26	Local	5 ★★★★★	25 May 2020
27	International	4 ★★★★★	26 May 2020
28	Local	4 ★★★★★	27 May 2020
29	Local	5 ★★★★★	28 May 2020
30	Local	5 ★★★★★	28 May 2020
31	International	5 ★★★★★	6 June 2020
32	International	4 ★★★★★	6 June 2020
33	International	5 ★★★★★	8 June 2020
34	International	5 ★★★★★	8 June 2020

APPENDIX 5 – DETAILED QUOTES FROM EMPLOYEE INTERVIEWS

BOX 1 VIEWS OF RESORT WORKERS ON WORK ENVIRONMENT

“The resort management did not attend the management level meeting organised by HPA and the ministry. They [management employees] said it was a short notice so could not attend; resort management was careless about implementing the precautionary measures. They did not take it seriously” (#12).

“We were not on alert. Some information regarding COVID-19 provided by the management but not much” (#17).

“No specific awareness or information provided by the management. Only once the resident doctor read out the points in the circular from HPA but no real awareness. Sanitizers were placed in different locations of the resort” (#18).

“The resort is run by an incredibly good company and well concerned about employee welfare. Management is very good to employees” (#20).

“In order to deal with COVID-19 pandemic, HPA- announcements displayed on the notice board. All employees were advised to use masks and gloves to maintain precautionary measures when attending rooms. Sanitisers provided in different locations. Information about COVID-19 and its precautionary measures were provided to all employees” (#13).

An airport representative expressed fear of catching the virus from the guests at the airport and the resort guests they had to greet. The informant stated that they did not have access to PPE: “A mask was provided during the last week of guest departure, no sanitizers even then!” (#9)

“Did not have enough protective measures, even when the guest became positive, the employees did not have enough sanitizers, and masks. Due to the fear of losing employment, employees worked without proper protective measures against disease. The management did not do enough when the resort was under orange alert” (#30).

BOX 2 VIEWS OF RESORT WORKERS ON VOLUNTARY RESIGNATION

“The choice was given to stay in a resort and work for a 50 percent salary. Gardening and construction work, renovation work planned for the closed period. This would add up to around MVR 3,000 MVR (\$200) per month. This is not worth staying back for and having to work during Ramadan when the food is not good. This is not worth it especially when you have a family dependent on you and work under poor conditions in the resort” (#22).

BOX 3 VIEWS OF RESORT WORKERS - CONCERNS FOR THEIR FAMILIES

“We have three people in the house who are in jobs, and two of them work in resorts, and they are all here, and one is also on unpaid leave. I have taken a lui express loan from BML, but am not paying (it back) at the moment. There are three months pending payment for this loan. If the bank asks me to pay, I will just say I don’t have money for it. In this house we get groceries from the local store on credit and pay later at the end of month. But if there is no flexibility, we can’t depend on it. If we are not getting any income, then it would be very difficult to manage” (#28).

“I was on probation period, 1.5 months in the resort, hence my contract was terminated. They said they will call when the resort reopens. But I am not sure about that. I am worried about how I will manage my expenses. I did not have much saved and I have three children, including a child with disability. I was not given the Ramadan bonus either” (#16).

“I did talk to the landlord about vacating. If I didn’t have to spend on rent, I can at least manage with the savings for a bit longer. But the property owner said they can’t give back the advance money. Tells me to bring new tenants” (#7).

“Wife is employed in the government sector and is getting paid full, which is positive... I am still an employee [of the resort], just on a no-pay leave because there is nothing the resort can do. If the resort cannot make an income, then we have to go for no pay. We can somehow manage for 3 months with cost saving measures.”

“Wife is in a government job, I want to try if I can get a job for these three months. I am still getting some income and not too many people depending on me... If it prolongs for more than three months, I will be forced to find alternative ways. For now, we are reducing expenses wherever we can... Government is also under a lot of stress and I understand immediate help cannot be extended” (Married male living in Malé: reduced pay package).

BOX 4 VIEWS OF RESORT WORKERS ON POTENTIAL IMPACT ON COMMUNITY

“Lots of people are moving back to the island. This might double the resident population and there will be different mentalities. There could possibly be increased conflict. Lack of jobs [and income], especially when we see government employees getting paid, [this] might cause resentments” (#5).

“Home isolation at the moment, so everyone is at home. But when the lockdown is taken off perhaps crime may increase. Avashu [village] clash does exist” (#11).

“Anyone who was in a job and returned, would not engage in criminal activities. I don’t think it would affect the elderly; in my house we treat our parents well. I have no idea how this affects vulnerable groups. There might be some problems between husband and wife due to less income. I don’t see domestic violence or child abuse” (#33).

“Financial problems can lead to mental challenges. If one can’t provide for their family needs, there will be too many pressures on that person and mentally, this could lead to negative consequences such as violence” (#5).

“Usually the men are the breadwinners and if they can’t spend on the family, their family can’t get food and other necessary items, this will result in tension within the family” (#3).

BOX 5 VIEWS OF RESORT WORKERS ON THEIR FUTURE

“Tourism is the main economy. Nothing much that can be done on the island. There is some level of fishing and agriculture. I don’t want to think too far ahead at the moment. I am just thinking about immediate things. I have not thought beyond 6 months yet. Without tourism it will be very difficult to get a job. There is very little we can do on our islands [to make a living]” (#11).

“Can’t stay for 5 to 6 months without earning. I have some military background, perhaps that can be an option. Fishing will be the last option. I will go for any other job where I can use my experience and expertise” (#4).

“Plan is to go back to the resort. I am still looking forward to returning to the resort even though I was terminated. Even with my termination, they assured that they would give priority to people who had been on probation when they hired again after this. I will also look for jobs from other resorts. Most people will want to go back to the resort, if not they would do other things, construction work, fishing are options”.

“Everyone will come back to the resort. If I can start any activity, or earn any livelihood I would, but there is no way I can engage in livelihood activity. As the agreement is extended to 2021, there is no effect on employment since we all have an agreement. However, we are not sure when the resort will start, so that’s the fear” (#34).

“In the long term, if I get a better job that I like outside of the tourism sector, I might not go back to the resort. As long as we have to pay rent, a high enough salary is expected” (#7).

APPENDIX 6 LIST STAKEHOLDERS CONSULTED FOR THE VALIDATION OF PRELIMINARY FINDINGS

NO	NAME	DESIGNATION	ORGANIZATION	DATE
1	Mr. Maumoon Hamed	President	Maldives Bar Council	12 May 2020
2	Mr. Mauroof Zakir	President	Tourism Employees Association of Maldives	12 May 2020
3	Mr. Afeef Hussain	President	Maldives Association of Human Resource Professionals	12 May 2020
4	Mr. Mohamed Raaidh	Managing Director	Maldives Integrated Tourism Development Corporation	12 May 2020
5	Ms. Waleeda Mohamed	Project Coordinator	MEERY Project - Ministry of Higher Education	12 May 2020
6	Ms. Zeenath Solih	Dean	Faculty of Hospitality & Tourism Studies	12 May 2020
7	Mr. Ali Shinan	Director	Ministry of Tourism	12 May 2020
8	Ms. Majidha Majeed	Director	Maldives Polytechnic	12 May 2020
9	Dr. Simad Saeed	Managing Director	CDE Consulting	12 May 2020
10	Mr. Hussain Siraj	Lawyer	S&A Lawyers	12 May 2020

RAPID LIVELIHOOD ASSESSMENT

IMPACT OF THE COVID-19 CRISIS IN THE MALDIVES

PART II - IMPACT ON EMPLOYMENT

With support from the National Bureau of Statistics,
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Ministry of Fisheries, Marine Resources and Agriculture,
Ministry of Youth, Sports and Community Empowerment
and the Ministry of Arts, Culture and Heritage.



Ministry of Economic Development
Republic of Maldives

