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Household Income and Expenditure Survey (HIES)
Analytical Report III: Employment
2016

National Bureau of Statistics
Ministry of Finance & Treasury
Male', Maldives

The Household Income and Expenditure Survey (HIES) collects information on the income and expenditure of households in Maldives. It also obtains information on household characteristics, demographic and socio-economic characteristics and access and ownership of consumer durables. These include aspects such as education, migration, employment, marriage and fertility of household members.

Field work of HIES was carried out during March to May 2016 and August to November 2016, with a break during the month of Ramazan. This is the first time that HIES data has been collected with a sample size and design, that enabled results to be representative at the level of individual Atolls, in addition to Male' and the national level. The initial sample size was 4,985 households across the country. This sample size represents 8% of households at the national level, 3% in case of Male' and 11% for the rest of the Atolls. Response rate for the survey was 98%. Based on the response rate, the sample of HIES 2016 included 4,910 households with a population of 26,025 individuals across the country.

The HIES 2016 is the third nationwide HIES conducted by the National Bureau of Statistics (NBS) of Maldives. It is a household sample survey conducted regularly, once in every five years, by NBS. The first nationwide HIES was undertaken in 2002-2003 and its results representative at national level, for Male' and for Atolls as a whole. The second HIES carried out in 2009-2010 provided data at an additional level of detail, whereby results were also representative at region level, based on the grouping of islands that government used as regions at the time.

The 2016 HIES included a special labour force module designed to capture detailed information and to collect relevant data to study the labour market situation in the country. Data needed to measure different forms of work and labour underutilization were collected as per international definitions using the new guidelines adopted by the International Labour Organisation (ILO) in 2013. In the absence of a Labour Force Survey (LFS) in the country this is the best option available for NBS to collect employment statistics on a more



frequent basis. Special focus and efforts were made in the HIES 2016 to include additional data needed to improve the methodology used in the estimation of poverty in the country. Due to these methodological improvements direct comparisons with previous estimates are not possible. Hence data users need to take these methodological differences into consideration.

This publication primarily focused on the key finding on Employment from HIES 2016. A series of publications with key findings and analysis focused on different aspects will be released from HIES 2016 by the NBS.

Results of the survey will be used by NBS to improve the statistics produced on national accounts and Gross Domestic Product (GDP) as well as the Consumer Price Index (CPI). Data on household expenditure will be used to update the estimates of household final consumption aggregates in GDP. Similarly changes in household consumption pattern observed in HIES will be used to update the expenditure weights assigned and revise the basket of goods and services. In addition to this NBS will compile poverty statistics, employment statistics and compile and update the Sustainable Development Goal (SDG) indicators using the data from HIES 2016.

It is expected that this report and data will be a valuable resource for other government agencies, researchers, students, NGOs, international agencies as well as the general public in making evidence-based and informed decisions. I hope that data from this survey will be used extensively and additional analysis and research outputs will be produced.

I would like to take this opportunity to thank each and every household that participated in the HIES 2016, for providing valuable information and time during this important exercise. The hard work and dedication of all the enumerators and supervisors in gathering the information and those who worked in coding and data entry is appreciated. It is the

cooperation extended by the households and the efforts during the field work, that made this survey results possible at this level of geographic disaggregation and high level of precision.

The technical support provided by the World Bank (WB), International Labour Organisation (ILO) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is highly valued.

Support and guidance provided at the policy level by the Ministry of Finance and Treasury enabled the mobilization of finances and the smooth implementation of this survey possible and this is gratefully appreciated.

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sury Mr. Mohamed Ashmalee, throughout this survey.

We hope for continued support from the general public, to our surveys, to be able to provide high quality statistics, we consider a public good. We welcome your feedback and the staff of NBS will remain at your service to provide technical support and to facilitate the use of this data for informed decision making.



Aishath Shahuda
Chief Statistician
National Bureau of Statistics

4 July 2018

A study of this magnitude cannot be undertaken without the active help and support of a number of individuals and organizations.

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The main results of the employment chapter of the HIES 2016 are summarized in the selected indicators presented below. The key findings are:

- In HIES 2016, the working-age population (aged 15+) was 263,311, of which slightly more than one-half (53 percent) were women.
- The labour force participation rate was 58 percent. However, the rate for men was higher than that for women (75 percent for men and 42 percent for women).
- Employment totaled 142,422, with women accounting for 39 percent. More than one third of employment was in the informal sector (35 percent). More than 50 of the employed population had informal employment including about 4 percent informal employment jobs in formal sector enterprises and other non-informal production units.
- Among the employed persons 71 percent were employees, and 20 percent were either own-account or contributing family workers.
- Employment was heavily concentrated in the services sector (70 percent), particularly in public administration (15 percent) and trade (13 percent). Industry accounted for 18 percent of total employment and agriculture for 9 percent.
- Almost 65 percent of the employed population had secondary or tertiary educational attainment.
- Average hours usually worked per day at the main job were about 8 hours, lower among women (7 hours) than among men (9 hours). Some 9% of all employed persons reported to have more than one job or activity during the reference week.
- On average women spent more hours in household work than men (6 hours vs. 3 hours per day respectively)
- Average monthly earnings at main job were MVR 10,229 and significantly lower for women (MVR 7,510) vis-a-vis men (MVR 11,977).
- The size distribution of earnings showed considerable inequality with about 27.9 percent of all employed persons earning less than two-third of the median monthly

earnings (calculated at MVR 5,366.67 per month).

- The gender pay gap for the resident population at national level is 20% and if only Maldivian's are considered, the gender pay gap at national level is 26%. This means that on average Maldivian women earn MVR 22.51 per hour less than men. The difference between 20% vs. 26% indicates that foreign women earn higher earnings compared to local women.
- The overall unemployment rate was 6.1 percent, considerably higher among men (6.4 percent) than among women (5.6 percent).
- The youth (18-34 years) unemployment rate at 8 percent was higher than the national average.
- In total, 24,135 persons falls under the potential labour force as available non-jobseekers or unavailable jobseekers. Out of this 97% of the population is available for a work but not seeking (discourage workers). The main reason for young people (15-17 years) was due to studying and old age (65+ years) people was due to ill health. For those age 18-64 years the main reason was household chores work. This indicate that if child care facilities can be established these populations can be utilized in the labour force.
- One third of the men (34%) prefer to work in the government while nearly half of the women (46%) who are not employed prefer to work at home or home-based work.
- In total, more than 47,000 persons were either time-related underemployed, unemployed or in the potential labour force as available non-jobseekers or unavailable jobseekers. The combined measure of labour underutilization was 26.8 percent more than four times higher the unemployment rate.
- There were 183,195 persons engaged in own-use production, essentially women and mostly in family responsibilities and house work. Among the own-use producers, a relative important group was also involved in labour market activities as unemployed (5,811) or as potential labour force (19,067).

Selected labour force indicators

Household Income and Expenditure Survey (HIES 2016)

	Total	Women	Men	Children (15-17 years)	Adults (18-64 years)	Elderly (65+ years)
Population (15+ years)	263,311	139,956	123,354	17,463	223,120	18,515
Labour force	151,706	59,047	92,659	1,970	144,276	2,880
Employment	142,422	55,721	86,701	1,635	135,552	2,742
Labour underutilized	47,689	28,875	18,815	2,239	43,719	1,284
-Time related underemployment	14,270	8,027	6,243	157	13,880	233
-Unemployment	9,284	3,326	5,958	335	8,725	138
-Potential labour force	24,135	17,522	6,613	1,747	21,114	912
Labour force participation rate	57.6%	42.2%	75.1%	11.3%	64.7%	15.6%
Employment-to-population ratio	54.1%	39.8%	70.3%	9.4%	60.8%	14.8%
LU1: Unemployment rate	6.1%	5.6%	6.4%	17.0%	6.0%	4.8%
LU4: Labour underutilization	27.1%	37.7%	19.0%	60.2%	26.4%	33.8%
Education level of employed population	100%	100%	100%	100%	100%	100%
-Primary education and below	32%	29%	35%	10%	31%	92%
-Secondary & higher secondary education	57%	59%	56%	89%	58%	4%
-Tertiary education	8%	11%	7%	0%	9%	3%
- Level not stated	2%	1%	2%	1%	2%	2%
Top 5 occupation						
- Deep-sea Fishery Workers	9,581	270	9,311	123	8,978	221
- Cleaners and Helpers in offices, Hotels and Other Establishments	7,085	3,423	3,662	29	6,971	50
- General office clerks	5,759	3,112	2,648	-	5,619	-
- Handcraft workers, basketry and related materials	4,587	4,277	311	18	4,100	433
- Shopkeepers	3,854	2,250	1,604	339	3,294	182
Branch of economic activity	100%	100%	100%	100%	100%	100%
-Agriculture	9%	3%	13%	8%	9%	26%
-Industry	18%	20%	17%	11%	19%	30%
-Manufacturing	11%	18%	6%	8%	11%	29%
-Service	70%	75%	67%	81%	73%	44%
-Public administration	15%	13%	16%	5%	15%	3%
-Trade	13%	13%	13%	43%	12%	23%
Status in employment	100%	100%	100%	100%	100%	100%
-Employees	71%	67%	74%	72%	72%	26%
-Employers	4%	2%	6%	0%	4%	13%
-Own account workers	17%	26%	11%	18%	16%	45%
-Contributing family workers	3%	4%	2%	5%	3%	11%
-Group workers	5%	1%	7%	4%	4%	5%
Informal employment	35%	40%	31%	66%	33%	72%
Employment in informal sector	52%	52%	52%	88%	50%	89%
Average hours usually worked per day at main job	8 hrs	7 hrs	9 hrs	7 hrs	8 hrs	7 hrs
Average hours usually worked per day at household work	5 hrs	6 hrs	3 hrs	2 hrs	5 hrs	4 hrs
Average monthly earnings- main job	10,229 MVR	7,510 MVR	11,977 MVR	4,875 MVR	10,366 MVR	6,356 MVR
Low earners at main job for employees	26%	24%	28%	58%	26%	44%
Gender pay gap- for employees (only Maldivian)	26%					
Own-use producers	183,124	117,690	65,434	8,965	164,400	7,522
-Unemployed	5,811	2,934	2,877	184	5,478	117
-Potential labour force	19,067	15,953	3,114	1,033	17,255	527
NEET (18-35 population)	29%	39%	17%			

Note: Excludes age not stated, person which accounts for 1.6% of total 15 years and above population.

LABOUR AND EMPLOYMENT INDICATORS

HIES 2016, only covers ONLY the NORMAL households in administrative islands. It excludes tourist resorts, industrial islands and labour quarters (10+ people)

The labour force participation rate (LFRP) is an indicator of the level of labour market activity. It measures the extent of working age population who are economically active.

It is defined as the ratio of labour force (employed + unemployed) to the working age population expressed in percentage term.



POPULATION 15 YEARS AND ABOVE

LABOUR FORCE PARTICIPATION RATE

EMPLOYMENT TO POPULATION RATIO

Employed population out of 15+ population



Maldives	263 THOUSAND
Male'	118 THOUSAND
Atolls	145 THOUSAND



Maldives	57.6%
Male'	60.7%
Atolls	55.1%

Maldives	54.1%
Male'	56.2%
Atolls	52.4%

Foreigner

Foreigners accounted 4% of working age population covered in HIES

LABOUR FORCE (151 THOUSAND people)

EMPLOYED

UNEMPLOYED



	Employed POPULATION	Employment RATE
Maldives	142 THOUSAND	93.9%
Male'	66 THOUSAND	92.5%
Atolls	76 THOUSAND	95.1%



	Unemployed POPULATION	Unemployment RATE
Maldives	9 THOUSAND	6.1%
Male'	5 THOUSAND	7.5%
Atolls	3 THOUSAND	4.9%

TIME-RELATED UNDEREMPLOYMENT

	POPULATION	PERCENTAGE of employed population
Maldives	14 THOUSAND	10.0%
Male'	4 THOUSAND	5.9%
Atolls	10 THOUSAND	13.6%

Short hours of work are a sign of labour underutilization. However, if the short hours of work are voluntary, then it is not considered as labour underutilization or time-related underemployment.

Time-related underemployment refers to persons who are employed and who, during the reference period

- (i) wanted to work additional hours;
- (ii) whose working time in all jobs was less than threshold (i.e. 48 hours per week), and
- (iii) who were available to work additional hours given an opportunity for more work.

PERSONS OUTSIDE THE LABOUR FORCE (111 THOUSAND people)

POTENTIAL LABOUR FORCE

OTHERS OUTSIDE THE LABOUR FORCE



	POPULATION
Maldives	24 THOUSAND
Male'	7 THOUSAND
Atolls	16 THOUSAND



	POPULATION
Maldives	87 THOUSAND
Male'	38 THOUSAND
Atolls	49 THOUSAND

EMPLOYMENT RELATED INCOME- main job



Average monthly earnings
from main job
(In MVR)

Maldives 10,229

Male' 13,528

Atolls 7,385



MVR 11,977



MVR 7,510

HOURS OF WORK- main job



Hours of work in
the main job
(Hours per day)

Maldives 8 hours

Male' 9 hours

Atolls 8 hours



9 hours

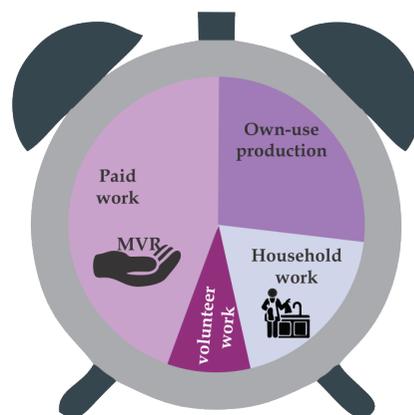
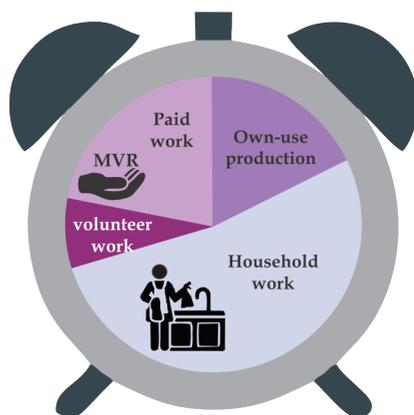
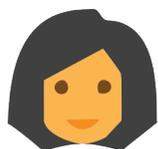


7 hours

HOURS SPENT IN ALL PRODUCTIVE ACTIVITIES (Paid & unpaid work)

On average, women spent more hours in all the activities.

On average, **Women** spent **6 hours** per day in the household work while **men** spent **3 hours** in household work



The working age population and the labour force is a vital part of any society, enabling households to generate income, contributing to national economic growth. The working age population constitutes the human capital of the country contributing to the economic productivity as well as its potential labour supply.

Labour statistics provides a measurement of the productive activities of workers, and the labour market deficiencies associated with them. Recognizing the need to revise and broaden the existing standards to produce labour statistics and in order to enable better statistical measurement of participation of all persons in all forms of work and in all sectors of the economy, ILO revised these statistical standards in 2013 at the 19th International Conference of Labour Statisticians (ICLS)¹. Information gathered from the working age population on all productive activities (paid or unpaid) considered as “work”, will enable better understanding of labour market issues. In the context of Maldives, women shoulder more of the unpaid care work such as cooking and caring for children and elderly family members helps to paint a more realistic picture. Inclusion of time spend by women on these tasks as productive activity helps in quantifying and providing evidence to help reason out and explain the lower labour force participation rates among women. Furthermore, following recommendations in use more than one measure of labour underutilization for monitoring labour market performance in the local context will help shed light on these aspects among women and men and those living in the capital compared to the Atolls. Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. The unemployment rate (termed as LU1 in the new ILO standards) is the most restrictive measure

¹ ILO, Resolution concerning statistics of work, employment and labour underutilization, Nineteenth International Conference of Labour Statisticians, Geneva, October 2013. According to the resolution “Recognizing the need to revise and broaden the existing standards in order to enable better statistical measurement of participation of all persons in all forms of work and in all sectors of the economy; of labour underutilization; and of interactions between different forms of work; as well as to provide guidelines on a wider set of measures than previously defined internationally, thereby enhancing the relevance and usefulness of the standards for countries at all stages of development.”

of labour underutilization. The most expansive among those proposed by the ILO standards is the composite measure of labour underutilization (LU4), defined as the sum of time-related underemployment, unemployment, and potential labour force expressed as a percentage of the extended labour force.

The HIES 2016 administered a Labour force module specially designed to measure the labour supply and the characteristics of the working age population 15 years of age and residing in administrative islands and in regular households, outside of collective living quarters. Detailed questions to capture all persons in all forms of work and to produce labour statistics and indicators and as per the ILO guidelines were included in the module.

The main objective of the HIES 2016 is to capture the spending pattern of households that live in normal /regular households. Given the differences in the food and other consumption expenses of households living in non-administrative islands (such as tourist resorts) and collective living quarters (ten or more unrelated people living together, mostly foreign workers in labour quarters) were excluded from the sample of HIES 2016.

To get a comprehensive picture of the labour market situation of the country, data from the employed population living in the resorts, other non-administrative islands and collective living quarters are important ².

However, in the absence of a Labour Force Survey in the country and considering the high costs and limited funding available to conduct nationwide surveys, it was decided to introduce a labour force module to the HIES 2016 and to make use of the opportunity, to capture the labour market issues among the population living in administrative islands.

Due to this difference in scope of the population covered, the resulting labour statistics from HIES will not be directly comparable to the employment data from the Census. Some

² *In general, statistics of work should cover the resident population comprising all persons who are usual residents of the country, regardless of sex, country of origin, nationality, citizenship or geographic location of their place of work. This includes usual residents who work outside the country (e.g. short-term migrant workers).*

of this difference is due to the fact that, a high proportion of population employed in tourism industry live in tourist resorts, which are non-administrative islands. Similarly, the construction industry, which is dominated by foreign workers, have a high proportion of workers who live in collective living quarters, including the capital Male'. Such differences have an impact on the distribution of employed population by industry as well as occupation.

Similarly, as this is the first time the concept of work as defined in the 19th ICLS) resolution, 2013 are being adopted in the country, differences in the concepts and definitions in HIES 2016, need to be considered, in making any comparisons with existing labour market data of Maldives.

This chapter aims to provide a comprehensive set of labour market statistics and indicators to assess the current situation and to help in monitoring the labour market performance. It provides headcounts of the labour force, of persons in employment, of those in time-related underemployment, of persons in unemployment, of potential labour force and subsistence food producers. Indicators in relation to the working-age population such as employment-to-population ratio, labour force participation rate is provided as well. In addition, various measures of labour underutilization are compiled and presented. Data on the working-age population engaged in all different forms of work falling within the general production boundary such as own-use production of goods and services and time use on different forms of work is also presented. It highlights the gaps among women and men in terms of these indicators as well as the differences observed between Male' and the Atolls.

Adhering to these standards for producing labour market statistics, will help to enhance the international comparability of the national statistics, help in measurement some key aspects and indicators to measures of decent work. These data will also facilitate the measurement of related Sustainable Development Goal indicators. It is aimed to shed some



light on the evidence needed for making better labour market policies to help close these gaps and support the efforts in the achievement of gender equality and sustainable development.

CONCEPT OF WORK USED IN HIES 2016

3.2

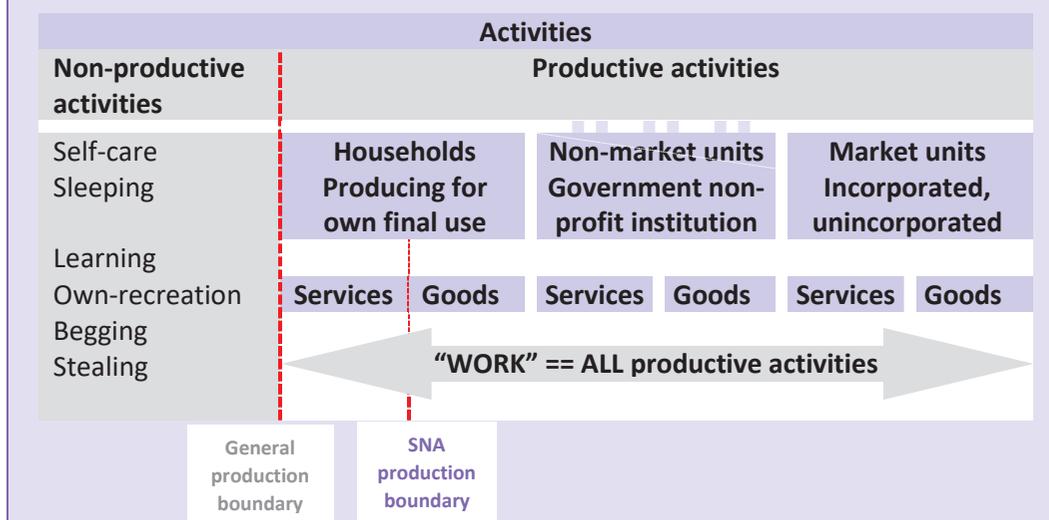
Work comprises any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use, and labour statistics potentially cover all forms of work. This includes work for pay or profit for use by others (employment), work not for pay or profit for use by others (unpaid trainee work, volunteer work, and other work activities) and work for own final use (own-use production work).

Box 3.1: What is work?

Work is defined as any activity performed by persons of any sex and age in order to produce goods and services for use by others or for own final use³. This definition is consistent with the scope of productive activities included in the general production boundary and with the definition of economic units as specified in the System of National Accounts (SNA).

However, the concept of work excludes activities that cannot be performed on one's behalf such as self-care activities, learning and activities for one's own recreation as well as all other activities that do not involve producing goods or services for one's own or for other units' consumption, such as begging and stealing.

Work can be performed in all kinds of economic units that comprise *market unit* (producing goods and services mostly for sale at prices that are economically significant), *non-market units* (producing goods and services mostly for supply to other units without charge or at prices that are not economically significant) and *households* (producing goods and services for own final use or fixed capital formation by the producers).



³ ILO, Resolution concerning statistics of work, employment and labour underutilization, Nineteenth International Conference of Labour Statisticians, Geneva, October 2013.

Five mutually exclusive forms of work are identified for separate measurement as per the ILO. These forms of work are distinguished on the basis of the intended destination of the production (for own final use; or for use by others, i.e. other economic units) and the nature of the transaction (i.e. monetary or non-monetary transactions, and transfers). These productive (work) activities are mutually exclusive.

It is important to keep in mind that during a given period, persons may engage in several Forms of Work. For instance, a person can have a paid job in the government during week days, do volunteer work during the construction of a mosque in their island community during the week end, spend time to grow food stuff for consumption by his/her household members and spend time cooking and taking care of one's own children and family on a daily basis. All these are considered as productive activities and fall within the general production boundary.

Forms of work

Intended destination	For own final use		For use by others			
	Form of Work	Own-use production work		Employment (work for pay/profit)	Other work activities*	Volunteer work
	of services	of goods	in market & non-market units			in households producing
<div style="background-color: #ffff00; padding: 5px; text-align: center;"> <i>Activities within SNA production boundary</i> </div> <div style="background-color: #ffcc00; padding: 5px; text-align: center;"> <i>Activities inside SNA General production boundary</i> </div>						

*i.e. unpaid, compulsory work for others.

3.2.1 Labour Force module of HIES

Labour force module included questions to help measure the labour supply and the characteristics of the working age population. HIES 2016, gathered information, from everyone aged 15 and older, about whether they were engaged in any economic activity and, if so, what type of work they do.

Box 3.2: What labour market related data was collected in HIES?

For all the person aged 15 years and above, the HIES gathers information on:

- The types of paid work (e.g. working in the government, private sector job, running your own business, operate a fishing vessel with family, giving tuition from home, work in construction projects with a group of friends etc) during the past four weeks
- The type of activity they usually do – employer, employee, own-account workers, family contributing workers
- Details of main economic activity -based on most time during past week (industry/ sector they work, main occupation, status in employment, hours worked)
- Details of secondary economic activity -based on most time (industry/ sector they work, main occupation, status in employment, hours worked)
- Total time spent on other jobs/economic activities
- Sources of income (e.g. wages, profit from business, pensions) for main job and second job and a lump sum income for other economic activities they engaged
- Persons looking and available for work – unemployed
- Persons not wanting to work- more hours
- Persons not looking neither want to work
- Own-use production of goods and unpaid care work (e.g. growing vegetables for consumption by family, caring for own child and cooking for family etc) during the past four weeks
- How many hours persons work per week (paid as well as unpaid work)
- Means of job search
- Reasons for not working

Based on the information collected, the working age population is classified according to participation in the labour market and in different forms of work. It enabled the working age population by labour force status as per the three mutually exclusive categories, employed, unemployed and outside the labour force.

Persons in employment is defined as all those persons 15 years of age and over who, during the reference week, were engaged in any activity to produce goods or provide services for pay or profit for one hour or more, during that week.



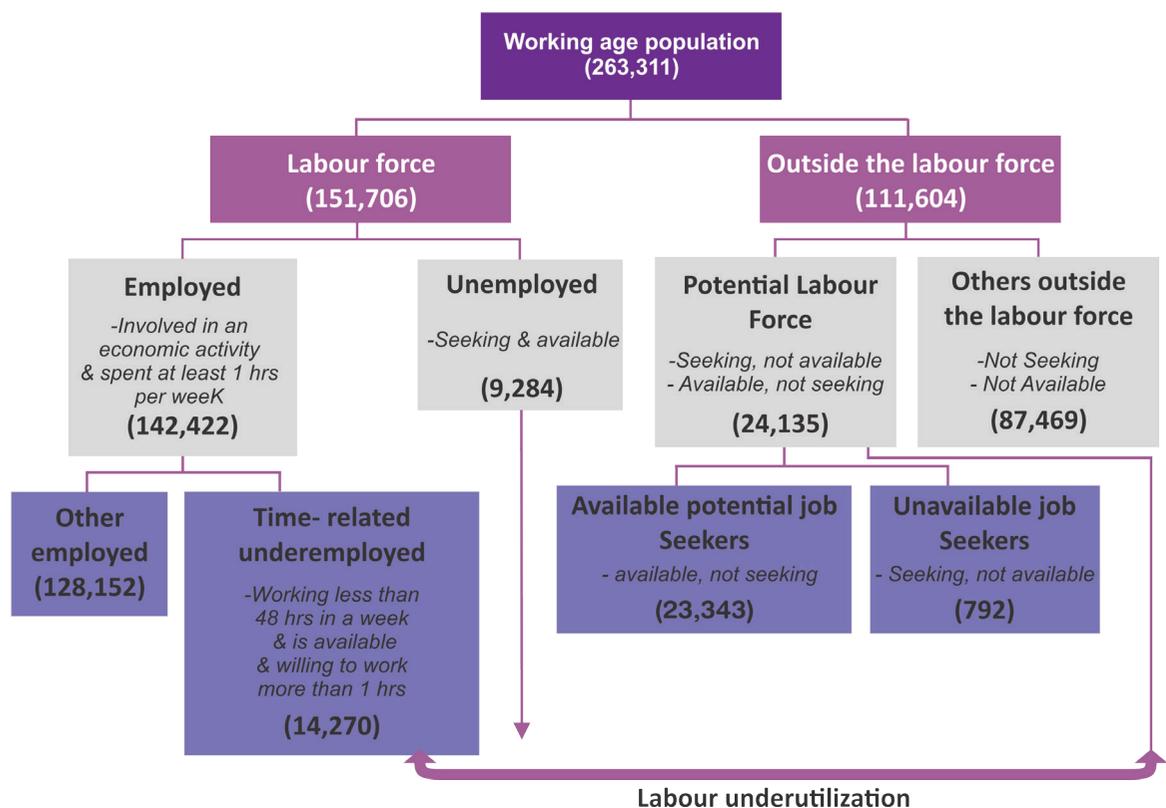
Time-related underemployed persons among those employed persons is based on hours worked in employment and their desire and availability to work additional hours. In addition to identifying the unemployed persons, in its strictest form based on the seeking and availability criteria, a broader concept of extended labour force is applied to identify potential labour force among the persons categorized as being outside of the labour force. Detailed definitions on these labour force status categories are provided under the concepts and definitions section.

WORKING AGE POPULATION AND LABOUR FORCE 3.3

3.3.1 Working Age-population by labour force status

Based on the results from HIES 2016, around 263,311 residents in Maldives are in the working age population. The resident population of foreigner's accounted for 4 percent of the working age population. Also, this survey shows that the above working age population were engaged in productive work either producing goods or services for pay or profit or for own use within the specified economic units. This population can be classified into three mutually exclusive categories: employed, unemployed and those outside the labour force (refer Figure 3.1 below).

Figure 3.1: Composition of working age population by labour force status, Maldives, 2016



Source: Household Income and Expenditure Survey, 2016

The working age population, 15 years and above, living in regular households in Maldives constituted 263,311 persons (69 percent of the population) in 2016, as per HIES results. From the above universe of working age population, 151,706 persons were in the labour force representing the sum of 142,422 employed and 9,284 unemployed. Among those person in employment, some 14,270 persons were in time-related underemployment, meaning 10 percent of those already employed are still available and want to work more hours. Among the 111,604 persons outside the labour force, around 24,135 persons were in the potential labour force, meaning 22 percent of those persons outside the labour force were seeking work although not available at the time or they were available for work although not seeking at the time.

3.3.2 Summary labour market indicators

Key Labour market data and indicators derived from the HIES 2016 are shown in Table 3.1 below.

Table 3.1: Composition of working age persons by labour force status and of key labour market indicators, HIES 2016

Republic			
In numbers	2016	(%)	2016
Working age population (15+ yrs)	263,311 ⁴	LFPR (Labour force participation rate)	57.6%
• Labour force	151,706	Employment to population ratio	54.1%
• Employed	142,422	LU1: Unemployment rate	6.1%
(time-related underemployed)	14,270	LU2: Unemployment and time-related underemployment	15.5%
• unemployed	9,284	LU3: Unemployment & potential labour force	19.0%
• Outside the labour force (potential labour force)	111,604 24,135	LU4: Composite measure of labour underutilization	27.1%

Source: Household Income and Expenditure Survey, 2016

The labour force participation rate (LFPR) is an indicator of the level of labour market activity. It provides information about the relative size of the supply of labour currently available for the production of goods and services in an economy. It is defined as the ratio of labour force to the working age population expressed in percentage term. LFPR was 58 percent, indicating that out of the population 15 years of age and above in the country

⁴ Out of the 270,932 working age population (15+ population) in the survey, employment analysis includes 263,311 working age population (15+ population) that had reported employment status, in order to avoid distortions.

58 percent were either gainfully employed or unemployed (looking and available for employment). The employment-to-population ratio, the percentage of the working age population who has employment, an indicator of the performance of the national economy in providing employment to its growing population was 54.1%.

The unemployment rate, defines as the percentage of the labour force that is unemployed, was 6.1%, indicating that roughly for every 100 persons in the labour force there was 6 unemployed persons, who are looking for work and available for work. Nevertheless, the unemployment rate (LU1) is just one indicator of the unmet needs for employment in a country. Other indicators that take into account not only unemployment but also time-related underemployment and available potential jobseekers and other non-available jobseekers are shown in table 3.1 and Box 3.3 as LU2, LU3, LU4. This is because only measuring unemployment rate is not sufficient to reflect the absence of jobs. Those looking for jobs are located among those under Time-related underemployed, Unemployed and those in potential labour force.

According to Table 3.1, the combined rate of unemployment and time-related underemployment (LU2) was 15.5%, the combined rate of unemployment and potential labour force (LU3) was 19.0% and the overall composite measure of labour underutilization (LU4) was 27.1%. This implies that the country jobs generating institutions need to target over one-fourth (27.1%) of the extended Labour force. Even though the narrow view of unemployment requires jobs generating policies for those in immediate needs of jobs, the overall lack of satisfactory jobs in the labour force need to be supported by labour policies with sustainable jobs for all underutilised. They represent the potential labour capacity that can be enabled to increase the productive level of the country.

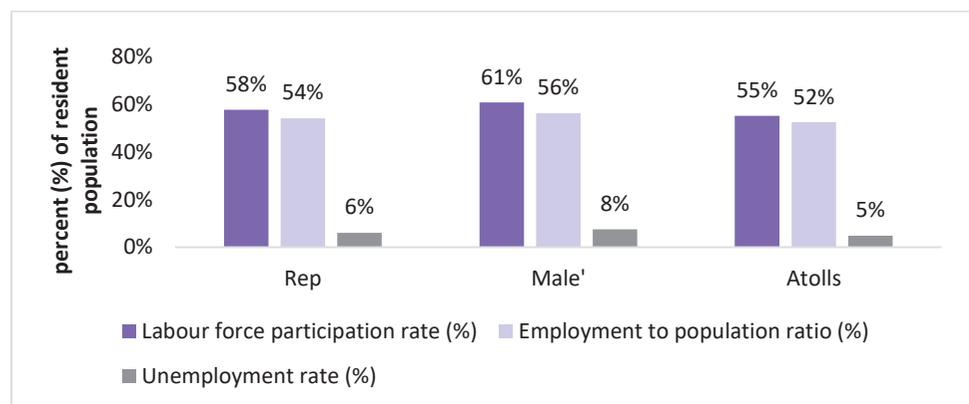
GEOGRAPHICAL AND GENDER DISPARITIES IN LABOUR FORCE PARTICIPATION 3.4

The HIES 2016 data show that among the population in the working age, a higher proportion of persons are participating in the labour force in Male' (59.7%) than in Atolls (53.0%). The unemployment rate was also higher in Male' (7.5%) compared to the Atolls (4.9%).

Table 3.2: Labour force status of population aged 15 and above, by location and sex, Maldives, HIES 2016

	Republic			Male'			Atolls		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Employed	142,422	86,701	55,721	66,323	42,755	23,568	76,099	43,946	32,153
Unemployed	9,284	5,958	3,326	5,378	3,548	1,830	3,906	2,410	1,496
Labour force	151,706	92,659	59,047	71,701	46,304	25,398	80,005	46,356	33,650
Outside labour force	111,604	30,695	80,909	46,372	12,192	34,180	65,232	18,503	46,730
Potential labour	24,135	6,613	17,522	7,937	1,954	5,983	16,197	4,659	11,539
Labour force participation rate (%)	57.6%	75.1%	42.2%	60.7%	79.2%	42.6%	55.1%	71.5%	41.9%
Employment to population ratio (%)	54.1%	70.3%	39.8%	56.2%	73.1%	39.6%	52.4%	67.8%	40.0%
Unemployment rate (%)	6.1%	6.4%	5.6%	7.5%	7.7%	7.2%	4.9%	5.2%	4.4%

Figure 3.2: Headline labour market indicators, HIES 2016



With reference to Table 3.2 and Figure 3.2, 58% of the population 15 years and above population are in the labour force, with around 75% of men and 42% of women aged 15 and above in some form of employment, or seeking and available for work. There are differences in the labour force participation rates between Male' and Atolls (Figure 3.3). In Male', 79% of men are in the labour force and women's labour force participation is

much low at 43%. This shows a significant gender gap between men and women's labour force participation rates with a difference of almost 37 percentage points. In Atolls, 72% of men and 42% of women are in the labour force, and a gender gap of around 30 percentage points observed which is lower compared to Male'.

Figure 3.3: Labour force participation rate, by location and sex, HIES 2016

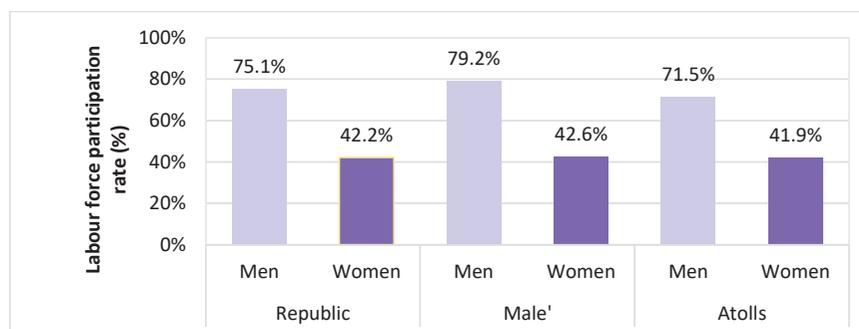
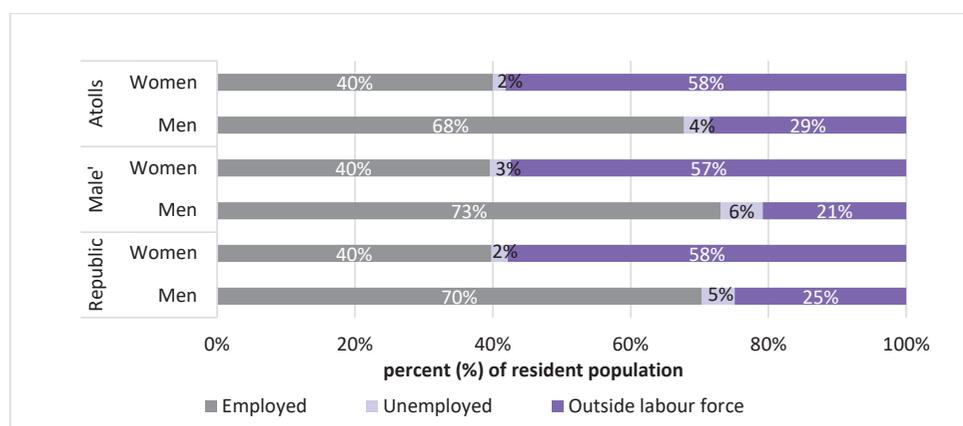


Figure 3.4: Percentage of population in employment, unemployment, outside the labour force by sex and location, Maldives, HIES 2016



When looking across the country, 70% of adult men (age 15 and above) are employed (Figure 3.4). The proportion of the population that is unemployed is highest for both men and women in Male' (6% for men and 3% for women). Considering the whole country, women are much more likely to be outside the labour force than men.

Lower labour force participation rates of women are due to many women being outside the labour force. This has been the case in previous statistical surveys and censuses as well and hence it is expected. This is mainly resulting from the uneven distribution of unpaid care work within the household that is undertaken by women vis-a-vis that of men,

and the gender roles pertaining in this respect in the society in addition to other factors. With the availability of data on population engaged in unpaid care work and time use in these activities from HIES 2016, the extent of the unpaid care burden can be substantiated with evidence. This aspect will be studied in section 3.16 in the chapter.

The disparities among individual Atoll are presented in Figure 3.5. The left panel shows the administrative Atolls ordered from highest to lowest labour force participation rates, while the right shows the administrative Atolls in reverse order from lowest to highest unemployment rates.

Figure 3.5 shows that there are four Atolls with relatively high labour force and low unemployment rates. These Atolls are Faafu (F), Vaavu (V), Haa Alif (HA) and Meemu (M) Atoll.

At the other extreme, Thaa (Th) Atoll have mid-level labour force participation rates and high unemployment rates. And Seenu (S) and Gnaviyani (Gn) Atolls have a low labour force participation rates and high unemployment rates.

Figure 3.5: Disparities among Atolls, HIES 2016



LABOUR FORCE PARTICIPATION BY AGE GROUP 3.5

The breakdown of the labour force participation rate by sex and age group gives a profile of the labour participation as shown in Figure 3.6.

Figure 3.6 Labour force participation rate by sex and age group, Maldives, HIES 2016



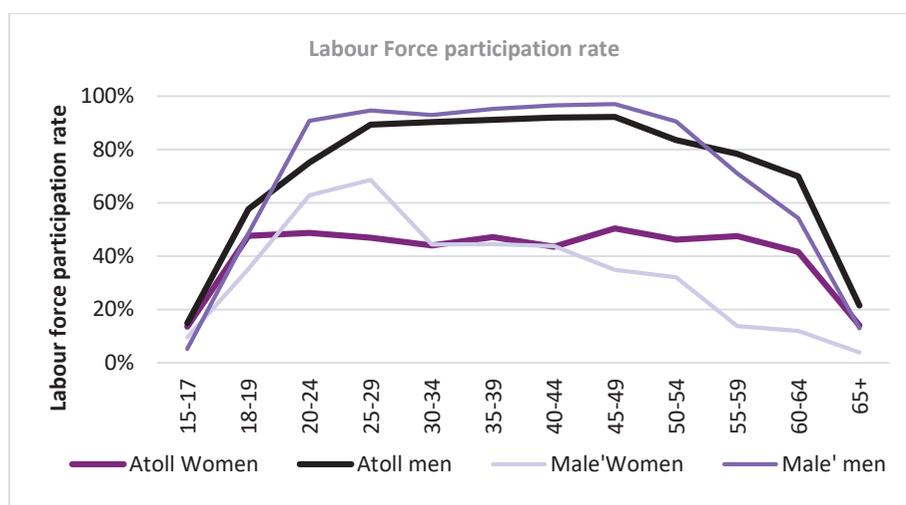
The doubled inverted-U shape graph (Figure 3.6) confirmed that men are still more likely than women to participate in the labour force. The labour supply remained relatively small among younger workers. The LFPR curve for both sexes increased at the lower age groups reflecting the transition of young generation leaving school and entering the labour market. In contrary, the LFPR curve finally declined as older workers begin to exit the labour force for reasons of retirement, health or other reasons. The Male LFPR curve reaches a peak at the age group of 45-49 years, before slowly decreasing as people leave and retire from the labour market at older ages. The female LFPR curve reaches a peak at the age group of 25-29 years. Afterward, women reduced their participation in labour market mainly to focus on the family responsibilities and children care. This increases the gap between male and female Labour force participation across ages.

The age-specified labour force participation rates show that both men and women join the labour force in their early twenties. For both men and women, the LFPR is lowest in the age group 15-17 years of age who are attending full-time education and among older

people 65 years of age and above. A LFPR of around 15% for the 65 years and above age group is expected as less people tend to work as they age and as they become entitled for social security pension payments.

Youth population (18-34 years) makes up a significant proportion of the labour force, they accounted more than half (51%) of the labour force in the country. For both men as well as for the female, the proportion of the labour force among youths in 18-34 years age group is significantly high (48% of men and 54% of women).

Figure 3.7 Labour force participation rate by locality, sex and age group, HIES 2016



For both Male' and Atolls, LFPR is much higher for males than females. The lower level of women's participation is partly a reflection of the traditional gender division of labour, which allocates household responsibilities primarily to women and which, along with the responsibilities of motherhood, keeps many women occupied with activities considered outside the labour force.

The differences in the pattern of labour force participation during the life-span of women living in differing geographic locations such as Male' and the Atolls are likely to be the differing life styles of women and the society. In case of Male', women's participation starts to decline from 30 years onwards, as seen from Figure 3.7. Difficulties in balancing work and personal life when they have children, poses a challenge for women who have formal

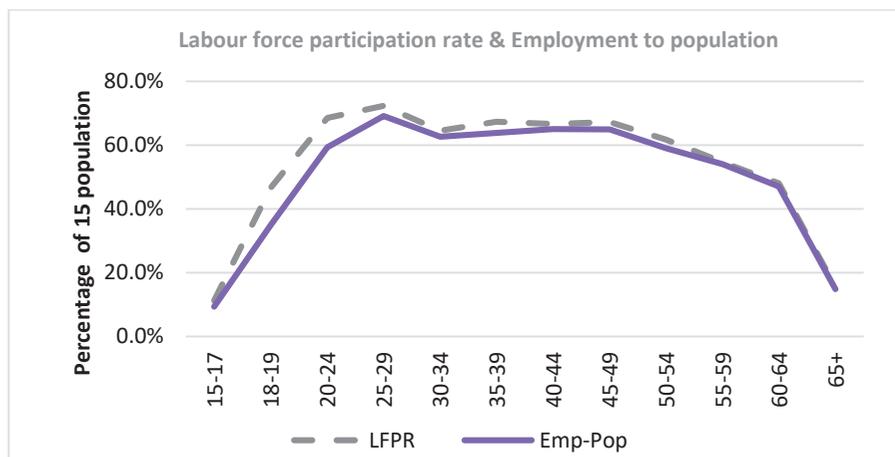
jobs and work away from home⁵. In case of Atolls, women's participation drops somewhat at around 30-34 and again starts increasing at a slow rate from 35 years onwards till it starts to decline at older ages of 60 years onwards. Perhaps this is indicating a return of married women in the Atolls into the labour market after giving birth. Furthermore, getting engaged in self-employed economic activity of an informal nature in the islands is likely to be easier in the Atolls. Another contributing factor would be the more affluent society in Male' compared to Atolls.

⁵ According to Census 2014, mean age of marriage for women in Male' was 23.6 years while in the Atolls it was 21.5 years. And median age at birth of first child was 22 years in Male' and 20 years in Atolls.

EMPLOYMENT-TO-POPULATION RATIO BY AGE GROUPS **3.6**

The LFPR curve and employment-to population ratio curve brings additional information in the pattern of labour force activity of the working age population. Figure 3.8 represent the double U shape LFPR curve and the employment-to population ratio curve in graphical form. The top curve is the labour force participation rate (LFPR) plotted by age group. Below it is the corresponding curve of employment-to population ratio curve (Emp-Pop). There is a similar trend. Both increase at lower groups as young people leave the school system and enter the labour force. They reach a peak at the core working age of 25-29 years. They both then decrease as workers retire and leave the labour force.

Figure 3.8 Labour force participation rate and employment-population ratio, Maldives, HIES 2016



The gap between the two curves represents unemployment. It can be observed that the gap is more prominent in the lower age groups. In the higher age groups, the two curves get closer to each other and at the age of 60 year and above the two curve overlaps entirely, reflecting the narrowing down of the unemployment in the higher age group.

PROFILE OF THE EMPLOYED POPULATION

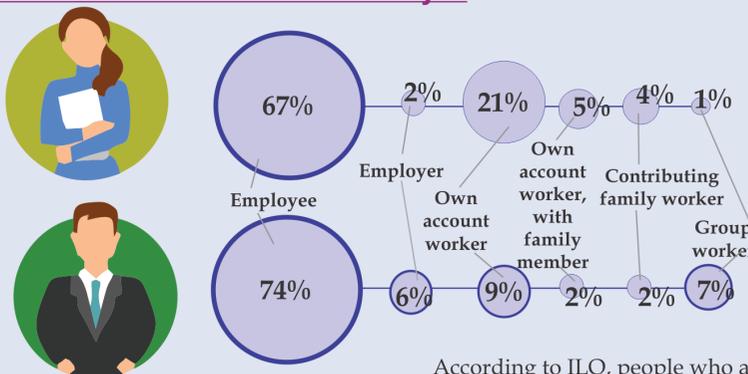
EMPLOYMENT TO POPULATION RATIO

Employed population out of 15+ population



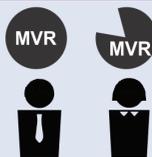
Employed women among females are relatively less than that among men

STATUS IN EMPLOYMENT- main job



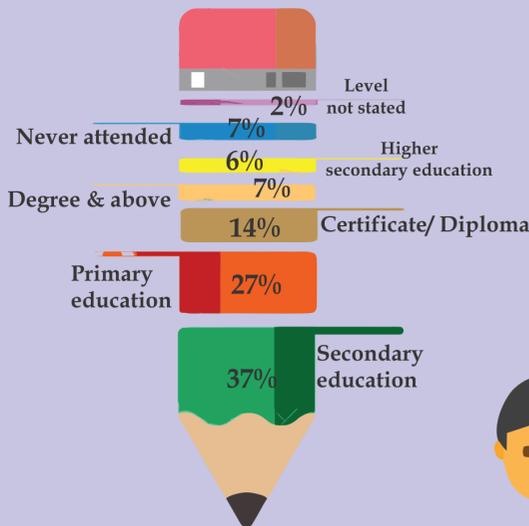
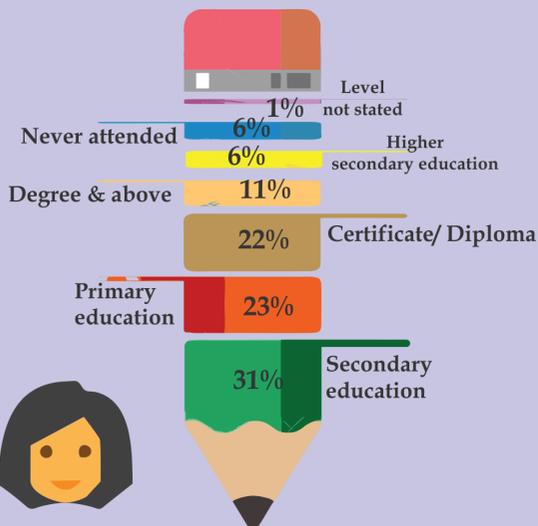
According to ILO, people who are own-account workers and contributing family workers are considered to be in vulnerable employment. 13% of employed men and 30% of employed women are in these forms of work.

GENDER PAY GAP



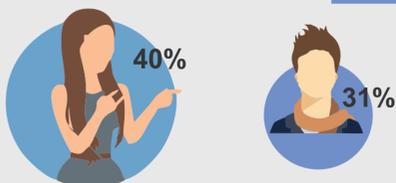
Gender pay gap for employees were **20%** as per main job.

EDUCATION LEVEL



Employed women are relatively more educated than men

INFORMAL SECTOR

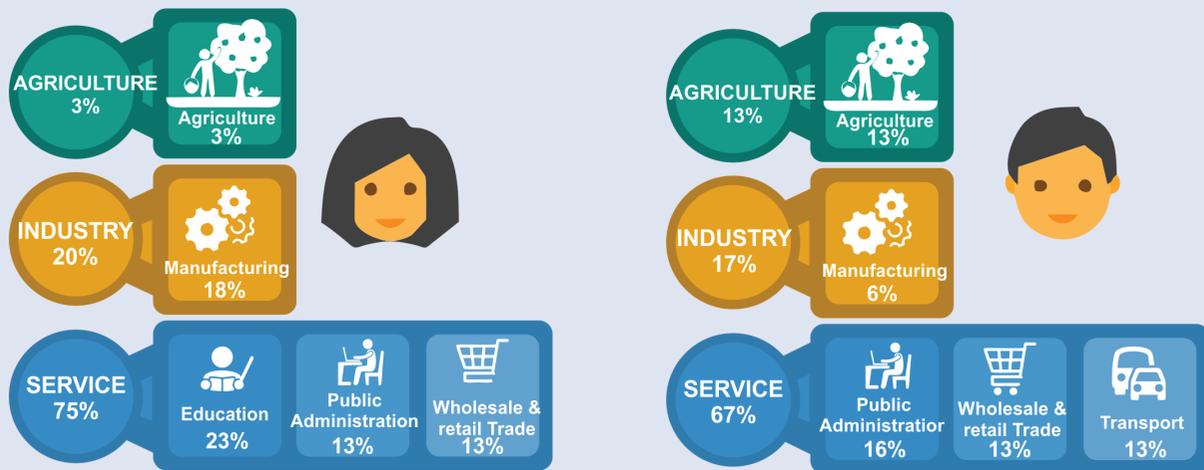


More women work in informal sector than men

PROPORTION OF WOMEN IN MANAGERIAL POSITIONS

Of all people employed in decision-making and management roles, only **19.5%** are women

BRANCH OF ECONOMIC ACTIVITY



Employment in tourism and construction industry is not properly reflected in the HIES, due to its coverage

TIME RELATED UNDEREMPLOYMENT

Time-related underemployment refers to persons who are employed and who, during the reference period

- (i) wanted to work additional hours;
- (ii) whose working time in all jobs was less than threshold (i.e. 48 hours per week), and
- (iii) who were available to work additional hours given an opportunity for more work.



Time-related underemployment was higher for women than men

AVERAGE MONTHLY EARNINGS-MAIN JOB BY EDUCATION ATTAINMENT



Education Attainment	Women (MVR)	Men (MVR)
Pre-school education	MVR 4,401	MVR 7,775
Primary education	MVR 4,774	MVR 9,158
Secondary education	MVR 6,473	MVR 12,204
Higher secondary education	MVR 7,948	MVR 11,430
Certificate/Diploma	MVR 8,843	MVR 14,829
Degree & above	MVR 14,941	MVR 22,331
Never attended	MVR 4,325	MVR 7,190

On average women earn less than men irrespective of their level of education

EMPLOYEES WITH LOW EARNINGS IN THE MAIN JOB

According to ILO framework of decent work indicators, the employees with low pay rate (ELPR) aim to capture the percentage of employees that are working for low wages.

It is defined as the percentage of employees whose hourly earnings in main jobs equal less than two-thirds of the median hourly earnings of all employees.

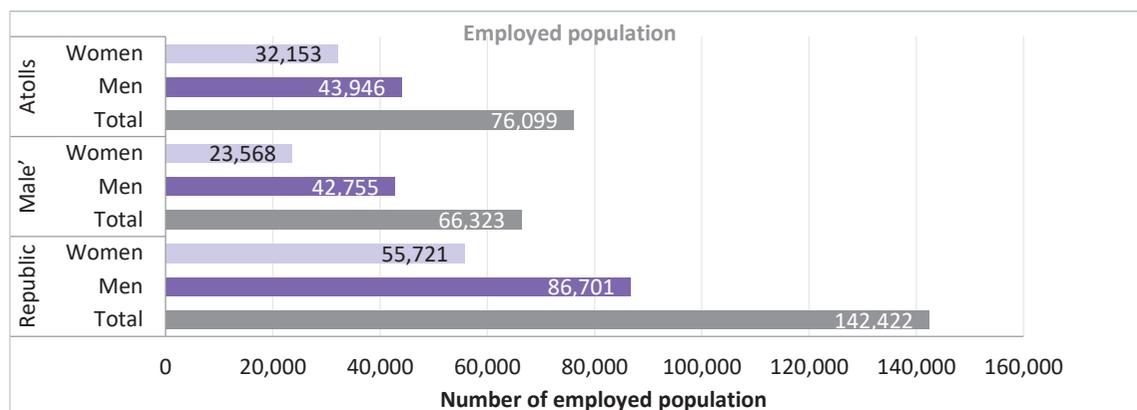


HOUSEHOLD INCOME AND EXPENDITURE SURVEY (HIES), 2016 - EMPLOYMENT

EMPLOYMENT 3.7

The employed population in 2016 is around 142,400 of which 86,700 are male and 55,700 are female. In Male', the employed population was 66,300 while in Atolls, the employed population was 76,000.

Figure 3.9 Employed population by locality and sex, HIES 2016



3.7.1 Status in employment, informal sector and informal employment – main activity

3.7.1.1 Status in employment in main job

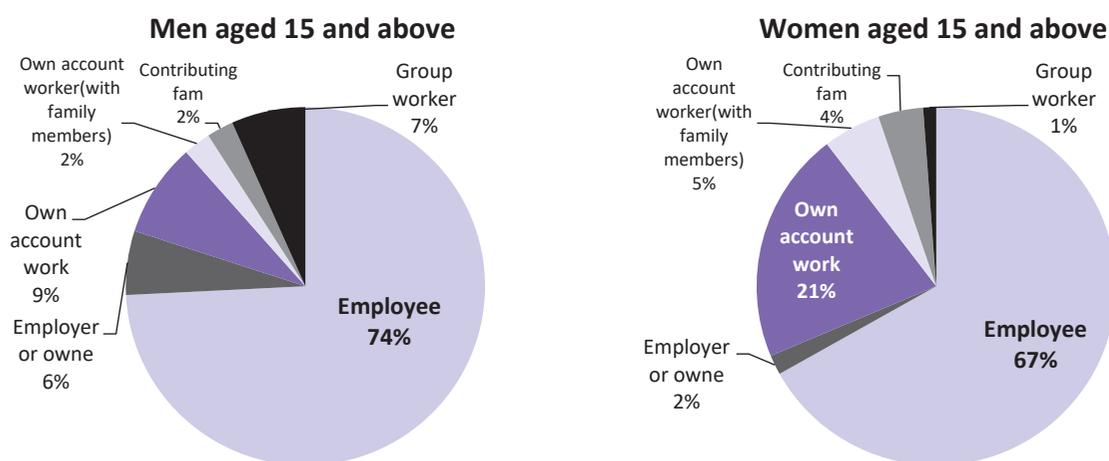
For understanding the structure and functioning of labour force in the country, it is important to know the employment status which categorizes the employed by number of persons working for others (employees) or working for themselves (self-employed/ own-account worker). Hence, the employed population was classified into the following 7 statuses in employment categories: “employee”, “employer/owner”, “own-account worker”, “own-account worker with assistance from family member”, “contributing family worker”, and “group worker”. Group worker is not defined in the international classification but used to address the local context of how people work.

Group workers have been added to capture one of the forms in which locals organize their work, mainly in the fishing, construction and small-scale manufacturing industries. These workers organize themselves in groups whereby the income they get will be distributed

among the group, with each member acting as an own-account worker, with one person acting as a group leader.

Figure 3.10 shows how the employed population is divided according to type of employment (left panel shows men employed population while right panel shows women employed population). Majority of employed men and women are working as employees, either in the private or public sector (Figure 3.10). Higher proportion of employed men is employees (74%) compared to those amongst women (67%). Women are more likely to be own-account workers (21%) than men (9%). Few people work as contributing family members (4% of women vs 2% of men). A small proportion of women are working as employer or owner (2% men and 7% women) and group worker (7% men and 1% women).

Figure 3.10: Employed by type of employment and sex, Maldives, HIES 2016



Certain types of employment tend to be more vulnerable than others. They might be unpaid, or have an irregular income, or lack of formal work arrangements and protection. According to the international definition (ILO), people who are own-account workers and contributing family workers are considered to be in vulnerable employment. In Republic, around 20% of employed population are in these forms of work: 13% of men and 30% of women. In Male', around 11% of employed population are considered as vulnerable (16% of women and 8% of men) while in the Atolls 28% population are in these forms of work (41% of women and 19% of men).

3.7.1.2 *Employment in informal sector in main job*

Many persons who cannot find a decent job with sufficient income try to earn a living by working as self-employed or employee in the informal sector. The concept of informal sector may be broadly characterized as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees⁶.

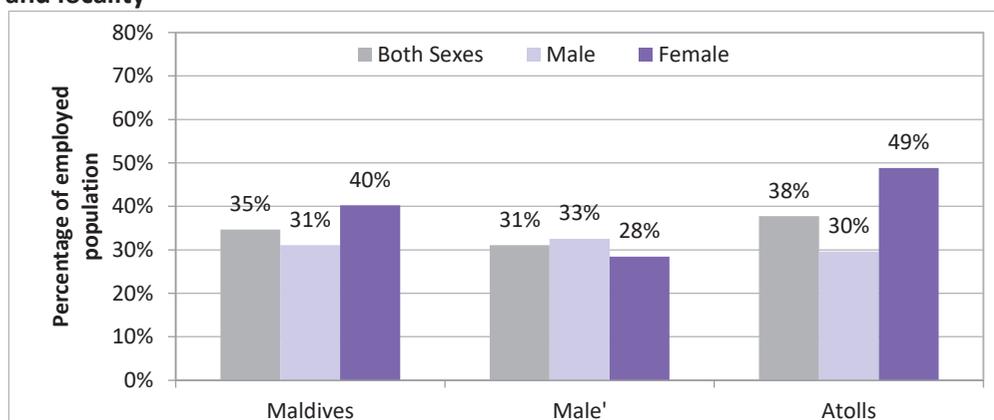
In the HIES 2016, employment in the informal sector was defined as all persons 15 years of age and over who were engaged in any business which is not registered with the relevant national authority or person who is working in house/living quarter or no fixed premises or in the agricultural plots who is not employee and have no social-security. Informal sector excludes persons engage in government unit or activities of private households as employers of domestic staff.

Based on this definition, there were 49,328 persons working in the informal sector in 2016, representing 35% of the employed population. The corresponding proportions for different of categories of the population are shown in Figure 3.11. Accordingly, the incidence of employment in the informal sector was somewhat higher among women (40%) than among men (31%) and is higher in Atolls (38%) than in Male' (31%). The age pattern is U-shaped higher rates among young employed people 15-18 years old and the elderly 65+ years old than among the middle age groups. In terms of educational attainment, the data show a clear decreasing rate: 48% among employed people with pre-school education, 46% among employed people with primary education, 20% among those with secondary education, and 4% among those with degree and above education.

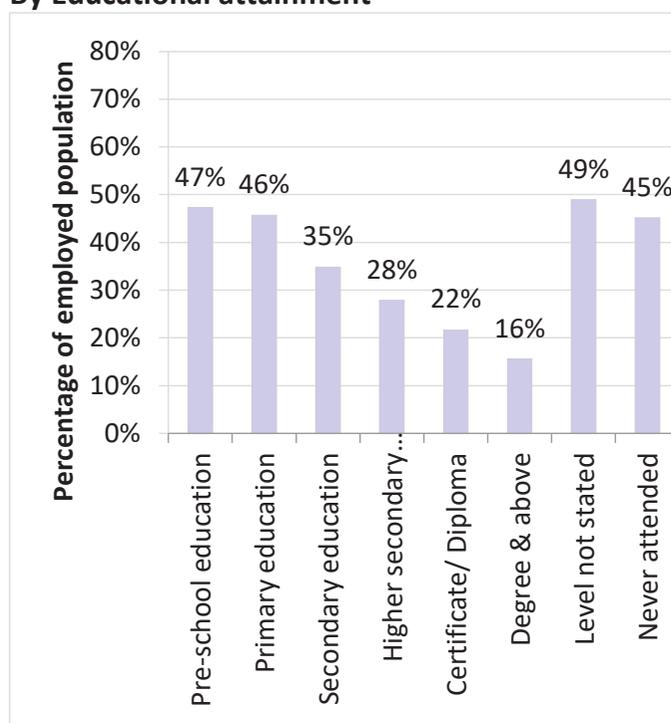
⁶ Extract from ILO, *Resolution on the measurement of employment in the informal sector, adopted by the Fifteenth International Conference of Labour Statisticians (ICLS), Geneva, 1993.*

Figure 3.11: Proportion of employed persons on the informal sector by sex, age group and educational attainment, HIES 2016

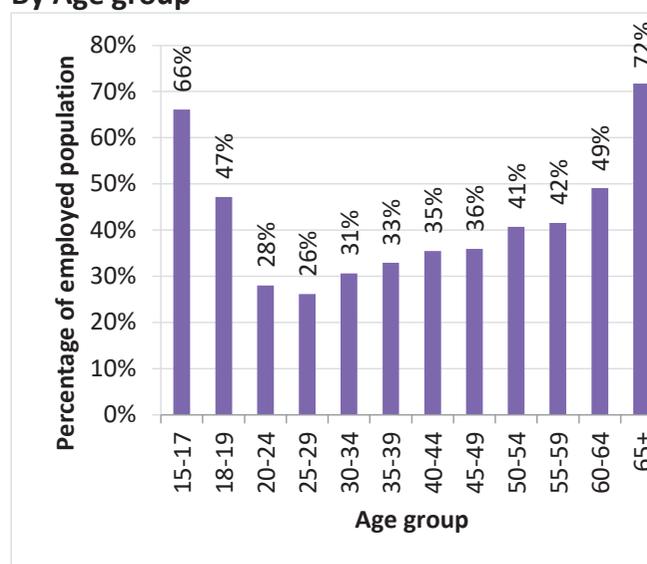
By sex and locality



By Educational attainment



By Age group



3.7.1.3 Employment in Informal sector in main job

The concept of informal employment refers to jobs as observation units as opposed to the concept of informal sector that refers to production units as observation units⁷. The two concepts are nevertheless related. Informal employment is a broader concept including (a) employment in the informal sector (except those rare employees in that sector who may have formal employment), and (b) informal employment outside the informal sector.

⁷ ILO guidelines concerning a statistical definition of informal employment, adopted by the seventeenth ICLS, Geneva, 2003.

In the case of own-account workers and employers, the informal employment status of the job is determined by the informal sector nature of the enterprise in which they operate. Thus, own-account workers (without hired workers) operating an informal enterprise are classified as in informal employment. Similarly, employers (with hired workers) operating an informal enterprise are classified as in informal employment. All contributing family workers are classified as having informal employment, irrespective of whether they work in formal or informal sector enterprises.

For jobs held by employees, informal employment is defined in terms of the employment relationship. Four elements are identified. For a job held by an employee to be considered as informal, the employment relationship should not, in law or in practice, be subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (paid annual or sick leave, etc.).

In HIES 2016, the operational definition of informal employment comprises all persons 15 years of age and over employed as a contributing family worker; employer or own-account worker of an informal sector unit; employee or group workers with no social security, or no paid sick leave, or no paid annual leave.

Based on this definition, there were 73,632 persons having informal employment in their main jobs in 2016, representing 52% of the employed population.

Table 3.3 presents the joint distribution of informal sector and informal employment. It can be observed that virtually all persons in the informal sector have informal jobs. Only 2,028 employed persons in the informal sector have formal jobs. By contrast, a substantial number of persons engaged outside the informal sector have formal jobs (66,762).

Table 3.3: Joint distribution of informal sector and informal employment, HIES 2016

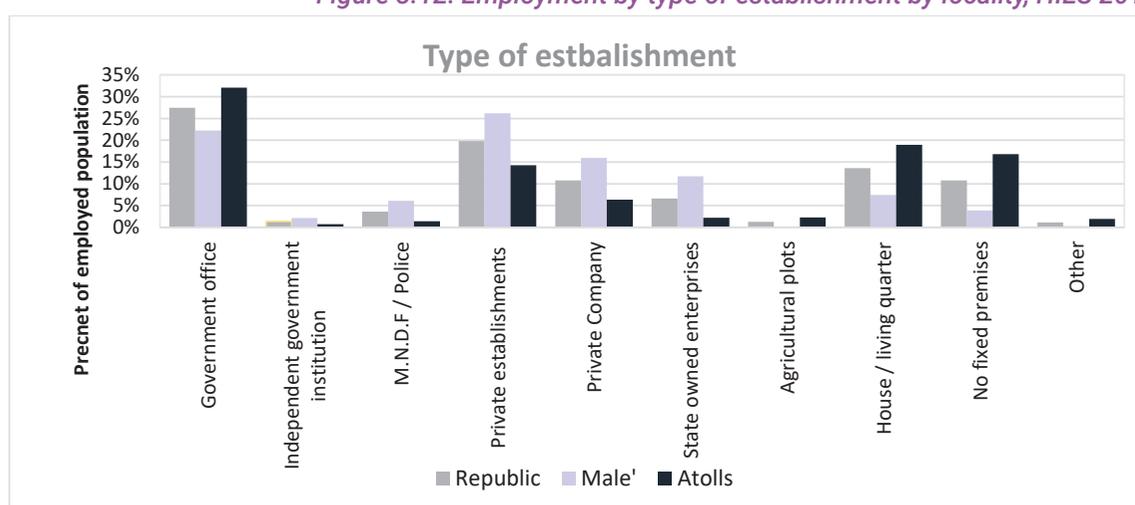
Production units	Informal jobs	Formal jobs
Informal sector enterprises	47,300 (A)	2,028 (B)
Other units of production	26,332 (C)	66,762 (D)
Employment in the informal sector:		
	A+B=	49,328
Informal employment:		
	A+C=	73,632
Informal employment outside the informal sector:		
	C=	26,332

3.7.2 Types of establishment – main activity

Figure 3.12 provides an indication of the employment shares in the different types of establishments existing in the country. It shows that government is largest employer, employing over one in every four workers in the country. Nearly one third (32%) of the employed population in the Atolls and 22% of the employed population in Male' fall in this category of government. Private establishments are the second highest employer, with a 20% of persons employed in the country, 26% in Male' and 14% in the Atolls.

Over one third (38%) of the Atoll employed population are either working in agricultural plot or living quarter or home or no fixed location which can be categorized as informal sector.

Figure 3.12: Employment by type of establishment by locality, HIES 2016

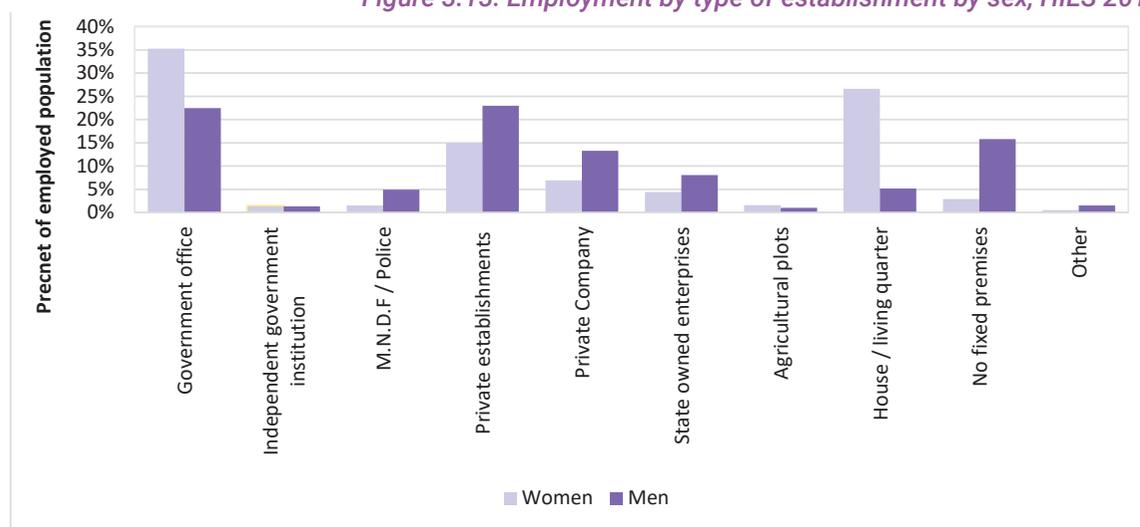


The share of women employment in government is relatively higher than men. As expected, employment in the Maldives National Defense Force (MNDF) and the Maldives Police Service is dominated by men.

Work place of employed persons by sex shows that a sizeable proportion of women working from their living quarters or homes. More than one third (35%) the employed women in the Atolls and 16% in case of employed women in Male' fall in this category. This highlights the economic vulnerability of women, especially those in the Atolls.

Apart those working in government and living quarter or house, men dominate being employed in all other type of establishment as seen from Figure 3.13.

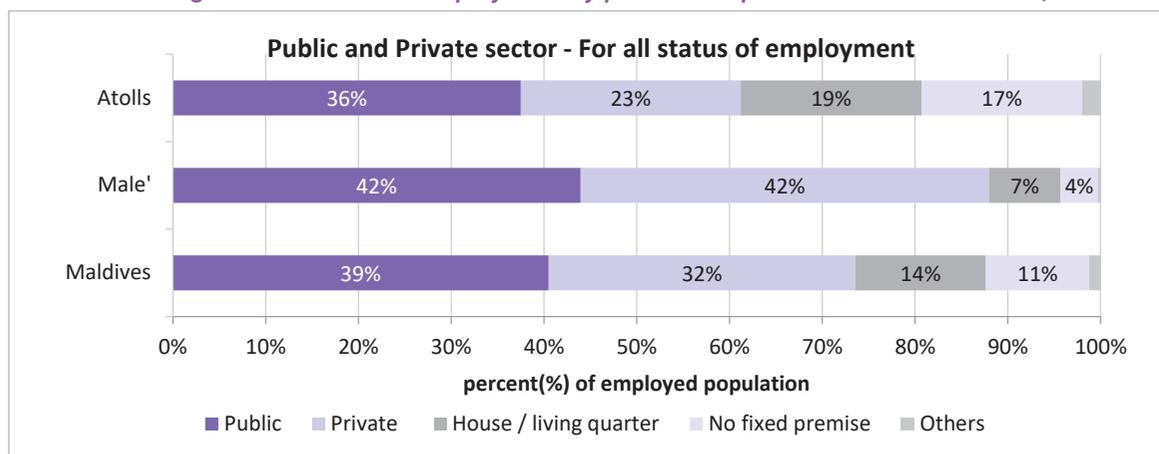
Figure 3.13: Employment by type of establishment by sex, HIES 2016



3.7.3 Public versus private sector– main activity

The public sector is the main employer in the Maldives, providing jobs for 39% of the employed population. Around one third (32%) of the jobs are in the private sector followed by those who work at the house/ living quarter. In the case of Male', the public and private sector almost have the share in providing jobs when all the status of employment is considered. Atolls show that the majority of employed population are working in the public sector followed by the private sector as seen from Figure 3.14.

Figure 3.14: Share of employment by private and public sector and location, HIES 2016



Note: Public sector includes government office, Independent government institution, MNDF/police, embassy/international bodies and state-owned enterprises. Private sector includes non-profit organization, private companies/ establishments and agricultural plots. House and no fixed location are kept separately. In other category, 'other' types of employers not elsewhere classified are included.

If only employees are considered the public sector is the main employer in the Maldives, providing jobs for more than half of the employees (57%). Around one third (36%) of jobs are in the private sector.

3.7.4 Occupation- main activity

The type of jobs people do tend to vary between men and women. Occupation for main activity is shown in Figure 3.15 for the national level.

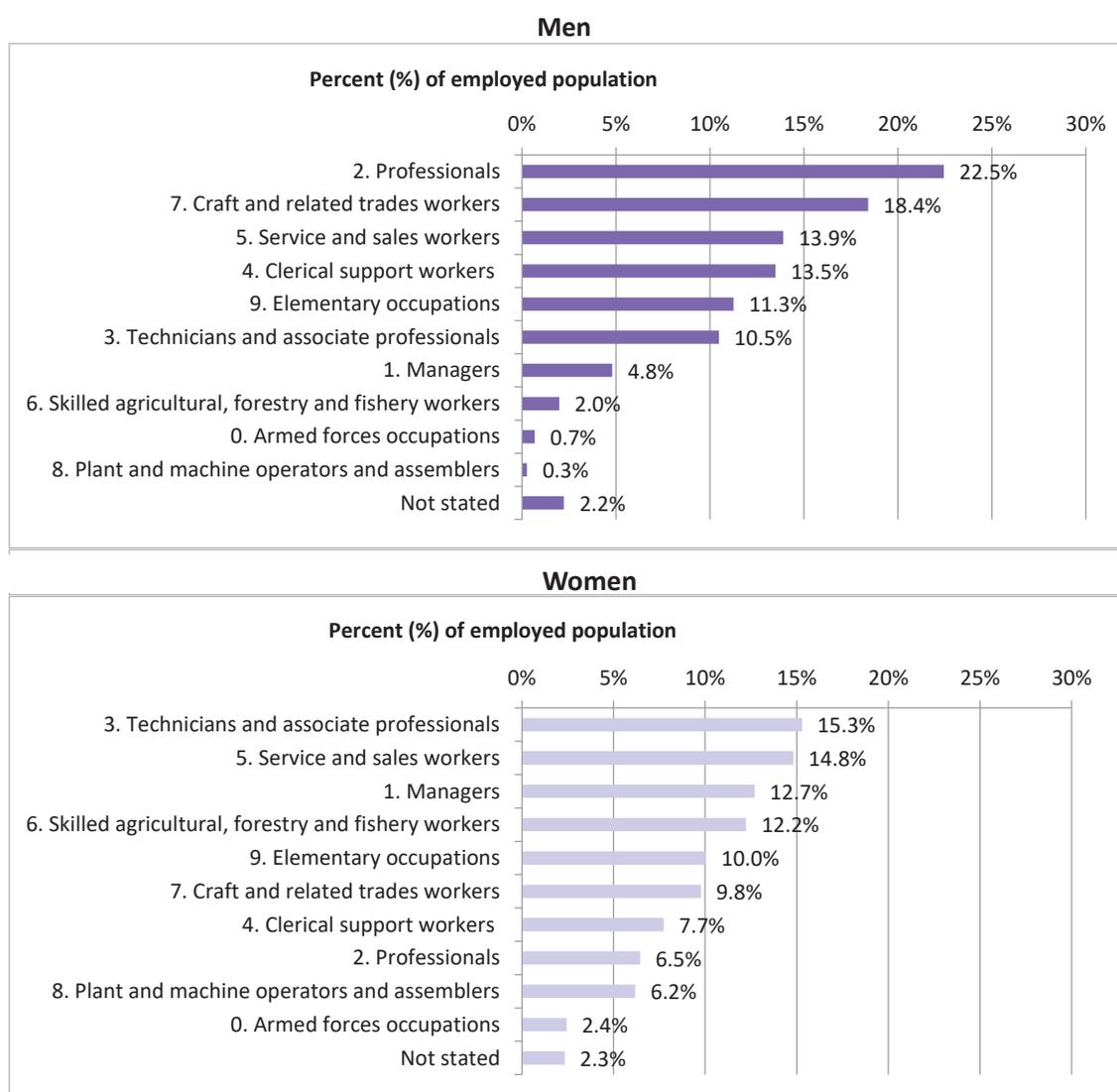
As seen from Figure 3.15, overall at national level, the most common occupation for men is as "Technicians and associate professionals" (15.3%) followed by "Service and sales workers" (14.8%) and for women it is a "Professionals" (22.5%) and followed by "Craft and related trades workers" (18.4%). In terms of the proportion of women employed in these two occupational categories accounts approximately 40% of women employed population.

Majority of "Technicians and associate professionals" workers among men were engaged in "Public administration and defence; compulsory social security" industry (21.2%) and "Transportation and storage" industry (16.2%). Among men, the second highest occupational category was "Service and sales workers". These occupations were concentrated

in the industries: “Wholesale and retail trade; repair of motor vehicles and motorcycles” (32.3%) and “Public administration and defence; compulsory social security” (23.1%).

Among women the majority of “Professionals” workers were engaged in “Education” which accounts 80.0% of employed professional women. The second highest was “Craft and related trades workers” and 96.3% of the employed craft and trade related workers are engaged in “Manufacturing” industry. Those employed in manufacturing are mostly engaged in small scale manufacturing activities. Detailed breakdown of activities under manufacturing industry (ISIC classification at 4-digit level) shows that the “Manufacture of other products of wood and cork, straw and plaiting materials” has the highest share at 44.2%.

Figure 3.15: Occupations for main activity, by sex, Maldives, HIES 2016



3.7.5 Proportion of women in management position

Proportion of women in managerial position is one of indicator of the Sustainable Development Goal (SDG - Goal 5). The indicator provides information on the proportion of women who are employed in decision-making and management roles in government, large enterprises and institutions, thus providing some insight into the proportion of women in decision making positions compared to men⁸. According to HIES 2016, of all people employed in decision-making and management roles, only 19.5% are women. This rate is under the world average of one third. Taking into account the wage difference between Maldivian and Foreign women (refer to Section 3.9.1, Figure 3.28), it is important to see contribution of Maldivian and foreign within the managerial position. If only Maldivian is considered the decision-making and management roles is 18.8% and if only foreigners are considered than the rate is 37.2%.

3.7.6 Top ten occupations- main activity

The International Classification of Occupation (ISCO-08) classifies occupations in 10 major occupational groups subdivided into 43 sub-major groups, 130 minor groups and 436 unit groups⁹. HIES 2016 provided data on the distribution of employed population by detail occupation level. Figure 3-16a shows top ten occupation for the 15 years and above, 15-24 years and 18-34 years employed population at the main job. Among 15 years and above employed population, “deep-sea fishery workers” constitute the largest occupation group (9,581 people), followed by “Cleaners and Helpers in offices, Hotels and Other Establishments” (7,085 people). These ten occupational groups cover almost one third of the employed population.

⁸ The indicator was derived using women employed in ISCO-08 category 1 (1 digit which are managers) minus women employed in the 2-digit ISCO-08 category 14 (hospitality, retail and other services managers) divided by all persons employed in ISCO-08 category 1 minus all persons employed in 2-digit ISCO-08 category 14 multiplied by 100 (SDG indicator. Methodology repository: <https://unstats.un.org/sdgs/metadata/>).

⁹ ILO, *International Standard Classification of Occupations, ISCO-08*, <http://www.ilo.org/public/english/bureau/stat/download/res/futisco.pdf>

“Cashiers and ticket clerks”, “general office clerks” and “deep-sea fishery workers” are top three occupation for the young population (15-24 years). While among youth population (18-34 years), “general office clerks” constitute the largest occupation group, followed by “deep-sea fishery workers” and “Cashiers and ticket clerks”.

Looking at the top 10 occupations for the total employed population (15 years and above) and the employed young population (15-24 years), “Cleaners and Helpers in offices, Hotels and Other Establishments”, “Handcraft workers, basketry and related materials”, “Retail and wholesale managers” “Secondary Education teachers” and “Security guards” is there among the top 10 occupations of employed population, but not among the top 10 occupations of the young population (15-24 years). Instead, “Early childhood educators”, “Shop sales assistant”, “Clearing and forwarding agent”, “Accounting and bookkeeping clerks” and “Receptionists (general)” is there among the top 10 occupations of the young population but not in the top 10 occupation of the employed population, in general.

Comparing total employed population (15 years and above) with employed youth population (18-34 years), one finds that “Handcraft workers, basketry and related materials”, “Retail and wholesale managers” and “Security guards” among top 10 occupations of employed population, but not among the top 10 occupations of the youth. Instead, one finds “Early childhood educators”. “Police” and “Accounting and bookkeeping clerks” among top 10 occupations of the youth but not in the top 10 occupations of the employed, in general.

Figure 3.16a: Top ten occupation at main job, Maldives, HIES 2016

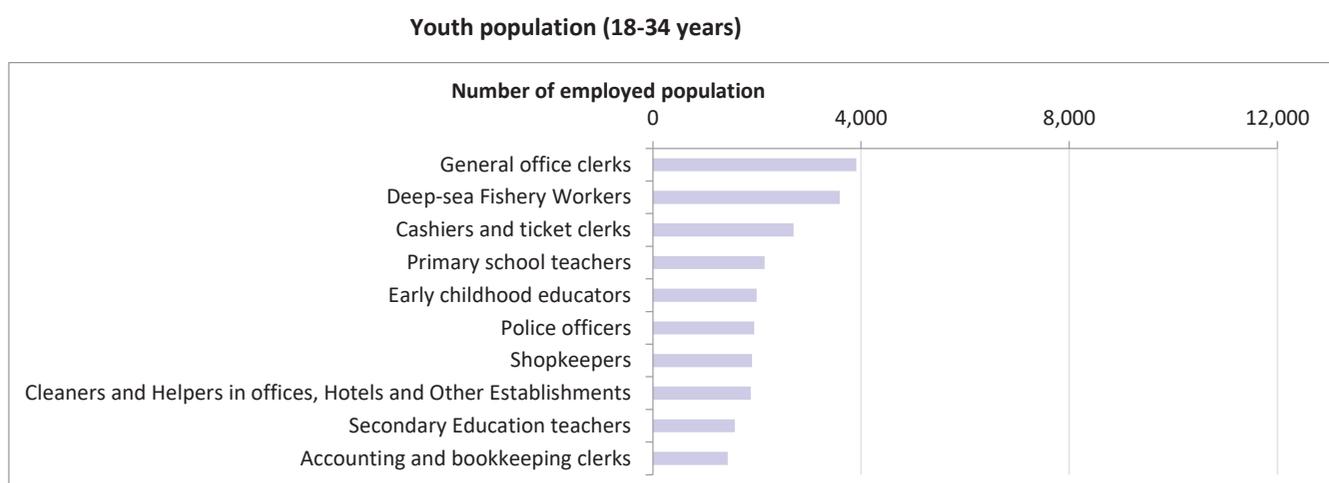
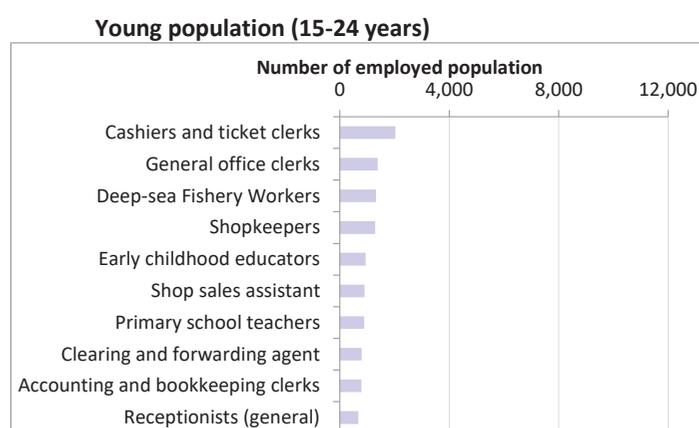
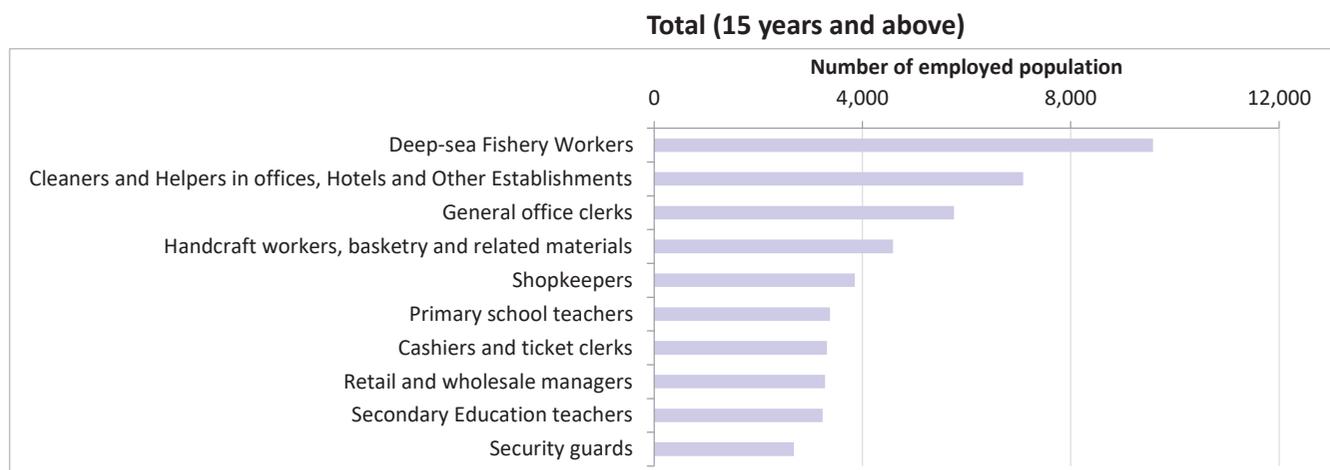
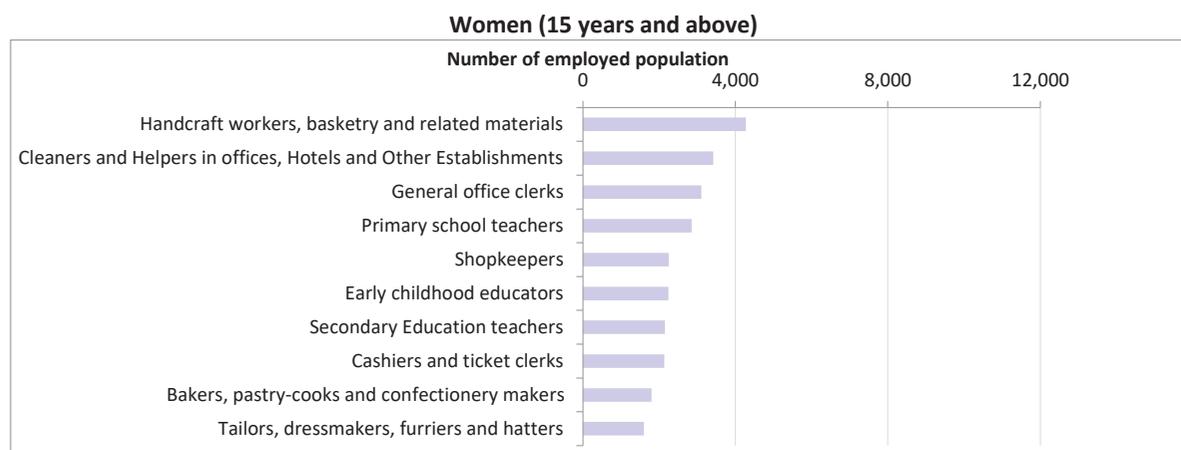


Figure 3.16b shows the top ten occupations of men and women. Looking at the top 10 occupations by sex, the highest number of women work as “Handcraft workers, basketry and related materials”, followed by “Cleaners and Helpers in offices, Hotels and Other Establishments”. As seen from Figure 3.16b, these ten occupational groups for women cover almost one half (47%) of the employed women population.

In case of men, the highest number of men work as “deep-sea fishery workers”. The top ten occupational groups for men cover 35% of the employed men population.

Figure 3.16b: : Top ten occupation at main job by sex, Maldives, HIES 2016



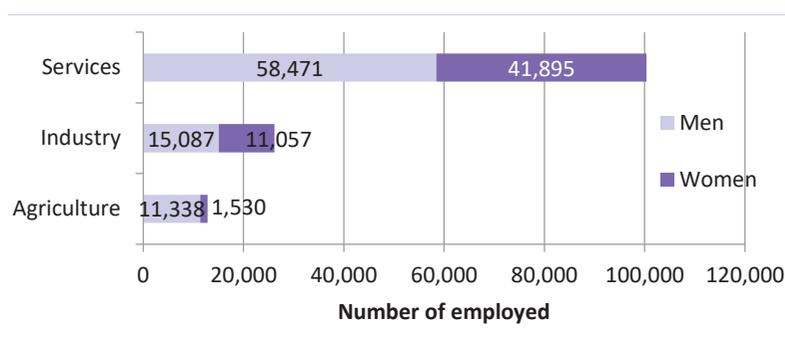
3.7.7 Industries or sectors of employment- main activity

The economy is divided into three broad sectors (a) Primary, including “Agriculture, forestry and fishing”, “Mining and quarrying”; (b) Secondary, including “Manufacturing”, “Electricity, gas, steam and air conditioning supply”, “Water supply; sewerage, waste management and remediation activities”, “Construction”; and (c) Tertiary including “Wholesale and retail trade; repair of motor vehicles and motorcycles”, “Transportation and storage”, “Accommodation and food service activities”, “Information and communication”, “Financial and insurance activities”, “Real estate activities”, “Professional, scientific and technical activities”, “Administrative and support service activities”, “Public ad-

ministration and defence; compulsory social security”, “Education”, “Human health and social work activities”, “Arts, entertainment and recreation”, “Other service activities”, “Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use” and “Activities of extraterritorial organizations and bodies”.

Examining only main activity, as seen from Figure 3.17, the service sector employs the greatest number of people (100,366 jobs) and represents 70% of all employment in the Maldives. By comparison, the agricultural sector is only 9% (12,868 jobs) and industry sector including mining and quarrying, manufacturing, electricity and water and construction, provides 18% or 26,143 jobs.

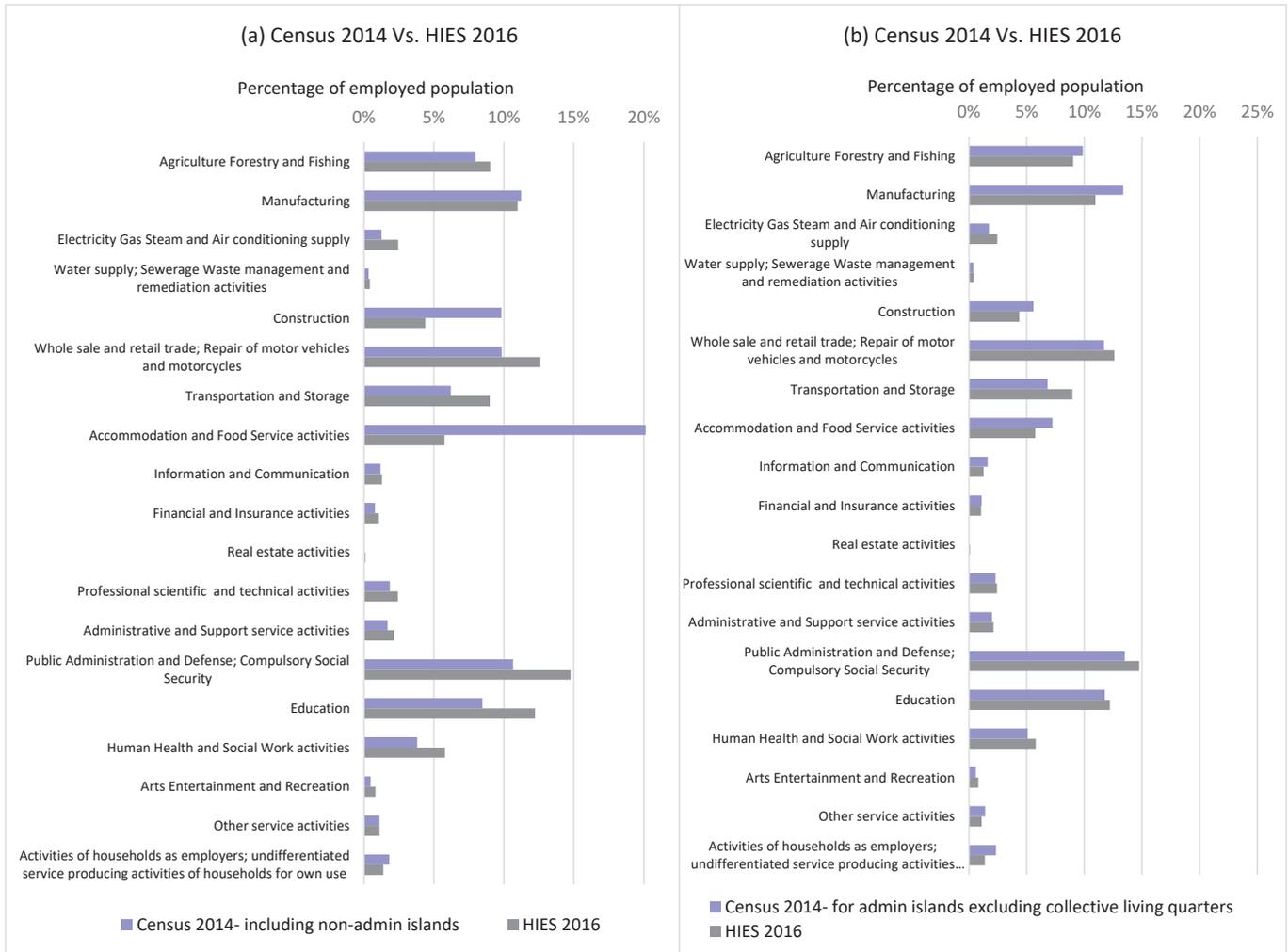
Figure 3.17: : Number in employment by sector, Maldives, HIES 2016



Note: Agriculture sector includes agriculture, forestry and fishing (ISIC category A), industry sector includes mining and quarrying, manufacturing, electricity and water and construction (ISIC category B to F), and service sector includes all other categories. (ISIC category G to U).¹⁰

¹⁰ International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 4, August 11 2008.

Figure 3.18: Comparison of sectors of employment for main activity, Census 2014 & HIES 2016



The result shows that the highest number (21,023 out of 142,422 total employed persons or 15%) were engaged in “Public administration and Defense; compulsory social security” industry in HIES 2016.

When compared with Census 2014, as seen from Figure 3.18a the employed population in the accommodation and food service industry is low in HIES. This is mainly because the resorts have a high proportion of employed persons, and the resorts are excluded in the scope of HIES. Similarly, the coverage of employment in the construction is low in HIES as many of the construction workers constitute foreigners living in collective living quarters. The sample design of HIES excludes collective living quarters and hence this account for the low figures in 2016.

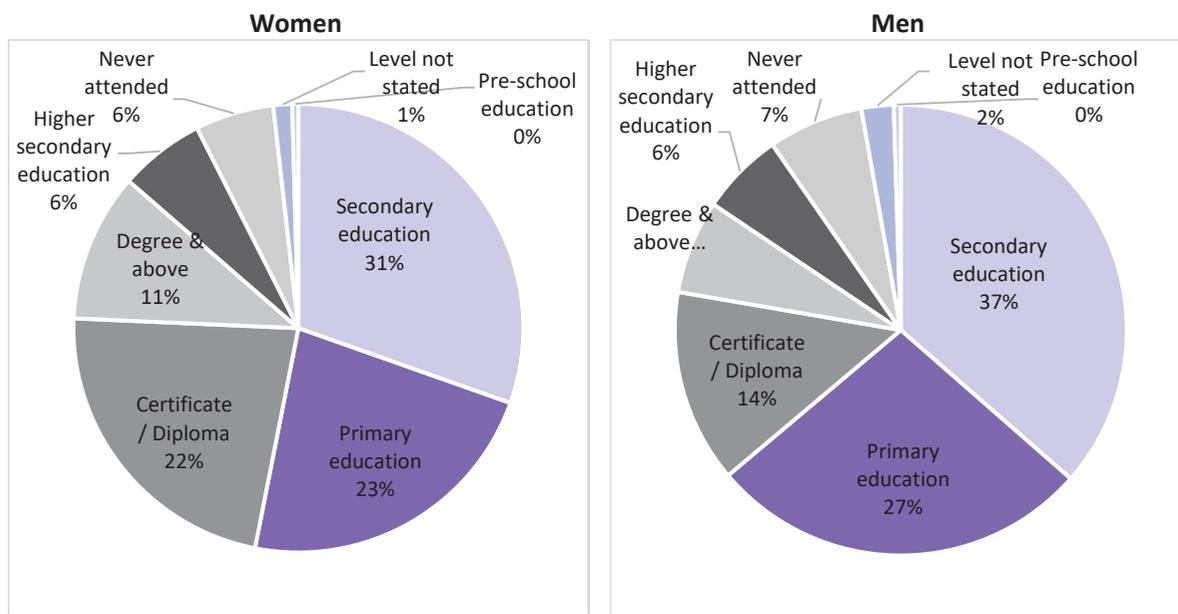
Figure 3.18b compares HIES 2016 with Census 2014 comparable data as it excludes collective living quarters from administrative islands. As seen from the Figure 3.18b, the magnitude of these changes is minimal once the Census 2014 results are generated according to the HIES coverage.

It is important to note here that this distribution is different from Census 2014, due difference in the population covered in HIES 2016 and Census 2014. For example, in 2014 census there were 41,355 persons in the accommodation and food service activities and if non-administrative islands are excluded the figure comes to 7,239 people. Hence, in HIES 2016 employed population in some of sectors are under-represented as the HIES 2016 was only focused to the administrative islands.

3.7.8 Employed population by educational attainment

The skill level of the employed population is to some extent determined by the educational attainment of employed population. In broad terms, it may be said that the larger the proportion of the employed population having higher level of education, the higher the skill level of the employed population. Also, it is widely recognized that there is a close relationship between educational achievement and employment opportunities. Figure 3.19, show the distribution of employed population by highest level of educational attainment achieved for men and women separately.

Figure 3.19: : Employed population by highest level of education attainment achieved, Maldives, HIES 2016



The data shows that employed women are relatively more educated than men. Almost one third of the employed men (37%) as well as the women (31%) have attended secondary education, compared to 40% and 37% respectively in the entire population aged 15 years and above. Also, it shows that almost one fourth of the employed men (27%) as well as the women (23%) has attended primary education, compared to 26% and 28% respectively in the entire population aged 15 years and above. More than 20% of employed women have reached certificate/ diploma level of education, against 14% among men. Almost 11% of employed women have university education against 7% among men, compared to 5% and 5% respectively in the entire population aged 15 years and above. (see Figure 3.19).

HOURS OF WORK AND TIME-RELATED UNDER-EMPLOYMENT **3.8**

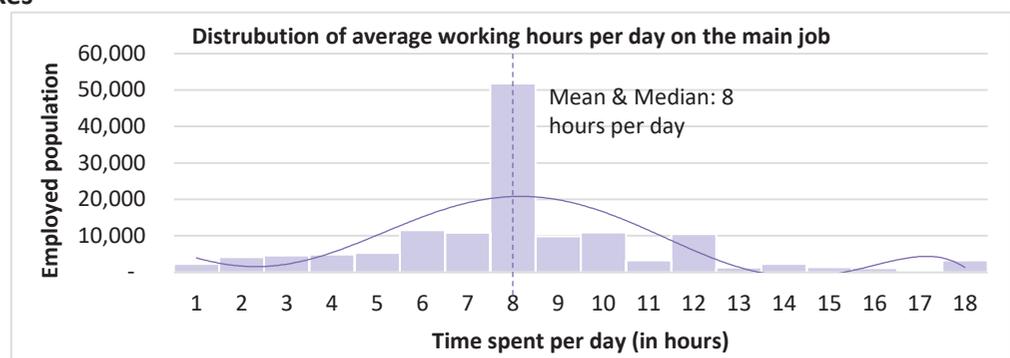
3.8.1 Hours of work

It is important to analyze the data on hours of work in order to differentiate the various intensities of employment. Data on hours of work are also essential to calculate time-related underemployment as well as average wages per hour so that the resulting wage data are comparable across different categories of workers.

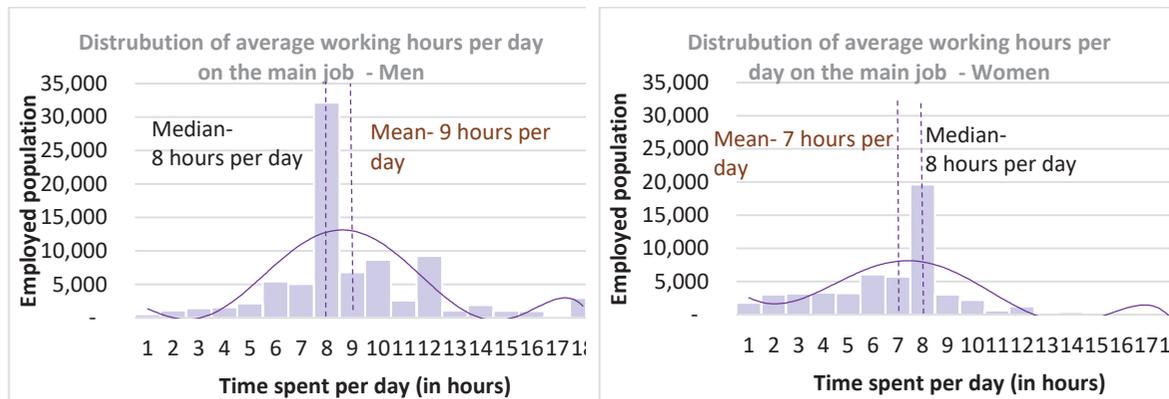
Employed persons worked on average, 8 hours per day on their main activity, with men spending 9 hours while women spent 7 hours. According to Figure 3.20a, at national level average and median working hours remain same at 8 hours per day showing a normal distribution. However, women tend to spend less hours in their employed work leading to right (positive) skewness (the mass of the distribution is concentrated in the lower working hours - many women work less than 7 hours) as seen from Figure 3.20a and b. Figure 3.20a and b shows the distribution average working spent by men workers. It clearly shows that the distribution is skewed to the left (negative). This means that the mass of the distribution is concentrated in the right of the figure and it has relatively few low values. The majority of the men work 8 or more hours per day.

Figure 3.20a : Average hours spent per day on main economic activity by sex, HIES 2016

Both sexes



Women and Men



In Atolls, employed persons worked on average, 8 hours per day on their main activity while in the case of Male', employed persons worked on average, 9 hours per day on their main activity as seen from figure 3.20b. According to figure 3.20b, the mean and median working hours in the Atolls remain same at 8 hours per day showing a normal distribution. However, in Male' the median working hours is 8 hours per day, which means that half of the employed population in Male' work less than 8 hours and other half works more than 8 hours per day. Even though the distribution in Male' looks more like a normal distribution, the distribution is skewed to left (negative) since the bulk of the values lie to the right of the mean as seen from Figure 3.20b.

Figure 3.20b: : Average hours spent per day on main economic activity by sex, HIES 2016

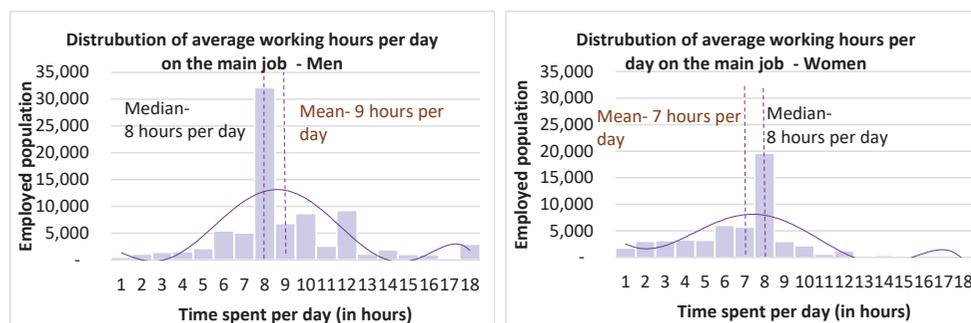


Table 3.4: Average hours spent per day on main economic activity by public vs. private sector, HIES 2016

	Main job		
	Republic	Male'	Atoll
Public	8	9	8
Private	9	9	8
House / living quarter	6	6	6
No fixed premise	10	9	10
Others	9	9	9
Not stated	8	9	8

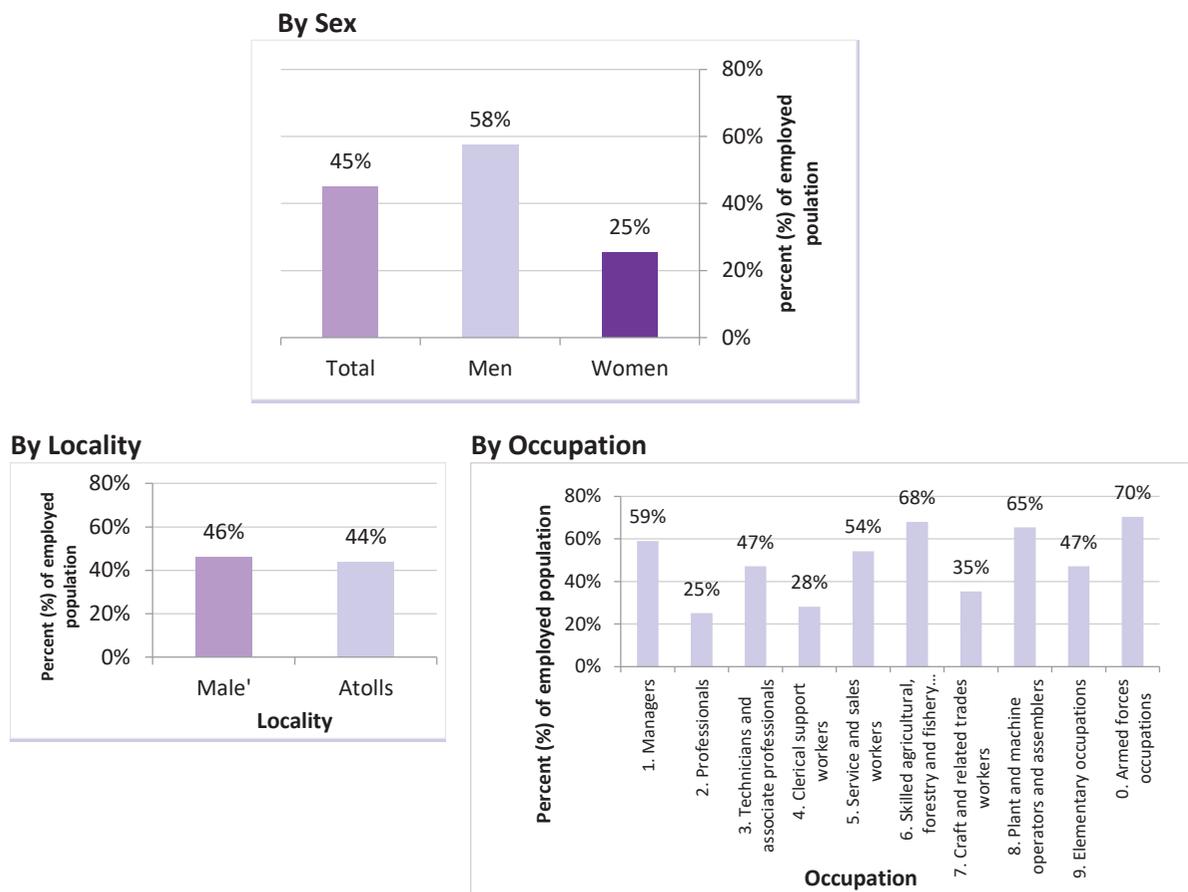
On average, those working in the private sector spend more hours in their main job compared to those in the public sector. Those who worked without any fixed location spend on average 10 hours per day in their main activity as seen from Table 3.4.

3.8.2 Excessive hours of work

The distribution of employed persons according to hours worked per week at all jobs provides information on persons working on short hours (leading to time-related under-employed) and persons working long hours. Long or excessive hours of work as termed in the framework of decent work indicators is considered as a threat to physical and mental health, interfering with the balance between work and family life, reducing productivity and often signaling an inadequate hourly pay.

Figure 3.21 shows that overall 45% of the employed population worked excessively long hours (more than 48 hours during a week) at all jobs in HIES 2016. The incidence of long hours of work was higher among men (58%) than women (25%), and more in Male' (46%) than in Atolls (44%). In terms of main occupations, the highest incidence is among armed forces occupations (70%) and skilled agricultural, forestry and fishery workers (68%).

Figure 3.21: Proportion of employed persons with excessive hours of work (48+ hours in a week) at all jobs by sex, locality and main occupation, HIES 2016



Out of 133,241 employed Maldivian's, 44% of the employed Maldivian's worked excessively long hours. While, among those foreign employed population (9,032 people), 56% of them worked excessively long hours.

Majority of those employed who worked excessively long hours are employee (72%). And incidence is common in the private sector (40%).

Currently the threshold used to identify whether a person is working excessively long hours is more than 48 hours in a week¹¹. This threshold is expected to change depending on the country context. With the change in the threshold the number of people working for excessively long hours would change.

¹¹ According to the employment act of Maldives clause 32, excess hours define as 48 hours in a week. <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/85764/96218/F1772069692/MDV85764%20English.pdf>

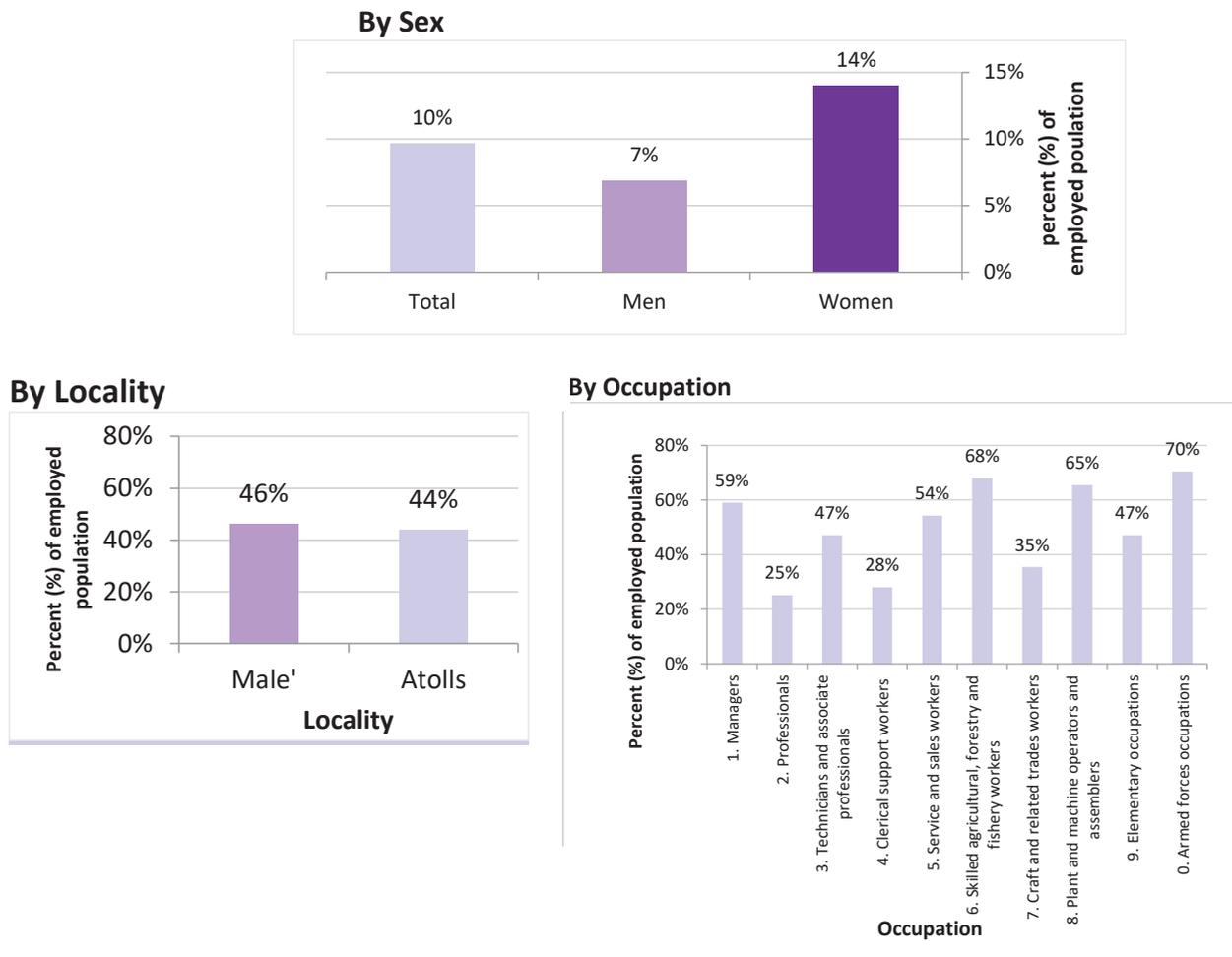
3.8.3 Time-related underemployment

Short hours of work are a sign of labour underutilization. However, if the short hours of work are voluntary, then it is not considered as labour underutilization or time-related underemployment.

Time-related underemployment refers to persons who are employed and who, during the reference period (i) wanted to work additional hours; (ii) whose working time in all jobs was less than threshold (i.e. 48 hours per week), and (iii) who were available to work additional hours given an opportunity for more work.

The data in Figure 3.22 show that 10% of employed population is considered as time-related underemployment in Maldives in 2016. The incidence was almost double for women (14%) compared to men (7%). Time-related underemployment was higher in Atolls (14%) than in Male' (6%), and highest among craft and related trades workers (18%) followed by elementary occupations (14%) and professionals (14%). The "Professional" category also includes teachers who work in the government sector. Their working hours are set according to government hours. Hence, this might be one of the reasons why underemployment is among Professionals.

Figure 3.22: Proportion of employed persons in time-related underemployment by sex, locality and main occupation, HIES 2016



EMPLOYMENT RELATED INCOME 3.9

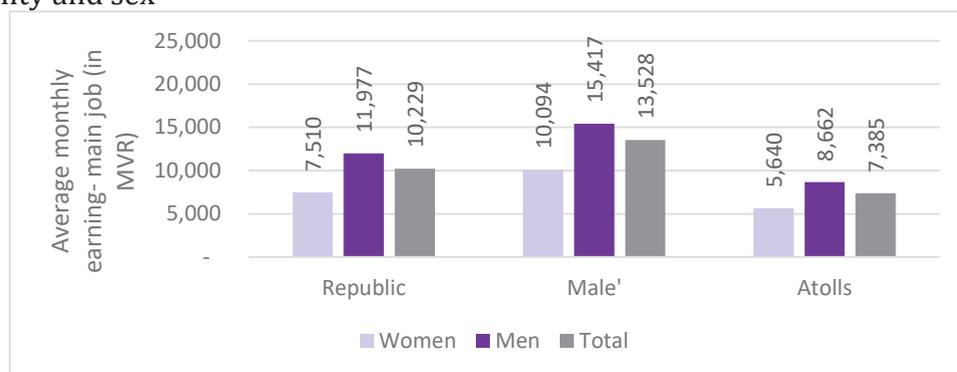
HIES gathered information from each individual aged 15 years and above about their sources of income and the total income they received over the past month from all sources. Employment-related income includes any payments received in cash or in kind by an individual or by the family members, as a result of paid or self-employed jobs. Income derived from other sources such as property, dividend, social assistance and transfers, etc. which is not related to the employment is excluded.

3.9.1 Average monthly earnings for main job

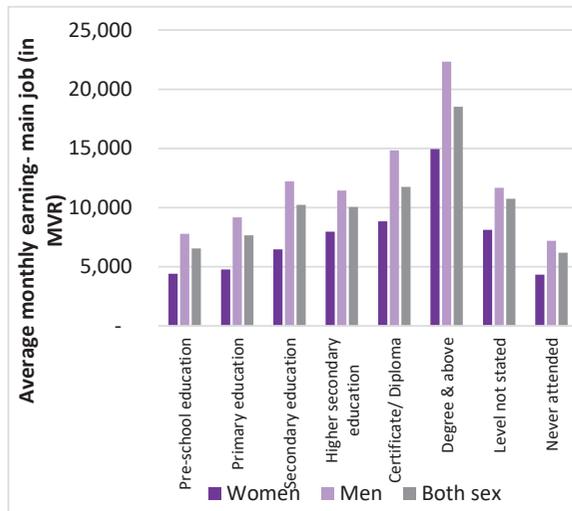
The average monthly earnings for an employed person for the main job is MRV 10,229, while in Male' it is MVR 13,528 and in the Atolls it is MVR 7,385. The data shows there is a huge earning gap between Male' and Atolls. In Male', the average monthly earning is almost double compared to Atolls. The average monthly earnings in the Male' is higher than the overall national averages. Figure 3.23 shows the distribution of earning among men and women, and among age groups and level of education and by locality. On average, women received lower monthly earnings than men.

Figure 3.23: Average monthly earnings of employed persons for the main job by sex, locality, education attainment and age group, HIES 2016

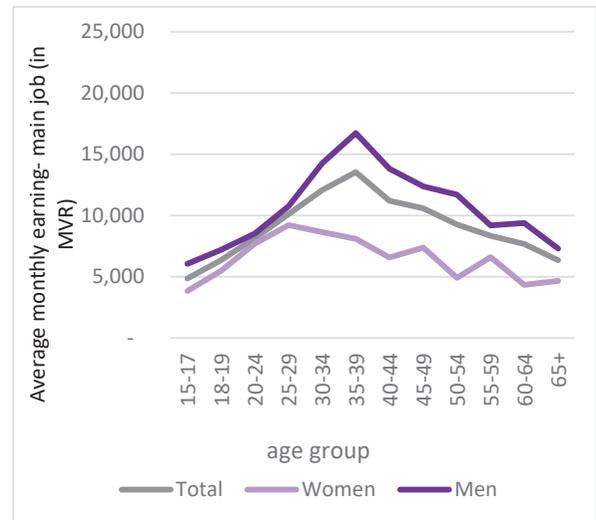
By locality and sex



By education attainment

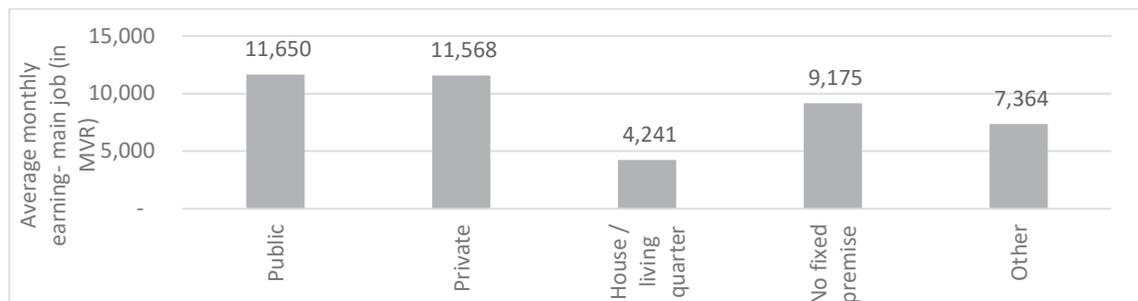


By age group



As expected, employed persons with lower level of education received on average lower monthly earnings than workers with tertiary educational attainment as seen from Figure 3.23. Based on the graph, it can be clearly seen that the average monthly earnings of workers increase with age groups, as workers get more experience. After peaking at the age group of 35-39 years, the average earnings decrease with age in the case of men and in the case of women the decline in the average earnings starts from the age group 25-29 years onward. Even though experience comes with age, the current civil service system does not consider this fact. This requires further research.

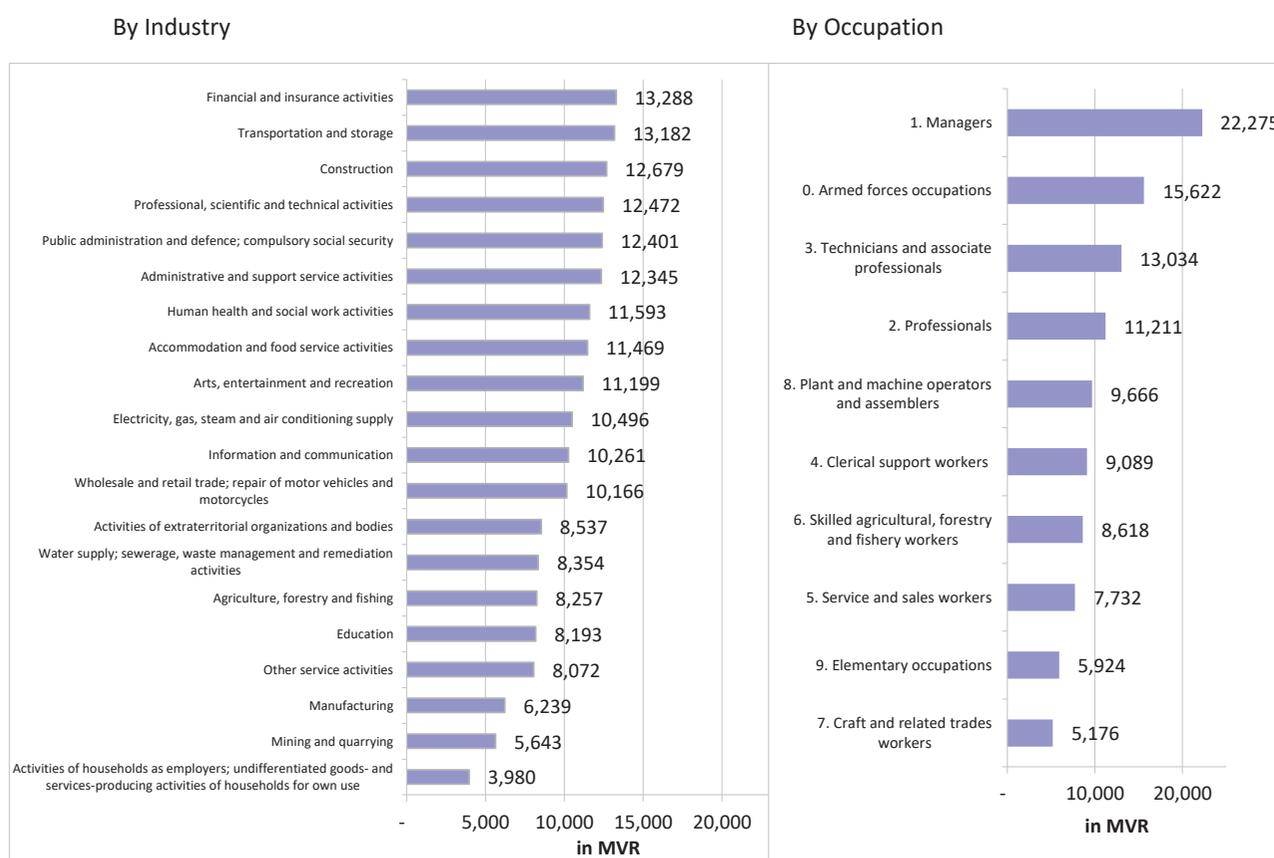
Figure 3.24: Average monthly earnings of employed persons for the main job by public vs. private sector, HIES 2016



On average those employed who are working in the public sector or private sector earns about MVR 11,000 per month (Figure 3.24). There is no pay gap between public and private sector. This could be due to the fact that public sector also includes state owned companies and independent government organization. These institutes have a higher pay scale compared to other public institutions. If the data is disaggregated by government

office and the independent institute, on average a person who is working in the government sector earns MVR 10,820 while a person in the independent institute earns MVR 14,169. Hence it is important to study the average income per earner by sector and by occupation. Figure 3.25 depict the average monthly earnings of employed person at main job by sector/ industry they worked and by occupation. The highest earning was reported by those who are working in the “Financial and insurance activities” sector while the lowest earning is reported by those who are working in “Activities of households as employers” sector. Looking at the occupations, one finds that “Managers”, “Armed forces occupations” and “Technicians and associate professionals” are top three occupations which earn highest earning. Those workers who engaged in the “Craft and related trades workers” earns the lowest earning followed by “Elementary occupations” as seen from Figure 3.25.

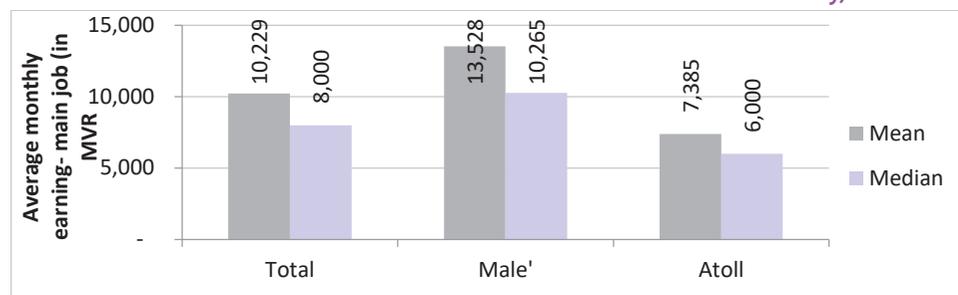
Figure 3.25: Average monthly earnings of employed persons for the main job by industry and occupation, HIES 2016



Note: excluding “real estate activities” as the sample size is too small to present the overall market

Mean could be affected by the extreme values. Hence, it is important to study the median earnings. Median earning is the income value at which the income distribution is divided equally into two groups. This middle point or the median is important as always the earnings of one half of the population falls either above or below that value.

Figure 3.26: Average and median monthly earnings of employed persons for the main job by sex, locality, HIES 2016



The average monthly earnings for an employed person for the main job is MRV 10,229, while the median monthly earnings are MVR 8,000 as seen from Figure 3.26. The gap between median and average earning is highest in Male', indicates there are more people with low income in Male'.

Figure 3.27 shows the data on average and median monthly earnings of employed person at main job by the status of employment. The results show that on average employer earn MVR 24,200 per month while employee earners MVR 10,765 which is 2 times lower than what employer earns. The third highest average income is earned by the group works.

The mean is above the median for all the categories, which implies that the earnings distribution is more concentrated at the lower end than at the upper end.

Figure 3.27: Average and median monthly earnings of employed persons for main job by status of employment, Maldives, HIES 2016

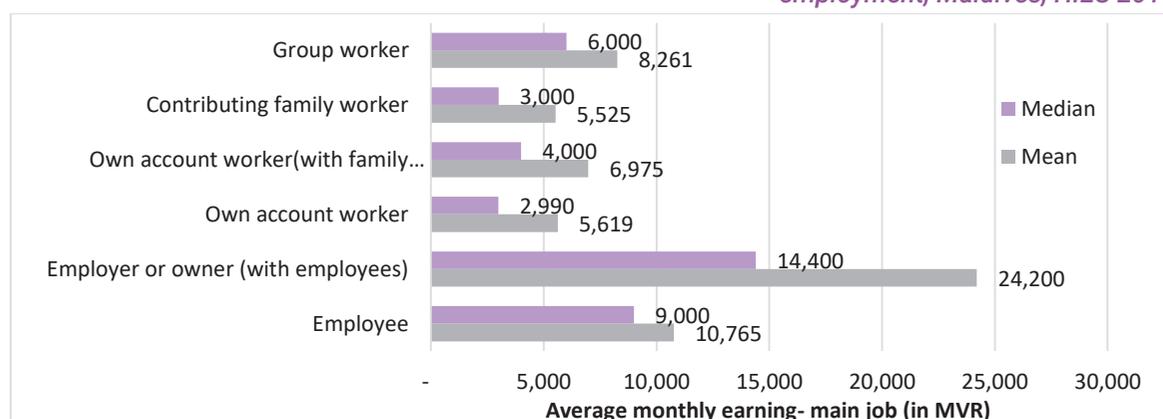
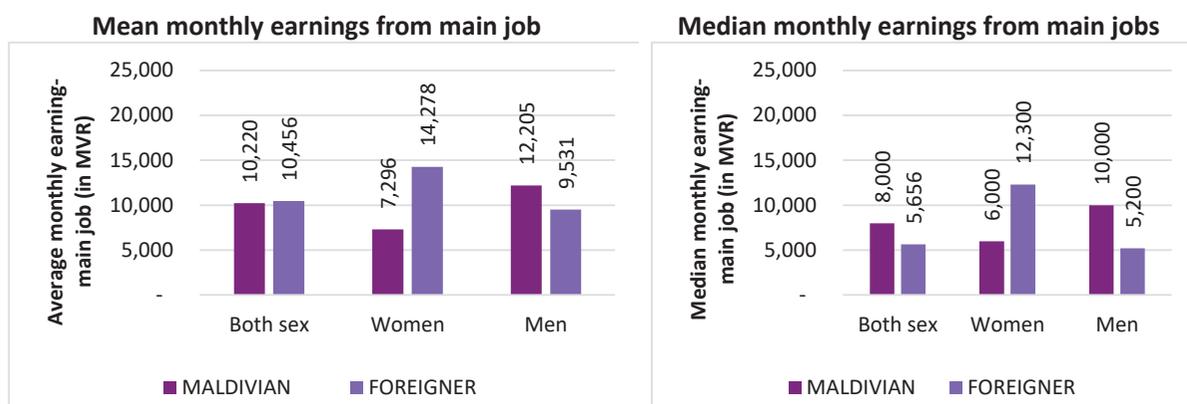


Figure 3.28 shows average and median monthly earnings of employed persons for main job by local and foreigners. Overall, average monthly earnings for both Maldivian and foreigners are almost equal at MVR 10,000 for their main job. However, foreign women earn double than what Maldivian women earn (MVR 14,000 for foreign women vs. MVR 7,000 for Maldivian women) as average monthly earnings from their main job.

Figure 3.28: Average monthly earnings and median monthly earnings of employed persons for main job by sex and by local and foreigners, Maldives, HIES 2016



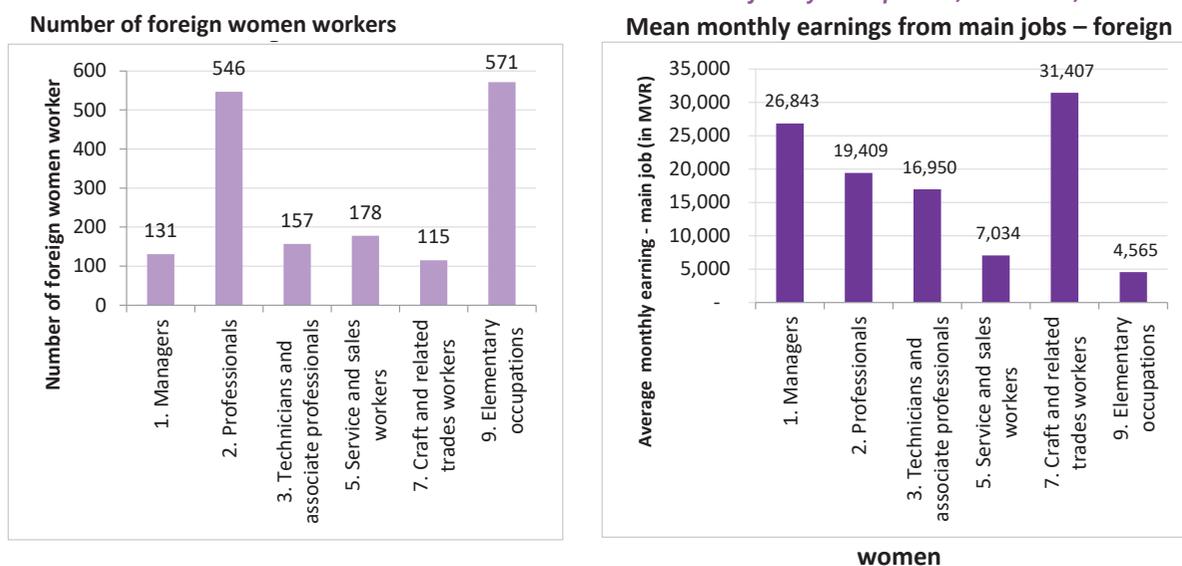
Overall, median monthly earnings for Maldivian are higher than the foreign workers for their main job as seen from Figure 3.28. However, foreign women earn twice higher than what Maldivian women earns (MVR 12,000 for foreign women vs. MVR 6,000 for Maldivian women) as median monthly earnings from their main job. Reverse can be seen in the case of men. Maldivian men earn almost double compared to foreign men as median monthly earnings from their main job.

The mean is above the median for both Maldivians as well as foreigners, which implies that the earnings distribution is more concentrated at the lower end than at the upper end. The median for foreign men being much lower than the mean for foreign men indicates that the distribution is much more concentrated at the lower end having more people with lower incomes.

Both mean and median earnings for foreign women workers are high compared to Maldivian women workers. This could be due to the fact that more foreign women are working in more skilled jobs or foreign women mostly employees in jobs while high proportion

of local women are self-employed and have lower incomes especially in Atolls. Based on Figure 3.29, almost half of the foreign women workers are acting either as “Manager”, “Professionals” or “Technicians and associate professionals”. Additionally, 7% of foreign women works are engaged in “Craft and related trades workers’.

Figure 3.29: Number of foreign women workers and mean monthly earnings of employed foreign women for main job by occupation, Maldives, HIES 2016



Note: Foreign population in the survey is very low. So the result will not represent to the total foreign population. If all the jobs are considered then the average monthly earnings for an employed person from all the jobs is MVR 10,762, while in Male’ it is MVR 14,108 and in the Atolls, it is MVR 7,878. Similar pattern as the main job is observed when it comes to average monthly earnings for all jobs.

3.9.2 Employees with low earnings in the main job

According to ILO framework of decent work indicators, the employees with low pay rate (ELPR) aim to capture the percentage of employees that are working for low wages. It is defined as the percentage of employees whose hourly earnings in all jobs equal less than two-thirds of the median hourly earnings of all employees. However, as the hourly earnings from all jobs are not available, the analysis is limited to hourly earnings from the main job.

The threshold of low earning was set as suggested by ILO and it can be illustrated by the following formula:

$$\begin{aligned}\text{Threshold of low earnings} &= (2/3) \times \text{median hourly earnings in their main job} \\ &= (2/3) \times \text{MVR } 51.38 \text{ per hour} \\ &= \text{MVR } 34.25 \text{ per hour}\end{aligned}$$

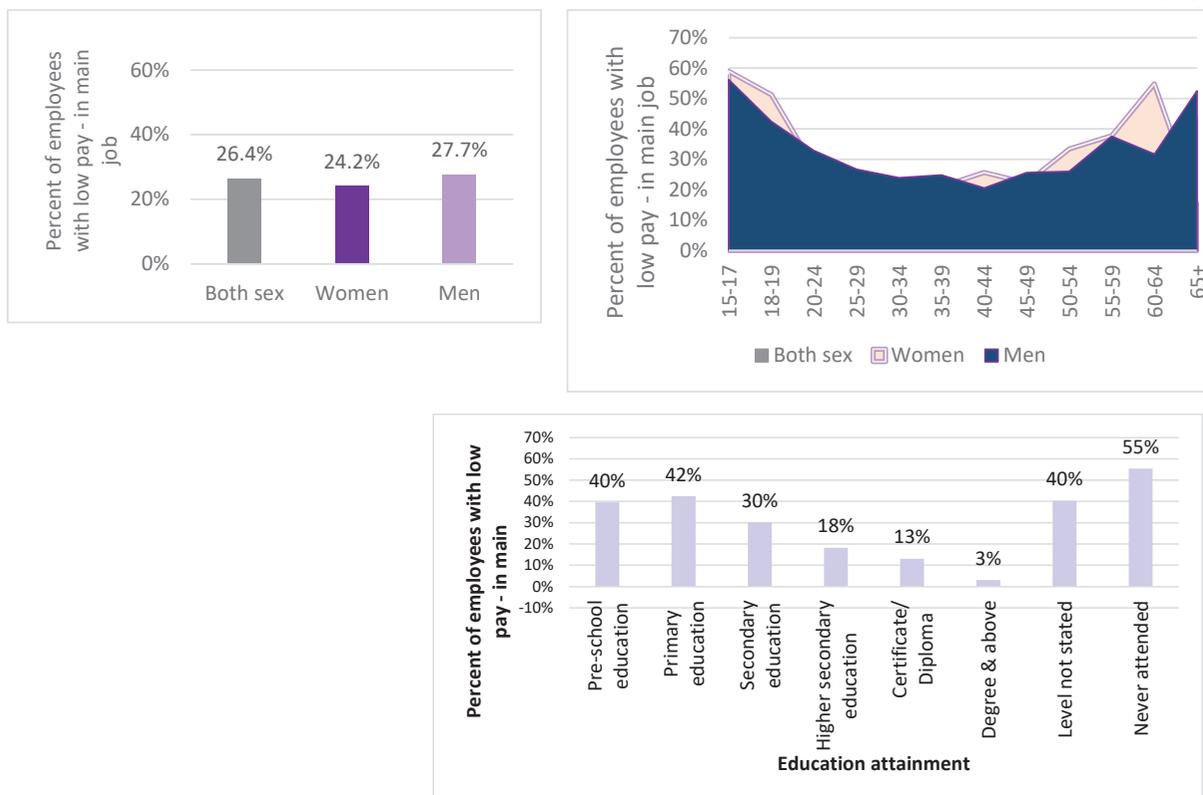
Based on the calculation, employees whose earning is less than MVR 34.25 per hour in their main job is considered as “low earnings workers”.

Figure 3.30 shows the percentage of employees with low earnings by sex and group. Around 27% of employees had low hourly earnings, i.e., earnings less than 34.25 per hours in their main job. Out of the men and women employees respectively, there is only a slight difference between men and women employees with low earnings (28% vs. 24%, respectively). This distribution might be different when all the employment status is considered which will be shown later in the chapter.

Young people of age group 15-19 years and old and those age groups 55 years and above had higher rate of low earnings than the middle-age employees. Employees in the core age group (30-34 years) had the lowest rate of low earnings (21%). In the case of women employees, higher rate of low earnings can be visible in the age group 18-19 years old, 40-45 years old, 50-54 years old and 60-64 years old. However, in the case of men employees, these age groups move opposite direction. And a significant difference is notice in the age group 60-64 years old between men and women as seen from Figure 3.30.

Men employees with low earning are much higher than women employees for age groups 20-34 years old. From 35 years onwards, the women employees with low earnings is higher than men employees except for the age group 45-49 years old and 65 and above years.

Figure 3.30: Percentage of employees with low earnings from the main job by sex, age group, HIES 2016



Employees with low rate of earnings in the main job decreases with educational attainment. Among employees with secondary level or below, 34% of employees had low hourly earnings. 55% of employees who have never attended school had low hourly earnings. Among those who have degree and above, 3% of employees had low hourly earnings.

Figure 3.31: Percentage of employees with low earnings from the main job by sex and by local and foreigners, HIES 2016

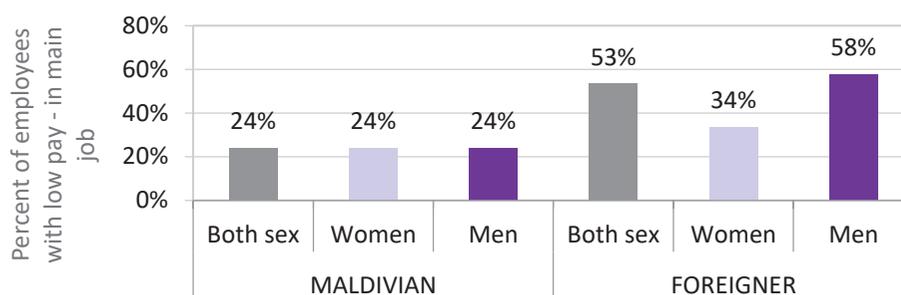


Figure 3.31 shows the percentage of employees with low earnings from the main job by sex and by local and foreigners. Altogether, more than half of foreign employees had low hourly earnings from their main jobs. More than half of the foreign men employees earn less than MVR 34.25 per hour in their main job while one-third of foreign women employee earns less than MVR 34.25 per hour in their main job. Maldivian employees with low earnings affect men and women equally (24%).

3.9.3 Low earnings workers from all type of employment status

If the same concept as employees with low earning can be utilized to identify the low earning workers from all the jobs for all the types of employment status, then low pay rate can be defined as the percentage of the all employed population whose average monthly earnings is below two-third of the median of the earning.

The median employed persons earnings from all jobs is MVR 8,050 per month. If 2/3 of this amount is taken as a threshold than employed who earned below MVR 5,366.67 per month is considered as “low earning workers”.

Figure 3.32: Percentage of low earnings workers from all jobs by sex, HIES 2016

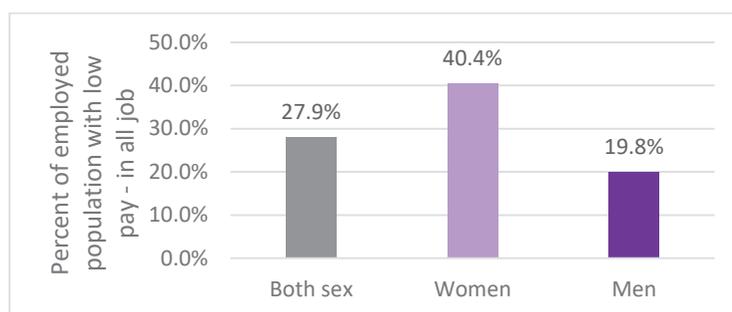
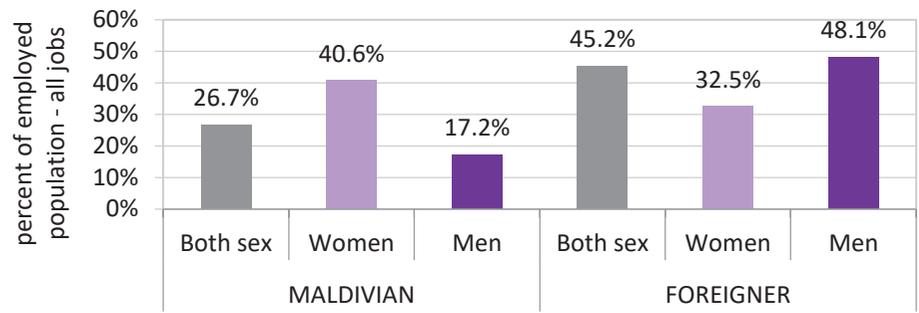


Figure 3.32 shows the percentage of low earnings by sex. Altogether, 28% of employed population had low monthly earnings, i.e., earning less than MVR 5,366.67 per month in all jobs. Among employed women population, more than 40% of employed women population had low monthly earnings from all the jobs. This rate is twice higher compared to men employed with low monthly earnings (19.8%).

If the population is disaggregated by local and foreigners, 45% of the foreign employed population is consider as “low earning workers” while 27% of the Maldivian employed population is consider as “low earning workers” as seen from Figure 3.33. Among Maldivian women employed population, 41% of Maldivian women employed had low monthly earnings.

Almost half of the foreign employed men had low monthly earnings while only 17% of Maldivian employed men had low monthly earnings from all their jobs.

Figure 3.33: Percentage of low earnings workers from all jobs by sex and by local and foreigners, HIES 2016

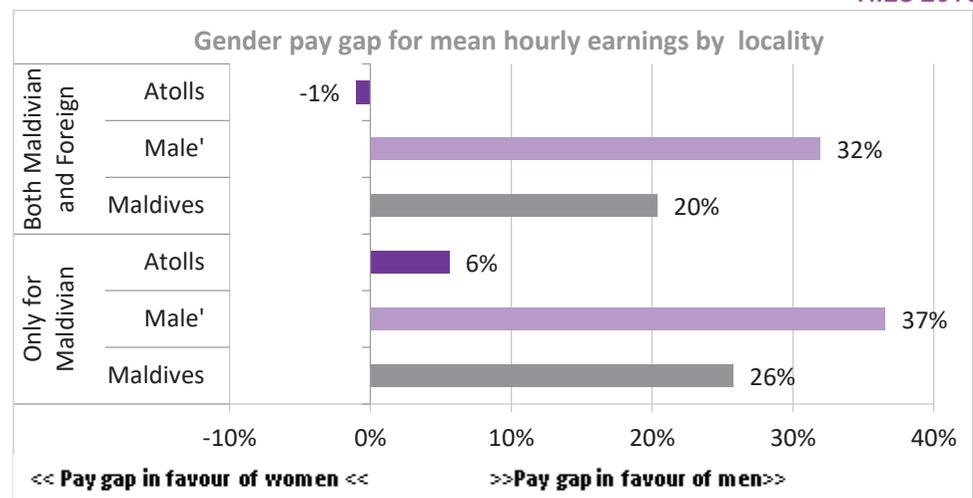


GENDER PAY GAP 3.10

3.10.1 Only for employees – main job

The gender pay gap is a measure of the difference between men’s and women’s average earnings. Gender pay gap provides a high-level indicator of women’s and men’s relative earning power and reflects inequalities in the labour market. The gender pay gap is derived as the difference between women’s and men’s average hourly earnings, expressed as a percentage of men’s earning. In HIES 2016, when the resident population (Maldivian and foreigner) is considered the national gender pay gap for all employees (based on the main job) is 20%. This means that on average resident women work as employees earned around 20% less than men. In Male’ the gender pay gap for all employees (based on the main job) is 32%. This means that on average women employees in Male’ earned around 32% less than men employees in Male’. However, in Atolls, gender pay gap for all employees is -1%, indicating that on average women employees in the Atolls earned 1% more than men in the atolls as seen from Figure 3.34.

Figure 3.34: Gender pay gap for mean hourly earnings (only employees) in the main job by locality, HIES 2016



If only Maldivian’s are considered, the gender pay gap at national level is 26%. This means that on average Maldivian women earn MVR 22.51 per hour less than men. When resident population is considered, the national level gender pay gap was 20%. The difference between 20% vs. 26% indicates that foreign women earn higher earnings compared to local women as seen from Figure 3.34.

If only Maldivian’s are considered, the gender pay gap was highest among “managers” with 61% followed by “professionals” with 39%. This means that on average, women in managerial positions earn MVR 146.70 per hour less than men and the professionals earn MVR 48.95 70 per hour less than men. This was followed by “craft and related trades workers: with 34%. Lowest in gender pay gap is in “Skilled agricultural, forestry and fishery workers” with 5% as seen from Figure 3.35.

In “Plant and machine operators and assemblers” women earn more than men. Majority of the women in this group is working as “laundry machine operator”.

Figure 3.35: Gender pay gap ONLY for Maldivian for mean hourly earnings (only employees) in the main job by occupation, HIES 2016

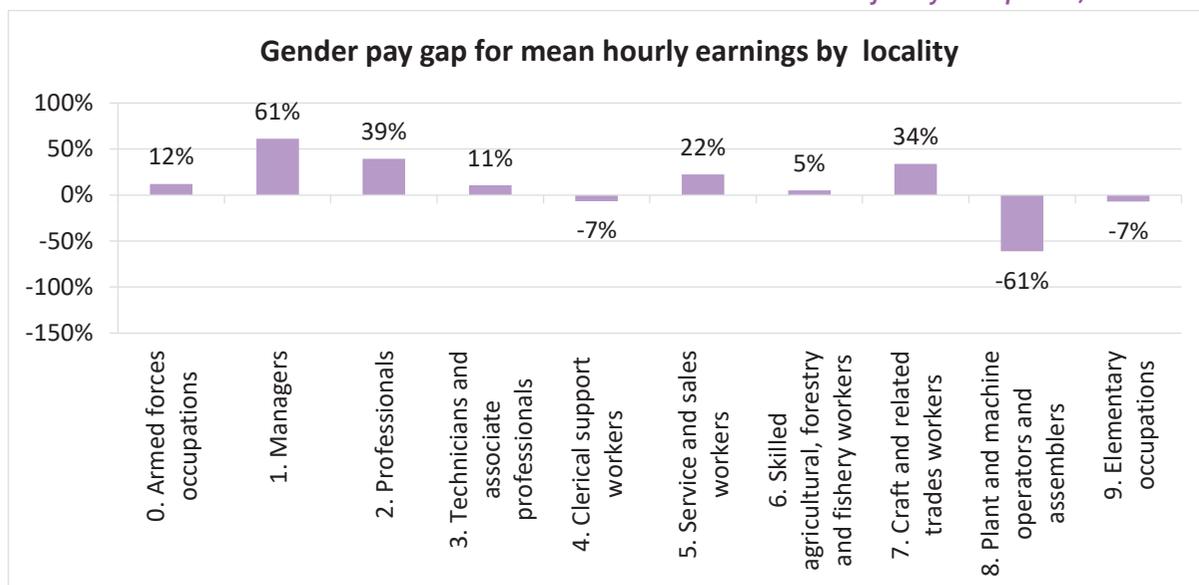
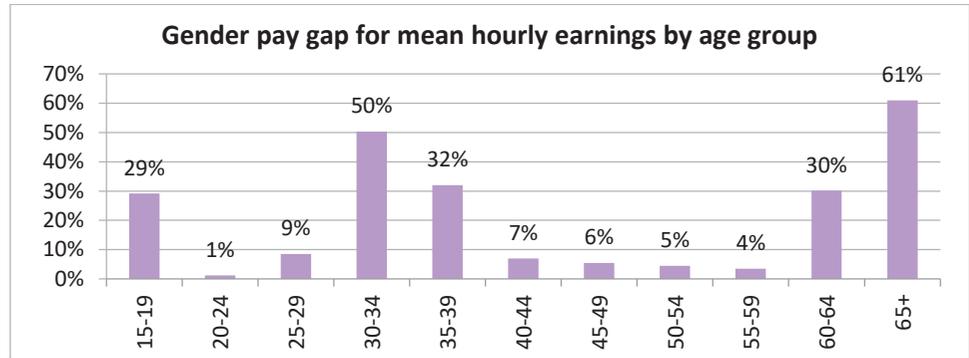


Figure 3.36: Gender pay gap ONLY for Maldivian for mean hourly earnings (only employees) in the main job by age group, HIES 2016

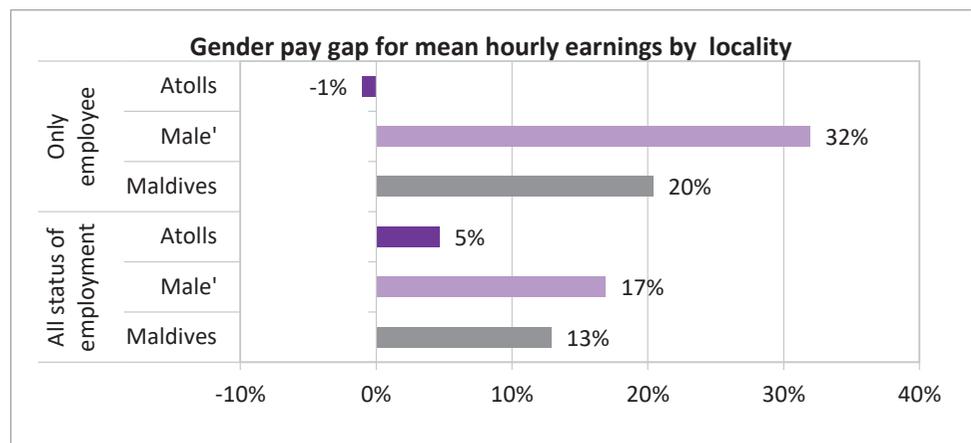


In almost age groups women earn less than men as seen from Figure 3.36. Women in the age group 30-34 experience the widest gap at 50% apart from the age group 65 years and old.

3.10.2 For all the status of employment (employed population) – main job

As most of the women are working in the informal sector it is important to see the gender pay gap by including all the status of employment. Figure 3.37 shows gender pay gap by including all status of employment and for employees. It can be clearly seen that the gap decreases from 20% to 13% when all types of statuses are included. Women are paid MVR 11.61 per hour less than men when all employment status are included.

Figure 3.37: Gender pay gap for mean hourly earnings (including employees and other status of employment) in the main job by locality, HIES 2016





In the case of Male' the gap narrows from 32% to 17% when all employment statuses are included. This indicates that in Male' there are more women working as employees (80% of employed women in Male' are employees) and these women earn less compared to men.

In the case of Atoll, the gender pay gap widens (-1% vs. 5%). This indicates that in Atolls more women are working as own account workers or contributing family members.

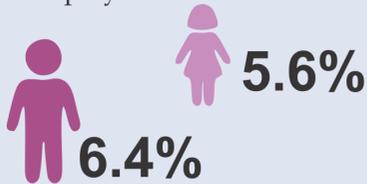
PROFILE OF THE UNEMPLOYED POPULATION

Persons in unemployment are defined as all those are 15 years and above who
 (a) were not in employment;
 (b) carried out activities to seek employment during a specified recent period; and
 (c) were currently available to take up employment given a job opportunity.

UNEMPLOYMENT RATE



A total of 9,284 persons were unemployed with an unemployment rate of 6.1%



Unemployment is slightly high among men

METHOD OF SEARCH FOR EMPLOYMENT

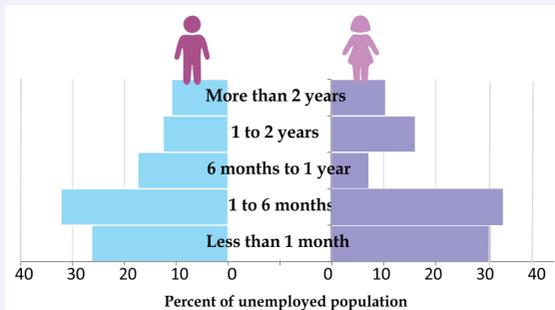


Majority (47%) of the unemployed men as well as women seek employment opportunities through internet, news, gazette, etc

DURATION OF UNEMPLOYMENT

Duration of unemployment is the length of time during which unemployed person was seeking and available for work.

Majority of unemployed people (61%) have been looking for a job for less than 6 months



PREFERRED TYPE OF ORGANIZATION



Men prefer to work in government organization

Women prefer home based work

DECLINE JOB

10% of those who are not employed have declined a job.

Out of those who declined a job, 75% of them were women.



KIND OF JOB PREFERRED



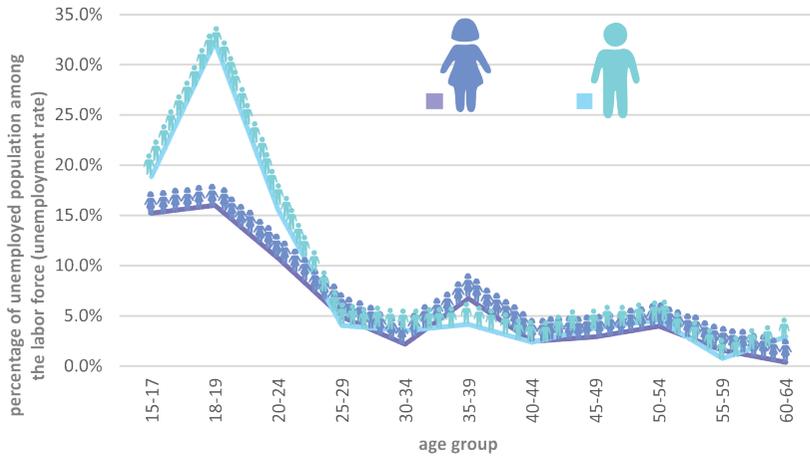
Women prefer to do manual job



Men prefer to do technical/ professional jobs

PROFILE OF THE UNEMPLOYED POPULATION

UNEMPLOYMENT RATE BY AGE GROUP



Unemployment rate is low at the age group 15-17 years, as the majority of population in this group is still studying. Unemployment is highest for new labour market entrants at age group 18-19 years. As these fresh school leavers will not have either the requested skills or the work experience to be among employed population.

UNEMPLOYMENT RATE BY EDUCATION ATTAINMENT

Pre-school education



Primary education



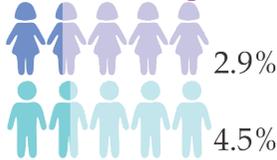
Secondary education



Higher secondary education



Certificate/ diploma



Degree & above



Never attended



YOUTH UNEMPLOYMENT RATE

Of the 9,284 unemployed persons, almost 4,900 (53%) are aged 15-24 years (young population) and 6,397 (70%) are aged 18-35 years (youth population).

15-24 years - 16%

unemployment rate

unemployment rate

12%



unemployment rate

19%

18-35 years - 8%

unemployment rate

unemployment rate

7%



unemployment rate

9%

HOUSEHOLD INCOME AND EXPENDITURE SURVEY (HIES), 2016 - EMPLOYMENT

UNEMPLOYMENT RATE 3.11

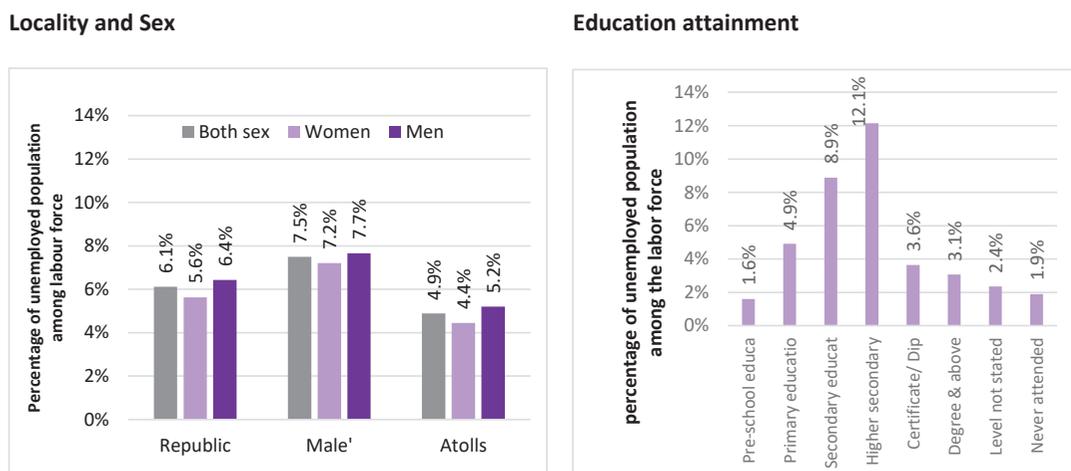
The unemployment rate is widely regarded as one of the key labour market indicators. The unemployment rate is a measure of prevalence of unemployment or shows the imbalance in the labour market in extent of unutilized labour supply of the country. People are considered as unemployed if they: (a) did not work or have a job; (b) spent time looking for work; and (c) were available to work if a job was offered to them. There is an exception in the case of future starters. Future starters are considered as unemployed even if they don't spend time looking for work, and if they meet criteria (c) on availability.

Unemployment rate is calculated as a percentage of people in the labour force who are unemployed.

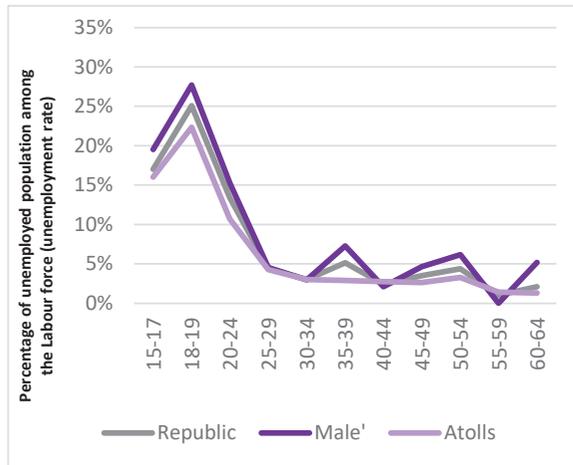
There are 9,284 people who are seeking for a job and are available for work. Of the 9,284 unemployed persons, almost 4,900 (53%) are aged 15-24 years (young population) and 6,397 (70%) are aged 18-34 years (youth population).

Figure 3.38 illustrates the unemployment rate by locality, sex, age group and educational attainment. The national unemployment is 6.1%. Unemployment rates are higher in Male' than Atolls. The overall, unemployment rate for men is a bit higher than unemployment rate for women, 6.4% for men and 5.6% for women.

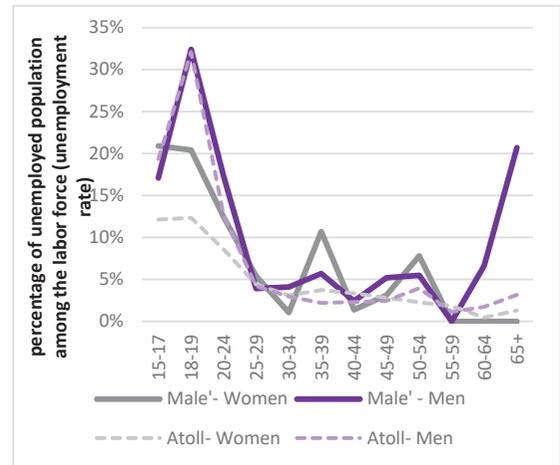
Figure 3.38: Unemployment rate by locality, sex, age group and educational attainment, HIES 2016



Age group and Locality



Age group and sex



In terms of educational attainment, the result shows that unemployment rate is highest among persons with higher secondary (12.1%) followed by secondary education (9.8%) and lowest among persons with lower levels of education. Persons with degree and above also show higher rates of unemployment.

Unemployment rate is low at the age group 15-17 years, as expected, as the majority of population in this group is still studying. Unemployment is highest for new labour market entrants at age group 18-19 years as expected. As these fresh school leavers will not have either the requested skills or the work experience to be among employed population. Unemployment rates for Male' in all the age groups except age group 40-44 years and 55-59 years, are higher than the unemployment rates in the Atolls.

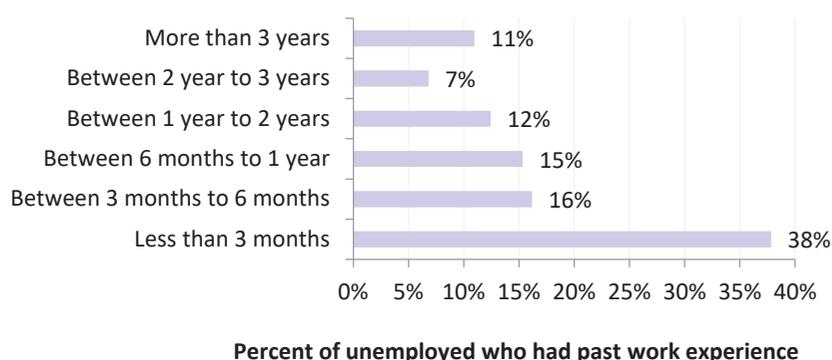
In terms of gender, unemployment rate in Male' as well as in the Atolls is highest in the age group 18-19 years for both men and women. In Male', unemployment rate for men is always higher than women except for the age group 35-39 years and 50-54 years. Unemployment rates among men in Male' and in Atolls remains almost same except for the age group 35-39 years and the gap has widen after the age group 55-59 years as seen from Figure 3.38. In the case of Atolls, unemployment rates for women in the age group 35-39 years is the only age group which shows a higher unemployment rate compared to unemployment rate among men.

Unemployment for young population aged 15 to 24 years (16%) is higher than overall unemployment rate (6%), and the difference is greatest for men. It is often difficult for school leavers, who have little or no work experience, to find jobs. Unemployment rate for the youth population aged 18 to 34 years is 8%, is still higher than the overall unemployment rate.

Almost one fourth of the unemployed (24%) had no past work experience while the majority (76%) of the currently unemployed had held a job or were engaged in an income generating activity before. Among those with no past work experience, almost one third of the population (35%) falls under the age group 18- 19 years and almost one fourth of the population (23%) falls under the age group 20-24 years.

Among those with past work experience (76%), the majority of them had left their jobs during the last 3 months from the reference period of survey as seen from Figure 3.39. Among those who have left their jobs during the last 3 months from the reference period of survey, more than half of the unemployed population falls under the age 24 years and below.

Figure 3.39: Unemployed population who had past experience by the duration since leaving past job, HIES 2016



3.11.1 Methods of search for employment

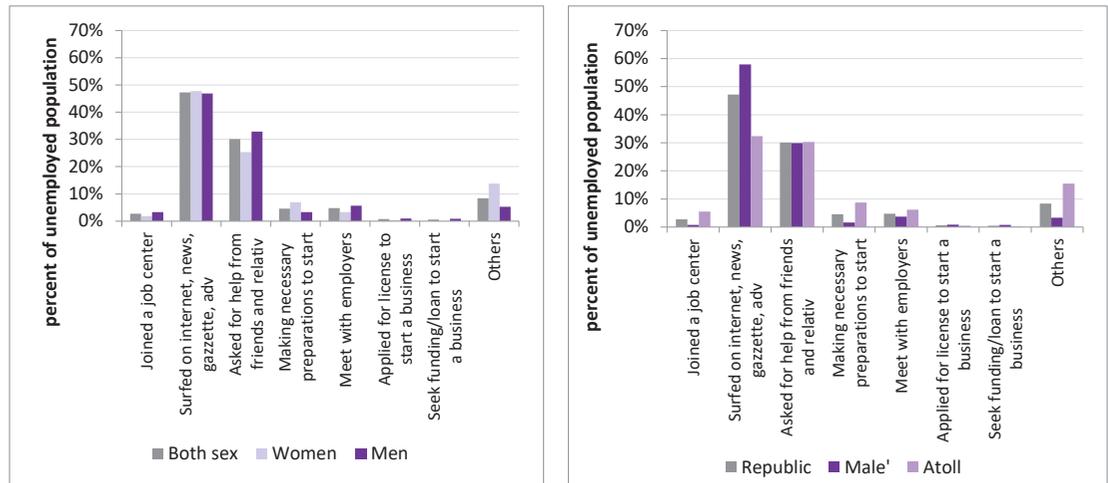
Figure 3.40 shows the main channel used by the unemployed person to search for an employment opportunity in the four-week reference period of the survey.

The majority of the unemployed population seeks employment opportunities through

internet, news, gazette, etc. (47%) followed by assistance from friends and relatives (30%). The pattern was similar for both women and men. And the same pattern was seen in the case of Male' and Atolls.

Only 3% of unemployed population joined a job centre to search for employment opportunities. In Male' only 1% of the unemployed population joined a job centre while 6% of unemployed population in the Atolls joined a job centre to seek employment opportunities.

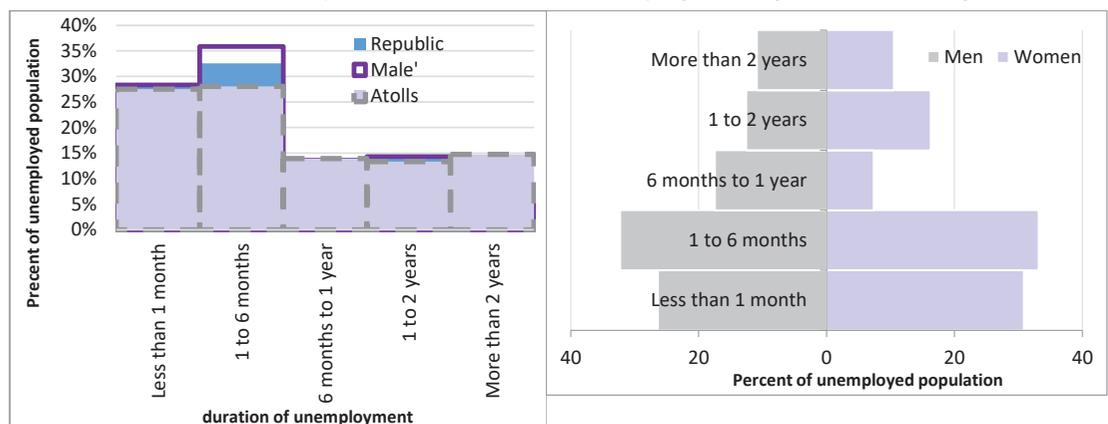
Figure 3.40: Method of search for employment by sex and locality, HIES 2016



3.11.2 Duration of unemployment

Duration of unemployment is the length of time during which unemployed person was seeking and available for work. The duration of unemployment is measured on the basis of the response to the survey question on "how long have you been available and actively looking for a job".

Figure 3.41: Duration of unemployment by sex and locality, HIES 2016

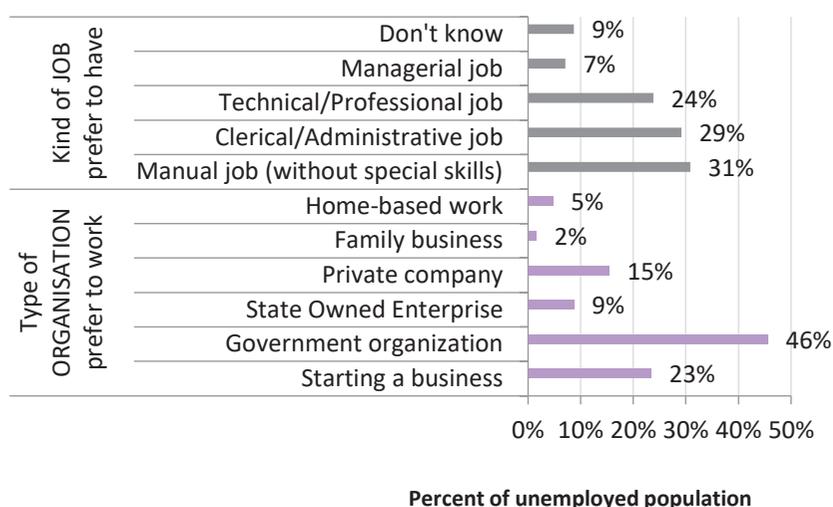


Most unemployed have been looking for a job for less than 6 months (61%). Almost one-fourth (25%) of unemployed population have reported that they were looking for an employment opportunity for more than 12 months. According to international standards long-term unemployment is defined as duration of search for employment lasting 12 months or more. Thus, one-fourth of the unemployed were long-term unemployed in 2016. Long-term unemployment was higher in Atolls (28%) than in Male' (22%). The percentage was higher among women (27%) than men (23%).

3.11.3 Organization and Job preferred

Figure 3.42 shows the organization and job preferred by unemployed person. Among unemployed people, 46% of the unemployed population would like to work in the government sector and 23% of unemployed population would like to start their own business. The majority of unemployed population would like to do manual job (without specific skills) (31%) followed by clerical/ administrative job (29%). This could be explained by the educational attainment given in Figure 3.38. The majority of unemployed population have higher secondary and below educational level.

Figure 3.42: Percentage of unemployed population by type of organization preferred to work and kind of job preferred



PROFILE OF PERSONS OUTSIDE THE LABOUR FORCE

Persons outside the labour force are defined as persons aged 15 years and above who are neither employed nor unemployed (i.e. they are neither working nor seeking and available for work) during the reference period. It consists of all people 15 years and above who, were not employed but who were either

- (a) seeking employment but not currently available or
- (b) currently available for employment but did not seek employment and
- (c) currently not available for employment and did not seek employment.

These first two categories are referred as potential labour force.

PERSONS OUTSIDE THE LABOUR FORCE

42%



of 15 years and above population were outside the labour force



72%

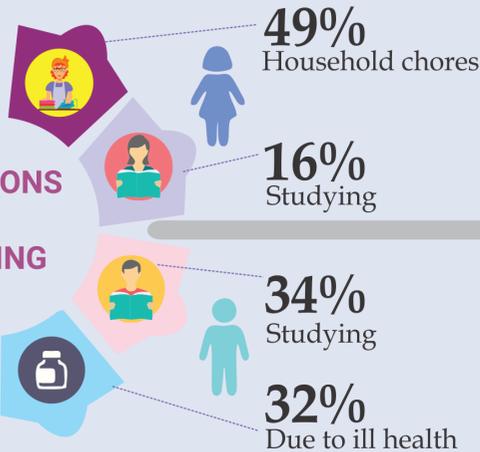


28%

More women remain outside the labour force than men

REASON FOR NOT SEEKING EMPLOYMENT

MAIN REASONS FOR NOT SEEKING A JOB



15-24 years



For both men and women reason for not seeking work is due to studying

25 years & above

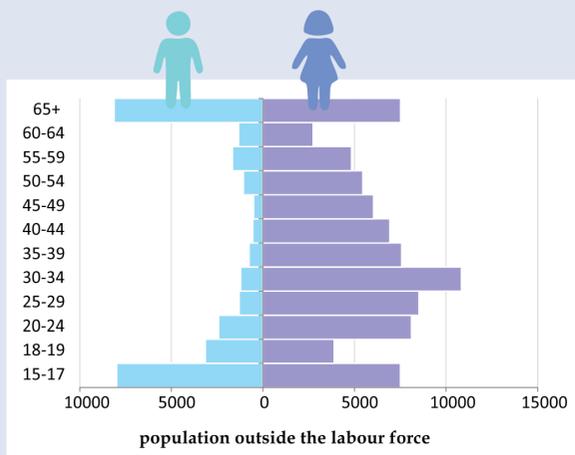


For women, main reason for not seeking work is due to household chores



For men, main reason for not seeking work is due to ill health, most of them were elderly persons.

PERSONS OUTSIDE THE LABOUR FORCE BY AGE



Outside the labour force
111,604 people

Potential labour force
24,135 people

Others outside the labour force
87,469 people

PROFILE OF PERSONS OUTSIDE THE LABOUR FORCE

POTENTIAL LABOUR FORCE



Among the potential labour force, women are significantly high compared to men. 97% of potential labour force are considered as discourage workers (available for employment but did not seek).

 **17,522** people

The ILO defines the potential labour force as all persons 15 years and above, who, during the reference period, were neither in employment nor in unemployment but who were considered as whether

- (a) unavailable jobseekers (seeking for employment but not currently available) or
- (b) available potential jobseekers (currently available for employment but not carry out activities to seek employment).

 **6,613** people

LABOUR UNDERUTILIZATION

Main Labour underutilization indicators

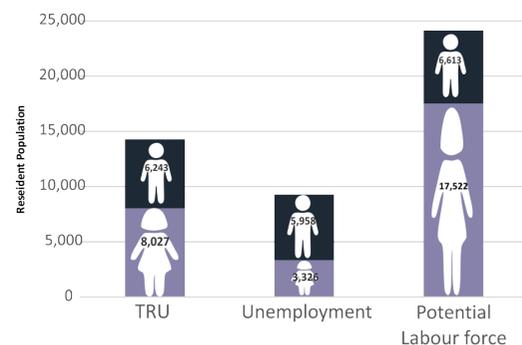
LU1: Unemployment rate represents the persons without employment, putting pressure on labour market. This is a narrow view of absence of employment highlighting the potential matches between available labour supply (people) and available demand (jobs) at a given point in time.

LU2: Combined rate of time-related underemployment and unemployment highlights the extend of the pressure on labour market caused by mostly people in precarious working condition (i.e. working less hours while looking for other job opportunity) in addition to those already available and looking for jobs. The inclusion of the time-related underemployment brings together into the LU2 the situation of *insufficient working time in relation to alternative employment situations*.

LU3: Combined rate of unemployment and potential labour force allows understanding the overall extend of lack of employment by including for instance those who has been discouraged. If opportunity is provided through new investment or entrepreneurial initiative, the country jobs to be created will be able to absorb all those looking for jobs depending whether there has been upskilling or jobs created in remote areas.

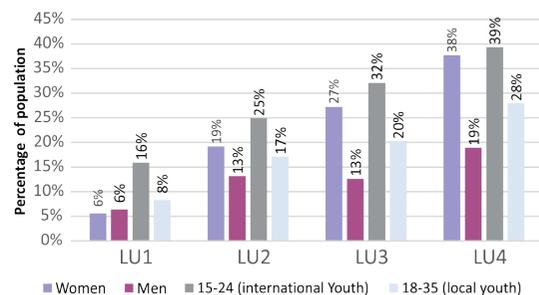
LU4: Composite measure of labour underutilization represents the overall lack of satisfactory jobs in the labour market. Hence, it is a combination of Time-related underemployment, Unemployment and potential labour force.

Persons by labour underutilization type



Majority of women in the labour underutilization category were among the potential labour force

Unemployment and Labour underutilisation measures



Women & youth were more affected by the labour underutilization

YOUTH WHO ARE NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET)

18-35 years  **39%**  **17%**

Women among the youth who were not in employment, education or training were higher than that of men.

HOUSEHOLD INCOME AND EXPENDITURE SURVEY (HIES), 2016 - EMPLOYMENT

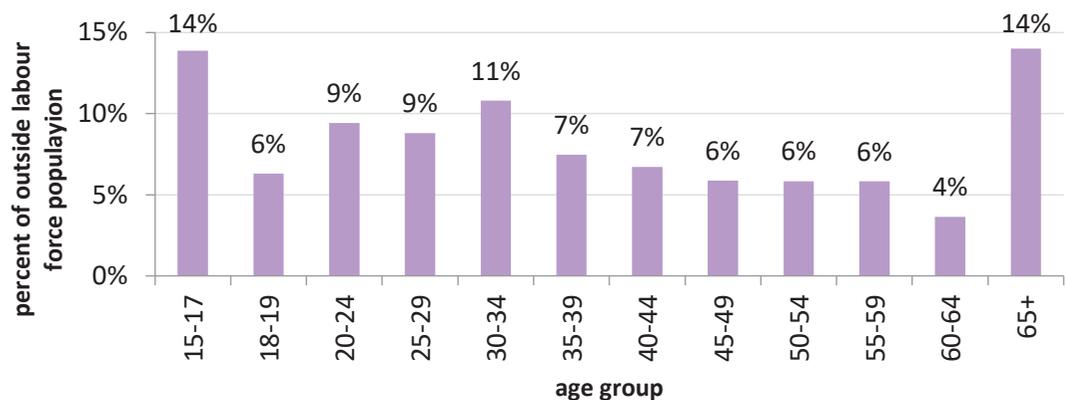
PERSONS OUTSIDE THE LABOUR FORCE **3.12**

Persons outside the labour force are defined as persons aged 15 years and above who are neither employed nor unemployed (i.e. they are neither working nor seeking and available for work) during the reference period. It consists of all people 15 years and above who, were not employed but who were either (a) seeking employment but not currently available or (b) currently available for employment but did not seek employment and (c) currently not available for employment and did not seek employment. These first two categories are referred as potential labour force.

In total, there are 111,604 people 15 years and older outside the labour force. Of them, 33,036 are aged 15 to 24 years and 39,403 are aged 18 to 34 years. Out of the youth population aged 18 to 35 years, 31,336 women and 8,067 men.

Persons outside the labour force accounted for 42% of the total 15 years and above during HIES 2016. The majority of persons who are outside the labour force are either teenagers 15-17 years old or elderly persons 65 years and above, as seen from Figure 3.43.

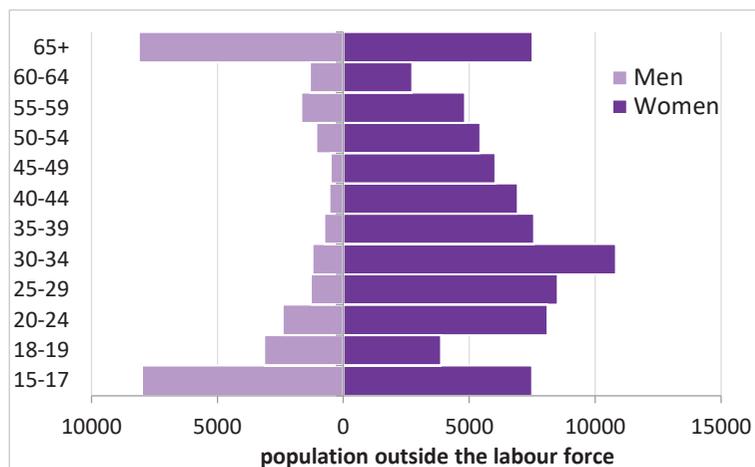
Figure 3.43: Population outside labour force by age, HIES 2016



Among the young age population (15-24 years) almost one-third of them are outside the labour force with majority of them (65%) attending educational institutions. Another 14% of those outside the labour force are elderly people beyond their retirement age 65 years and above. Composition of population outside labour force by sex, shows that much higher proportion (72%) of them are women, with almost same proportion of women among those outside the labour in Male' (72%) as well as in the Atolls (74%). The proportion of population outside the labour force is higher in the Atolls (58%) than in Male' (42%).

A huge difference exists between women and men by age group as seen from Figure 3.44. A major chunk of the men who were outside the labour force falls to the age group 15-17 years and 65+ years. For women the largest proportion of population outside the labour force falls under the age group 25-29 years, 30-34 years and 65 years and above. Number of men outside the labour force was substantially lower compared to women in all age groups from 18 years till 64 years of age.

Figure 3.44: Percentage distribution of population outside the labour force by age and sex, 2016



For those who were outside the labour force, there were two separate questions which were asked in HIES to capture the reason for not seeking a job and reason for not available for the job. The reason for not seeking a job is shown in Figure 3.45. The majority of people who were not seeking a job and were outside labour force because of household chores / babysitting (37%) followed by those are outside the labour force because of attending educational / training program (21%) and due to ill health (21%). Among those how have said due to ill health, 70% of them are aged 55 years and above.

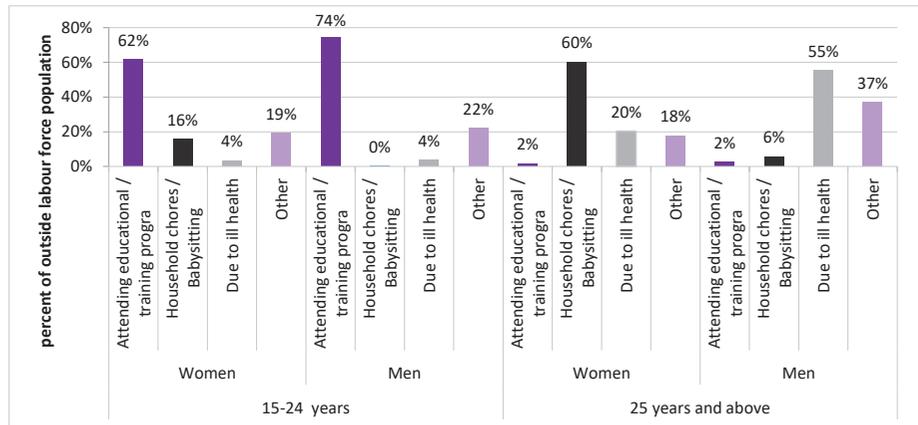
Most women outside the labour force were not seeking a job due to household chores / babysitting (49%) compared to 3% of men. The main reason men do not participate in the labour force and are not seeking a job is being attending educational / training program (34%) and due to ill health (32%). This could be explained from Figure 3.44, that majority of men falls to the age group 15-17 years and 65+ years. For women, 16% of those outside the labour force were not seeking a job due to ill health and 16% are attending educational / training program.

Figure 3.45: Reason for not seeking a job and being outside the labour, by sex and locality HIES 2016



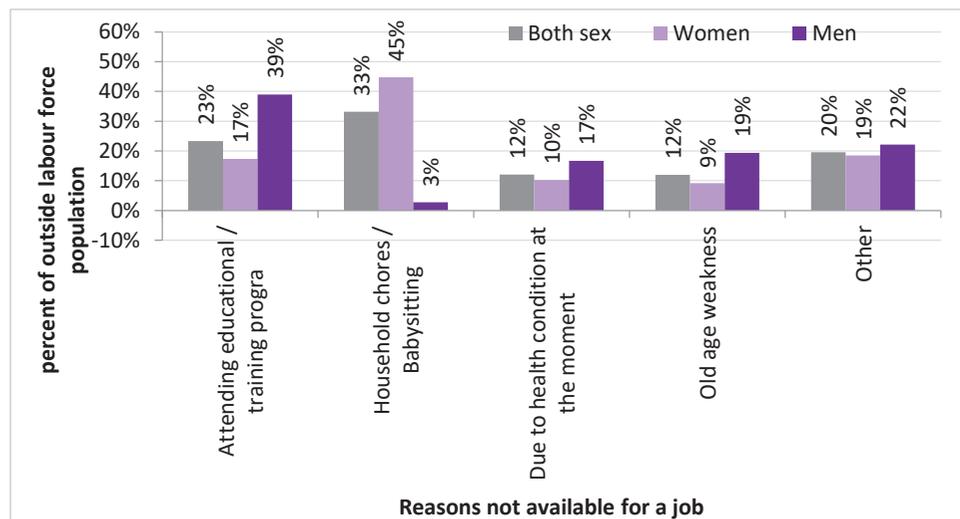
Some differences exist in Male' and the Atolls to the response to the main reason for not seeking a job, as seen from Figure 3.45 left panel. Both in Male' as well as in the Atolls, the majority of people who were not seeking a job and were outside labour force because of household chores / babysitting (38% in Male' vs. 36% in Atolls). Higher proportion of those outside the labour force was not seeking a job in Male' due to attending educational/ training program (30% in Male' vs. 15% in the Atolls) while higher proportion of those living in the Atolls (24% in Atolls vs. 16% in the Male') stated bad health as their main reason for not being in the labour force.

Figure 3.46: Reason for not seeking a job and being outside the labour, by sex and age group HIES 2016



Some differences exist among young population (15-24 years) and rest of the population to the response to the main reason for not seeking a job, as seen from Figure 3.46. Among the reasons for not seeking a job in the young population (15-24 years), for both men and women attending educational / training program ranks the highest. However, when the population 25 years and above is considered these reasons vary considerably. Number one reason for women is household chores / babysitting while for men it is due to ill health.

Figure 3.47: Reason for not available for work and being outside the labour, by sex, HIES 2016



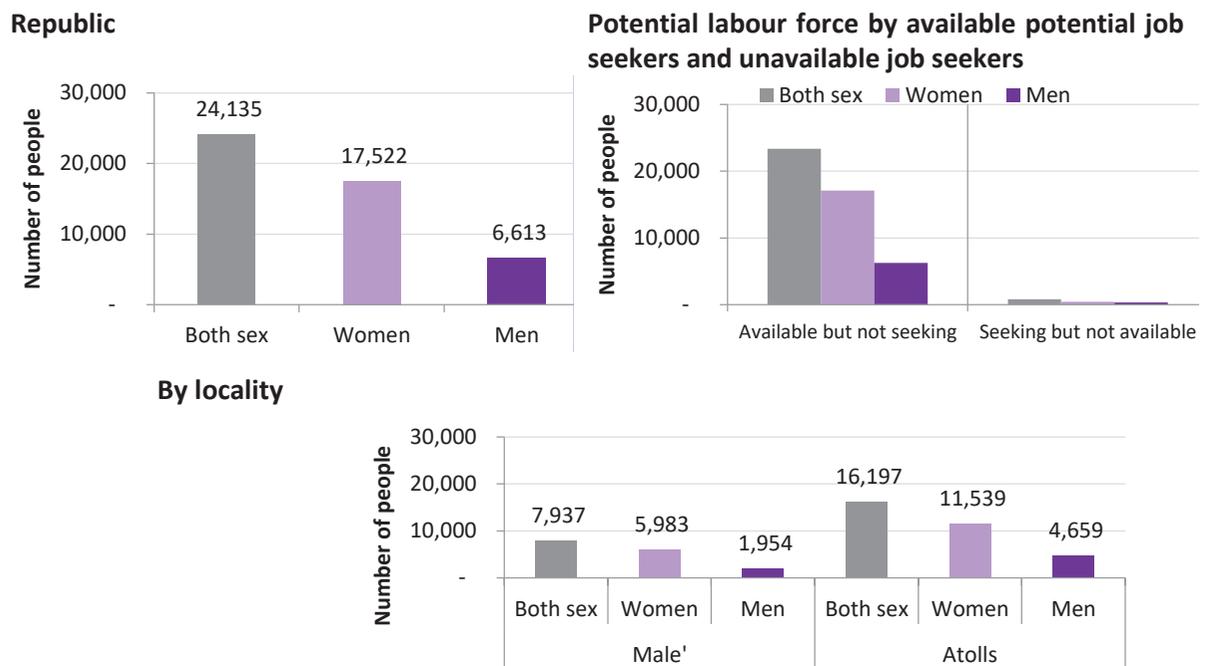
A similar pattern was seen for the main reason for not available for work. The majority of women are not available for work due to household chores while majority of men is not available to work due to studying as seen from Figure 3.47.

3.12.1 Potential labour force

The ILO defines the potential labour force as all persons 15 years and above, who, during the reference period, were neither in employment nor in unemployment but who were considered as whether (a) unavailable jobseekers (seeking for employment but not currently available) or (b) available potential jobseekers (currently available for employment but not carry out activities to seek employment).

In HIES 2016, the potential labour force comprised 24,135 persons. Out of this, 97% of the population falls under the sub-category “available potential job seekers”, that is persons who were currently available for employment by who had not taken any steps to seek employment during the past month. Among the potential labour force, women population is significantly high compare to men and bulk of the potential labour force lives in Atolls as seen from Figure 3.48.

Figure 3.48: Potential labour force by sex and locality, HIES 2016



For men, nearly half (46%) of population in the potential labour force falls to age group 15-24 years while for women, majority of the population falls to age groups 20-24 years (15%) and 25-29 years (14%) and 30-34 years (15%).

Figure 3.49: Potential labour force by sex and age group and locality, HIES 2016

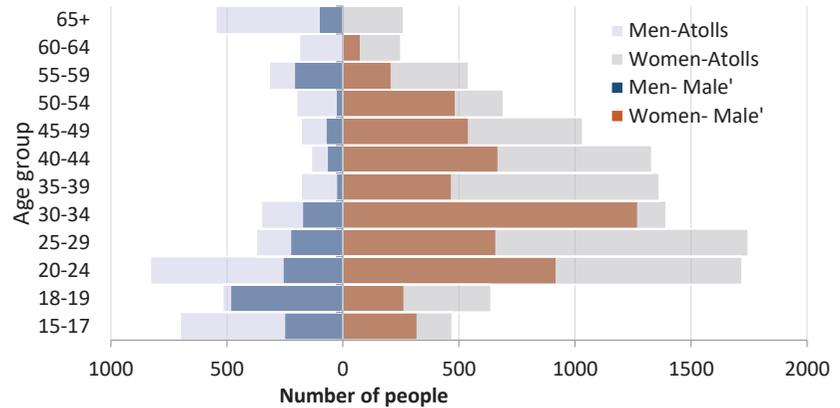
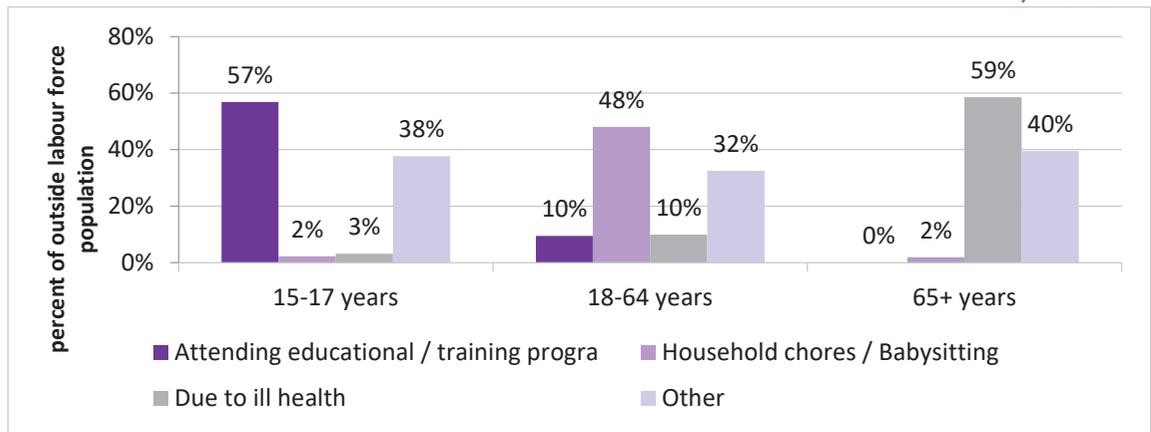


Figure 3.49 shows potential labour force by age group and by sex and by locality. Both in Male' and in the Atolls, the majority of men in the potential labour force falls to age group 15-24 years. However, in Male', the majority of women in the potential labour force fall to age group 30-34 years while in the Atolls, the age group is 24-29 years as seen in Figure 3.49.

Figure 3.50: Reason for not seeking a job and being potential labour (not seeking but available), by sex, HIES 2016



For age group 15-17 years more than 50% falls in potential labour force due to them being currently in studying, while for age group 65 years and above almost 60% of the population falls in potential labour force due to ill health as seen from Figure 3.50. For age group 18-64 years the main reason for not seeking a job was due to household chores work. Hence, policy such as establishing daycare system need to be implemented in order to utilized this population.

3.12.2 Others outside of the Labour force (not seeking, not available)

Person who are neither seeking nor available for work, are counted as others outside of the labour force. This may be due to being retired, a student, housewife or simply choosing not to work. In total, there are 87,469 people, 15 years and older, who are not seeking and not available for the work or considered as others outside of the Labour force. Of them, 25,653 are aged 15 to 24 years and 27,570 are aged 18 to 34 years. Out of the youth population aged 18 to 35 years, 22,724 women and 4,846 men.

Figure 3.51 shows women are more likely to be in the category of others outside the labour force. Both in Male' as well as in the Atolls, the majority of men who are not seeking and not available for work are either 15-17 years who could be engaged in the studies or elderly persons 65 years and above, as seen from Figure 3.51.

In the case of women in Male', those who are not seeking and not available for a work as decreased in the age group 18-19 years and then started to increase. After peaking at the age group 35-39 years, those not seeking and not available for a work declined and again peaked at elderly aged 65 years and above. In the Atolls, women who are not seeking and not available for a work peaked at the age group 35-39 years, and afterwards declined and again peaked at elderly aged 65 years and above as seen from Figure 3.51.

Figure 3.51: Others outside the labour force by sex and age group and locality, HIES 2016

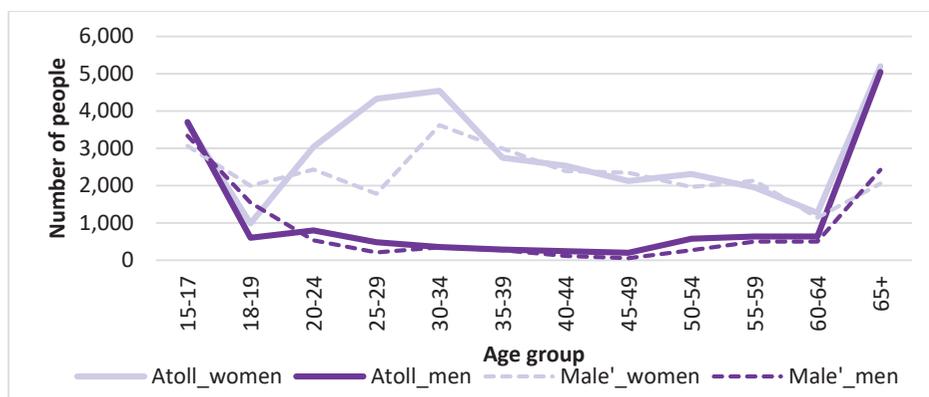
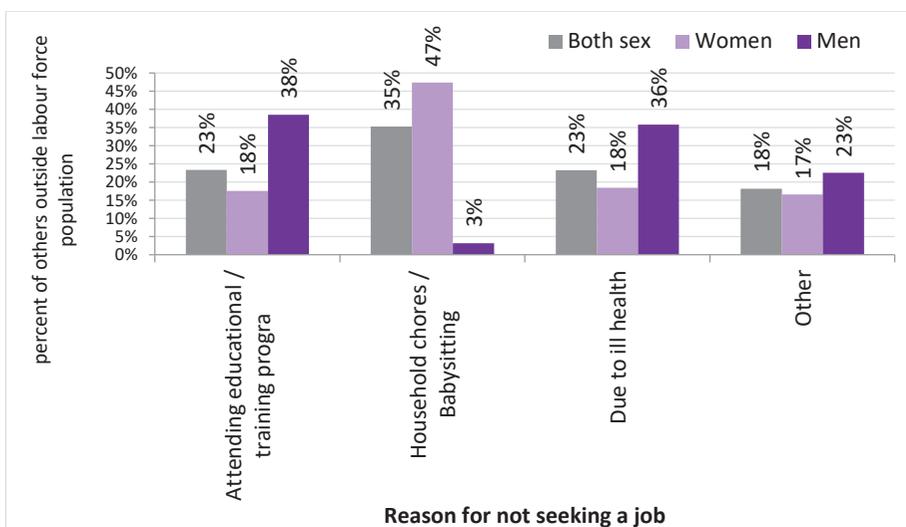
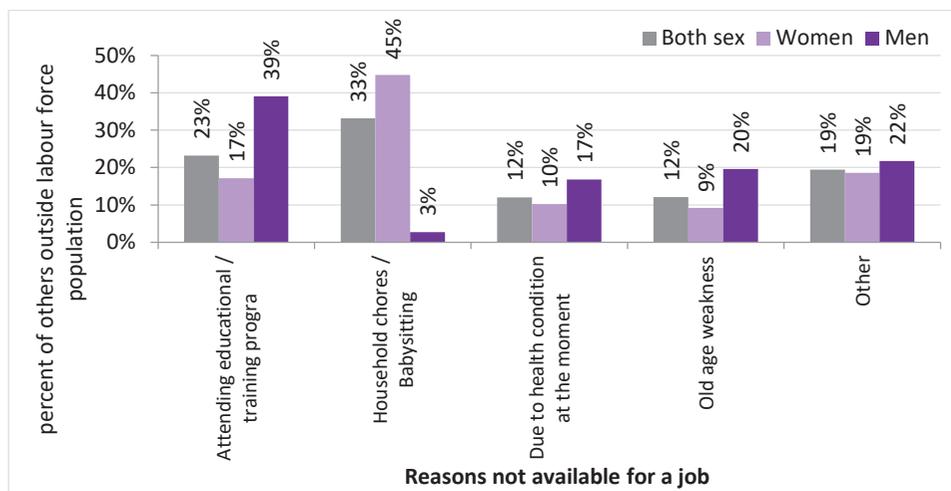


Figure 3.52: Reason for not seeking a job and being others outside the labour (not seeking, not available), by sex, HIES 2016



Nearly half of the women not seeking for a job is due to household chores / babysitting (47%) compared to 3% of men. The main reason men not seeking for a job is being attending educational / training program (38%) and due to ill health (36%). For women, 18% of those others outside the labour force were not seeking a job due to ill health and 18% are attending educational / training program as seen from Figure 3.52.

Figure 3.53: Reason for not available for work and being others outside the labour (not seeking, not available), by sex, HIES 2016



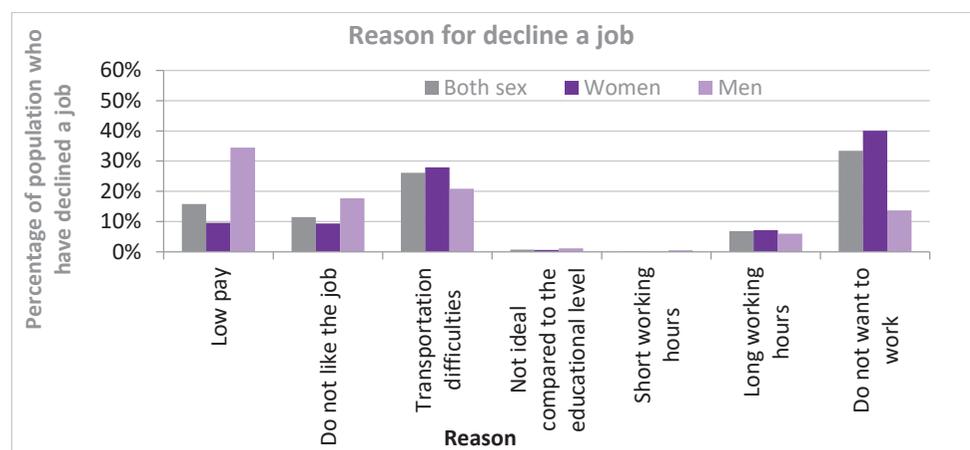
A similar pattern was seen for the main reason for not available for work. The majority of women are not available for work due to household chores while majority of men is not available to work due to studying as seen from Figure 3.53.

3.12.3 Decline job

If a person is not employed a question was asked “did you ever decline a job offer?” based on this question the analysis has been carried out. Based on HIES 2016, 10% of those who are not employed have declined a job. Out of those who declined a job, 75% of them were women.

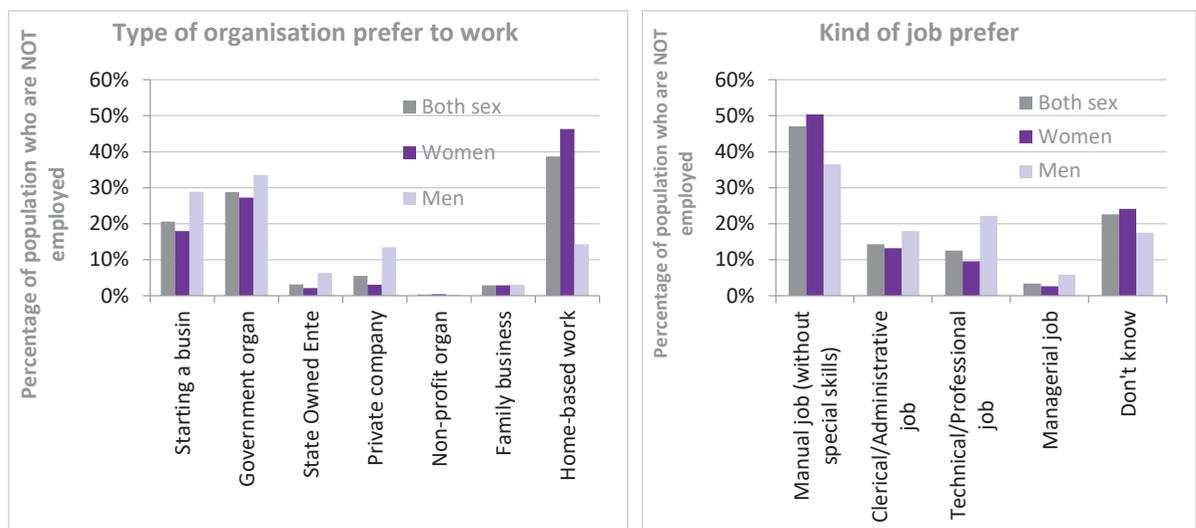
Majority of the men (34%) have declined a job due to low pay while 40% of the women have declined the job because they don't want to work as seen from Figure 3.54.

Figure 3.54: Reasons for decline a job, by sex, HIES 2016



One third of the men (34%) prefer to work in the government while nearly half of the women (46%) who are not employed prefer to work at home or home-based work as seen from Figure 3.55. Both men and women prefer to do manual job (without special skill). This could be due to the low educational level among those not working.

Figure 3.55: Type of job preferred to work and kind of job preferred, by sex, HIES 2016

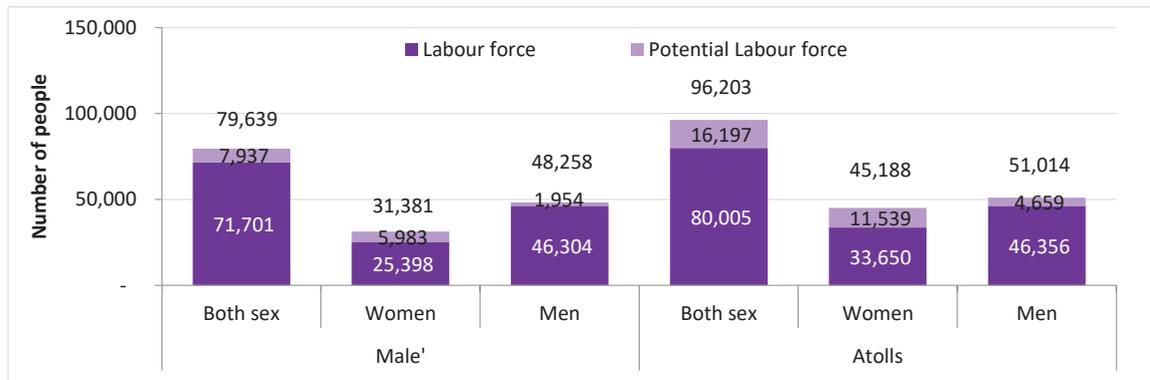


MEASURES OF LABOUR UNDERUTILIZATION

3.13

The ILO introduced the concept of extended labour force, which is defined as the sum of the labour force plus the potential labour. At the national level, potential labour force represented 14% of the extended labour force. The potential labour force was significantly higher among women than men and in Atolls than in Male' as seen from Figure 3.56.

Figure 3.56: Extended labour force by sex and by locality, HIES 2016



3.13.1 Composite measure of labour underutilization

Potential labour force together with time-related underemployment and unemployment are different dimensions of labour underutilization. Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population.

The ILO recommends the use of more than one measure of labour underutilization for monitoring labour market performance. The unemployment rate (termed as LU1 in the ILO standards) is the most restrictive measure of labour underutilization. The most expansive among those proposed by the ILO standards is the composite measure of labour underutilization on (LU4), defined as the sum of time-related underemployment, unemployment, and potential labour force expressed as a percentage of the extended labour force.

3.13.2 Labour underutilization

The **labour Underutilization** refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population.

- **Time-related underemployed:** Employed, but with insufficient working time (wanting and available to work more hours)
- **Unemployed:** Not employed, but “currently available supply of labour” and seeking and available to work
- **Potential labour force:** Not employed, but “potential supply of labour” and seeking, but not available to work, not seeking, but available and wanting to work

Box 3.3: Main Labour underutilization indicators

LU1: Unemployment rate represents the persons without employment, putting pressure on labour market. This is a narrow view of absence of employment highlighting the potential matches between available labour supply (people) and available demand (jobs) at a given point in time.

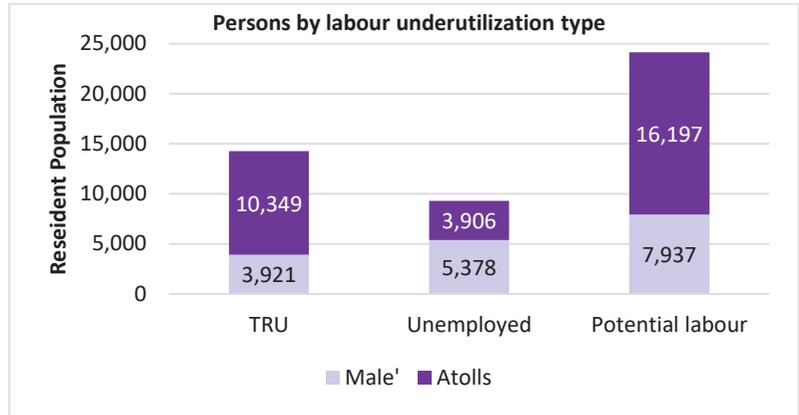
LU2: Combined rate of time-related underemployment and unemployment highlights the extend of the pressure on labour market caused by mostly people in precarious working condition (i.e. working less hours while looking for other job opportunity) in addition to those already available and looking for jobs. The inclusion of the time-related underemployment brings together into the LU2 the situation of *insufficient working time in relation to alternative employment situations*.

LU3: Combined rate of unemployment and potential labour force allows understanding the overall extend of lack of employment by including for instance those who has been discouraged. If opportunity is provided through new investment or entrepreneurial initiative, the country jobs to be created will be able to absorb all those looking for jobs depending whether there has been upskilling or jobs created in remote areas.

LU4: Composite measure of labour underutilization represents the overall lack of satisfactory jobs in the labour market. Hence, it is a combination of Time-related underemployment, Unemployment and potential labour force.

As illustrated in Figure 3.57, specific policies intervention will be required for the people in Time-related underemployment in the Atolls (10,349 persons). As expected, the Atolls have a large number of people in the potential labour force (16,191 persons), as there are no opportunities for jobs in remote Islands. The main concentration of unemployed person is seen in Male’.

Figure 3.57: Persons by categories of Labour underutilization and Islands, HIES 2016



The composition of labour underutilization is different between Male' and the Atolls. In Atolls the main issues are Time-related underemployment (TRU) and potential labour force, while in Male' it is to some extent unemployment

Women and youth were also more affected by the labour underutilization than their other counterpart (Figure 3.58b) resulting in significant gender gap. The measure of potential labour force provides, indicating some of discourage job seekers, was the highest contributing component to the labour underutilization. The other significant contributor to the labour underutilization came from those in time-related underemployment. Only the unemployment rate (LU1) appears slightly high in Male's (8%) than in Atolls (5%) even though there is no noticeable gender gap (Figure 3.58a). A significant high rate of youth unemployment for those in age group 15-24 was estimated at 16% (Figure 3.58b).

Figure 3.58a: Labour underutilization by Island, HIES 2016

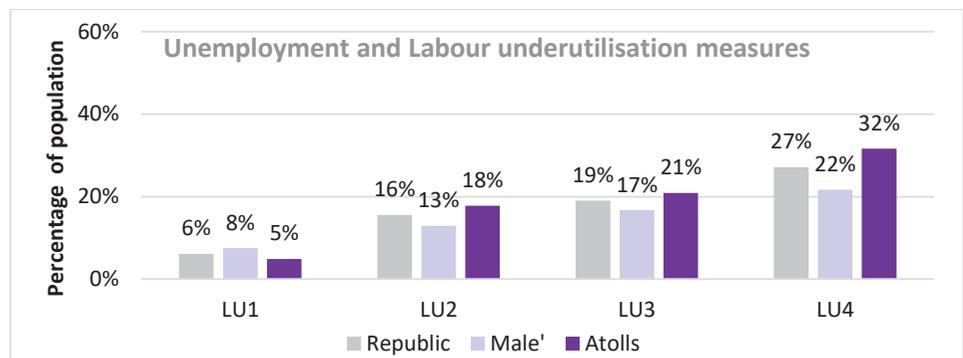
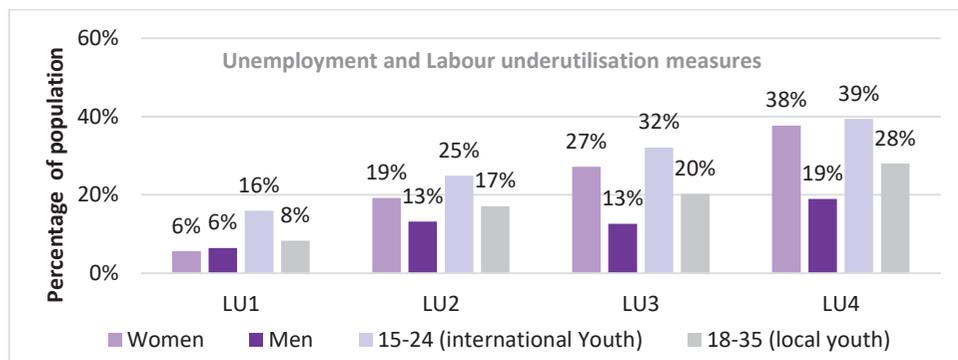


Figure 3.58b: Labour underutilization by demographic variables (age and sex), HIES 2016



The calculation of the composite measure of labour underutilization (LU4) on the basis of results of HIES 2016 is presented in Table 3.5 for the total working age population by locality and for men and women and local and foreigners. The results show that the composition measure of labour underutilization (LU4) is almost four times higher than the national unemployment rate (LU1) (27% vs. 6%). The difference is particularly significant among women (38% combine rate of labour underutilization against 6% unemployment rate).

Table 3.5: Composite measure of labour underutilization by sex, local and foreigners and locality, HIES 2016

	Resident population			Maldivian population			Foreign population		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Republic									
1. Total 15+ population	263,311	139,956	123,354	252,835	137,242	115,593	10,101	2,501	7,600
2. Labour Force (3+5)	151,706	59,047	92,659	142,482	57,269	85,213	9,076	1,712	7,364
3. Employed	142,422	55,721	86,701	133,241	53,957	79,284	9,032	1,698	7,334
4. Time-related underemployment	14,270	8,027	6,243	13,692	7,859	5,833	564	153	410
5. Unemployed	9,284	3,326	5,958	9,241	3,312	5,929	43	14	29
6. Potential labour force	24,135	17,522	6,613	23,961	17,372	6,589	78	54	24
7. Labour underutilization (4+5+6)	47,689	28,875	18,815	46,893	28,543	18,351	685	221	464
8. Extended labour force (2+6)	175,841	76,569	99,272	166,443	74,641	91,802	9,154	1,766	7,388
9. Labour force participation rate (2/1)	58%	42%	75%	56%	42%	74%	90%	68%	97%
10. LU2 : Combine rate of time-related underemployment and unemployment (4+5/1)	16%	19%	13%	16%	20%	14%	7%	10%	6%
11. LU3 : Combined rate of unemployment and potential labour force)/ extended labour force (5+6/8)	19%	27%	13%	20%	28%	14%	1%	4%	1%
12. LU4: Composite measure of labour force underutilization (7/8)	27%	38%	19%	28%	38%	20%	7%	13%	6%
13 LU1: Unemployment rate (5/2)	6%	6%	6%	6%	6%	7%	0%	1%	0%
Male'									
1. Total 15+ population	118,073	59,577	58,496	112,462	57,899	54,563	5,296	1,487	3,685
2. Labour Force (3+5)	71,701	25,398	46,304	66,956	24,383	42,574	4,649	964	3,685
3. Employed	66,323	23,568	42,755	61,579	22,553	39,025	4,649	964	3,685
4. Time-related underemployment	3,921	1,891	2,030	3,827	1,841	1,986	94	50	44
5. Unemployed	5,378	1,830	3,548	5,378	1,830	3,548	-	-	-
6. Potential labour force	7,937	5,983	1,954	7,841	5,887	1,954	-	-	-
7. Labour underutilization (4+5+6)	17,236	9,704	7,532	17,046	9,558	7,488	94	50	44
8. Extended labour force (2+6)	79,639	31,381	48,258	74,798	30,270	44,528	4,649	964	3,685
9. Labour force participation rate (2/1)	61%	43%	79%	60%	42%	78%	88%	65%	100%
10. LU2 : Combine rate of time-related underemployment and unemployment (4+5/1)	13%	15%	12%	14%	15%	13%	2%	5%	1%
11. LU3 : Combined rate of unemployment and potential labour force)/ extended labour force (5+6/8)	17%	25%	11%	18%	25%	12%	0%	0%	0%
12. LU4: Composite measure of labour force underutilization (7/8)	22%	31%	16%	23%	32%	17%	2%	5%	1%
13 LU1: Unemployment rate (5/2)	8%	7%	8%	8%	8%	8%	0%	0%	0%
Atolls									
1. Total 15+ population	145,238	80,379	64,858	140,373	79,343	61,030	4,805	1,014	3,791
2. Labour Force (3+5)	80,005	33,650	46,356	75,526	32,886	42,639	4,427	748	3,679
3. Employed	76,099	32,153	43,946	71,663	31,404	40,259	4,384	734	3,650
4. Time-related underemployment	10,349	6,136	4,213	9,865	6,018	3,847	469	103	366
5. Unemployed	3,906	1,496	2,410	3,863	1,482	2,381	43	14	29
6. Potential labour force	16,197	11,539	4,659	16,119	11,485	4,634	78	54	24
7. Labour underutilization (4+5+6)	30,453	19,171	11,282	29,847	18,985	10,862	591	171	420
8. Extended labour force (2+6)	96,203	45,188	51,014	91,645	44,371	47,274	4,505	802	3,703
9. Labour force participation rate (2/1)	55%	42%	71%	54%	41%	70%	92%	74%	97%
10. LU2 : Combine rate of time-related underemployment and unemployment (4+5/1)	18%	23%	14%	18%	23%	15%	12%	16%	11%
11. LU3 : Combined rate of unemployment and potential labour force)/ extended labour force (5+6/8)	21%	29%	14%	22%	29%	15%	3%	8%	1%
12. LU4: Composite measure of labour force underutilization (7/8)	32%	42%	22%	33%	43%	23%	13%	21%	11%
13 LU1: Unemployment rate (5/2)	5%	4%	5%	5%	5%	6%	1%	2%	1%

Note: Maldivian and foreign population does not display the 'not stated'. Therefore Maldivian and foreign population will not sum up to resident population in this tabular display.



In Male', the composite measure of labour underutilization (LU 4) is at 22% while in the Atolls the rate is at 32%. Both in Male' and in Atolls, the difference between combine rate of labour underutilization and unemployment rate is particularly significant among women as seen from Table 3.5.

YOUTH WHO ARE NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET)

3.14

Youth not in employment, education or training (NEET) provides a measure of youth who are outside the educational system, not in training and not in employment, and thus serves as a broader measure of potential youth labour market entrants than youth unemployment. It includes discouraged worker youth as well as those who are outside the labour force due to disability and engagement in household chores, among other reasons. NEET is also a better measure of the current universe of potential youth labour market entrants as compared with the youth inactivity rate, as the latter includes those youth who are not in the labour force and are in education, and thus cannot be considered currently available for work¹².

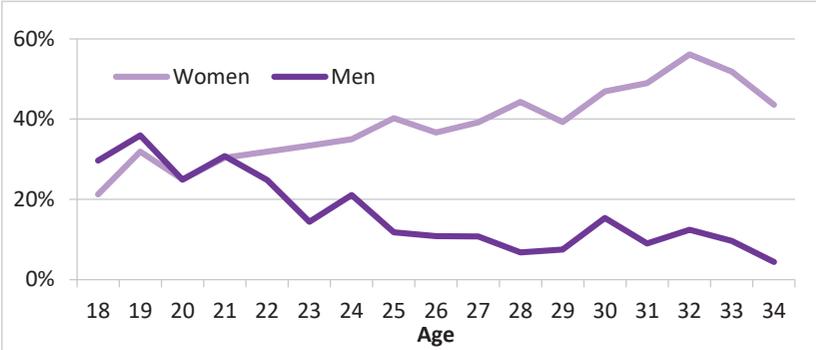
It is vital that youth have the chance to study or engage in employment so they can spend their time productively and develop their skills.

The proportion of men and women aged 18 to 34 years who are neither in education nor training nor in employment (NEET) is shown in Figure 3.59. Pattern of the NEET rate is very similar for men and women for ages 18 to 21 years. NEET rate is higher for women from 22 years and older, 32% for women aged 22 years and 56% for women aged 32 years and decreased to 44% for the age 35 years. A high NEET rate among women as compared to men is often an indication that women youths are engaged in household chores such as cooking, washing clothes, cleaning and taking care of siblings.

The NEET rate for men increase at the age 18 till age 19. Starting from age 19 years, for men the NEET rate decreased and reached to 4% in the age 34 years.

¹² *Decent work indicators, guideline for producers and users of statistical and legal frame indicators, ILO manual, second version, December 2013*

Figure 3.59: NEET rate by sex for youth population (18-34 years), HIES 2016



OWN-USE PRODUCERS 3.15

3.15.1 Own use producers

According to the ILO, own-use producers are all persons of working age (15 years old and over) who were engaged in own-use production work for at least one hour during the reference period. Own-use production comprises any activity to produce goods or provide services for own final use by household members or by individual person living in the household.

Production of “goods” includes: (i) producing or processing for storage agricultural, fishing and gathering products; (ii) collecting or processing of forestry products, including firewood; (iii) manufacturing household goods (such as furniture, textiles, clothing etc.); (v) building, or effecting major repairs to, one’s own dwelling etc.

Provision of “services” includes (i) household activities such as buying items for household use; (ii) preparing or serving meals, household waste disposal; (iii) cleaning and maintaining one’s own dwelling or premises, durables and other goods, and gardening; (iv) childcare, transporting and caring for elderly, dependent or other household members etc.

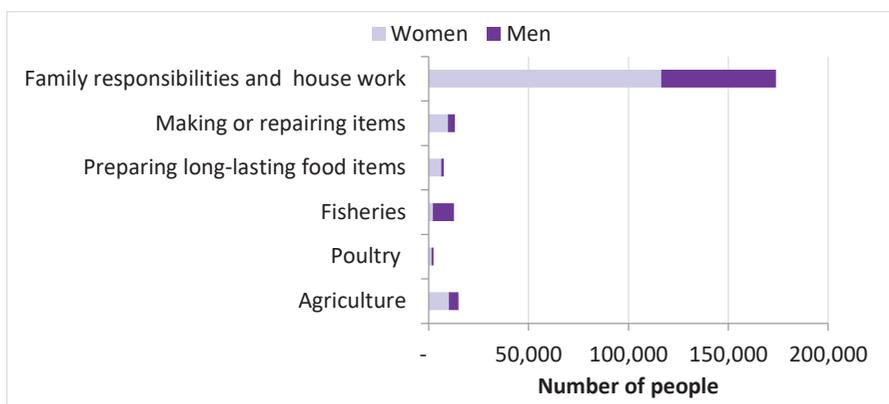
In HIES 2016, 183,124 persons were identified as own-use producers, out of this 64% of the population were women. More than half (54%) of own-use producers reside in Atolls.

Figure 3.60 shows the activities engaged by own-use producers. The bulk of own-use producers, mostly women, were engaged in family responsibilities (116,287 women). The second highest among women was agriculture production mainly for own-consumption (10,112 women).

Among men, most of the own-use producers were engaged in family responsibilities

(57,431 men) followed by fishing activity mainly for own-consumption (10,504 men).

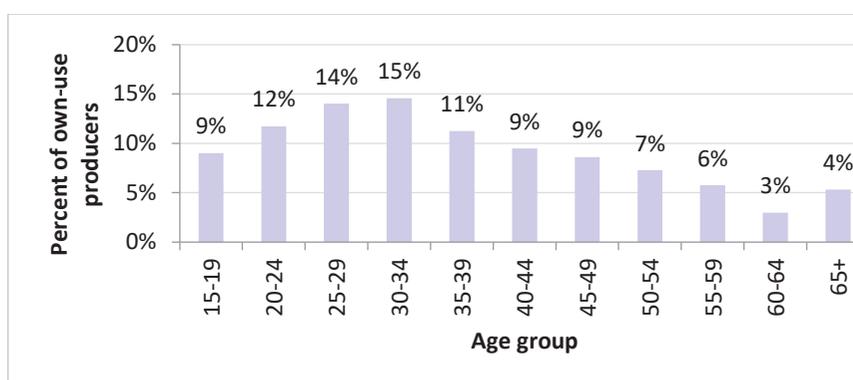
Figure 3.60: Own-use producers by activities and sex, HIES 2016



Among the own-use producers, 27,527 people may be classified as subsistence foodstuff producers. Subsistence foodstuff producer are classified as those who engaged in own-use production of agriculture goods and fishing that contribute to the livelihood of the household or family.

17% of the own-use producers involved in both production of goods and provision of services. The others were either exclusively engaged in the production of goods (5%) or exclusively engaged in the provision of services (78%).

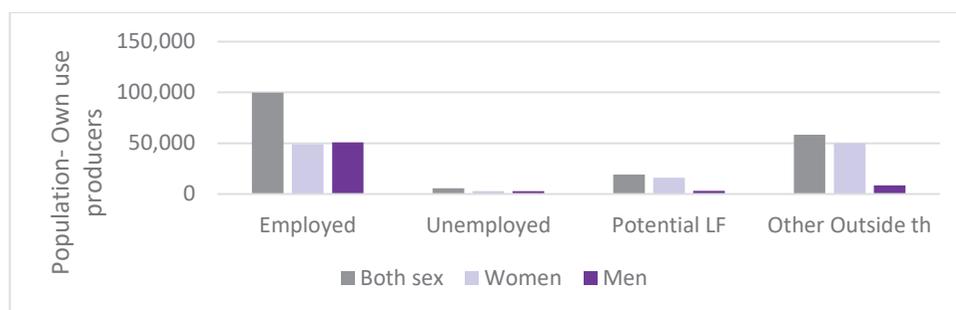
Figure 3.61: Own-use producers by age group, HIES 2016



As seen from Figure 3.61, majority of the own-use producers falls under the age group 30-34 years. This was the age group where the labour force participation was lower.

The result shows that among the 183,124 own-use producers some 5,811 were unemployed and 19,067 were potential labour force as seen from Figure 3.62. The bulk of the unemployed and potential labour force own-producers were women (76%) and most of them are in Atolls (59%).

Figure 3.62: Own-use producers by status of employment, HIES 2016

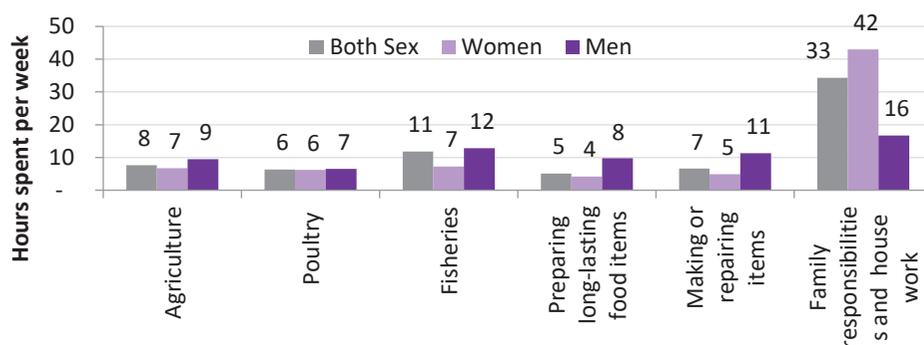


3.15.2 Average hours spent by Own-use producers

Own-use producer worked on average 34 hours per week, with men spending 18 hours while women spent 43 hours. Own-user producers in the Atolls worked 38 hours per week while in Male' own-use producer worked 28 hours per week.

Given the gender difference observed on time-use, Figure 3.63 looks at the time spent by men and women on activities for own-use production.

Figure 3.63: Average weekly hours spent by the own-use producers by activities and sex, HIES 2016



Women engaged in family responsibilities spend on average 42 hours per week compared to 16 hours by men. On other activities men spend more hours than women as seen from Figure 3.63.

TOTAL HOURS SPENT IN ALL ACTIVITIES- PAID AND UNPAID WORK **3.16**

Box 3.4: Unpaid work

Unpaid work refers to all unpaid own production and services provided within a household for its members, including care of persons, household work, agricultural, fishing, hunting or gathering goods intended mainly for own consumption. In addition to this, unpaid work also includes volunteer work and unpaid training. These activities are considered work, because theoretically one could pay a third person to perform them.

- **Unpaid = the individual performing this activity is not remunerated**
- **Work= the activity involves mental or physical effort and is costly in terms of time resources**

HIES 2016 captured information on the time spent:

- Growing crops/ vegetables or fruits for own consumption
- Raise poultry or graze animals for meats/eggs for own consumption
- Catch/ trap fish, sell fish or sea products or other water products for food or raw material for own consumption
- Prepare non-perishable or long lasting food items such as fish paste, dried fish, pickles or other food products for own consumption
- Make garments, furniture items for household members or carry out construction or repair work, etc for own consumption.
- Spend any time during unpaid household works, taking care of elderly family members/ children, people with special needs, preparing meals for household members, cleaning, shopping, etc.
- Spend anytime providing services to an association, charity organization, school,

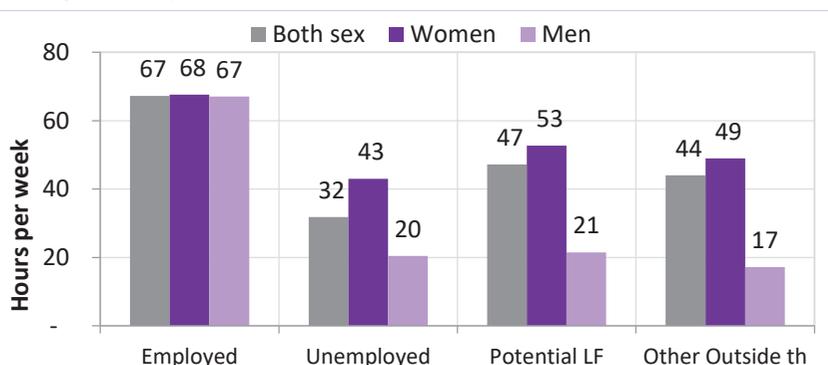
hospital, etc without any pay (voluntary)

- Spend any time working without pay (salary, commission or stipend, as an apprentice, intern or trainee, for the purpose of acquiring knowledge or gaining practical experience)
- Hours spent in economic activity/ paid activity.

Through these questions, the total hours spent in all activities was roughly estimated. Since, there is no Time Use Survey conducted in Maldives. In the absence of a Time Use Survey, this is the closest estimate that can be derived for time use among the population. Hence, it should be noted that time can be valuably estimated through Time Use Survey.

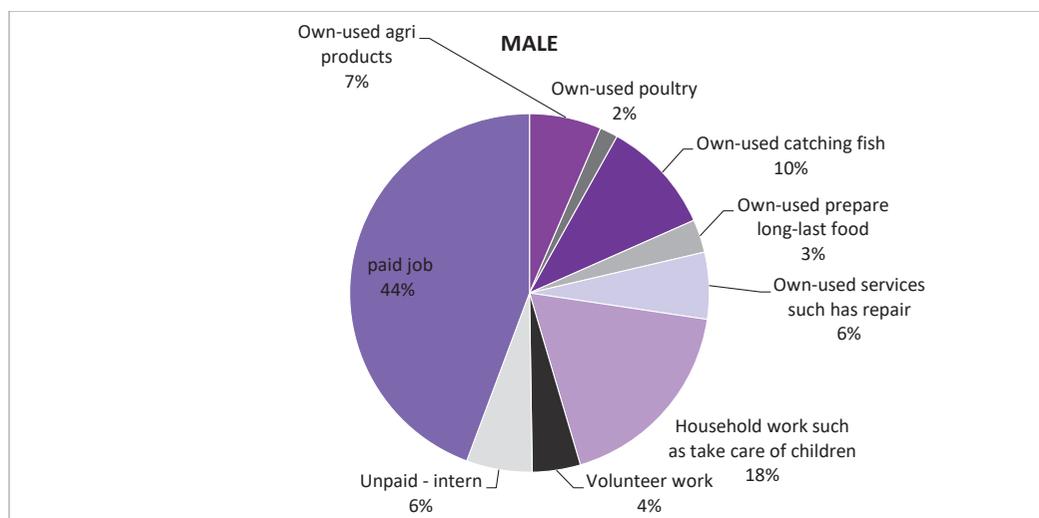
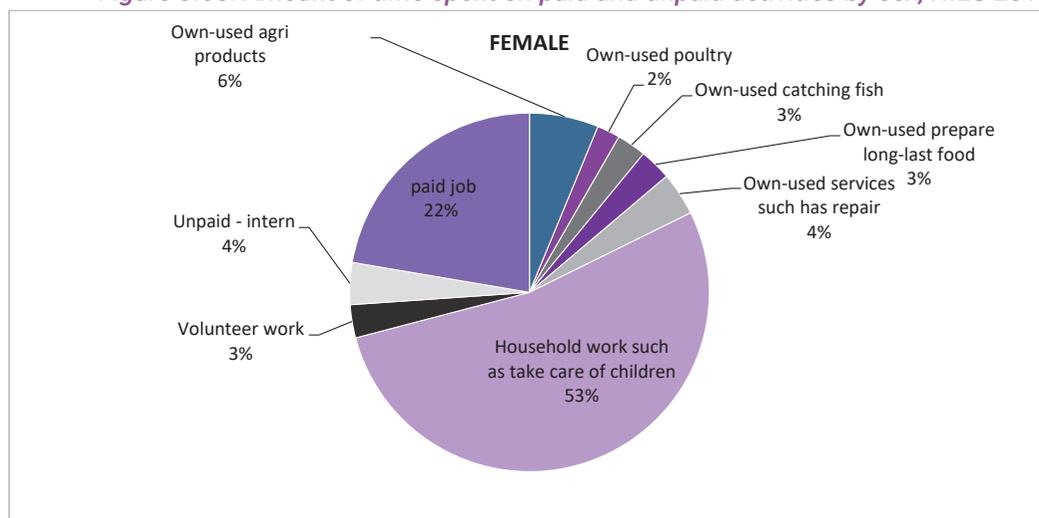
When the total hours worked per week on all activities was added, paid and unpaid, the time spent by employed person, women spent 68 hours on a week while men spent 67 hours per week. On average women spent more hours on work than men as seen from Figure 3.64.

Figure 3.64: Average weekly hours spent on all economic and non-economic activities, HIES 2016



As the women spend more hours in their work it is important to see the detail distribution. Irrespective of women employment status, marital status, age or income group, a woman works on average 12 hours per day. However, while 22% of her day's work is paid, the majority of her work is unpaid (Figure 3.65). Cooking and caring for children etc. make up for the majority of women's daily unpaid tasks: 53% (6 hours per day) of their total working time or 69% of their unpaid working time. Other unpaid activities, such as own-used production and services require approximately the same amount of time and represent a total of 1 hour per day. In Maldives, men also participate in unpaid activities. However, women spent more time on the household chores and childcare, spending almost double the amount of time on the care of children compared to men (6 hours per day vs. 3 hours per day).

Figure 3.65: Amount of time spent on paid and unpaid activities by sex, HIES 2016



MAIN CONCEPTS AND DEFINITIONS

The main concepts and definitions used in the survey are in with the international standards on statistics of work, employment, and labour underutilization adopted by the Nineteenth International Conference of Labour Statisticians (Geneva, 2013). They are briefly described below.

- **Work**

The starting point of the international standards on statistics of work, employment and labour underutilization is the concept of work defined as:

-“Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use” in line with the General production boundary defined in the System of National Accounts 2008.

-Work is defined “irrespective of its formal or informal character or the legality of the activity.”

-It excludes “activities not involving production of goods or services (begging, stealing), self-care (personal grooming, hygiene) and activities that cannot be performed by another person on one’s own behalf (sleeping, learning, own recreation).”

- **Economic unit or institutional unit**

An economic unit or institutional unit is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities. The main attributes of institutional units may be described as follows:

- a. An institutional unit is entitled to own goods or assets in its own right; it is therefore able to exchange the ownership of goods or assets in transactions with other institutional units;
- b. It is able to take economic decisions and engage in economic activities for which it is itself held to be directly responsible and accountable at law;
- c. It is able to incur liabilities on its own behalf, to take on other obligations or future

commitments and to enter into contracts;

d. Either a complete set of accounts, including a balance sheet of assets and liabilities, exists for the unit, or it would be possible and meaningful, from an economic viewpoint, to compile a complete set of accounts if they were to be required¹³.

- **Employment**

Persons in employment are defined as all those are 15 years and above who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit.

It excludes persons engaged wholly in activities to produce goods or services for own final use such as producing agricultural, fishing and gathering products for own-consumption or cleaning, decorating, gardening and maintaining one's own dwelling or premises, durables and other goods.

Persons in employment comprise: (a) employed persons "at work," i.e., who worked in a job for **at least one hour**; and (b) employed persons "not at work" due to temporary absence from a job, or to working-time arrangements (such as shift work, flexi-time and compensatory leave for overtime).

- **Unemployment**

Persons in unemployment are defined as all those are 15 years and above who (a) were not in employment; (b) carried out activities to seek employment during a specified recent period; and (c) were currently available to take up employment given a job opportunity. The definition of unemployment provides an exception in the case of future starters. They are considered as unemployed even if they did not carry out activities to seek employment during the specified recent period, criterion (c) as long as they satisfy the availability condition.

¹³ *Updated System of National Accounts (SNA2008): Chapter 4: Institutional units and sectors, Statistical commission*

- **Time-related underemployment**

Persons in time-related underemployment are defined as all persons in employment who, during a specified reference period, (a) wanted to work extra hours, (b) whose working hours in all jobs was less than a specified hours threshold, (c) who were available to work extra hours given an opportunity for more work and (d) number of additional hours wanted is greater than zero.

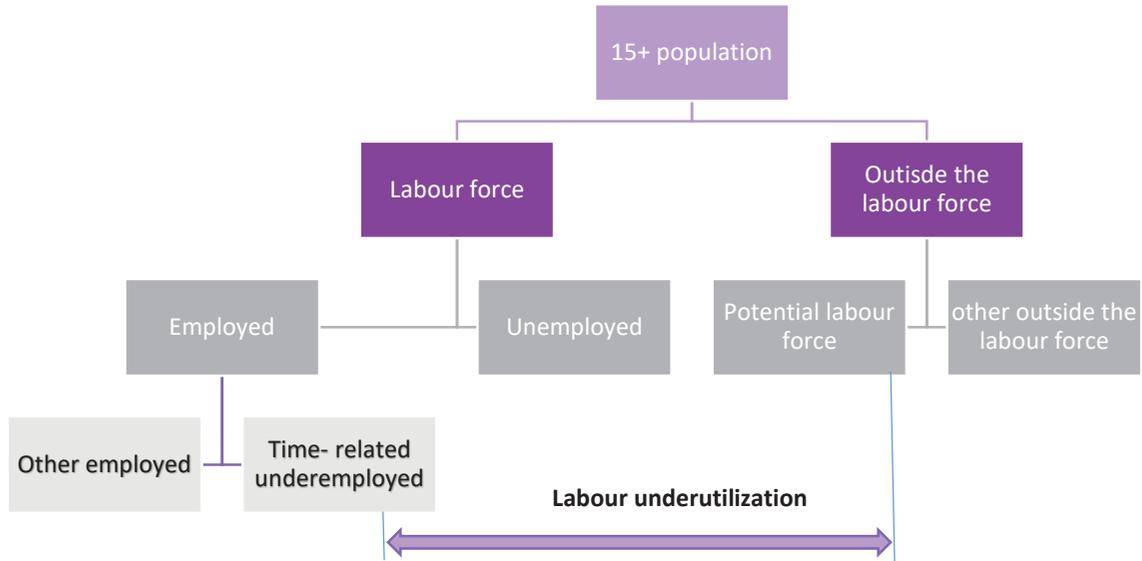
In the Maldives, the threshold of weekly hours was set at 48 hours, based on the labour Law of Maldives.

- **Potential labour force**

Potential labour force is defined as all persons above a 15 years and above who, during the short reference period, were neither in employment nor in unemployment but who were considered as either (a) unavailable jobseekers (seeking employment but not currently available) or (b) available potential jobseekers (currently available for employment but did not carry out activities to seek employment).

The relationship among the various concepts is show in Figure A1 below.

Figure A1: Labour force and labour underutilization framework



- **Gender Pay Gap**

Step 1: Gather the correct pay data

Step 2: Calculate hourly pay

1. For each employee, identify all the amounts of “ordinary pay” paid during the specific pay period (weekly/monthly etc.). This could include basic income and shift premium.

Example:

MVR 1,000 paid to employee on 30th May, paying for April’s work

MVR 150 shift premium for the same month

2. Exclude any amount which is paid outside of the pay period.

3. Add together all the amounts identified in step 1.

= MVR 1,150

4. Multiply the amount by the appropriate multiplier. “The appropriate multiplier” means 7 divided by the number of days in the pay period. The number of days in the pay period:

(a) a month is 30.44 days;

(b) a year is 365.25 days.

$7 / 30.44 = 0.23$

$$1,150 \times 0.23 = 264.5$$

5. Divide the amount found by the number of working hours in a week for that employee.

$$264.5 / 35 = \text{MVR } 7.56$$

The gender pay gap is a relatively simple calculation:

$$\text{Gender pay gap (GPG)} = \frac{\text{Male pay} - \text{Female pay}}{\text{Male pay}} \times 100$$

The calculation for the mean gender pay gap must be based on mean hourly pay.

- **Own-use producers**

Persons in own-use production work are defined as all those of working age who, during the reference period, performed any activity to produce goods or provide services for own final use for a cumulative total of at least one hour. "For own final use" is interpreted as production where the intended destination of the output is mainly for final use (in the form of capital formation, or final consumption by household members, or by family members living in other households). In the case of agricultural, fishing, hunting or gathering goods intended mainly for own consumption, a part or surplus may nevertheless be sold or bartered.

Subsistence foodstuff producers constitute an important subgroup of persons in own-use production work. They are defined as all those who performed any of the specified activities to produce foodstuff from agriculture, fishing, hunting or gathering that contribute to the livelihood of the household or family.

Own-use producers and in particular subsistence foodstuff producers may be engaged, in the same reference period, in other activities, including employment or search for em-

ployment. On the basis of their other activity, therefore, certain own-use producers may also be in the labour force and classified as employed, unemployed or other labour underutilization category.

- **NEET**

Youth not in employment, education or training (NEET) provides a measure of youth who are outside the educational system, not in training and not in employment, and thus serves as a broader measure of potential youth labour market entrants than youth unemployment. It includes discouraged worker youth as well as those who are economically inactive due to disability and engagement in household chores, among other reasons. NEET is also a better measure of the current universe of potential youth labour market entrants as compared with the youth inactivity rate, as the latter includes those youth who are not in the labour force and are in education, and thus cannot be considered currently available for work.

Method of computation NEET

The NEET is defined as the percentage of youth (15-24 years old) who are not in employment and not in education or training. The indicator is calculated as follows:

$$NEET(\%) = \frac{\text{Number of youth} - (\text{Number of youth in employment} + \text{Number of youth not in employment who are in education or training})}{\text{Total number of youth}} \times 100$$

Table A1 lists the terminology and definitions of the main labour force and labour underutilization indicators used in the survey.

Table A1. Main labour force and labour underutilization indicators

Concept	Definition
Working age population (Pop 15+)	$E+U+N$
Labour force (LF)	$LF=E+U$
Potential labour force	P
Extended labour force (XLF)	$XLF=E+U+P$
Employment	E
Unemployment	U
Time-related underemployment	T
Labour force participation rate	$LF/Pop15+$
Employment-population ratio	$E/Pop15+$
Unemployment rate (LU1)	U/LF
Combine rate of unemployment and time-related underemployment (LU2)	$(U+T)/LF$
Combine rate of unemployment and potential labour force (LU3)	$(U+P)/XLF$
Combine measure of labour force underutilization (LU4)	$(U+T+P)/XLF$



National Bureau of Statistics
Ministry of Finance & Treasury
Male', Maldives