



INFORMAL SECTOR & INFORMAL EMPLOYMENT HOUSEHOLD INCOME & EXPENDITURE SURVEY 2019



Maldives Bureau of Statistics,
Ministry of National Planning, Housing & Infrastructure

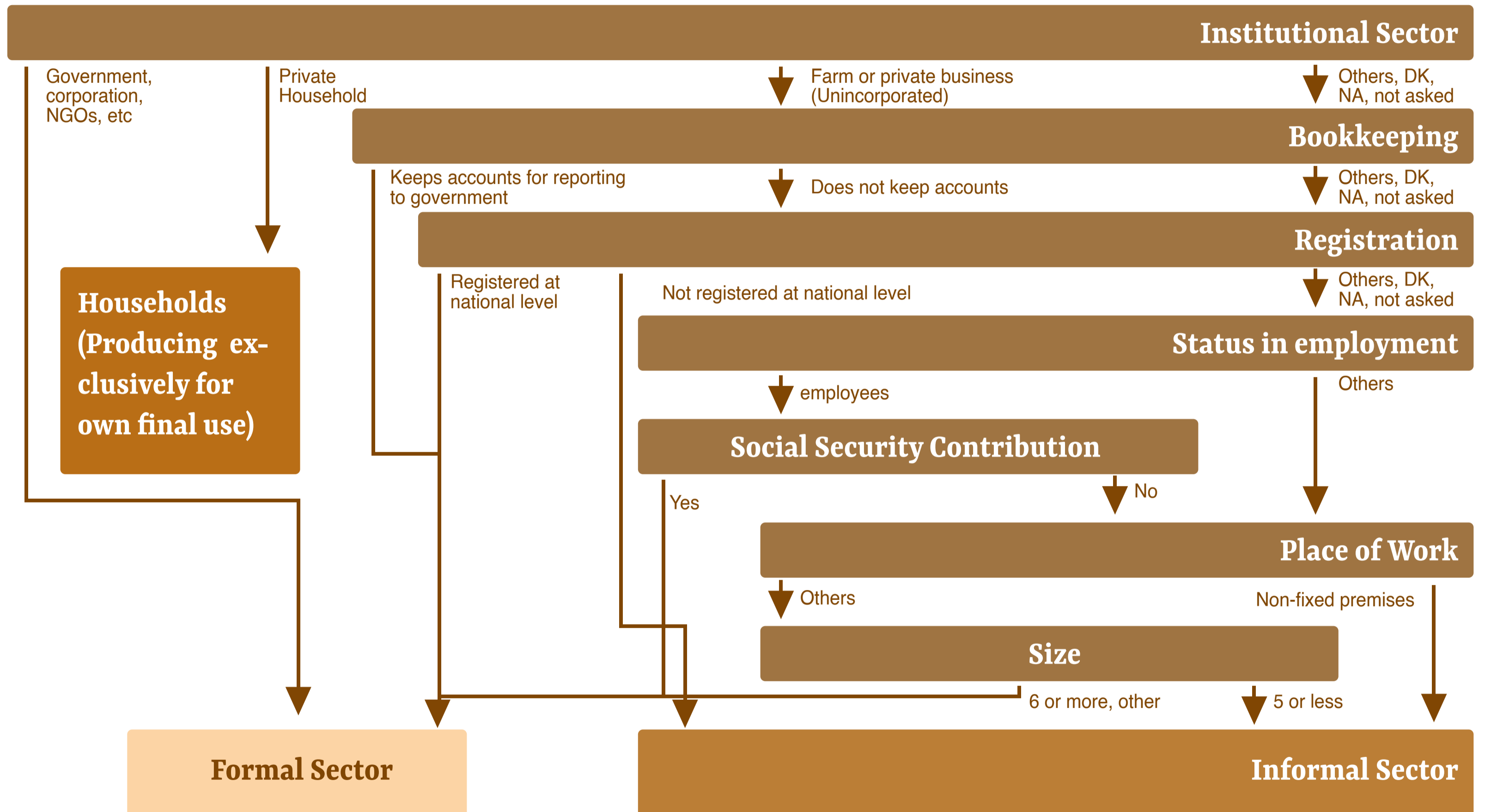


Informal Sector

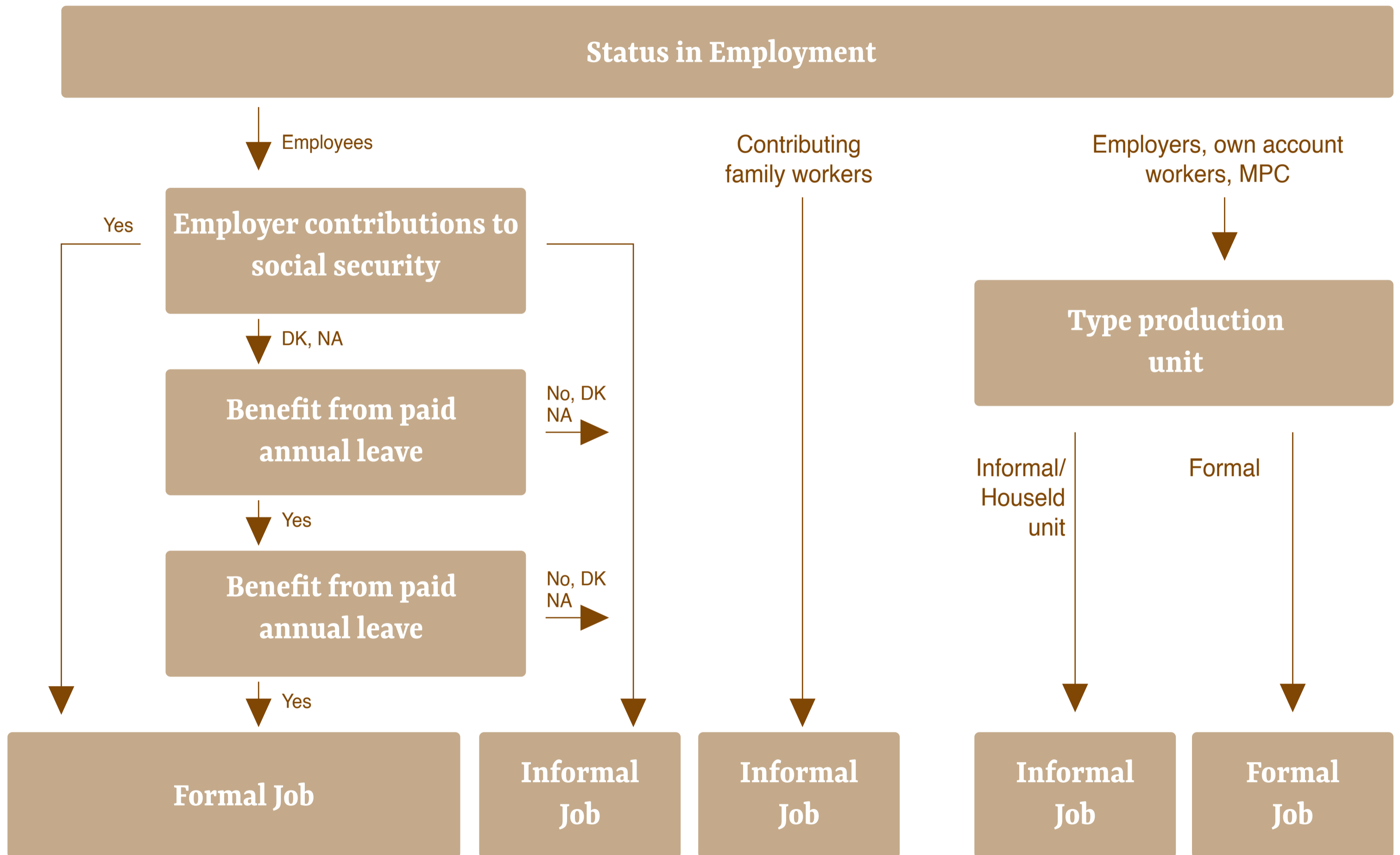
Household Income & Expenditure Survey 2019

Maldives Bureau of Statistics,
Ministry of National Planning, Housing & Infrastructure

Informal Sector Model Flowchart



Informal Employment Model Flowchart



Informal Sector *Definition*

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 employee and have no social-security. Informal sector also includes employer with less than 5 staff recruited.

Informal sector excludes persons engage in government unit or activities of private households as employers of domestic staff.



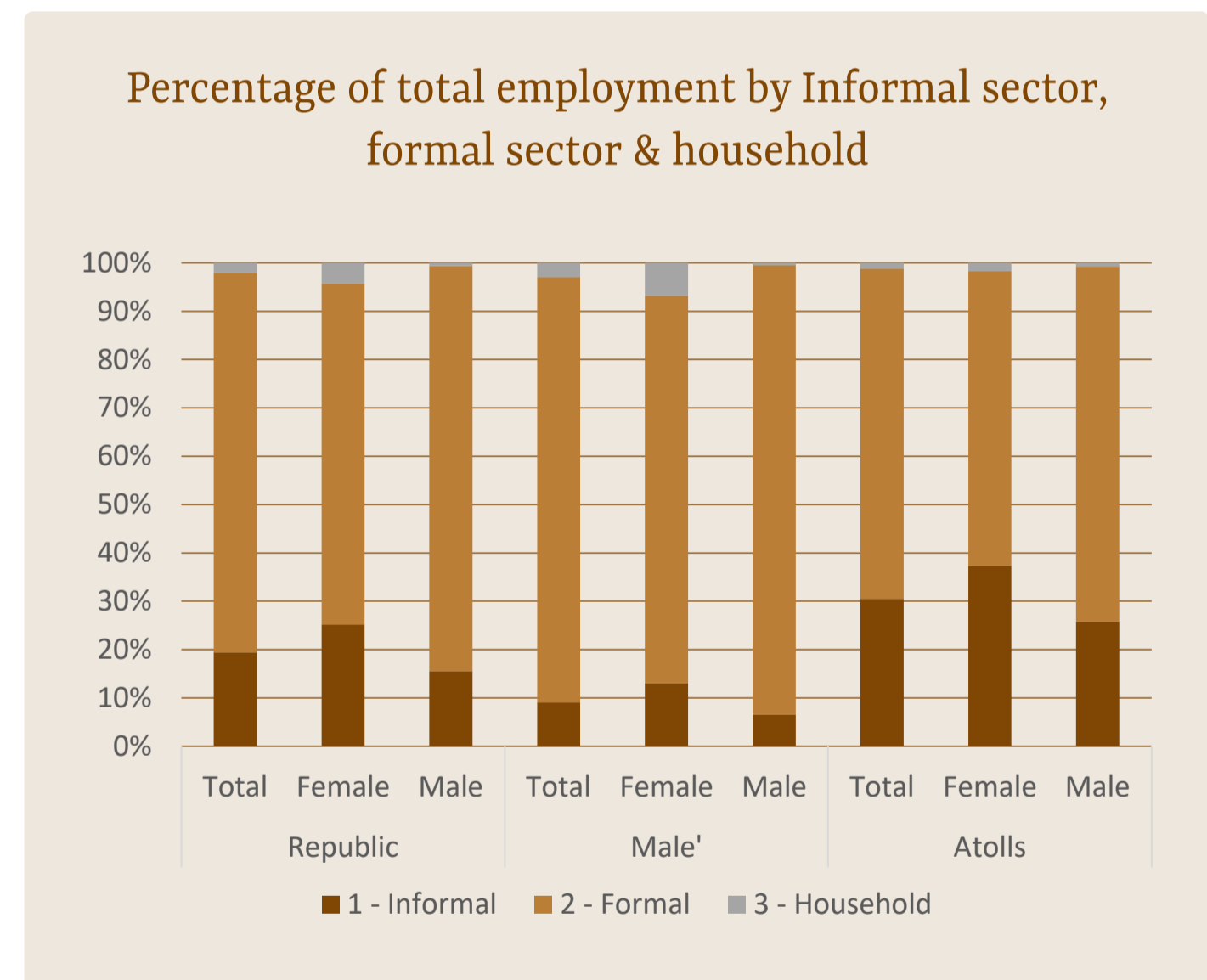
19% of the employed population work in informal sector

In HIES 2019, the working-age population (aged 15+) was 317,482, of which slightly more than one-half (53%) were women.

The labour force participation rate was 60%. However, the rate for men was higher than that for women (77% for men and 46% for women).

Employment totalled 181,144, with women accounting for 40 percent. Almost one fifth (19%) of employed population are working in informal units. Informality is even higher in Atolls. Employment in the informal sector represents 31% of total employment in the Atolls but only 9% of total employment in Male’.

Accordingly, the incidence of employment in the informal sector was somewhat higher among women (25%) than among men (16%) and the incidence is high among women residing in the Atolls (37%) than in Male’ (13%).

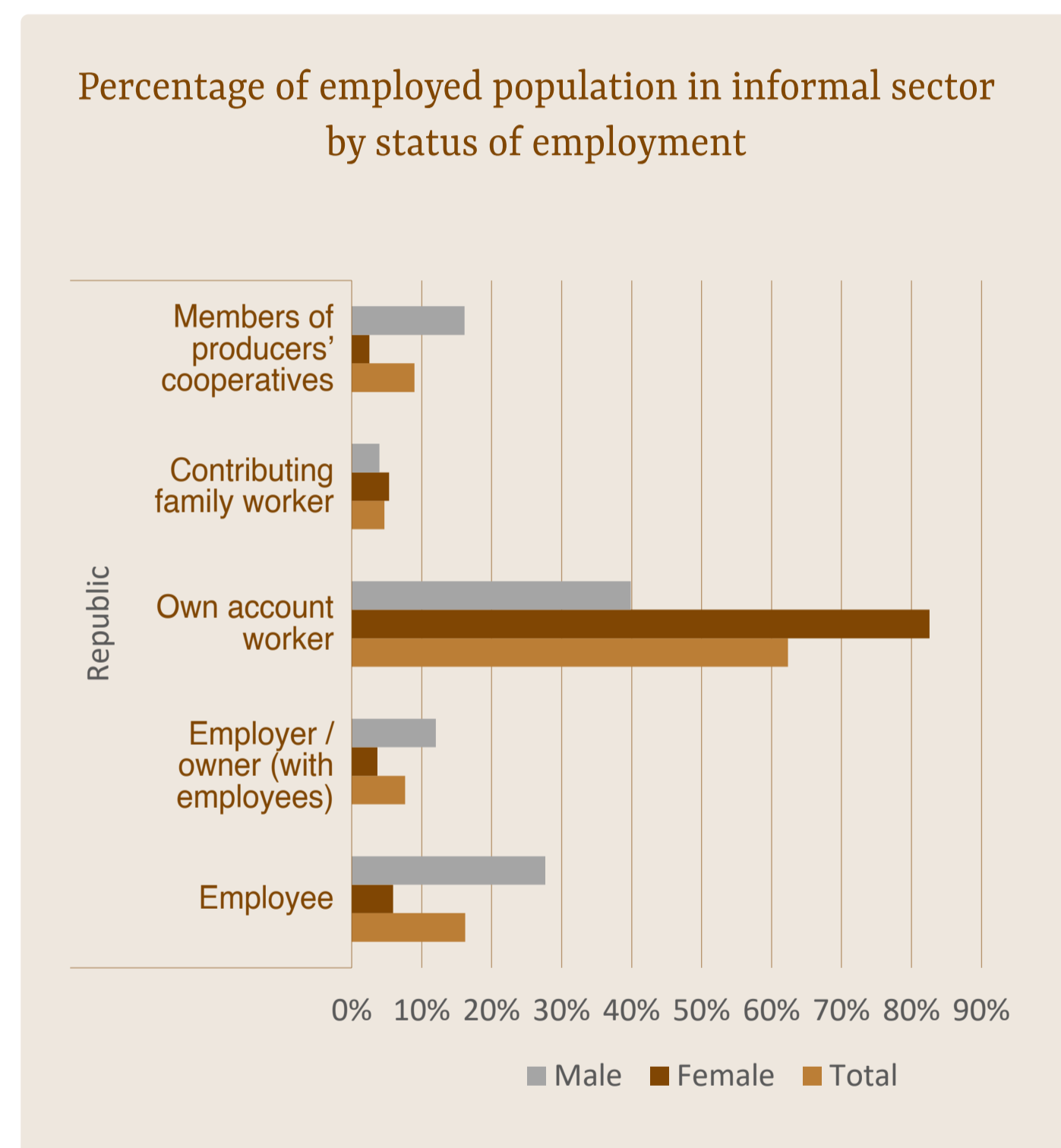


Source: Household Income & Expenditure Survey, 2019

Informal sector and status in employment:

Among employed population in informal sector, 62% were own account workers. For women, the rate of employment in informal sector among own account workers was higher than the national average.

The employment status category with the highest percentage of informality is own-account workers



Source: Household Income & Expenditure Survey, 2019

Age profile of employment in informal sector

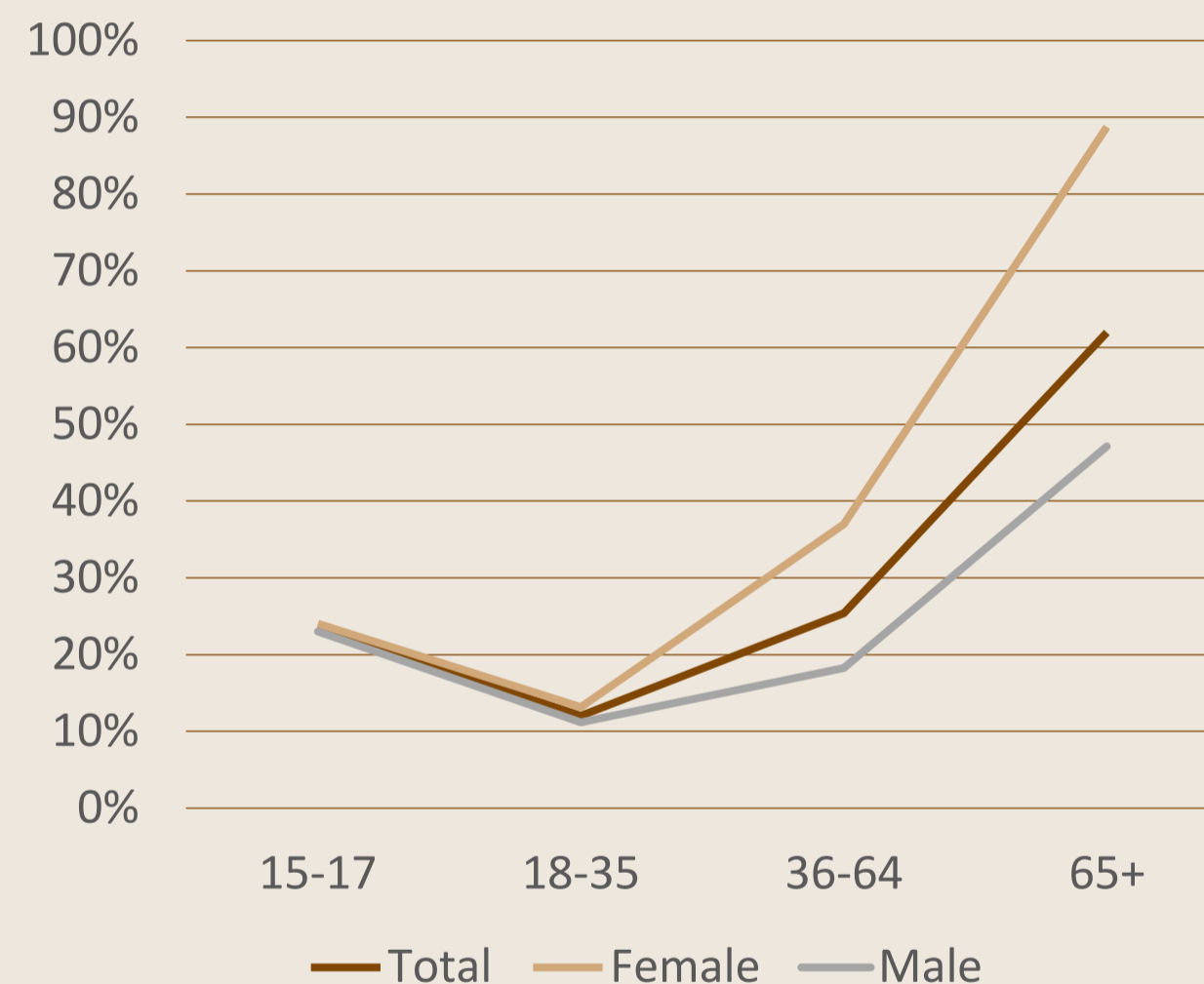
The level of informality is higher among elderly persons.

The age pattern shows a higher rate of employment in informal sector among elderly age than among the middle age groups.

The pattern is almost similar among women and men.

In the case of Atolls, the age pattern shows a U-shaped pattern. This means that employment in informal sector is high among young employed people 15-17 years old and 36-64 years and the elderly 65+ years old than among the youth age groups.

Share of employed population within the broad age group who are working in informal sector, Republic, 2019



Source: Household Income & Expenditure Survey, 2019

Branch of industry in informal sector

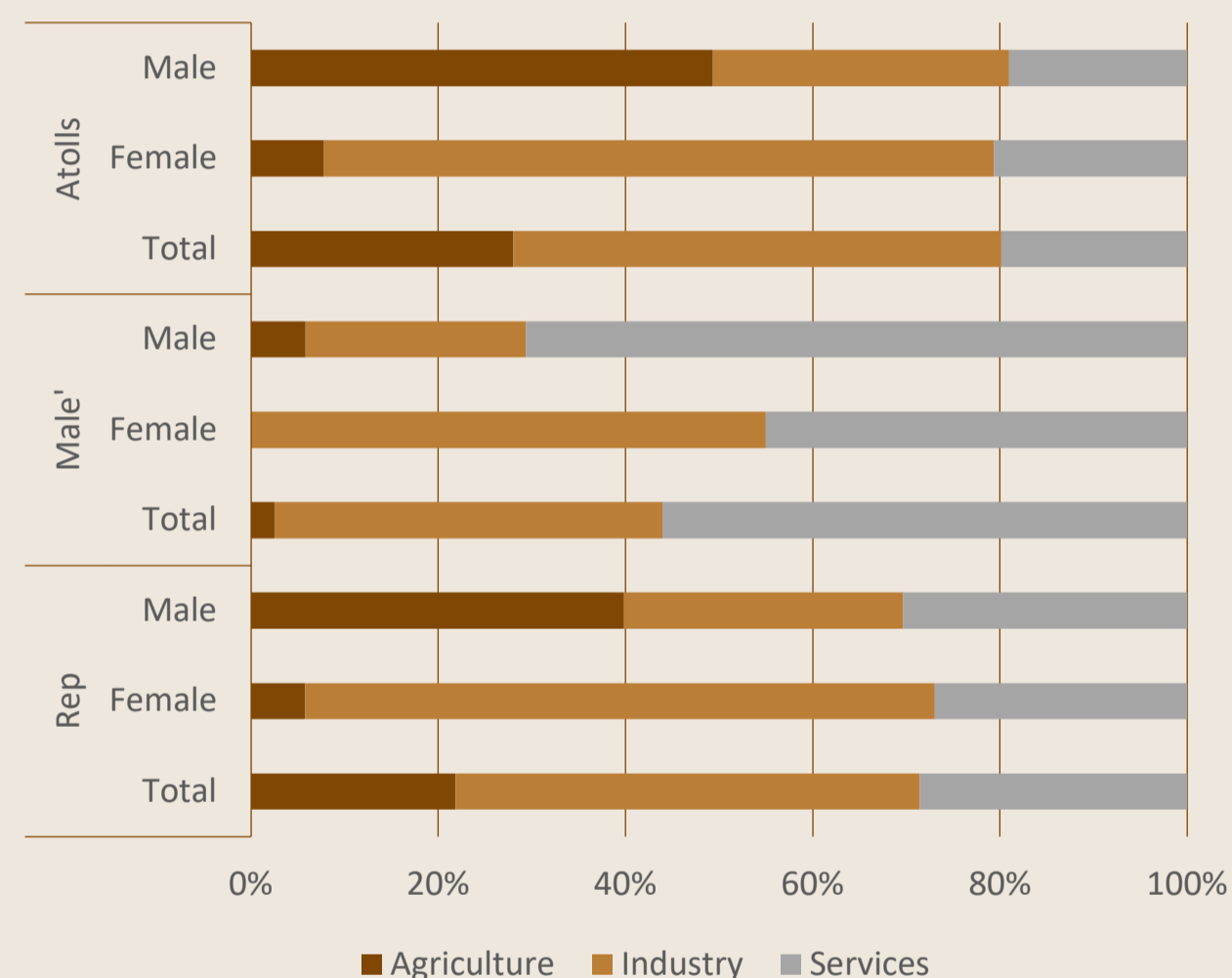
Among those who work in informal sector in the Atolls, 71% of the women work in Manufacturing sector.

Industry comprises 49% of total employment in the informal sector in the country, 41% in Male' and 52% in Atolls.

By contrast the agriculture sector comprises 22% of total employment in the informal sector in the country and 28% in the Atolls.

Manufacturing sector was the denominating sector under Industry. Among manufacturing majority of the women involved in producing short eats, thatching and weaving ropes.

Distribution employment in informal sector by broad industry



Source: Household Income & Expenditure Survey, 2019

Branch of economic activity in Informal sector

Republic	Total	Female	Male
Agriculture	22%	6%	40%
Fisheries	16%	0%	32%
Industry	49%	67%	30%
Manufacturing	43%	67%	16%
Service	28%	27%	30%
Trade	7%	4%	10%
Education	9%	15%	1%

Source: Household Income & Expenditure Survey, 2019

Top 5 Occupation among informal sector

Majority of the women in the Atolls work in thatching, weaving of ropes etc.

Among employment in informal sector, overall, at national level, the most common occupation is as “Handicraft workers in wood, basketry and related materials” (13%) followed by “Bakers, pastry-cooks & confectionery makers” (11%).

The pattern is similar for women & in Atolls. However, this pattern is different in Male’. In Male’, “Teaching professionals not elsewhere classified” was most common occupation among employment in informal sector.

Majority of men in involved fishing as their informal work.

Top 5 occupation at National level- Number of employed population working in Informal sector

Republic	Total	Female	Male
Handicraft workers in wood, basketry and related materials	4,445	4,098	347
Bakers, pastry-cooks and confectionery makers	3,949	3,882	67
Deep-sea fishery workers	3,072	7	3,065
Teaching professionals not elsewhere classified	2,869	2,715	155
Tailors, dressmakers, furriers and hatters	1,950	1,878	72

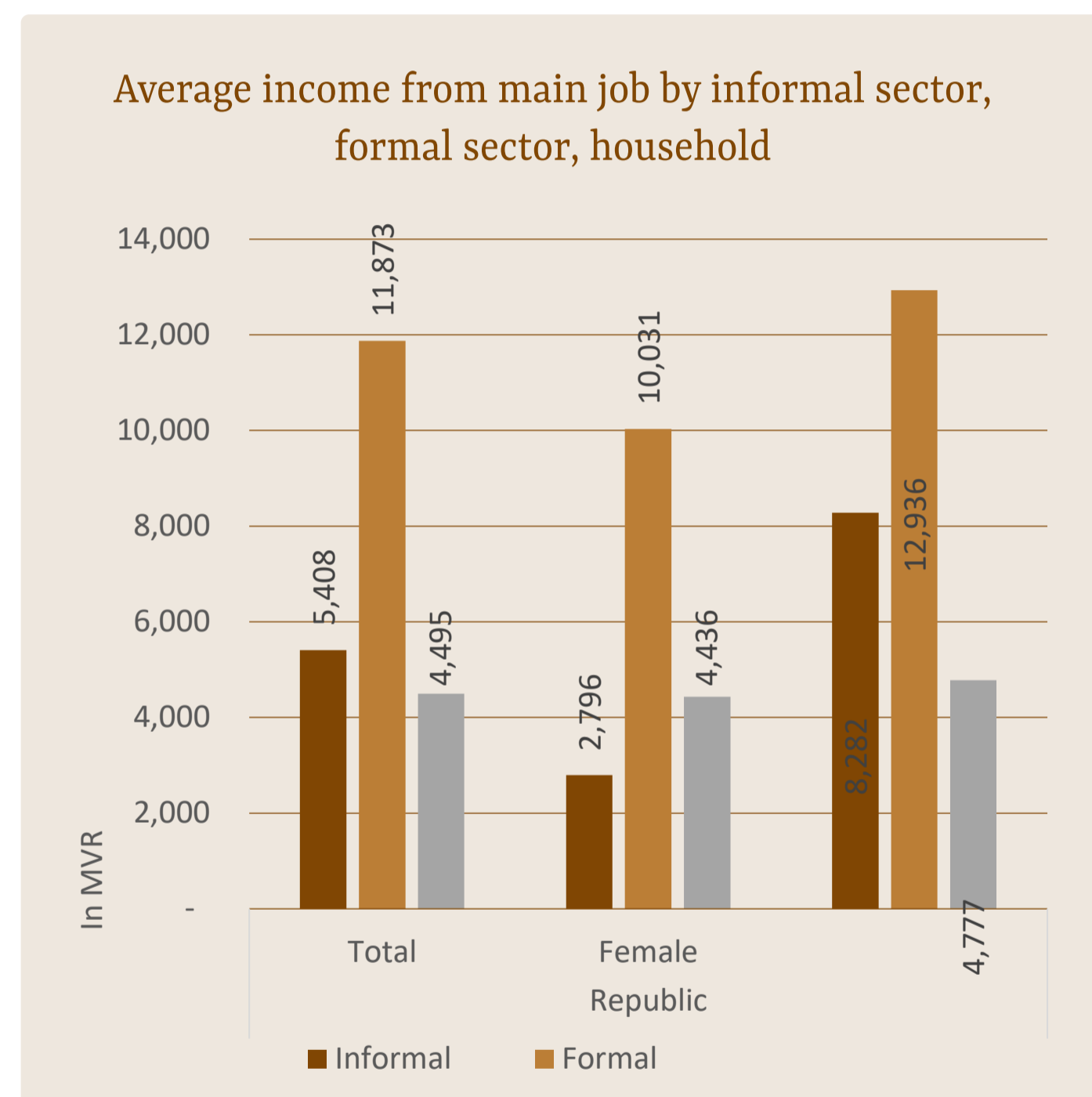
Source: Household Income & Expenditure Survey, 2019

Average income from the main job

Average income is low among informal sector

The average monthly earning is twice lower among those who work in informal sector than formal sector.

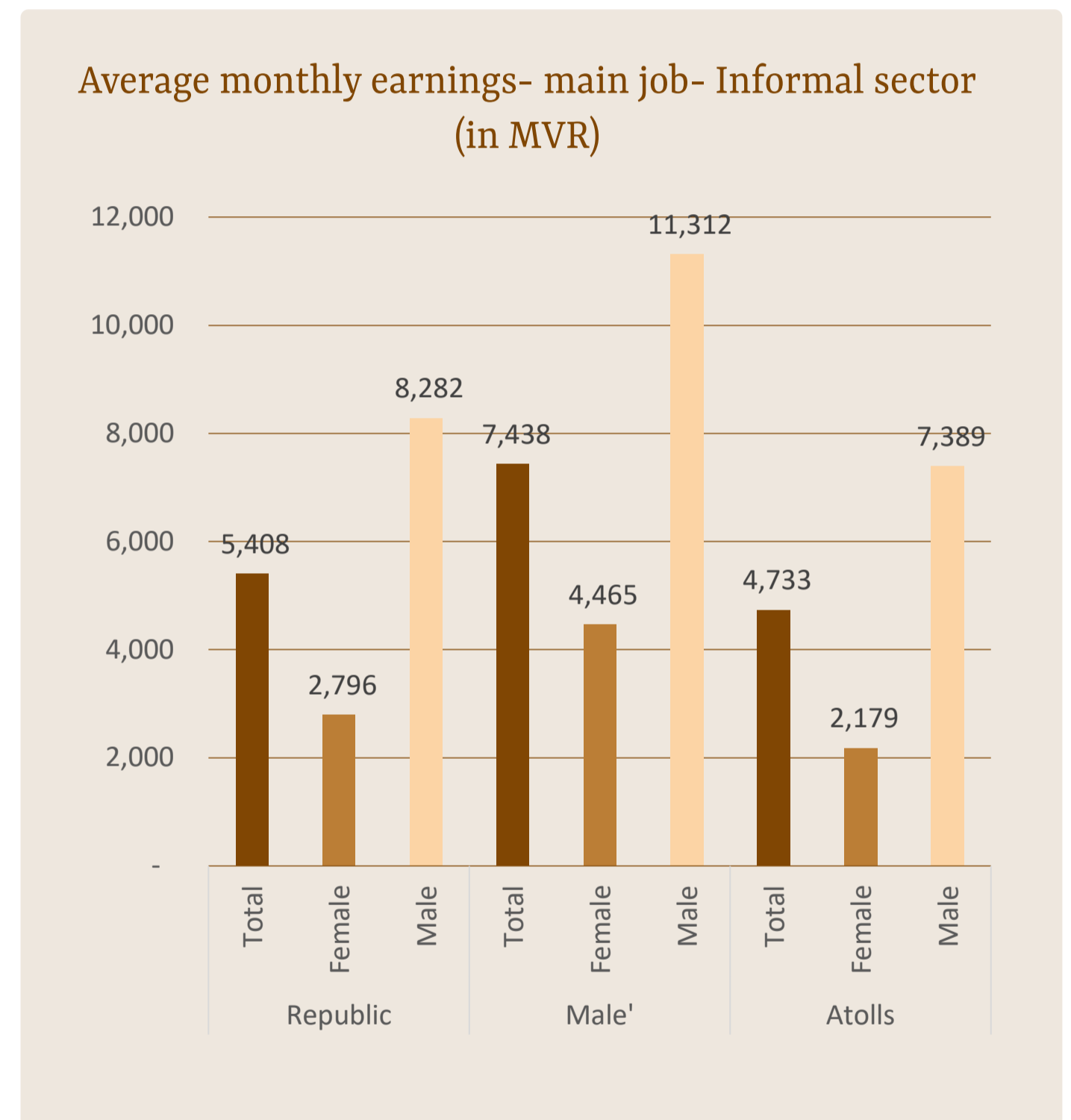
The pay gap between the formal sector and informal sector is huge among women. This could be the fact that the type of work they carried out is different and the hours spent on work is also different. On average a woman spent 8 hours in the formal sector while 5 hours in informal work. The similar pattern holds for Male' & Atolls.



Source: Household Income & Expenditure Survey, 2019

The average monthly earnings for an employed person in informal sector for the main job is MVR 5,408, while in Male' it is MVR 7,438 and in the Atolls it is MVR 4,733. The data shows there is a huge earning gap between Male' and Atolls.

In Male', the average monthly earning is nearly double compared to Atolls. The average monthly earnings in the Male' is higher than the overall national averages.

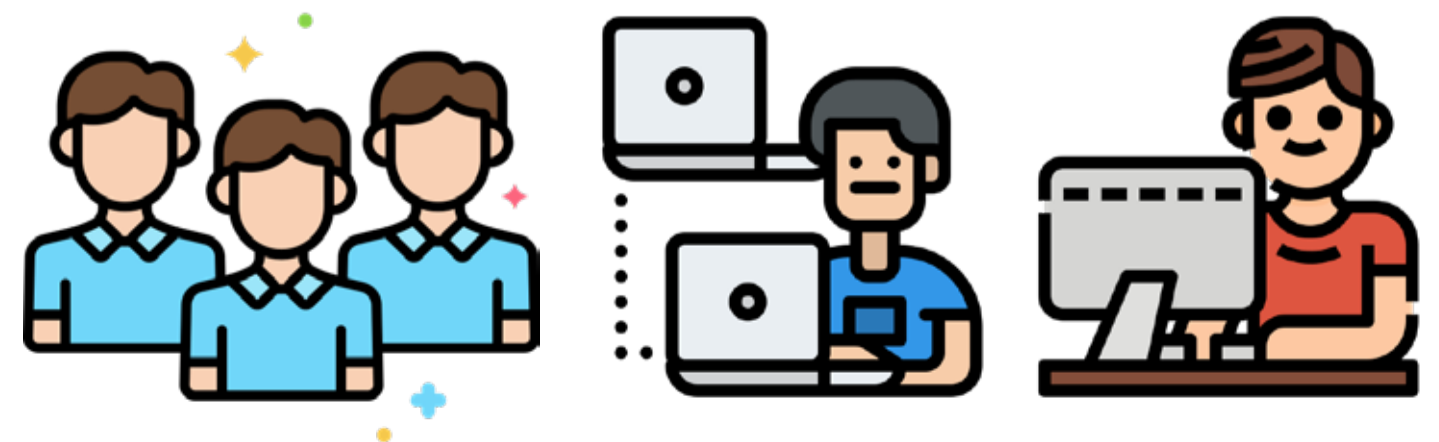


Source: Household Income & Expenditure Survey, 2019

Informal employment

Definition

The components of informal employment are employment in the informal sector, in the formal sector and in households. Employment in the informal sector (i.e., informal enterprises) is comprised of employers, employees, own-account workers and contributing family workers. Informal employment in the formal sector includes employees and contributing family workers in formal enterprises who do not receive social protection contributions by their employer or, in the absence of information on social protection, do not receive paid annual and paid sick leave. Informal employment in households consists of domestic workers employed by households who do not receive social protection contributions from their employers or, alternatively, do not receive paid annual and paid sick leave.



Composition of the informal economy

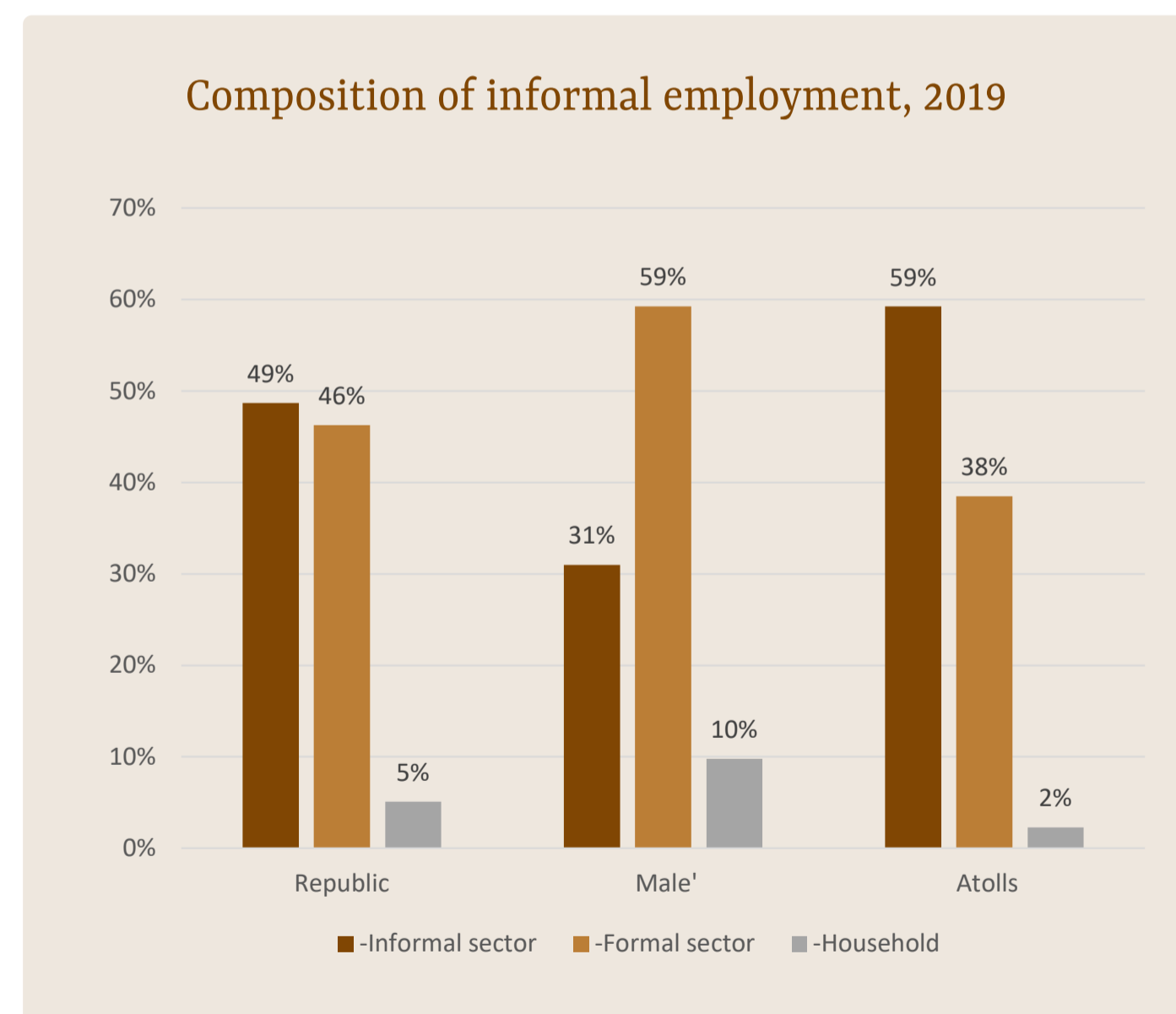
In Atolls, employment in the informal sector is the largest of the three components of informal employment.

Informal employment can be in the informal sector, in the formal sector or in the household sector.

The 39% of employment that is informal is comprised of 49% in the informal sector, 46% in the formal sector and 5% in households.

In Male', informal employment in the formal sector is somewhat large proportion of informal employment.

In Atolls, employment in the informal sector is the largest of the three components of informal employment.



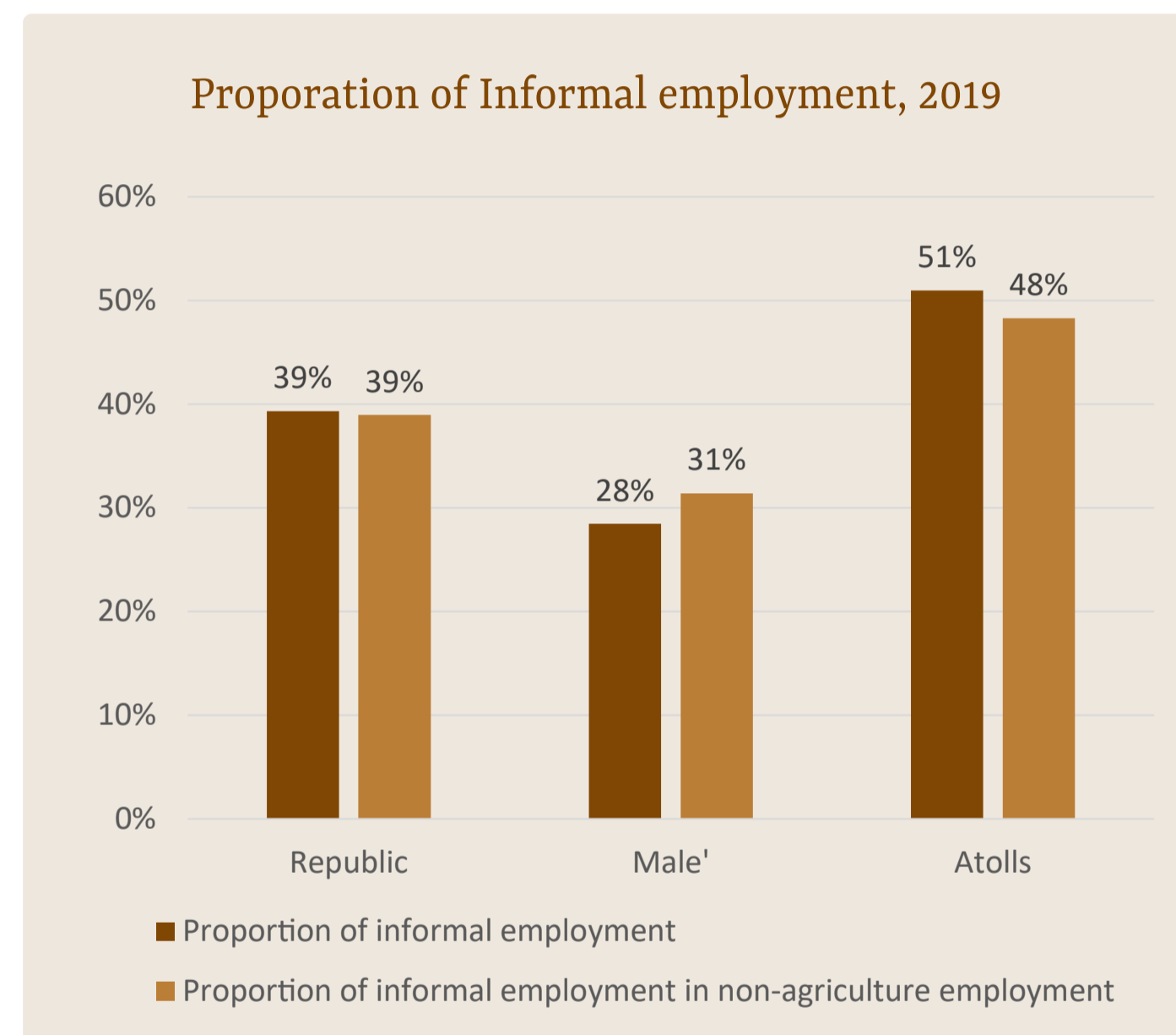
Source: Household Income & Expenditure Survey, 2019

Informal employment

Informality is highest in Atolls.

39% of the employed population are informally employed. Informality is highest in Atolls.

Excluding agriculture, the level of informal employment slightly falls. Informal employment remains same at 39% of non-agricultural employment in the country, 48% in Atolls & 31% in Male'.



Source: Household Income & Expenditure Survey, 2019

Men vs Women

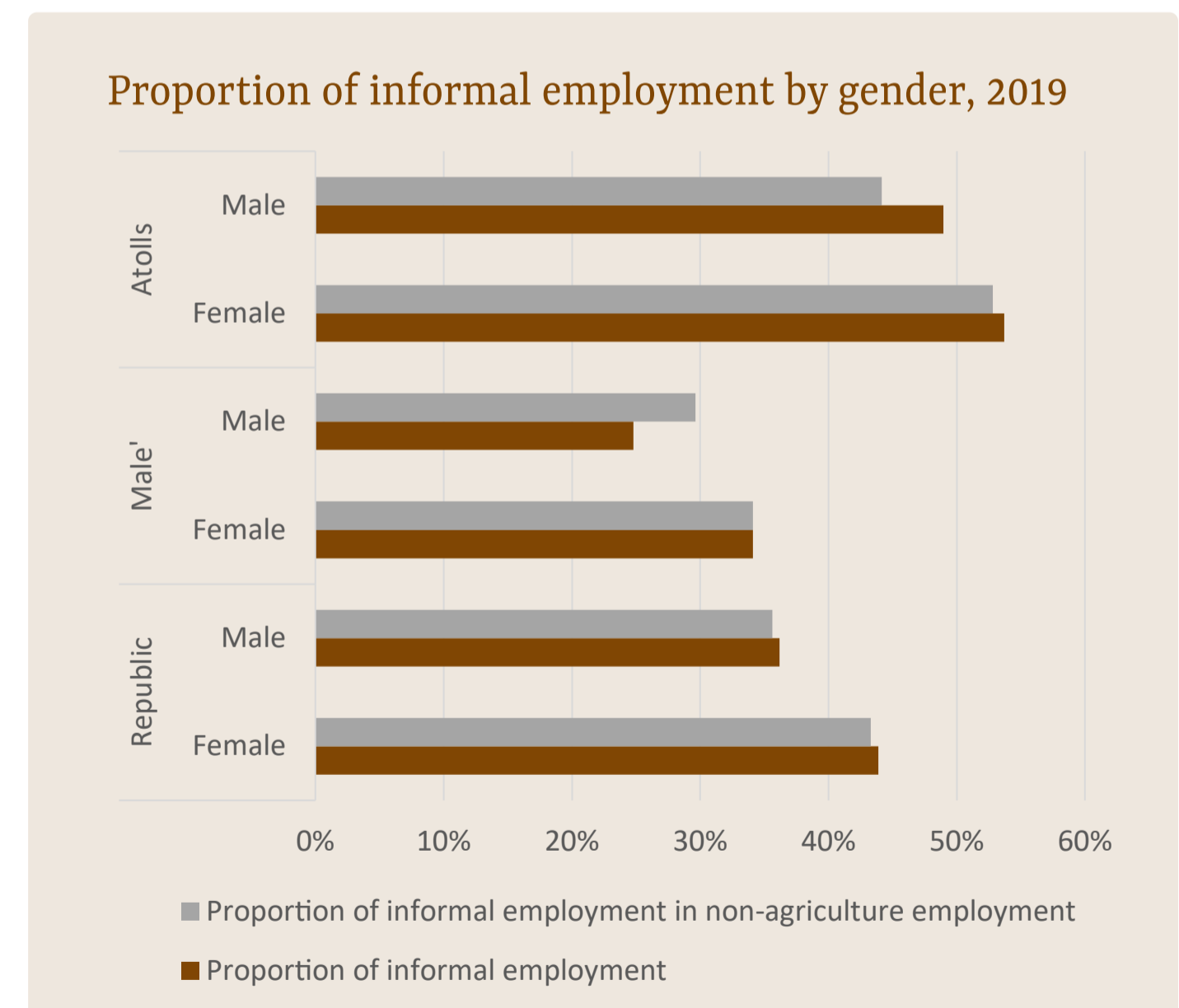
Women have higher rates of informal employment than men

The employment to working age population ratio is lower for women than for men. The gap between women and men is high in Atoll than in Male'. This difference is reflected in lower gap between women and men in informal employment (54% vs 49%) in the Atolls.

Although informal employment is a greater source of employment for women than for men, women's lower employment to population ratios limit the effect of their high rates of informality. Another factor explaining the gap is the type of employment that women work. While women have low labour force participation rates, a substantial portion of their employment is in public sector jobs (specially in civil service), which are mainly formal.

This maybe as a result of less working hours by women compared to men as discussed earlier. However, this needs to be further investigated. There is absolutely misbalance in the average monthly income between men and women.

If agriculture is excluded, women have a high rate of informality than men in the Atolls.





Source: Household Income & Expenditure Survey, 2019



Maldives Bureau of Statistics
Ministry of National Planning, Housing & Infrastructure,
Dharul Eman Building (7, 8, 9th Floor),
Majeedhee Magu,
Male 20345,
Republic of Maldives

info@stats.gov.mv
<http://statisticsmaldives.gov.mv>

 @statsmaldives
 @statsmaldives