



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

RAPID ASSESSMENT OF THE IMPACT OF COVID-19 ON HOUSEHOLD INCOME, EXPENDITURE AND EMPLOYMENT

MALDIVES MARCH 2021



AUTHOR:

Ms. Aishath Laila

Layout Design & Cover artwork:

Mohamed Irfan

This report was published by Maldives Bureau of Statistics,
Government of Maldives

Copyright © 2022. All rights reserved.

Rapid assessment of the impact of COVID-19 on household income, expenditure and employment

Maldives - March 2021



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

Table of Contents

Acknowledgement	6
1. Introduction	7
2. COVID-19 related key events, HIES 2019 till rapid assessment 2021 . . .	8
3. Methodology.	9
4. Household Composition.	11
5. Population profile.	13
5.1 Comparison of HIES 2019 & COVID-19 – for existing members only	13
5.2 Age and Sex – including both existing and new members	15
5.3 Highest educational attainment	16
5.4 Movement of household members	17
6. Impact on livelihoods	19
6.1 Employment and how it has been affected by COVID-19	19
6.1.1 New members	19
6.1.2 Members as in HIES 2019	22
6.1.2.1 Agriculture & Fisheries sector	22
6.1.2.2 Own or family business except Agriculture & Fisheries sector	23
6.1.2.3 Employees	25
6.1.3 Combined impact	28

7. Expense on rent	28
8. Household Income	29
9. Coping Strategies	34
10. Food security situation	35
11. Current situation – March 2021, COVID assessment.	38

Acknowledgement

First, we would like to acknowledge the support and cooperation received from all the households selected in the sample and convey our heartfelt appreciation for providing the valuable information for the survey. Secondly, we would like to thank all the enumerators and supervisors involved in the data collection, for their hard work during the survey period.

The hard work and contributions by the staff of Statistical Survey and Data processing Division, at all stages of the survey is also acknowledged as follows. Sampling Design was prepared by Ms. Aishath Laila. Preparations, implementation, and management of the survey in terms of the questionnaire design, training manual, conduction of training, data collection, coding, editing, and entry was led by Ms. Aishath Laila, Ms. Fathimath Nihan and the staff from Statistical Survey and Data processing Division comprising of Ms. Mariyam Imsa Shakir, Ms. Lamha Shareef, Ms. Fathimath Hashiya, Mr. Ahmed Shaheed, Mr. Ali Shafeeu and Mr. Ismail Mahfooz.

Data processing was carried out by MBS team comprising of Ms. Nazima Shareef, Mr. Ahmed Shaheed, Mr. Ali Shafeeu and Mr. Ismail Mahfooz under the supervision of Ms. Fathimath Nihan. Mr. Ismail Mahfooz carried out data cleaning under the supervision of Ms. Aishath Laila.

The survey report was written by Ms. Aishath Laila. The layout, compilation and design was done by Mr. Mohamed Irfan and Ms. Lamha Shareef.

We would also like to sincerely thank Mr. Upamanyu Datta for his guidance at all stages of the survey starting from questionnaire designing to report finalization.

Planning and management of the survey operation was carried out with the direct supervision and guidance of Ms. Aishath Laila and Ms. Fathimath Nihan under the overall guidance of Ms. Aishath Shahuda.

The survey was solely funded by World Bank.

Statistical Survey and Data processing Division
Maldives Bureau of Statistics
Ministry of National planning, housing and Infrastructure

Rapid assessment of the impact of COVID-19 on household income, expenditure and employment, Maldives - March 2021

1. Introduction

The COVID-19 pandemic has brought upon severe and acute losses in many economies around the globe, including the Maldives. State of public health emergency was declared in the country on 12 March 2020. With the first case of community transmission discovered on 15 April 2020, Maldives enforced strict lockdown measures. National borders remained closed from 27 March to 14 July 2020, resulting in devastating impacts to the economy, especially the tourism and industries related to tourism.

A significant portion of the population either directly or indirectly earn through the tourism sector, making Maldives the hardest hit country in South Asia. Tourism is the main industry accounting for one fourth of the country's GDP and registered an annual growth rate of 7% in 2019. According to official statistics, quarterly GDP declined by 4.2% in Q1, 51.8% in Q2, 44.6% in Q3 and 36.1% in Q4 when compared to same quarter of previous year. The second estimate of annual real GDP of 2020 is estimated at MVR 51,248 million. This is a decrease of MVR 25,914 million compared to 2019, indicating a decline of 33.6% in annual growth rate¹.

Government formulated an economic relief package composed of financial support and relief to individuals, households and businesses to ensure job security and livelihood of Maldivians affected by the pandemic. Income support allowance was aimed to provide a safety-net to affected and displaced workers due to COVID-19.

During this fluid and uncertain situation, timely and reliable data is of essence. This is to ensure that we are able to navigate the path to a smooth and sustainable recovery, leaving no one behind.

Household Income & Expenditure Survey (HIES) is one of the national wide surveys conducted in the country every 5 years. When the first case of COVID-19 was reported in the country, data collection of Household Income and Expenditure Survey HIES 2019 was ongoing. The main aim

¹ <http://statisticsmaldives.gov.mv/nbs/wp-content/uploads/2021/07/QNA-2021-Q1.pdf>

of HIES is to produce reliable official statistics on different components of income, expenditure, employment and poverty situation of households. Original sample of HIES 2019 was designed to provide results that were representative at the level of each Atoll, similar to that of HIES 2016.

Upon the declaration of state of public health emergency in the country, MBS suspended the survey field work, although 3 out of the 20 Atolls were not yet surveyed. With the situation deteriorating and the huge impact the pandemic was having on the economy and people's livelihoods, even if the remaining three Atolls were surveyed, the economic situation of the households post and pre-pandemic would not be comparable. As such data already collected was used to generate the results of HIES 2019 at the national, Male' and Atolls level.

COVID-19 is expected to have had a huge impact on the income, employment, expenditure and the poverty situation. In order to gauge the impact of the pandemic at household level, it was decided to undertake a rapid assessment to understand the impact of COVID-19 on household income and expenditure in March 2021. As face-to-face data collection was still not possible, computer assisted telephone interview method (CATI) was used for data collection. The assessment was undertaken in collaboration with World Bank as was the case with HIES 2019.

The rapid assessment followed the principle of a 'panel' of the same households; the sample covered the same households as in HIES 2019. By doing this, MBS will be able to show pre and post COVID-19 impact on households.

2. COVID-19 related key events, HIES 2019 till rapid assessment 2021

In order to help contextualise the situation, some key events and time periods between March 2020 when field work of HIES 2019 was discontinued till the time when the field work of rapid assessment conducted in March 2021 is outlined below. A year or year and a half in-between these two data collection operations, depending on when a particular household was enumerated in HIES 2019. Field work of HIES was from fourth quarter of 2019 to first quarter of 2020.

- *First Covid-19 case discovered (2 imported cases, tourist resort) on 7 March 2020*
- *State of public health emergency declared in the country on 12 March 2020*
- *Closed country borders on 27 March 2020*
- *First case of community transmission confirmed in Male' on 15 April 2020*
- *A 24-hour lockdown in the Greater Male' Area enforced on 15 April 2020*

- *Businesses, offices, shops, restaurants, re-opened on 1 July 2020*
- *Reopened country borders on 15 July 2020. Tourist resorts, safari vessels resumed operations*
- *Guesthouses resumed operations on 15 October 2020*
- *Roll-out of vaccine on 1 February 2021*
- *Lockdown enforced on 26 May 2021 in the Greater Male' area*
- *Businesses, offices, shops, restaurants, re-opened on 4 July 2020*

Income Support Allowance was paid out for 10 months from April 2020 to December 2020, to eligible Maldivians who were currently unemployed, are on no pay leave, had their salary deducted, had their earnings affected (for self-employed/ freelance workers). Due to COVID-19 related reasons may be eligible for benefits up to MVR 5,000 per month, contingent on having been employed up until 1st December 2019².

At the time when rapid assessment was done during March 2021, COVID-19 status in the country was more controlled with daily new cases of 186 and as of that date total cases 22,153 active cases 3,069 total recovered 19,021 total deaths at 63 recorded³.

3. Methodology

The methodology utilized quantitative data collection. A structured questionnaire was administrated via phone to randomly selected households drawn from respondent from Household Income and Expenditure Survey (HIES) 2019. The rapid assessment followed the principle of a 'panel' of the same households; the sample covered the same households as in HIES 2019, to show pre and post COVID-19 impact on households.

Out of 4,817 households covered in HIES 2019, 600 households were selected randomly for the impact assessment study. This assessment included 600 households spread across the country. Sample were determined and aggregated to ensure results that were representative at national level. Probability proportion sampling method was adopted with the measurement variable used was household. Households were selected using systematic sampling method.

² <https://www.finance.gov.mv/covid-19>

³ <https://covid19.health.gov.mv/dashboard>

After conducting this rapid assessment in March 2021, the country was hit by a new wave and the situation deteriorated substantially, with huge spike in cases. As of 26 May 2021, daily new cases reached to 1,071 and total deaths reached 148, pushing the country into another phase of lock-down on 26 May 2021. It was lifted on 4 July 2021, when the situation improved.

Household Income & Expenditure Survey (HIES) 2019 was used as a sampling frame. To select the households using systematic sampling method a do-file was developed and all the selections were done using STATA software. Before applying the systematic sampling method, sample size was determined and these sample were distributed across the country based on the proportion of households in each Atoll to reflect the distribution of the country.

The survey mainly covers the impacts of COVID-19 and the economic crisis on people's livelihoods and how they are coping. Responses were collected within 2 weeks, from 17 March to 31 March 2021 via phone calls, using a dedicated short-code phone number designated for the MBS. Contact numbers of the respondent from each household, that was recorded during HIES 2019, were used to reach the household for interview. During the survey period, enumerators were unable to contact many households using these contact numbers. In those instances, the household was replaced.

Computer Assisted Telephone Interview (CATI) was used with all the data transferred directly to an online technology platform developed using Survey Solution software of World Bank.

Survey followed an informed consent protocol, whereby, after providing information about the survey and its purpose, only the households that agreed to comply and had no objection was interviewed further. Out of 600 households selected, 590 households participated in the survey.

To mitigate distortions resulting from non-response, weighting systems were developed and applied, based on Male' and Atolls, and dataset finalised and used in the analysis. The findings of this rapid assessment can only be used to gauge the impact on households at national level. The impact separately for Male', Atoll as whole or any single Atoll cannot be assessed using this data.

4. Household Composition

According to 2019 Household Income and Expenditure Survey (HIES), a total of 87,538 households were in the country. Of which, 41,731 households were in Male' and 45,808 were in the Atolls.

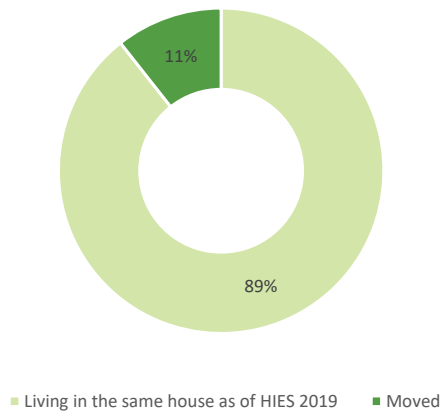


Figure 1: Percentage of households currently living in the same house as HIES 2019

Out of the total households in the country, almost 11% of the households are currently not living in the same house as of HIES 2019.

Among those households, majority of the households (91%) moved to another house within the same island. Only 9% of the households moved to another island. From those households that moved to another islands, 33% of the households have stated that they intend to move back.

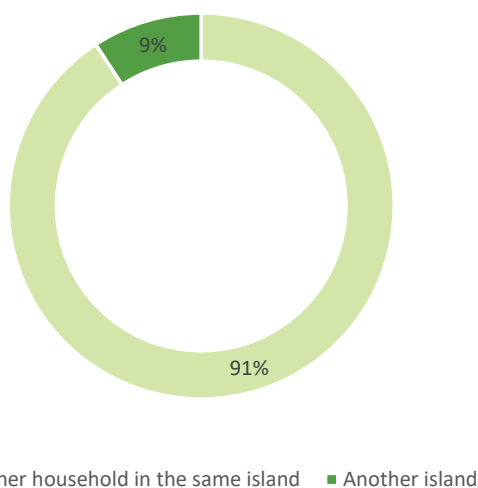


Figure 2: Percentage of households moved, by place, within or outside resident island

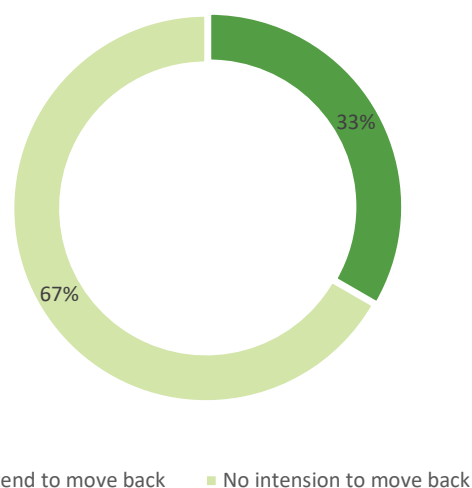


Figure 3: Percentage of households intend to move back

According to HIES 2019, on average 5.2 people live in the household. However, during the pandemic the average household size has increase from 5.2 to 5.4 people.

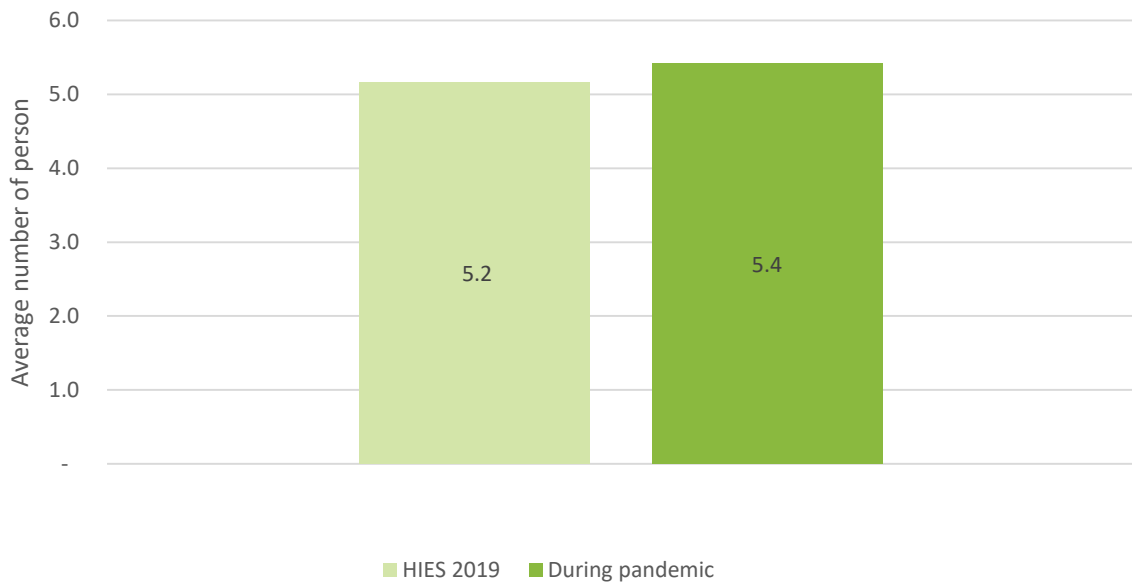


Figure 4: Average number of persons per household, HIES 2019 & during pandemic

The main reason for this increase is due to the change in the household composition. More than one third (34%) of households or 1 in 3 households reported addition of at least 1 new member to their households while 65% of households did not experience an increase in the number of members within their households.

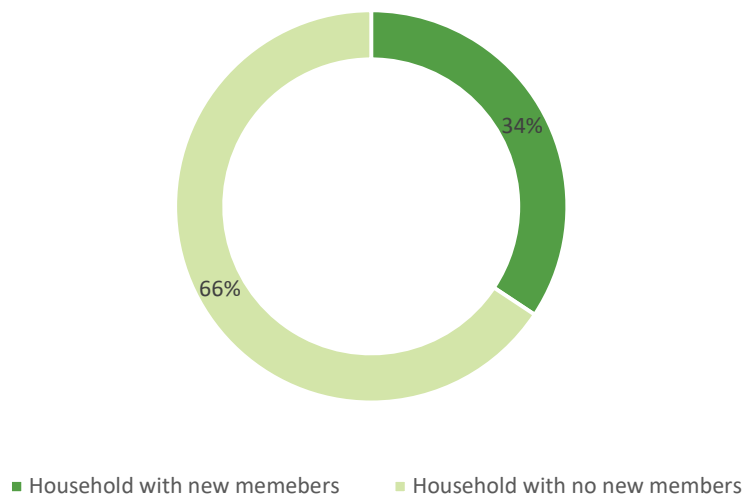


Figure 5: Percentage of households with new members moving into their household

5. Population profile

5.1 Comparison of HIES 2019 & COVID-19 – for existing members only

This section of the report aims to understand some basic demographic analysis of the characteristics of population estimated from COVID-19 considering only those members who were not new in comparison with HIES 2019.

Sex ratio is a useful concept to summarize the balance between the male and female populations. A sex ratio of 100 indicates a balance between the male and female populations, a ratio above 100 indicates a larger male population, and a ratio below 100 indicates a larger female population. In HIES 2019⁴, the sex ratio was 90 males per 100 females, signifying an excess of females in the population. By considering only those members who were not new in COVID-19 study, a similar ratio was observed. In COVID-19 assessment also shows that there were more female than male (refer Table 1).

Dependency ratio is the ratio of children and elderly to working age population. This ratio suggests a country's ability to support the young and old. Generally, the higher the dependency ratio, the greater the proportion of children and old persons in relation to the working age population, and therefore, the greater the burden that the working age population has to carry. In contrast, lower dependency ratios usually signify better prospects for rapid socio-economic development. In HES 2019, the population had a total dependency ratio of 54. The child dependency ratio is 44 which indicate that 44% of the child population is dependent on the working age group (15-64) while 8% of the elderly population were dependent on the working age population (15-64). Similar ratios were observed in COVID-19 assessment study (refer Table 1)

⁴ In HIES 2019, resort sector as well as those residing in industrial islands and institution population was excluded

Indicator	HIES 2019	COVID-19 ⁵
Sex ratio	90	88
Dependency ratio	54	58
Child dependency ratio	45	49
Elderly dependency ratio	8	9

Table 1: Sex ratio & dependency ratio, HIES 2019 & COVID-19⁵

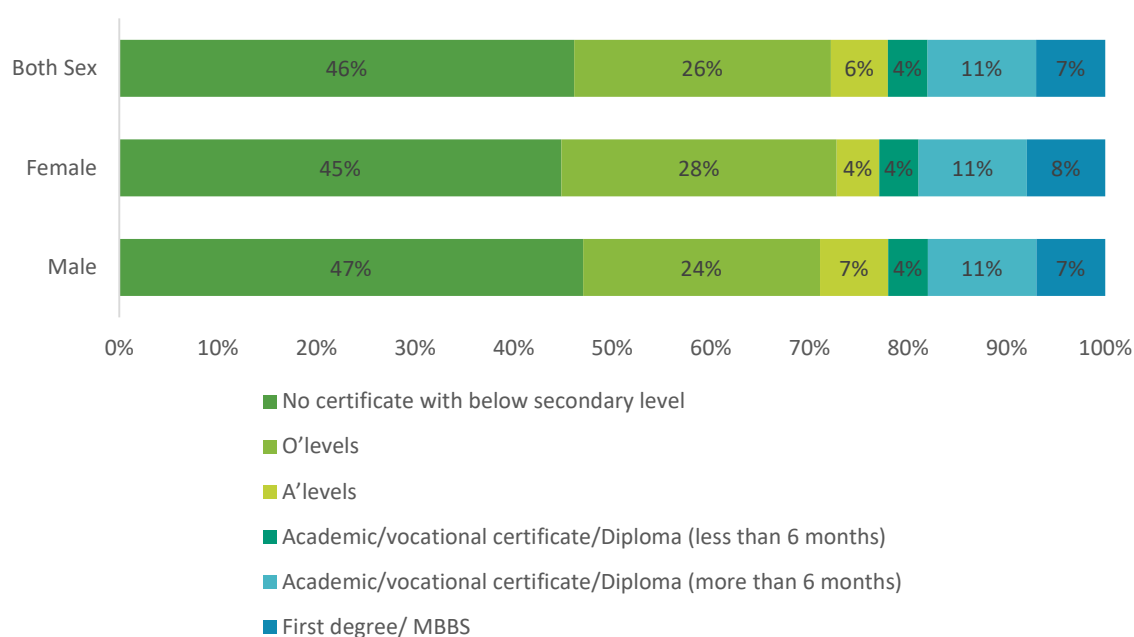


Figure 6: Highest Educational attainment for 15 years and above population - only existing members

Majority of the population (54%) have achieved secondary level or above education, with 26% having achieved O'level and 7% degree or above. The remaining 15 years and above population have completed primary or were not able to complete their secondary education. Students usually complete grade 10 at age 16 years, after which they do their O'levels and attain educational certificates. This distribution is similar to what HIES 2019 showed.

The distribution was found to be similar for both male and female, with majority having completed secondary level or above.

⁵ Only existing members as in HIES 2019

5.2 Age and Sex – including both existing and new members

Of the total population, 53% were women and 69% were 15 years of age and above. In HIES 2019, also shows a similar distribution. However, among newly joined members to the household the majority were men. This change could be seen due to the high proportion of population employed in tourism industry and live-in tourist resorts have returned to their households due to the closure of the resorts during this pandemic period. Majority of the resort employees were men, and resorts were not in the scope of HIES 2019.

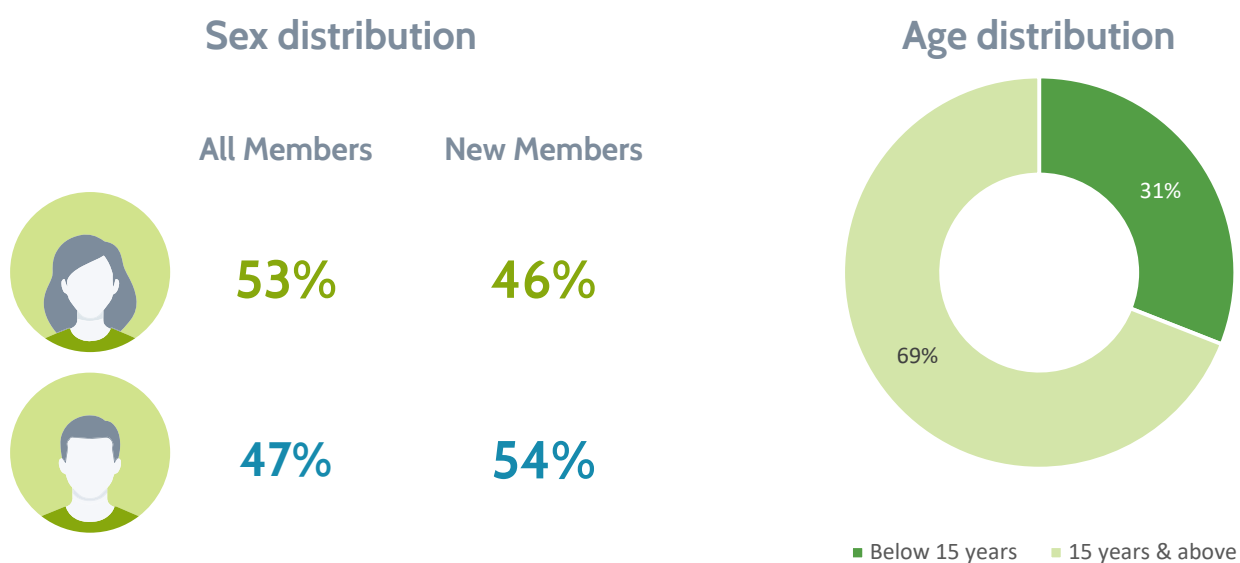


Figure 7: Sex and age distribution of the population

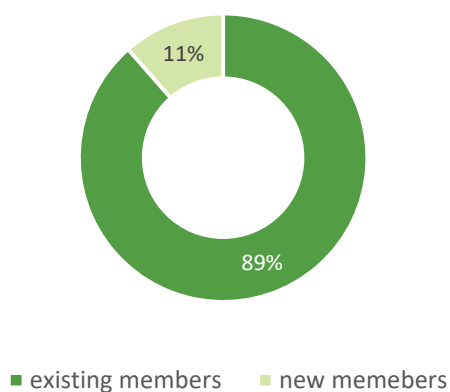


Figure 8: Composition of household

During the survey a question was asked to find out whether the household composition has changed in comparison with HIES 2019. The survey results revealed that 11% of the respondents were new members who joined the household after HIES 2019. Among new members, 54% were males.

Figure 9 shows the age and sex of the new members in the households. Males represented 54% of the new members in the surveyed households which includes 14% of males under the age of 15 years and 39% of males 15 years of age and above.

Females represented 46% of the new members in the surveyed households with 13% under the age of 15 years and 33% above the age of 15 years.

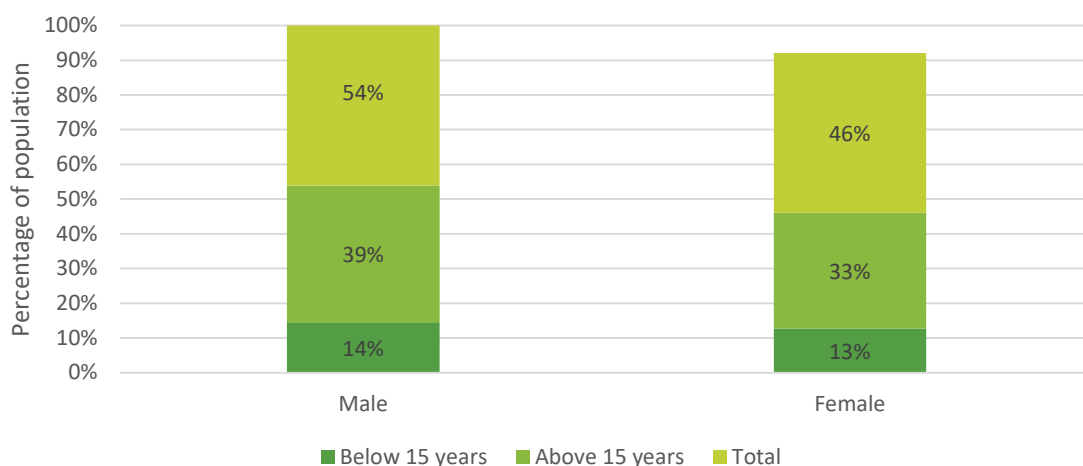


Figure 9: New household members by age and sex

5.3 Highest educational attainment

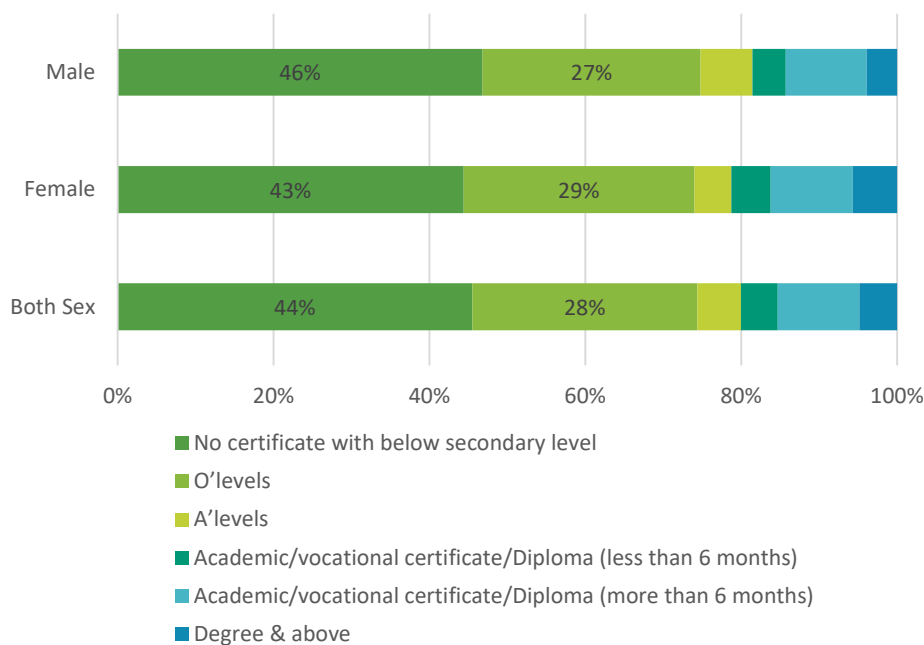


Figure 10: Highest Educational attainment for 15 years and above population- including both existing and new members

Like the existing member education distribution, when existing and new members were considered, the education distribution remains similar. Majority of the population have achieved secondary level or above education. The remaining 15 years and above population have completed primary or were not able to complete their secondary education.

The distribution was found to be similar for both male and female, with majority having completed secondary level or above.

5.4 Movement of household members

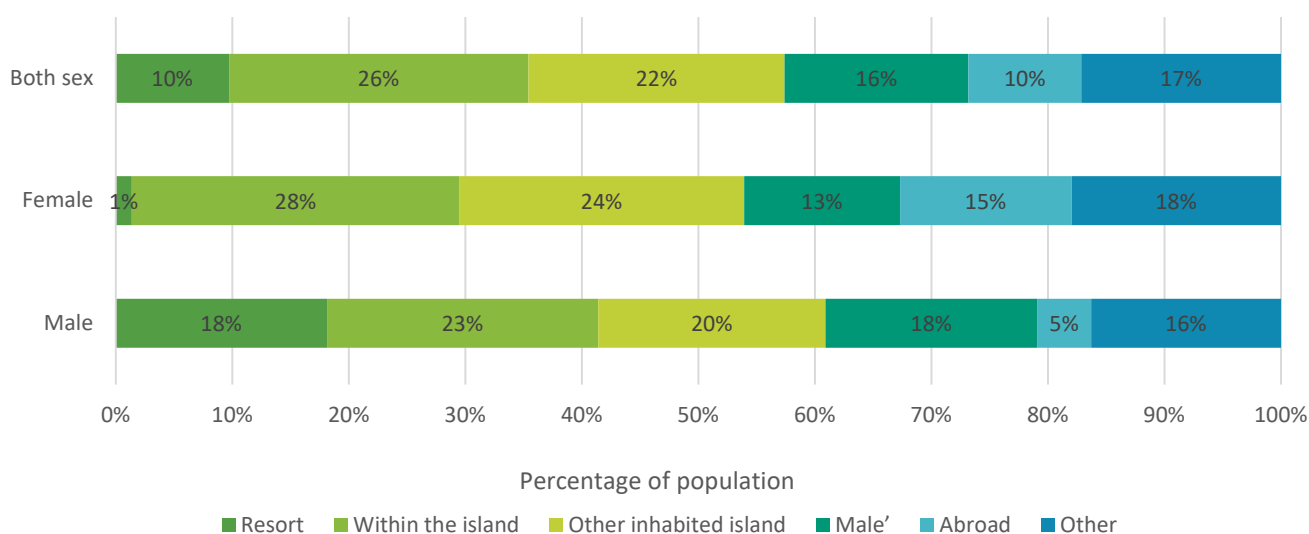


Figure 11: Percentage of New members by gender and the place where they moved from

Figure 11 shows the new members of the surveyed households, by the place where they moved from. More than a quarter of the new household members have moved from another households within the same island, while 22% have moved from other inhabited islands. It's interesting to note that 10% of new members moved from resorts and another 10% from abroad. Household members living abroad returned home during COVID. Students returned due to closure of educational institutions and pursued their education online.

The majority of the male as well as the female respondents have moved to the household either from another household within same islands or from another inhabitant island. Among female only 1% of the respondents have stated that they have moved from resort. This small proportion is due to the fact that only few females work in the tourist resorts.

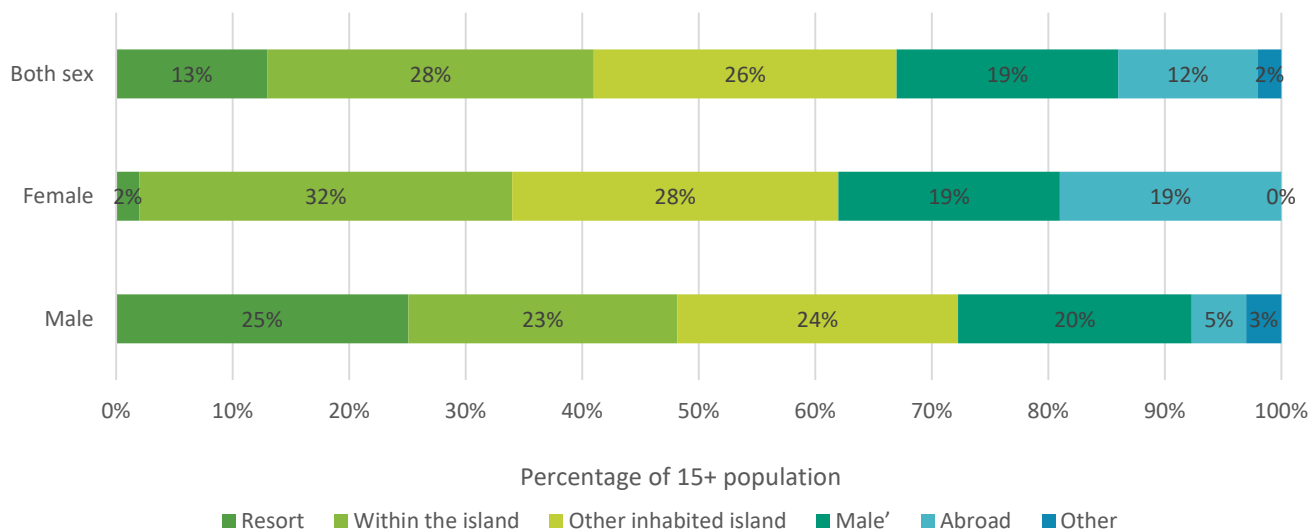


Figure 12: Additional members by the place where they moved from – for 15 years and above population

When population of 15 years and is considered, one fourth of the new Male members moved to the household from resorts, while approximately a quarter them also moved from inhabited islands. In the case of female new members, almost one third of the respondents have moved from others households within the same island.

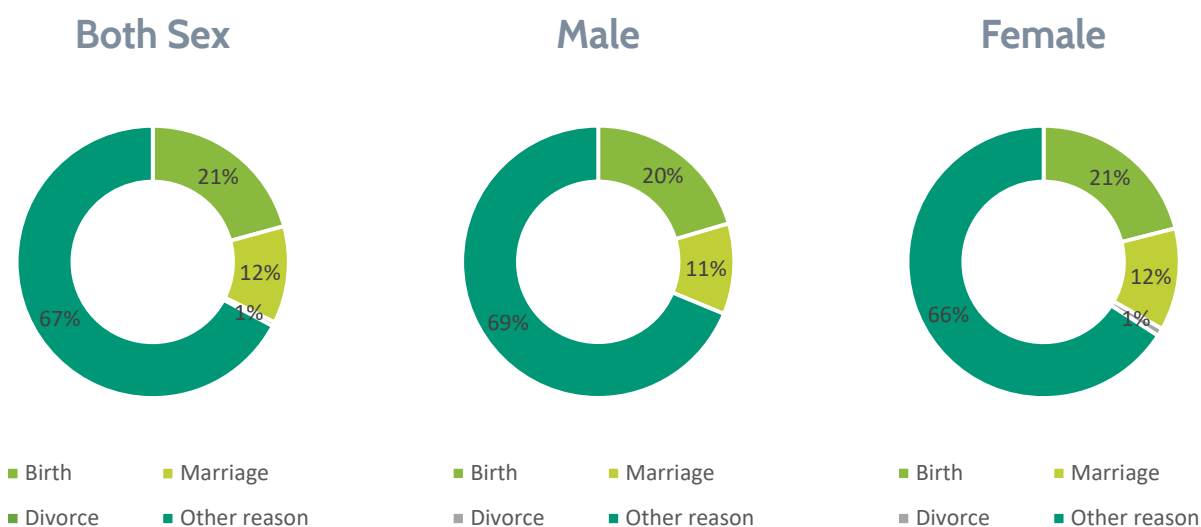


Figure 13: Reason to move to the household

When considered both sexes, most new members of the surveyed households moved due to unspecified reasons, while 21% of the additional members present in the household is due to birth and 12% of new members moved due to marriage. Divorce was cited by 1% of respondents as a reason for moving.

As this question had pre-coded answer categories, all other reasons not listed got lumped together and the category is quite large. Among other reasons, most likely reasons include return

of household members who were living abroad, including students and resort employees who returned home due to termination, paid or unpaid leave. Due to closure of Maldivian boarder for tourists, the tourism industry operations went into a standstill for a period during 2020, which directly affected the employment and livelihood of a number of workers reliant on the industry. And as students were able to continue their education back at home via online mode during the uncertain period of pandemic and hence did not require to stay abroad. The above mentioned two movements are expected to be of a temporary nature. In HIES 2019, those resort employees reside in the resort as well as the student living abroad are not considered as member of their households.

6. Impact on livelihoods

6.1 Employment and how it has been affected by COVID-19

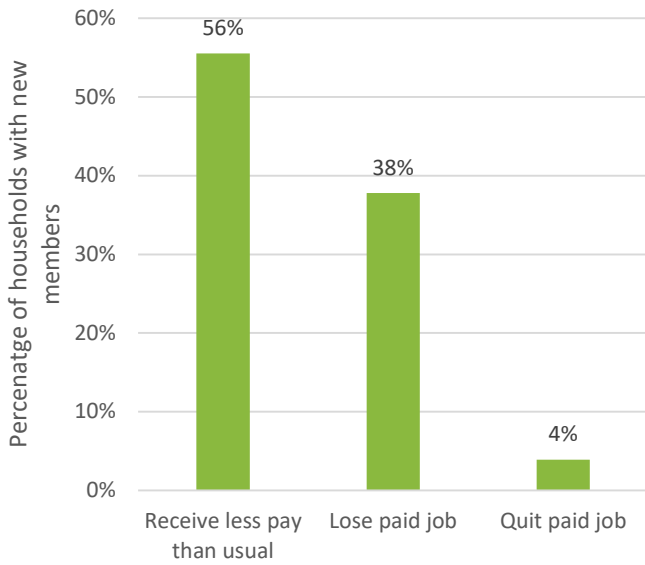
6.1.1 New members

According to the COVID-19 impact survey, one in three households report at least one new member in their household.

In order to capture the COVID-19 impact on employment status, respondents were asked whether individual ability to carry out their work activities has been jeopardized as a result of containment measures. Among the new members of the households, 56% of the households responded that they receive less than their usual pay while 38% of new members cited loss of paid job (unemployed). Also, 4% of new members had to quit their paid job

Among those households with no new members, 5% of households responded that they have to stop or delay fishing activities, 2% of the households have reported that they have to stop or delay farming, 16% of the households had to close or stop their business and 16% of households have lose paid jobs.

a. Households with no new members



b. Households with no new members

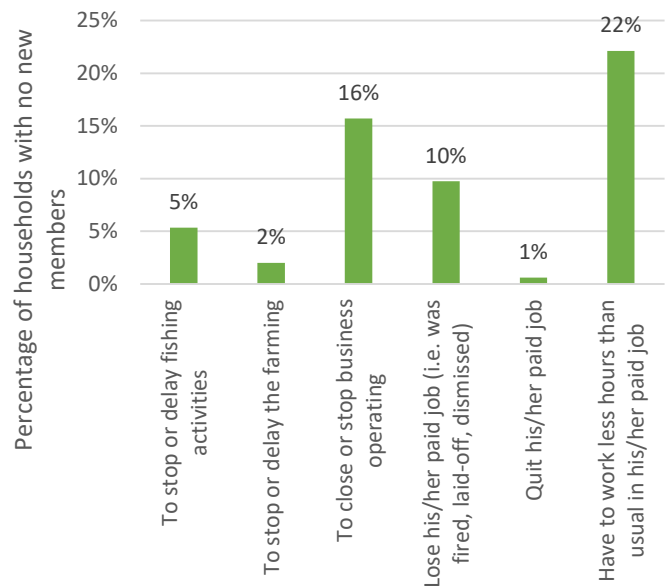


Figure 14: Employment status of the new members-change due to COVID-19

When looking into the impact of COVID-19 by industry of the new household members (Figure 15), results revealed that the tourism sector has been hardly hit. These are followed by the fisheries sector as well as the education sector.

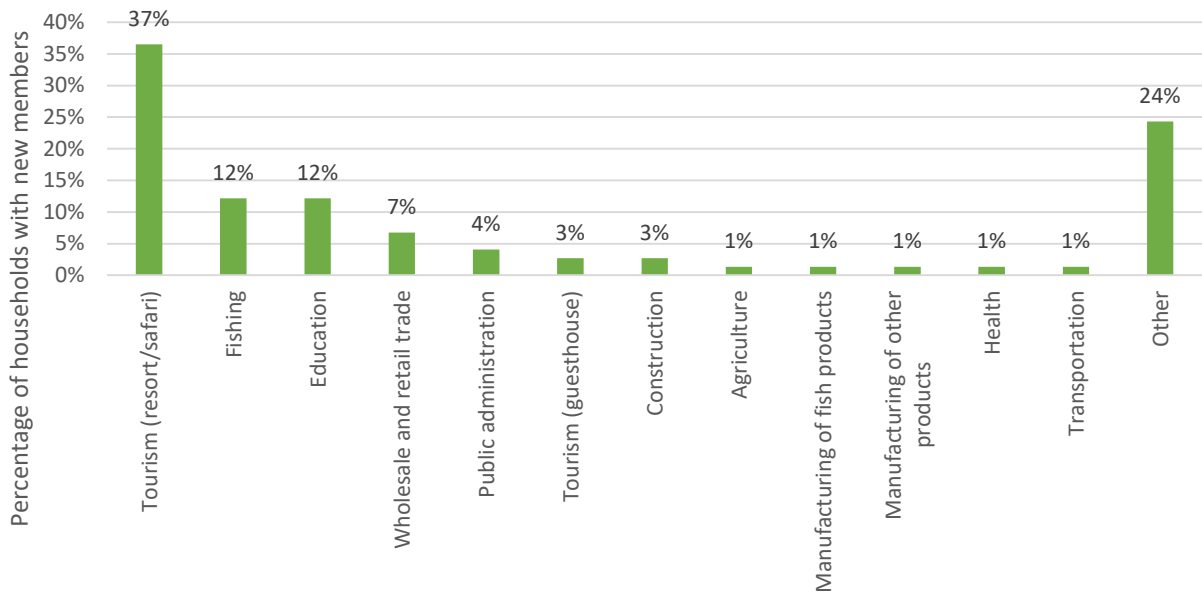
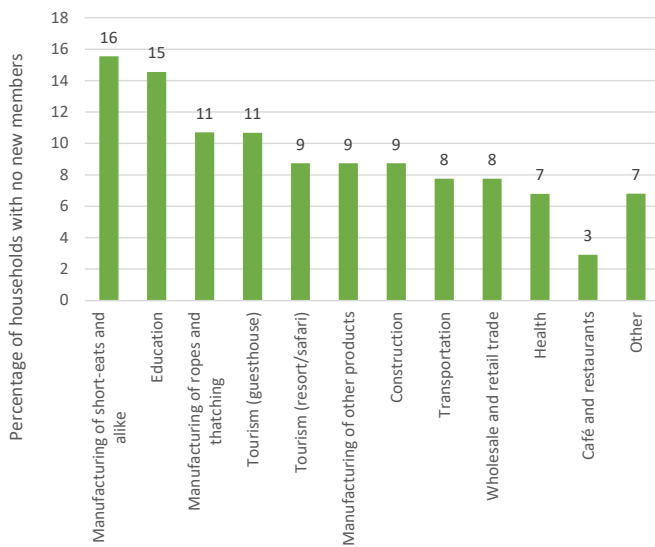


Figure 15: Economic activities of the new members for those who have lost/quit job-change due to COVID-19

a. Households with no new members - Business



b. Households with no new members - Employees

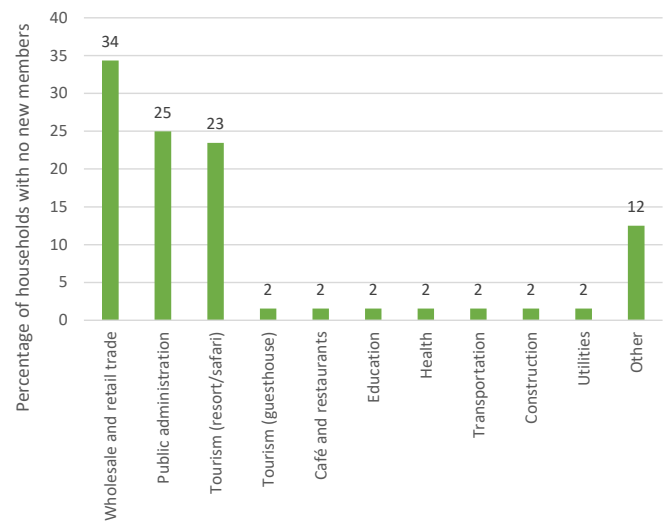


Figure 16: Economic activities of the households with no new members for those who have stops their business or lost job-change due to COVID-19

When considered only those households without new members and who have stopped their businesses, 15% of the households work in the education sector. Most of them are own account workers who were giving home tuition and have to stop their business due to COVID-19. And 16% of the households have reported that the business they stopped were manufacturing of the short eats. When the schools & offices were closed, the demand for short eats reduced and as a result those who were engaged in manufacturing of short eats, especially those who were making short eats for interval couldn't sustain in the market. 11% of the households have reported that they have to stopped guest house business due to COVID-19 as borders were closed. (Figure 16-a).

Within households with no new members, in the cases of employees, majority of the jobs loss from trade sector follow up public administration sector and tourism (resort/safari) sector (Figure 16-b).

6.1.2 Members as in HIES 2019⁶

6.1.2.1 Agriculture & Fisheries sector

In HIES 2019, out of the total employed population, 1% of the employed population were involved in the agriculture sector while 6% of the employed population were engaged in the fisheries sector. In terms of households, 10% of the households had at least one member involved in fisheries activity while 3% of the households engaged in the agriculture sector.

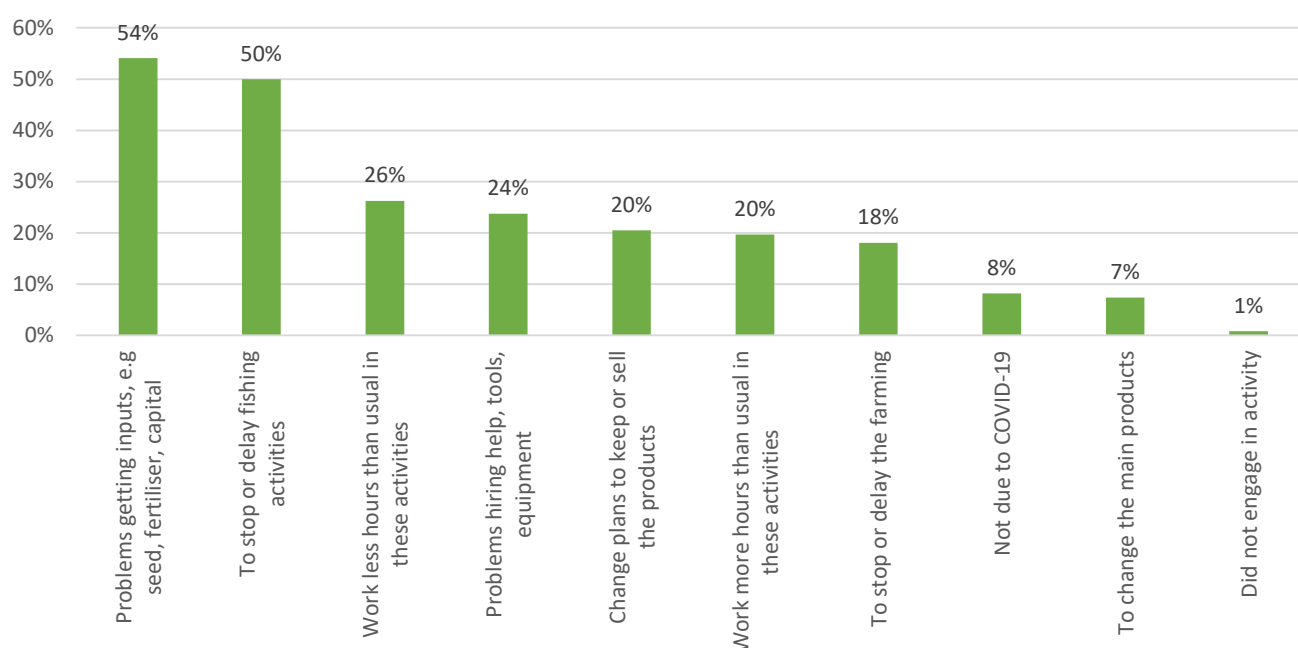


Figure 17: Main reason of disruptions of agriculture/ fisheries activity-change due to COVID-19

When asked about the main reasons for disruptions of agriculture/ fisheries activities due to COVID-19, the main reason was problems getting inputs such as seed, fertilisers, capital etc. Fishermen were also affected due to travel restrictions which forced them to stop or delay fishing activities. Fisheries as well as the agriculture sector were affected by travel restriction, as farmers main inputs are purchased from the capital island Male' and fishermen cannot travel for fishing with the restriction in place.

When compared to HIES 2019, more than 70% of those who were involved in fisheries/ agriculture activities were affected due to COVID-19.

⁶ Households including new members & existing members

6.1.2.2 Own or family business except Agriculture & Fisheries sector

According to HIES 2019, 37% of the households involved in own or family business. The main reasons for the disruptions of the business, stated by these households, were business closure, reduction of working hours and problems in getting supplies (refer to Figure 18). Over half of interviewed households quoted these reasons, with the highest proportion stating as having closed or stopped operating their own or family business since COVID-19.

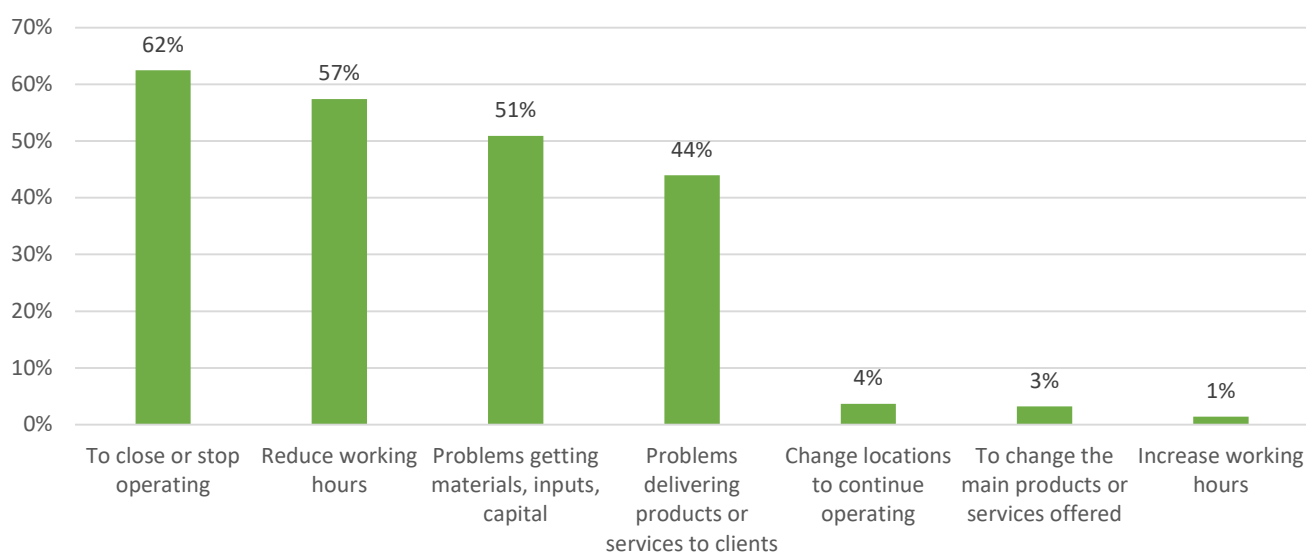
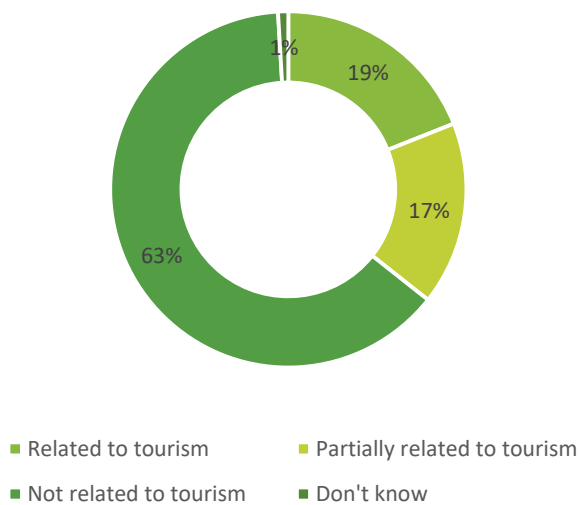


Figure 18: Main reason of disruptions of own or family business-change due to COVID-19

When looking into whether the product or services of the main activity is related to tourism, the result shows that 63% of the activities are not related to the tourism sector while more than one third of the activities are somehow related to tourism i.e., 19% directly related to tourism and 17% partially related to tourism (Figure 19).

Tourism related activities were severely affected due to COVID-19. Within directly tourism related activities, 73% of the households reported that their family/ own business was closed due to COVID-19 containment measures. And within partially tourism related activities, 58% of households reported that the business has been closed since COVID-19.

Percentage of households engaged in tourism related activities



Percentage of households where the business closed due to COVID-19

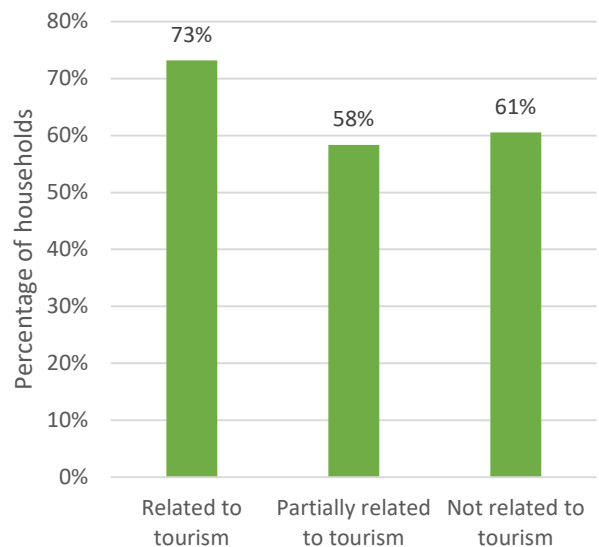


Figure 19: Percentage of households engaged in tourism related business & percentage of households where the business closed due to COVID-19 by tourism related business

When looking into the impact of COVID-19 on economic sectors (as shown in Figure 20) for businesses, results revealed that the Manufacturing sector especially manufacturing of short eats, weaving thatches and ropes etc. have been severely hit. These are followed by construction, education and tourism sectors.

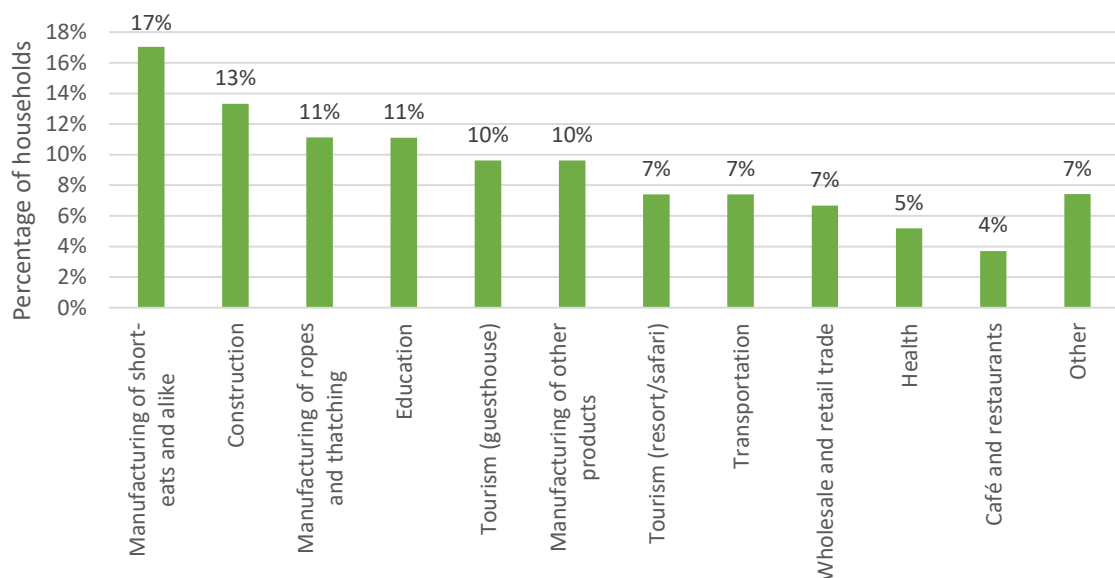


Figure 20: Economic sector of family/ own businesses for those who have closed the business-change due to COVID-19

6.1.2.3 Employees

In HIES 2019, among employed population 73%⁷ were employees and 77% of the households have at least one employee. Among these households, 55% of the households have revealed that the employees have received less pay than usual since COVID-19. Around 40% of the households have reported that employees have to take leave or time-off from their paid job, 32% of the households reported that employees have to work less hours than usual in their paid jobs and 24% of households had employees who had to work from a different location (Figure 21).

Only 13% of the households have reported that employees have lost their paid job. In terms of population, 7% of the employees have lose their paid job.

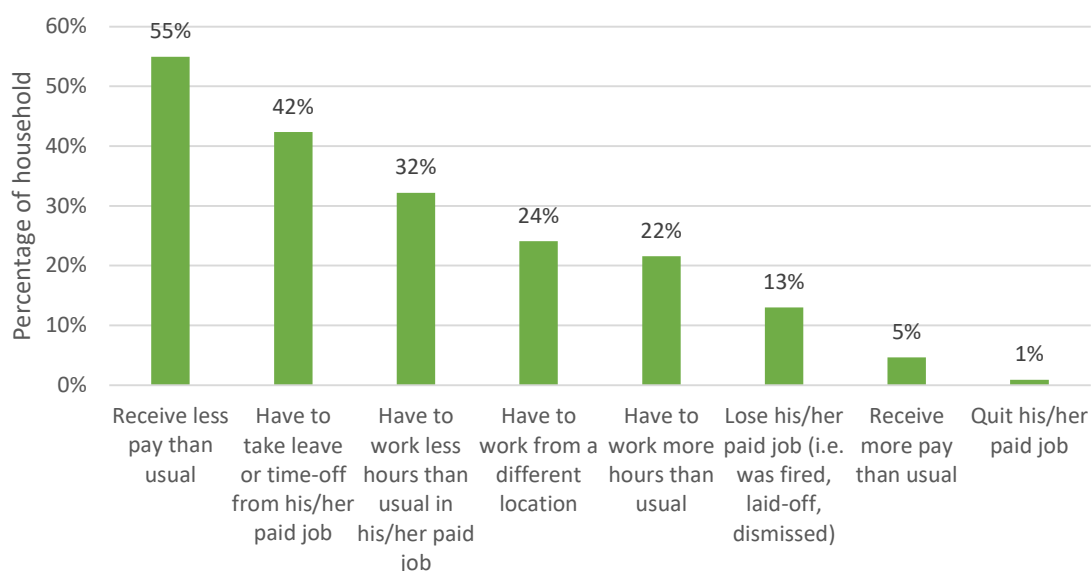


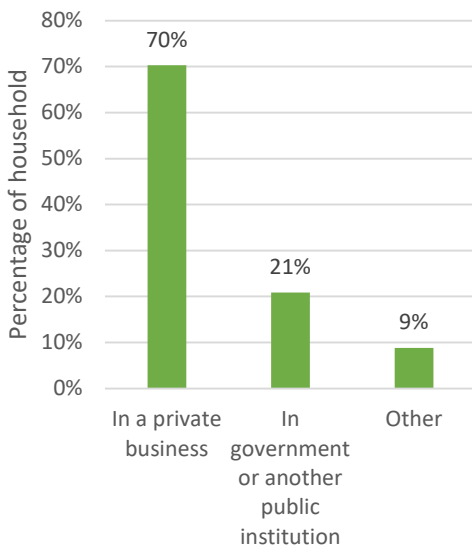
Figure 21: Main reason of disruptions to income from paid job-change due to COVID-19

COVID-19 has affected the economy severely. The majority of the jobs were affected in the private sector. Among those households who have reported job loss, 70% of households have reported that employees in the private sector lost their paid job.

Within those households reporting disruptions to their wage income, 32% of the households have revealed that wage was disrupted from trade sector and 27% of the households' reported employees who worked in tourism sector.

⁷ Excluding fisheries & agriculture sector

Private vs. Public – job loss



Economic sector – hit due to COVID-19 for employees

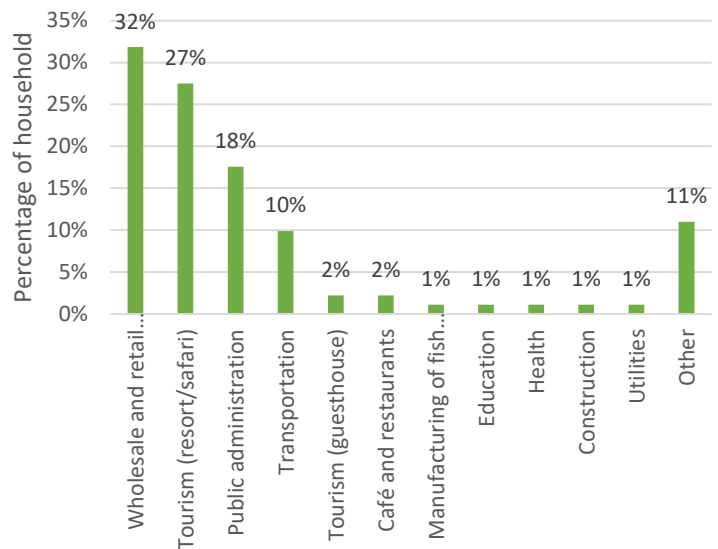


Figure 22: Private vs. Public sector and Economic sector of employees hit due to COVID-19

In all the scenarios, the study shows that tourism sector was badly hit due to COVID-19 followed by those activities which have some connection to tourism.

Among those employees who have lost their jobs, 80% of employees did not have any other health insurance apart from universal health insurance (Aasandha), while 20% of people who have lost their jobs had health insurance in addition to Aasandha.

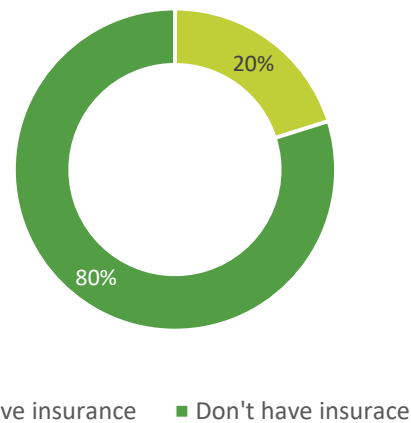
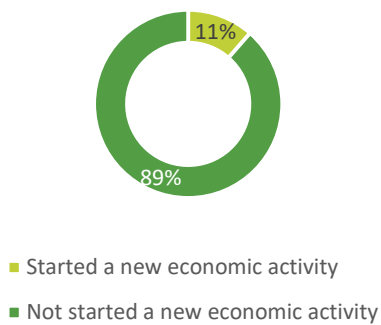


Figure 23: Percentage of people who have lost their paid job with health insurance, other than Aasandha

Started a new income generating activity



Economic sector- new economic generating activity

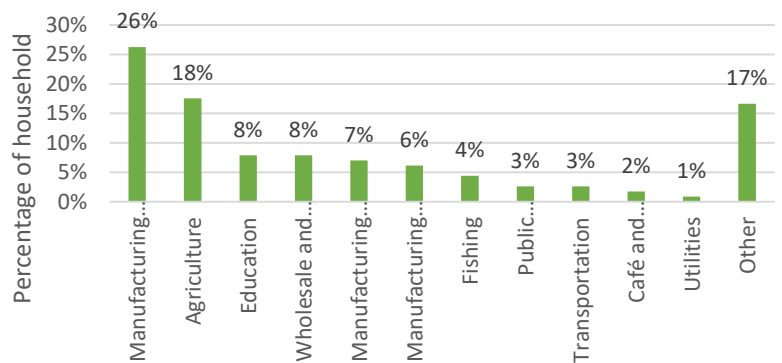


Figure 24: Households that started new economic activity due to COVID-19 and economic sector

Figure 24 shows whether any household members started a new income earning activity to cope with the COVID-19 outbreak. 89% of households did not start a new income earning activity while 11% of households started a new economic activity to earn income. Among those households that started a new income generating activity, majority of them involved in informal activities like manufacturing of short eats, agriculture sector etc. 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. Even though some households found these alternative coping strategies, they remain vulnerable to additional shocks and/ or prolonged crisis.

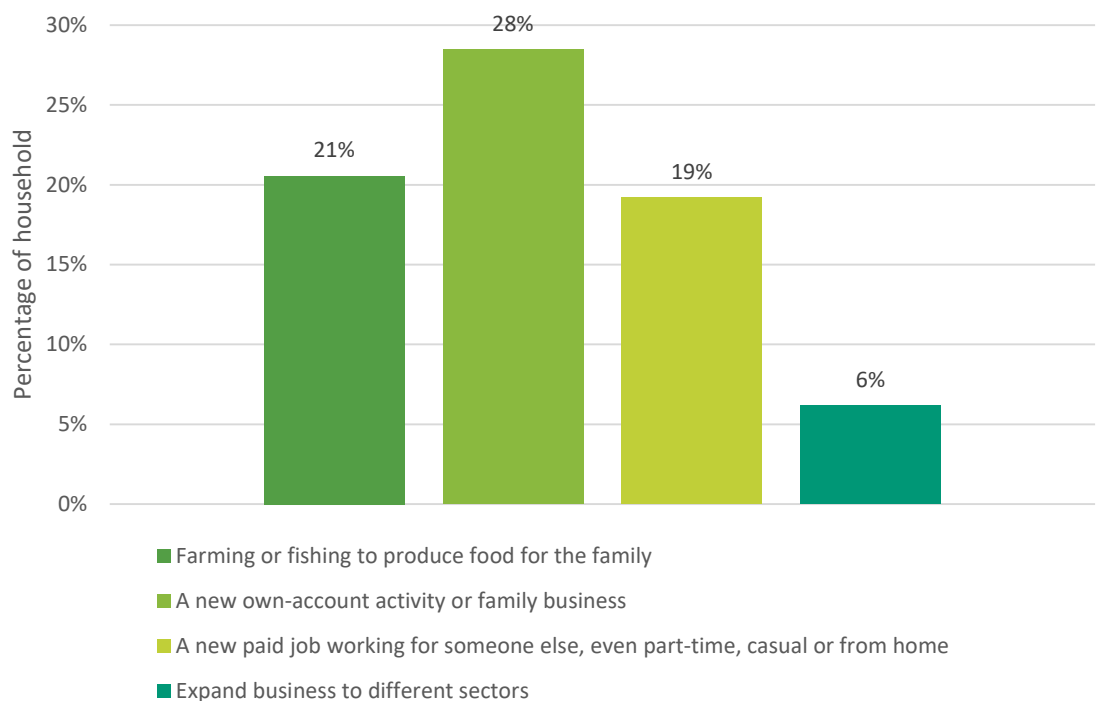


Figure 25: Use of livelihood-based coping strategies

To cope with the livelihood impact of COVID-19 outbreak, 21% of households started farming or fishing to produce food for the family, while 28% started a new own-account activity or family business. 19% started a new job working for someone else while 6% expanded their existing business into different sectors.

6.1.3 Combined impact

After combining the impact of COVID-19 on the new household members and existing members, the overall impact was analysed. The results revealed that one in three households had at least one of the employed persons that lost their income generating activity. And 45% of the households have reported salary reductions since the COVID-19 outbreak. 22% of the households have reported there was no effect on employment or income from employment of household members due to the COVID-19 outbreak.

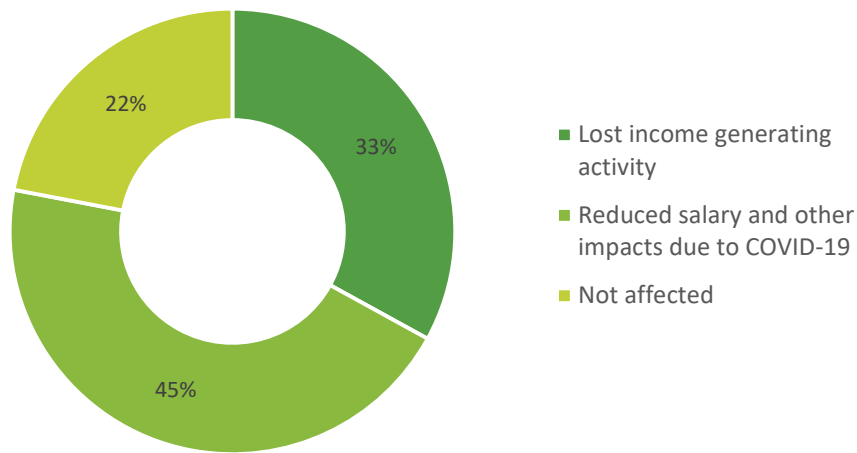


Figure 26: Employment status due to COVID-19 - combined

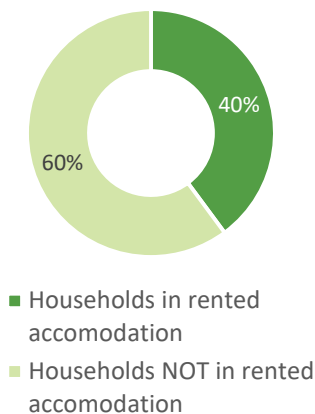
7. Expense on rent

In HIES 2019, the finding reveals that 38% of the households in Maldives live in rented housing. While 74% of the households lived in rented dwellings in Male', only 5% of the household lived in rented accommodation in the Atolls. On average, a household pays monthly rent of MVR 12,683 in Maldives. Higher rents are paid in Male' with MVR 13, 494 on average while the average rent in the Atolls is at MVR 2,668.

The COVID-19 impact study includes a question to find out whether households had difficulty paying the rent. According to the study, 40% of the households currently live-in rented accommodation.

Among those households that live in rented accommodation during HIES-19 (before COVID-19) and at the time of this survey, 61% of the households reported that there has been no change in their expenditure on rent. 27% of the households stated that their expenditure on rent had decreased due to rental concession related to COVID-19 and 11% report that it had increased.

Household living in rented accommodation



Changes in expenses on rent compared to before COVID-19

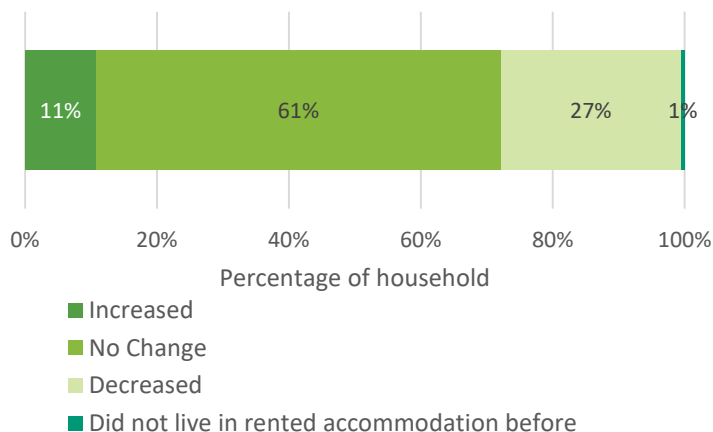


Figure 27: Household living in rented accommodation and changes in expenses on rent

8. Household Income

Income-generating activities of the population and household incomes were largely affected by the pandemic and the containment measures implemented. In order to capture the impact on people’s livelihoods, respondents were asked if their household income had changed when compared to pre-COVID-19, and the main reasons for this change.

Majority of households suffered from income reduction compared to pre-covid. 75% of the households suffered from reduction in their household income (Figure 28-a). Among these households, 62% were severely affected having their household income reduced by more than 50 percent (Figure 28-b). Around 12% of the households are seeking alternative income sources to cope with this reduction in income.

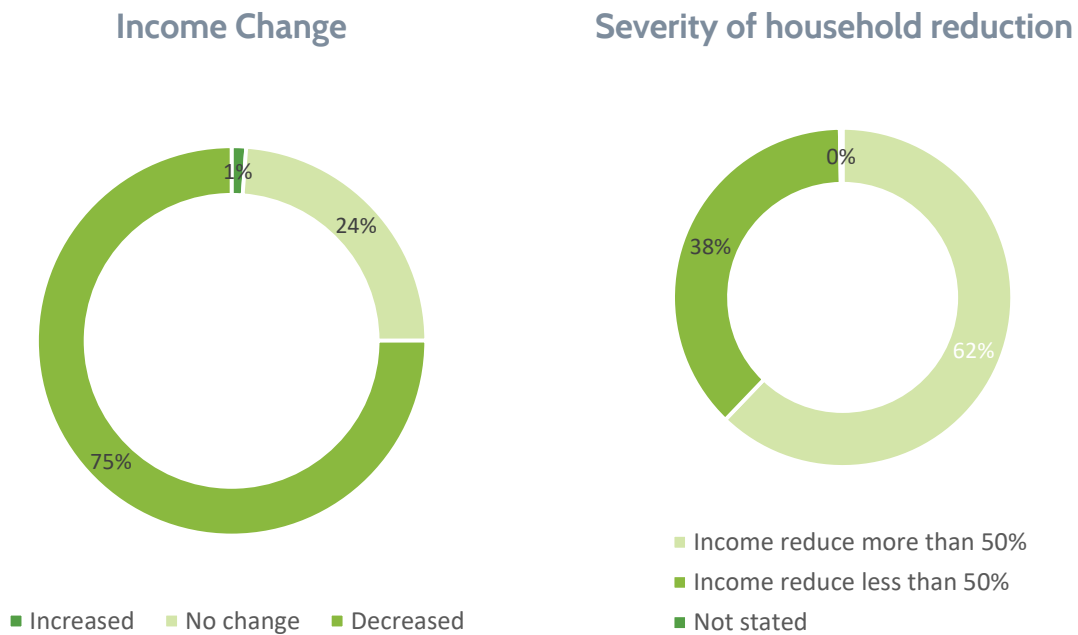
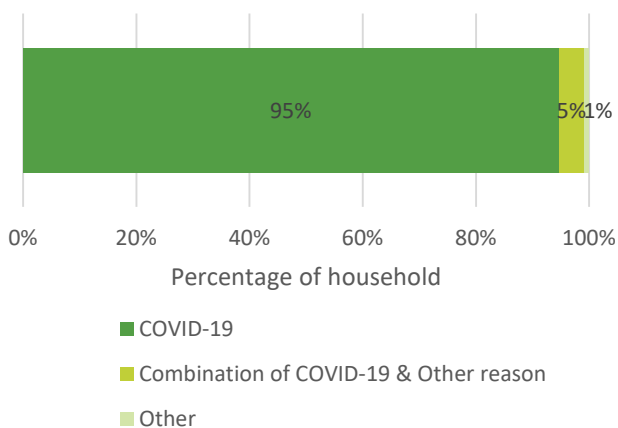


Figure 28: Changes of household Income

The main reason stated for changes in household level income was due the COVID-19 containment measures implemented by the government. 95% of the households believe that their decrease in income is fully due to COVID-19 and 5% of households believe it is partially due to COVID-19 and only 1% of households believe that changes in the household income were due to the other reason (Figure 29).

Main reason for change in household Income



Reduction of income by main reason

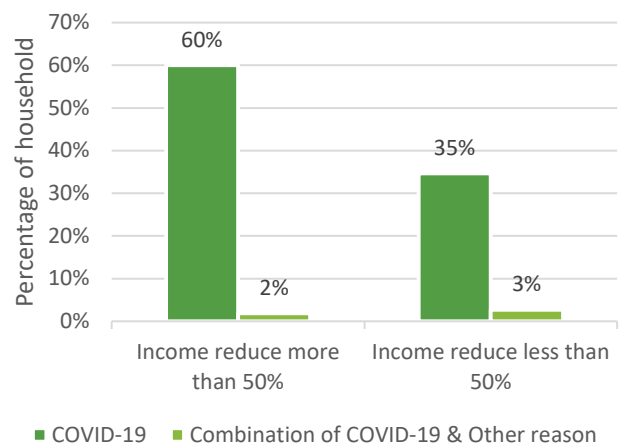


Figure 29: Main reason for changes in household income

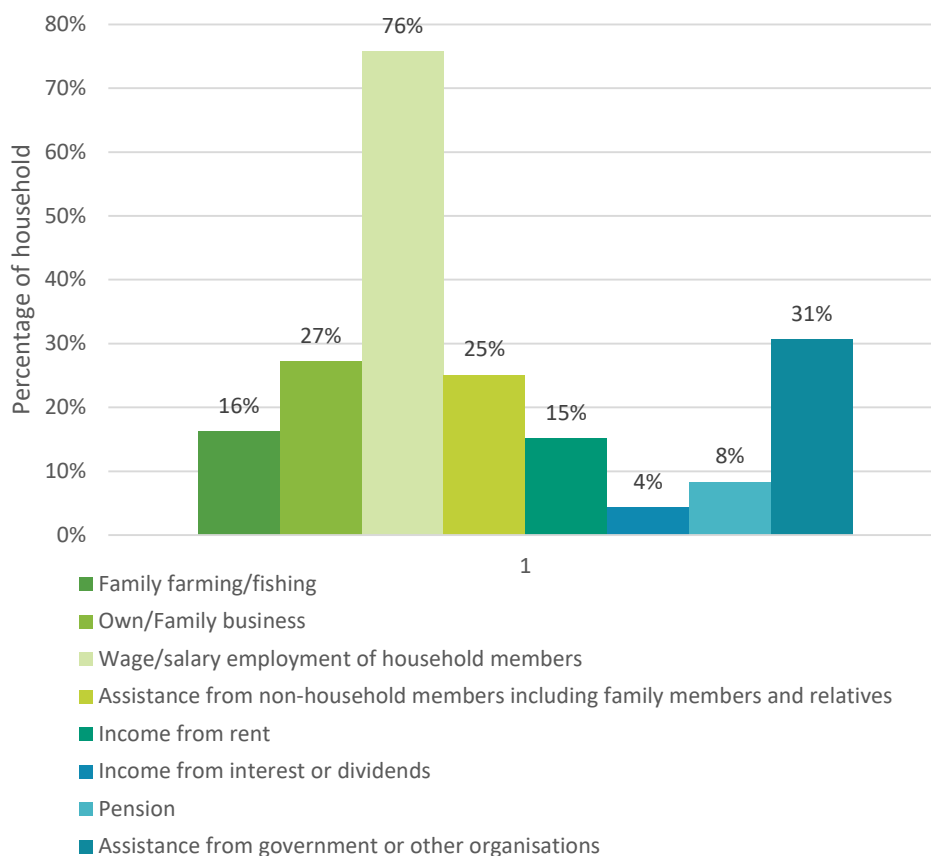


Figure 30: Source of household income before March 2020 (pre-COVID)

Before COVID-19 outbreak in the country in March 2020, around 76% of the households depended on either salaried work or daily casual labour as main income sources. Casual employees have been affected greatly by COVID-19 and related containment measures, due to the overall nature of this employment, which usually does not entail a formal contract combined with limited access to employment assistance programmes.

Before March 2020, 31% of households reported that assistance from government or other organisations is a source for their livelihood. Moreover, 27% of households' livelihood depends on own/family business and approximately 25% depends on assistance from non-household members (Figure 30).

To compare, the sources of income with post-COVID, pre-COVID activities were grouped into income from employment, rent and transfer as seen from Figure 31. Almost half of the household received income from transfer before COVID-19. However, the number of households reported

who receives income from transfers reduced from 50% to 40% during the pandemic. In the case of rent, 18% of the households reported that they received rent prior to COVID-19, however, during the pandemic only 12% of the households reported rent among their sources of income.

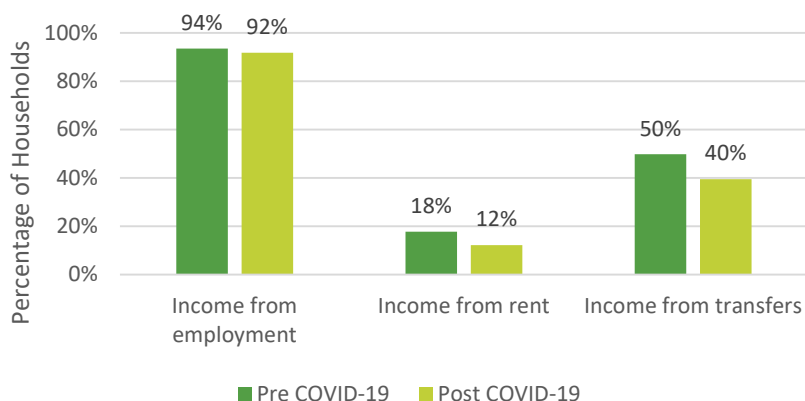


Figure 31: Source of household income pre-COVID vs. post-COVID

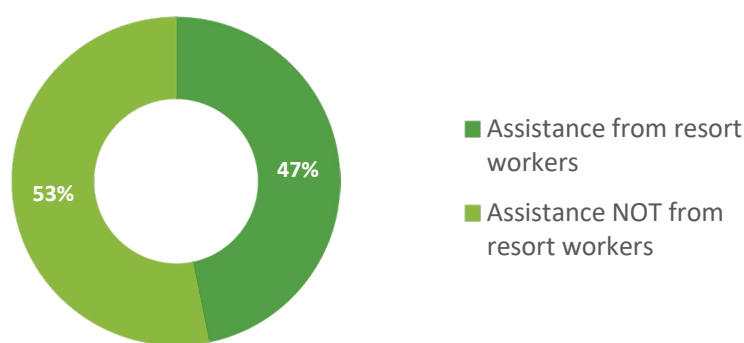


Figure 32: Assistance received from resort workers

Among the 25% of the households that reported that one of their sources of livelihood is assistance from non-household members (Figure 30), 47% report that this assistance is from a resort worker (Figure 32). This means that these households will have a severe impact due to the closure of tourist resorts. Either their income will be completely lost or partially lost.

In order to study the impact of Covid-19 on household income, a question was asked to find out the change by sources of income. Majority of the households suffered from reduction in income. Households that depend on own/ family business and farming/ fisheries seems to have suffered the most from income reduction with 70% of households reporting a decrease. Moreover, 20% of the households who depend on income from their own/family business and 14% of the farming/

fisheries households have reported that they have lost this source of income completely (Figure 33).

Among those households who depend on income from salaries and wages, 57% of the households reported that their income decreased while 37% of the households reported that their income stayed the same. This could be due to the fact that the public sector, especially the salaries of civil servants, were not affected due to the pandemic. However, civil servants as well as other government employees including teachers did not receive overtime pay during pandemic period.

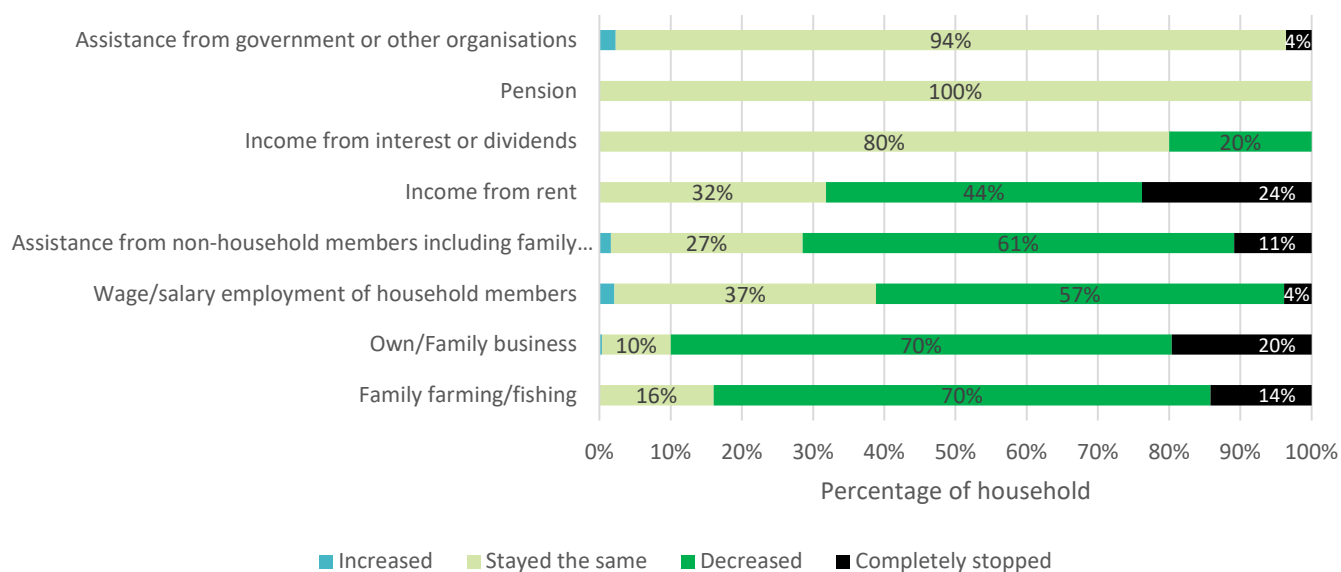


Figure 33: Changes in household income by source of income

Among those households that depend on rental income, 68% reported that their income was affected, i.e., 44% had rental income decreased while 24% of households lost this source of income completely (Figure 33).

Households depend on assistance from non-household members, 61% of the households reported that their income decreased and among these households, 50% of the households reported that this assistance is from a resort worker. 11% of the households have reported that their income has completely stopped and among them 67% of the households get assistance from resort workers.

Households who depend on either pension or income support from the government were mainly unaffected due to COVID-19.

Close to 40% of the households, earn income between MVR 10,001 to 20,000 in the previous month (February 2021). Majority of the households (86%) earn income below MVR 30,000 in the past month. It is important to keep in mind that those households earning the lowest whereby 7% of households earn below MVR 5000 as monthly household income, while one- fifth of households (21%) receive household income between MVR 5000 to 10,000 as seen from Figure 34.

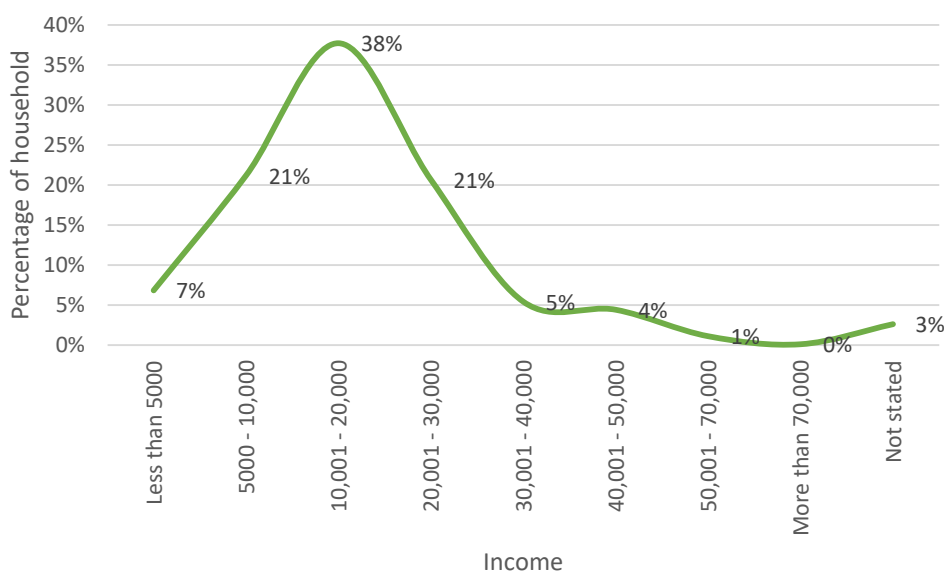


Figure 34: Household Income - past month

9. Coping Strategies

Majority of the households, approximately 69%, reported their main coping strategy is to reduce consumption. This reduction was done due to the decrease in income while assuring that their most essential needs are met including food, health, electricity. Over half (56%) of households coped by relying on their existing saving to meet their essential needs. 15% of households had to rely on support from family and friends.

The proportion of households who did not find the need to cope are minor. These coping mechanisms might exhaust soon as it's not a sustainable manner to cope the loss. These results are worrying as households who have recently coped might quickly lose their capacity to cope when faced with additional shocks and/or a prolonged crisis.

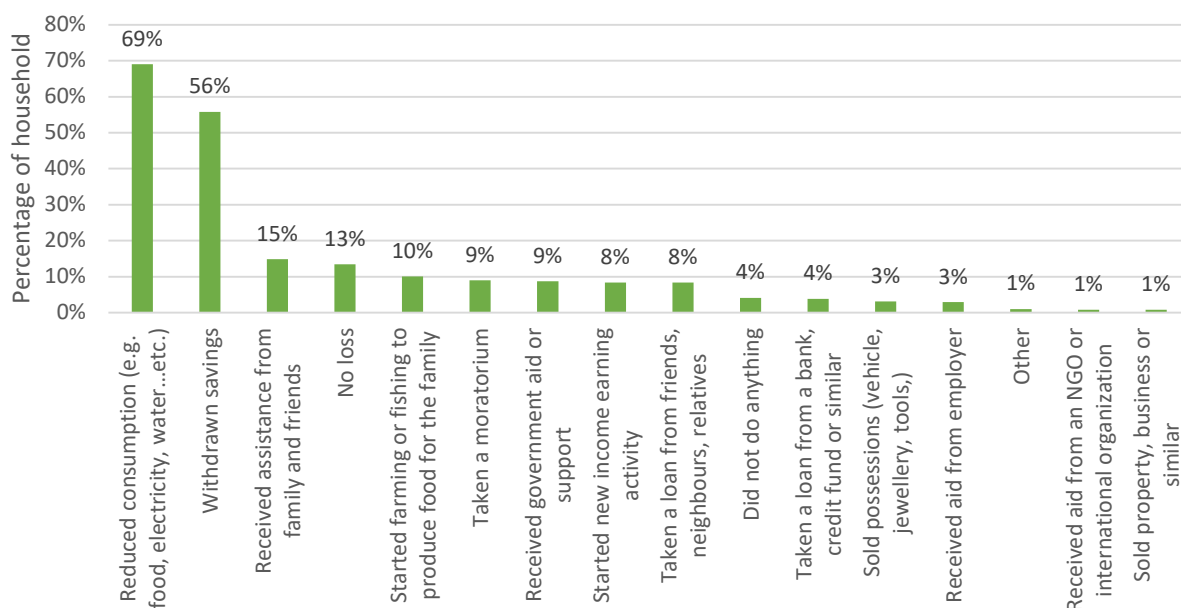


Figure 35: Main coping strategies applied by households - owing to loss of income during COVID

10. Food security situation

To assess the opinion on food security among the households, the following question was asked to households “have any member felt worried about not having enough food to eat in the last 12 months?”. With the food prices soaring, 62% of households reported that they were not worried of not having sufficient food to eat in the last 12 months. However, more than a third of the households (36%) stated that they were worried of not having enough food to eat, during the past 12 months, due to COVID-19 situation. This could be due to the travel restrictions and distribution of staple foods to the islands from the capital island, due to COVID-19 prevention measures taken. Travel restrictions impacted supply chain of locally grown agricultural products to Male’, main distribution centre, as well as inter Atolls and islands.

Food security was more of a concern at the outset of the pandemic, when international borders were closed. As Maldives depends on imports for food security, food stock depletion and the challenges in continuous food supply to islands were felt by the general public.

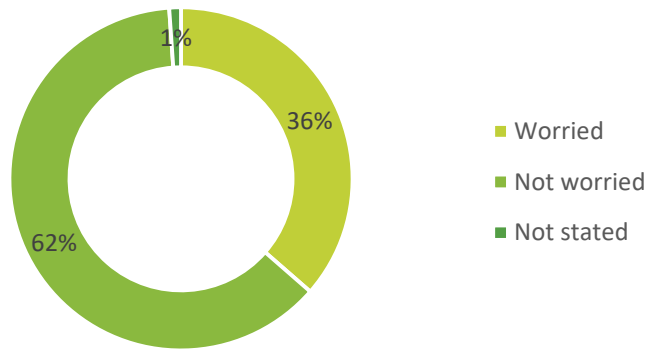


Figure 36: Households with a member that felt worried about not having enough food to eat, last 12 months

Comparisons of disaggregated results by employment status are shown in Figure 37. Those who lost their income generating activity, were more concerned of not having enough food to eat. This was followed by those who experienced a reduction in their salaries. This gives an idea about their purchasing power.

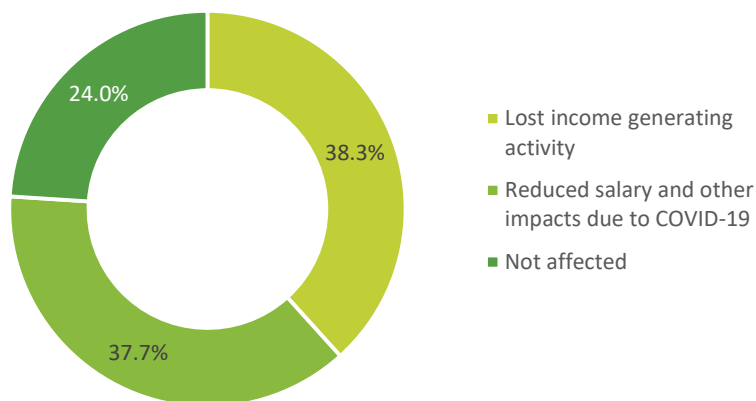


Figure 37: Lost job and reduced salary due to COVID-19- change in individual employment status and worried about food

The Food Insecurity Experience Scale (FIES) survey module was used to study the prevalence of moderate or severe food insecurity in the population. The FIES Survey Module (FIES-SM) consists of eight questions regarding people’s access to adequate food. The FIES-SM questions refer to the experiences of the respondent’s household as a whole. The questions focus on self-reported food-related behaviours and experiences associated with increasing difficulties in accessing food due to resource constraints.

SDG Target 2.1 challenges the world to go beyond just ending hunger. For optimal health and well-being, it is imperative to ensure access for all to be safe, nutritious and sufficient food all year round. SGD Indicator 2.1.2- the prevalence of moderate or severe Food Insecurity Experience Scale (FIES)- has been specifically chosen to monitor progress towards ensuring access to adequate food for all.

The estimates of the prevalence of food insecurity at severe levels only provide a supplementary lens for monitoring hunger to complement the Prevalence of Undernourishment (PoU). Although obtained using different data and methods, they are expected to correlate with PoU across populations. This is because people experiencing severe food insecurity are unlikely to be acquire enough food to continuously fulfil their dietary energy requirements, which is the concept of chronic undernourishment measured by the PoU⁸

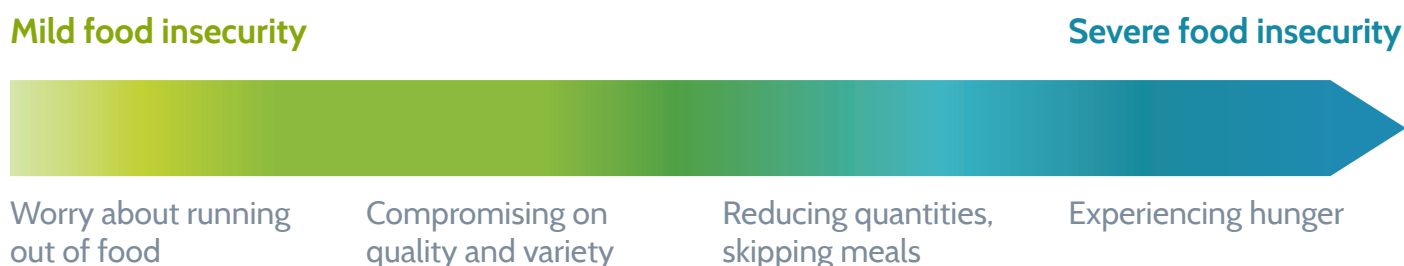


Figure 38: Food Insecurity Severity along a continuous scale of severity

Indicate	Prevalence rate (% of households)
FI mod+sev The proportion of the household experiencing moderate or severe food insecurity (SDG indicator 2.1.2):	21.5
FI sev The proportion of the household experiencing severe food insecurity:	1.6

Table 2: Prevalence of food insecurity at severe level only, and at moderate or severe level, based on the food insecurity experience scale

⁸ <http://www.fao.org/3/ca5162en/ca5162en.pdf>

The food insecurity estimates in this report are based mainly on FIES data collected in this COVID-19 rapid assessment study. Nearly 2% of the households faced food insecurity at severe levels, indicating they had run out of food and, at worst, gone a day without eating. The results also revealed that nearly 20% of the households were affected by moderate or severe food insecurity. People experiencing moderate levels of food insecurity will typically eat low quality diets and might have been forced, at times during the year, to also reduce the quantity of food they would normally eat.

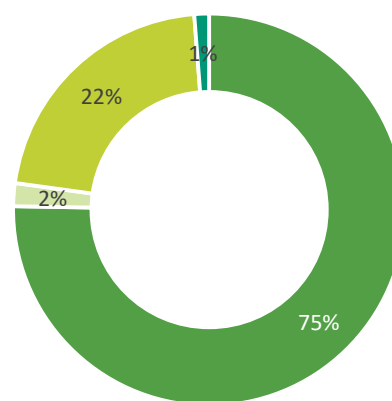
Majority of the respondents experiencing food insecurity attributed their poor access to food mainly to the COVID-19 pandemic. However, it is challenging to isolate and measure the impact of the pandemic alone on food insecurity, given the way it has exacerbated pre-existing vulnerabilities and affected so many aspects of people’s lives. There is no pre-COVID-19 data to verify that whether food insecurity exists in the economy. Therefore, the results should not be interpreted as referring to the isolated impact of the COVID-19 pandemic on food insecurity, but rather as an indication that people perceive it as being an important factor in their diminished access to food.

11. Current situation – March 2021, COVID assessment

Out of 15 years and above population, 56% of the population were currently working. Among them 88% were existing household members at the time of HIES 2019 and another 12% were new members who had joined the household, after HIES 2019. Majority of the employed population were working as employees (Figure 39).

Certain types of employment tend to be more vulnerable to shocks 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), own-account workers and contributing family workers are considered to be in vulnerable employment. The



■ Employee ■ Employer ■ Own account worker ■ Group worker

Figure 39: Employment status

study shows that 22% of employed population are in these forms of work.

The result shows that the highest number of employed population were engaged in public administration/police/MNDF sector. Followed by education sector, wholesale and retail trade sector and health.

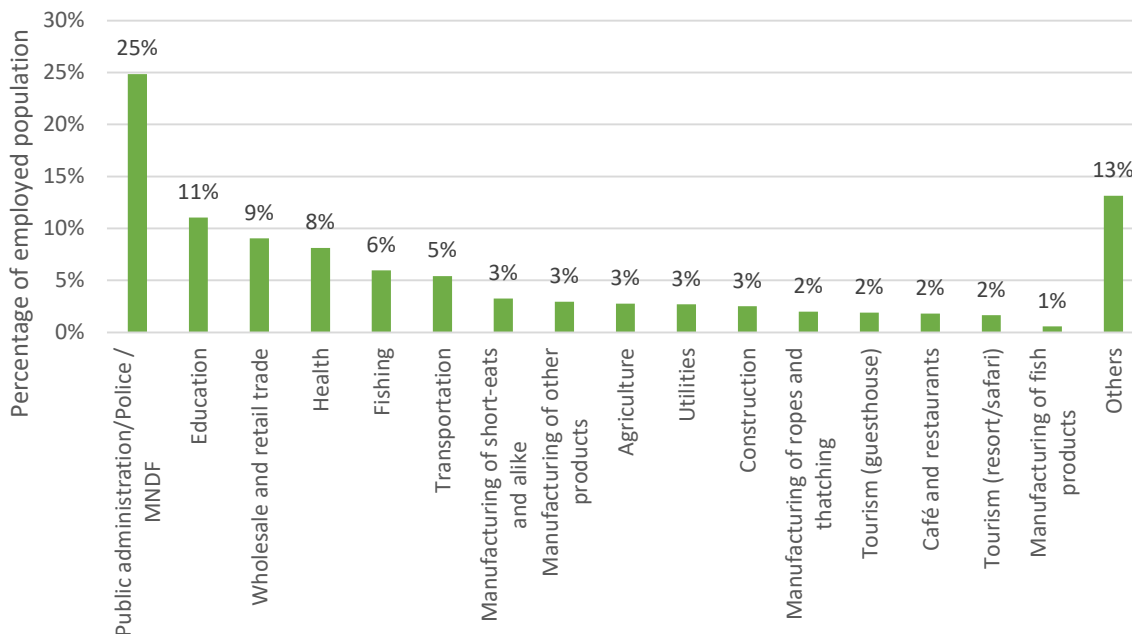


Figure 40: Employment status

In comparison with HIES 2019, among those who were employed at the time of HIES 2019, 18% of them were currently not working, at the time of this COVID rapid assessment in March 2021. However, among those who were unemployed or who remained outside labour force in 2019 HIES, 20% have joined the workforce.



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