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# Women and Economic Empowerment: Helping Maldivian Women Navigate the COVID-19 Crisis



A woman who works as an airport representative for a local resort is seen helping a tourist with their luggage.

**Photo: NISHAN ALI**

### **Story Highlights**

- *Loss of employment due to COVID-19 may push self-employed Maldivian women out of the labor force permanently.*
- *The World Bank is supporting the Government of Maldives' efforts to help women remain in the labor force through the crisis and beyond.*
- *A World Bank-supported project has had a positive impact on the lives of many Maldivian women who had either been laid off or whose income had been impacted by the COVID-19 crisis.*

For women of the Maldives, work has always been an integral part of their daily lives. Not so long ago, before the economic shift towards tourism some 40 years back, Maldivians were predominantly seafarers and fisherfolk whose lives were intricately intertwined with the ocean and the country's diverse natural resources. While the men spent days or even months away from their families, the women stayed back and took a lead on tending to domestic matters. Community work came naturally to Maldivian women, both out of necessity and as part of the longstanding gender equality in the culture, as did economic work for the sustenance of their everyday lives.

The transformative socio-economic changes experienced by the small island nation over the past few decades have significantly altered Maldivian lifestyle and the division of gender roles within families and communities. The Maldives, despite being the smallest South Asian nation both in

terms of size and population, has achieved remarkable strides in key gender indicators. It is one of the few countries that has attained gender parity in primary and secondary education net enrolment and completion rates. A number of gender egalitarian laws and affirmative action have been introduced recently to increase women's participation in the economy and in public life.

When the COVID-19 crisis hit the Maldivian economy, it hit hard! Tourist arrivals fell to an unprecedented low, forcing hotels and resorts to initiate layoffs, cut pay or send most of their employees on no-pay leave—a significant impact since tourism accounts for two-thirds of the country's GDP. Restrictive measures imposed in the Greater Male' Region—home to at least one-third of the country's population—limited the ability of businesses such as cafes, restaurants and retail outlets to maintain their revenues, affecting jobs and incomes of many Maldivians.



Female developers are seen working on developing a computer program during a hackathon held in capital Male'. Photo: WOMENINTECHMV

The impacts of the pandemic are more profound on women, than men. Women largely work in the informal sector either as self-employed workers or as contributing family workers. Women make up about 40 percent of the informal workforce, largely due to time constraints associated with childcare or domestic care work.

Female workers were already vulnerable when the pandemic struck, and the events that followed deepened their vulnerability. Women in the informal sector were working without formal contracts, a steady income stream, or employee benefits such as medical insurance or access to retirement schemes. Absence of such standard documentations made it difficult for informal female workers to prove income loss when applying for government assistance and they did not have adequate financial or social security to help them weather the crisis.

Over the years, there has been a significant inward migration towards the capital city Male', given the demonstrated opportunities for higher quality education and better paying jobs. The cost of living in Male' is exceedingly high and requires dual incomes or more to cover the cost of housing, food and other necessities. When COVID-19 hit, women were the first and largest group to lose their jobs. Without a secured income, such women have been forced to relocate with their families to their native islands. This forced exit from the labour force may be permanent, as these women may likely never return to formal jobs.



Aminath Waheed, the only female taxi driver in Male', has been the victim of vandalism and harassment on countless occasions, but none of that has stopped her. Photo: NISHAN ALI

“I was working as a cashier at a small clothing retailer in Male'. When the country went into lockdown last year, my boss asked me to stay home on no-pay because he was unable to keep the business afloat. I didn't get any income for over four months and I was about to move back to my native island in the northern part of the country,” said Aminath Liusha, a 28-year-old mother a two-year-old boy.

The World Bank has been supporting the Government of Maldives in its efforts to protect jobs and livelihoods. With the World Bank's help, workers who lost their jobs or incomes have received an Income Support Allowance of up to MVR 5,000 (approximately \$320) per month, while those whose income fell below MVR 5,000 per month have received a top-up. The World Bank's International Development Association (IDA) initially provided \$12.8 million for the programme under a COVID-19 Emergency Income Support Project, which has since been extended with additional financing of \$21.6 million.



Since its launch, the COVID-19 Emergency Income Support Project has played a significant role in protecting the livelihoods of vulnerable workers, especially women and the self-employed. As of February 2021, about \$19 million had been disbursed as

income support allowance to some 18,500 workers who had either been laid off or whose income had been impacted by the COVID-19 crisis. Through targeted actions such as awareness initiatives, support services, and flexible requirements, emphasis is given to helping women and self-employed individuals who often lack formal contracts and are involved in informal sectors.

Like Liusha, Zahida, 30, also lost her income due to the pandemic. She was working at a concession at Male's Velana International Airport when she was put on no-pay leave from her job in April. For women like Liusha and Zahida living in Male' and across the archipelago, the Income Support Allowance has encouraged them to remain in the labour force.

"[The Income Support Allowance] helped me to pay my rent," said Zahida. "Without the allowance, I cannot afford to live in Male' ... and [would] have to return back to my island."

Aishath Rizuna is Maldives' first female boat captain, and several others have since followed in her footsteps to join a traditionally male-exclusive sector. Photo: KURUMBA MALDIVES

Although the Income Support Allowance is about to be concluded, women like Liusha and Zahida have much to look forward to. The COVID-19 Emergency Income Support Project is also set to finance improvements to social safety nets so they can better protect Maldivians against future shocks. Administrative systems are being enhanced to give a greater role to local councils in helping people across the archipelago access support. A new unemployment insurance program, along with a far-reaching national social protection framework, is also being formulated to help soften the blow on both employers and employees in future emergencies. The existing retirement

pension scheme and other similar programmes are also being reviewed to benefit future generations of Maldivians, including women.

“Making the Income Support Allowance available to female self-employed workers in Maldives is one of our key priorities under the project. We have encouraged and helped women in self-employment to apply for the allowance,” Thomas Walker, Senior Economist and Task Team Leader for the project, said. “As the country begins its recovery journey, it is crucial that we support women to remain in the labour force.”

Economic empowerment is central to realising women’s rights, making progress towards gender equality, and reducing the likelihood of gender-based violence. The economic setbacks stemming from the COVID-19 could prevent women like Zahida and Liusha from returning to their jobs after the crisis has passed, but initiatives such as the Income Support Allowance and targeted action are set to help keep Maldivian women, especially those who are self-employed, in the labour force and economically empowered.