



## Baseline Study on the Socio-Economic Assessment of Kulhudhuffushi City

Small Island Geographic Society, Kulhudhuffushi City Council

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Kulhudhuffushi City Council

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## 1. Introduction

The COVID-19 pandemic widened pre-existing opportunity, skills, and achievement gaps, with devastating impacts on our future generations. The Maldives, a country heavily dependent on tourism, was severely impacted as worldwide travel came to a standstill. The socioeconomic impacts were felt more widely than the health impact as many lost their livelihood and income. It was estimated that more than 11,000 workers in the tourism industry were impacted by loss of income<sup>1</sup>. Over two and a half years since the pandemic, a significant proportion of the population still bears the brunt of the impact - some having lost their livelihood, with reduced pay, and have lost opportunity to continue their schooling. It is thus important to look into the impact and ways to transform our society in the post-pandemic journey. Kulhudhuffushi City in Haa Dhaalu Atoll is no exception to this.

Kulhudhuffushi gained the status of a city right before Maldives implemented harsh measures of restrictions due to the pandemic. The city has a population of more than 10,000 people, with a vibrant youth population. During its short span as a city, Kulhudhuffushi has made tremendous improvement in the livelihood of the people, both in harnessing employment opportunities and bringing home educational opportunities to the youth. Kulhudhuffushi City has become the first municipality in the Maldives to join 'Making Cities Resilient 2030 (MCR2030)', which is an initiative of the United Nations office for Disaster Risk Reduction<sup>2</sup>. The city is well known for its Saturday market providing farmers an opportunity to market their harvest and agricultural products. COVID19 put a dent in the development of the city. Much of the initiatives require sustainability. The City Council is looking into the possibility of closing gender gaps, combat climate change, reduce violence, reskilling the entrepreneurs to increase innovative products and supporting efforts by working alongside stakeholders from public, private and with civil society organisations.

Small Island Geographic Society (SIGS) collaborated with Kulhudhuffushi City Council (KCC) to initiate the project 'Sustainable livelihood and economic recovery planning in Kulhudhuffushi City' post-COVID-19. This project is implemented through funding from an Australian Government grant under the Direct Aid Program. The first activity under the project is to understand the current economic status of the City and hence, a baseline assessment was conducted. This assessment will be used to develop and implement a roadmap for sustainable livelihood of all economic activities and skill development of the city. The objective of this report is to present the findings of the baseline assessment which includes the current situation, opportunities for future and challenges for livelihood sustainability. The report also presents a brief overview of the key demographic and socio-economic analysis of the city paying specific attention to the skill of the population. The report concludes with policy suggestions for building back better by helping labour markets become safer, fairer and more sustainable and resilient.

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<sup>1</sup> Sattar, S.A., Musthafa, M., Rushdhy, I & Pal, I. (2022). National perspectives of COVID-19 in the Maldives. In I. Pal & R. Shaw (Eds), *Pandemic Risk, Response, and Resilience: COVID-19 responses in cities around the world* (pp.157-172). Elsevier

<sup>2</sup> <https://reliefweb.int/report/maldives/maldives-launches-mcr2030-pathway-resilient-cities>

## 2. Assessment Method

The baseline assessment method was designed and developed in close coordination with the KCC. Meetings and discussions were held in early 2022 followed by an inception site visit to Kulhudhuffushi in August 2022. During the meeting, SIGS team met with the KCC to understand the expectations and discuss project implementation. The baseline assessment was discussed in-depth with the KCC and their insight was included in design and implementation. It was agreed that while individual information was collected in a household survey, community level information was gathered through focus group discussions (FGD).

During the inception visit the SIGS team also met with various community groups to introduce the project and collect background information to support the baseline assessment design. These included the Womens' Development Committee (WDC), Business Center Corporation (BCC)<sup>3</sup>, youth groups and non-governmental organisation (NGOs). The meetings helped identify key people and groups to be included in the data collection as well as get information on the best way to implement the survey and FGDs. Identified stakeholders for FGDs comprised of the City Council, youth and NGOs, BCC, WDC, women and young girls, fisherman, university students, university/school/ institutions and the working population and business owners, especially those who are involved in manufacturing products such as *haalufolhi*, *masbondi*, making knives and crafts. *Haalufolhi* and *masbondi* are locally produced food items and especially *haalufolhi* is made only in Kulhudhuffushi and is known across the country as an identity of the island.

### ***Household Survey***

The survey was designed keeping in mind the ground level context as understood by the team. It was decided to conduct a tablet-based survey with a structured questionnaire to capture individual level data from Kulhudhufushi and with the help of locally-hired enumerators. The questionnaire focused on the following areas and the detailed questionnaire is given in Annex 1:

- a. Education
- b. Employment
- c. Work Skill
- d. Employment opportunities
- e. Impact of COVID-19

The draft questionnaire was shared with Kulhudhufushi Council and input received from them to refine it. The sampling, and survey schedule was also discussed with the Council before finalising. Initially a total of 390 households were targeted for the household survey. However, 348 households participated in the survey. From the sample households, all those 15 years and above participated in the survey. In order to represent the whole Kulhudhufushi, the island was divided into 30 Enumeration Blocks. From each block a total of 13 households were selected randomly. Response rate of the survey is close to 90% of the households. Two half-day trainings for 8 enumerators were conducted on the survey questionnaire and approach to data collection. And one whole day was devoted to pretesting the questionnaire. On-ground data collection occurred for about 10 days during October/November 2022. A total of 536 individuals were surveyed.

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<sup>3</sup> The BCC is a state-owned enterprise under the Ministry of Economic Development to support establishment of small-medium enterprises across the country.

### 3. Findings of Household Survey

#### Demographic

A total of 536 people, from 348 households, took part in this survey and the majority of the respondents were women. The mean age of the respondents tends to be more mature and in their prime age of working. The respondents for the survey represented a mix of different age groups, with views and opinions expressed from adolescents to older adults.

Table 1. Key demographic indicators of the survey respondents

Key indicators	Both Sexes	Female	Male
Total respondents	536	367	169
Mean age of respondents	42	42	43

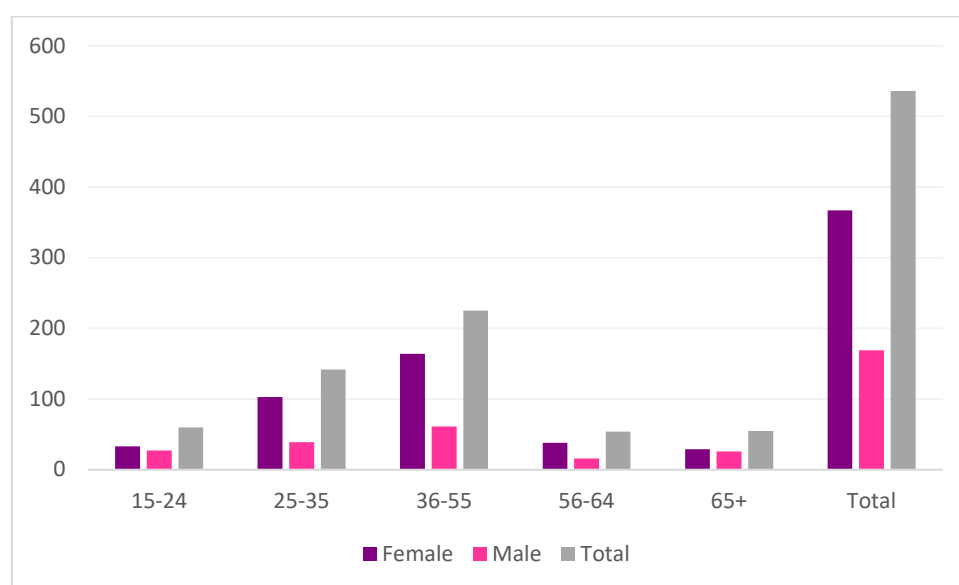


Figure 1. Survey respondents by age group

#### Kulhudhuffushi- a host for local migrants:

While the majority of the respondents for the survey were registered in Kulhudhuffushi, the data showed Kulhudhuffushi housed a significant number of people who are registered elsewhere (8%). The results showed that 1 in 3 people living in Kulhudhufushi (35%) was a migrant<sup>4</sup>. Those who have migrated have been living there for more than 14 years on average. Kulhudhuffushi has become a viable location for people within the atoll to settle. Men and women from HDh. Nellaidhoo, HDh. Nolvivaranfaru and HDh.Vaikaraidhoo tend to have mainly taken residence in Kulhudhuffushi compared to other islands in the atoll.

Majority of those who have migrated to Kulhudhuffushi are return migrants; i.e previous residents of Kulhudhuffushi (eg; those who are registered in Kulhudhufushi completing their education and returns

<sup>4</sup> A person is considered as a migrant if they have lived elsewhere for more than one year or lives in their current location with the intention of living there for more than one year.

back to their island of origin). The fact that many are returning back to the island can be viewed as a viable economic opportunity for the island.

A gender lens reflect that woman mostly migrated (apart from return migrants shown through highest purple peak) to Kulhudhuffushi for education (light purple bar) and due to marriage (grey bar). Men migrated due to potential job opportunities within the city (green bar).

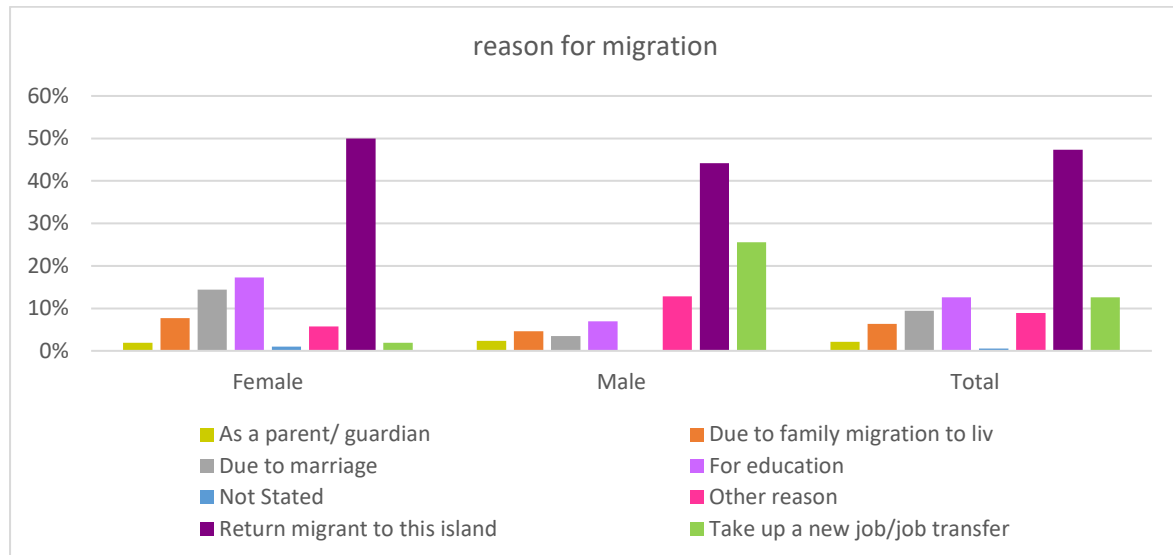


Figure 2. Reason for migration by gender

**Lifelong learning:**

Programs focused on income-generating activities are also associated with an individual’s education level. Out of the total respondents, only 6% of them are currently engaged in any form of studies. Educational attainment of the survey participants showed that most had primary and below education (33%) with 8% having no formal schooling. Women tend to have higher educational attainment compared to men. Although Kulhudhuffushi is one of the first locations to have tertiary education established, the graduates with tertiary education were low and also indicates outwards migration from the city to Male’ and resorts.

Table 2. Educational level of the respondents, Kulhudhuffushi City

Highest education level	Female	Male	Total
No formal schooling/ did not go to school	7%	11%	8%
Primary level (Below 7th standard)	36%	28%	33%
Secondary level (below 10th standard)	9%	18%	12%
O’ level	29%	19%	26%
A’ level	3%	8%	5%
Certificate level	2%	2%	2%
Diploma level	6%	4%	5%
Degree	5%	4%	4%
Masters & above	3%	7%	4%

A look at the educational attainment by age (Figure 1 & Figure 2) reflects that those with lower educational qualification were the elderly respondents and were mostly aged 56 years and above. As



the mean age of the survey population was 42 years, this may reflect the reason that the survey showed that the majority of the population had a low education level. The younger age groups all have had formal schooling and have completed secondary (10<sup>th</sup> grade) with the exception of 4% of males. The young adults between 15-24 years mostly had O' level<sup>5</sup> qualification.

Gender gap was observed among A' level<sup>6</sup> graduates in this age group. While more females have completed O Level, a higher number of males have completed A levels. Youth between 25-35 years have achieved A' level and above educational qualification and significant number of them have completed degree, diploma and even masters. The young respondents within the community can be characterized as well educated and with knowledge to grasp new skills.

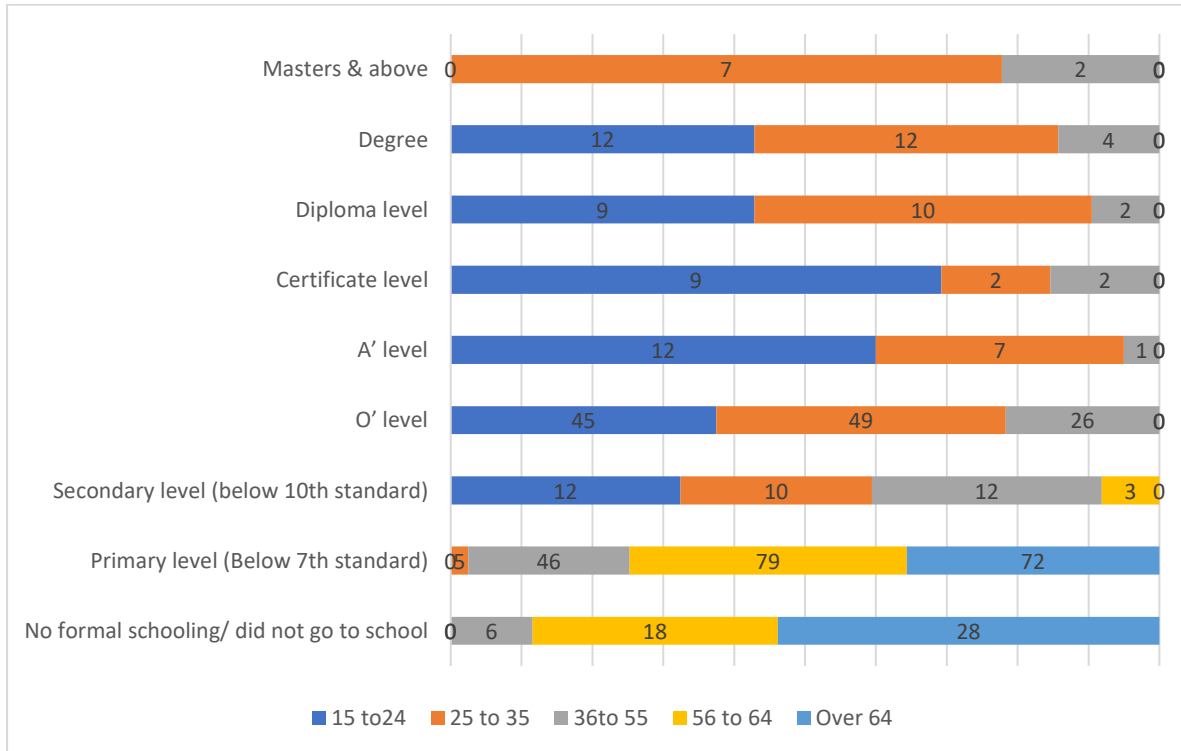


Figure 3. Educational attainment females in Kulhudhuffushi in percentages

<sup>5</sup> Qualification achieved after completing Grade 10 and passing Cambridge Examination.

<sup>6</sup> Qualification achieved after completing Grade 12 and passing Cambridge Higher Secondary Examination.

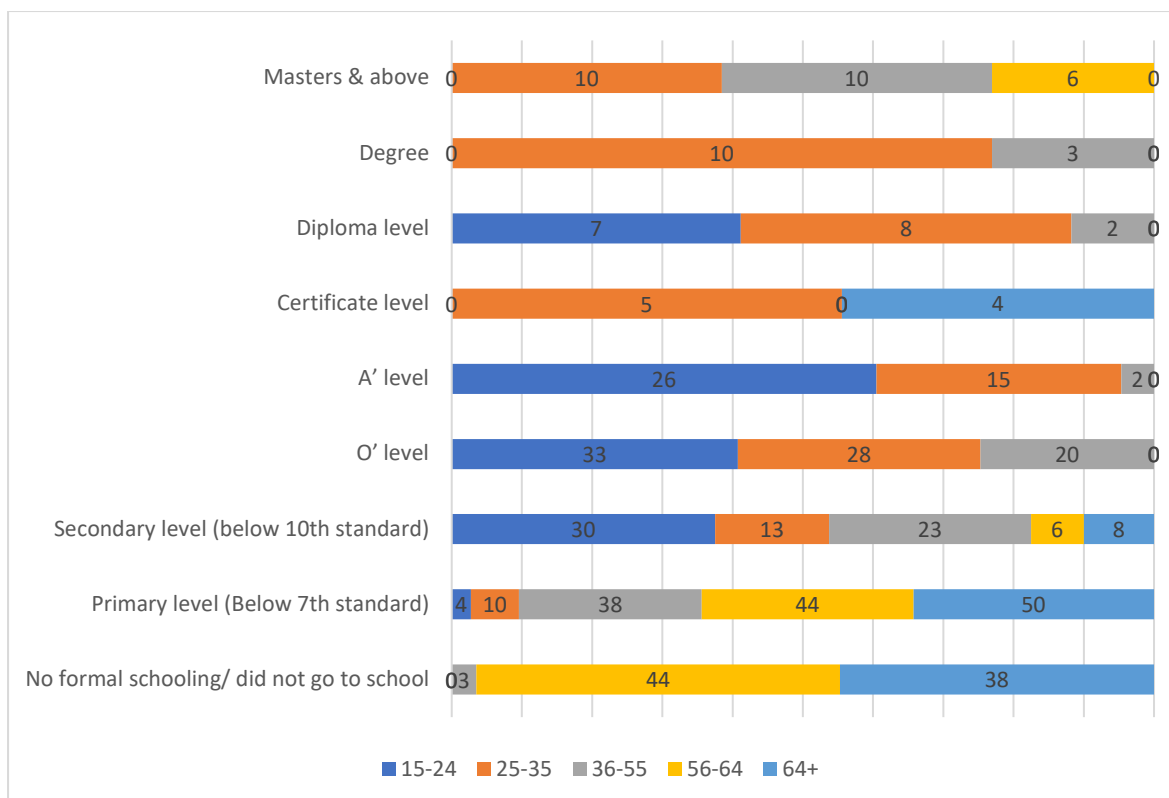


Figure 4. Educational attainment males in Kulhudhuffushi in percentages

### Employment scenario in the community:

This baseline assessment showed that more than half of the respondents were not in a job or doing work. More women (67%) were outside the labour force compared to men. Men are primarily employed and only 25% of the men are not working. Only few respondents were unemployed and more men were actively seeking jobs (unemployed) compared to women.

Table 3. Employment status of respondents by gender

Employment status	Both Sexes	Female	Male
Employed	45%	32%	73%
Not working	54%	67%	25%
Unemployed <sup>7</sup>	1%	1%	2%

A glance at employment status by age showed that women of 35 years and above were mainly not working and women less than 25 years was mainly seeking jobs. Few elderly women were employed and still competing in the labour market within the community. Men on the other hand was occupied in work and those who were not working were mainly the elderly population (65 years and above men). Unemployment among men was mainly coming from youngster (15-24 years) and it is important to gear many of the skill development initiatives toward this age group.

<sup>7</sup> Not working but looking for a job



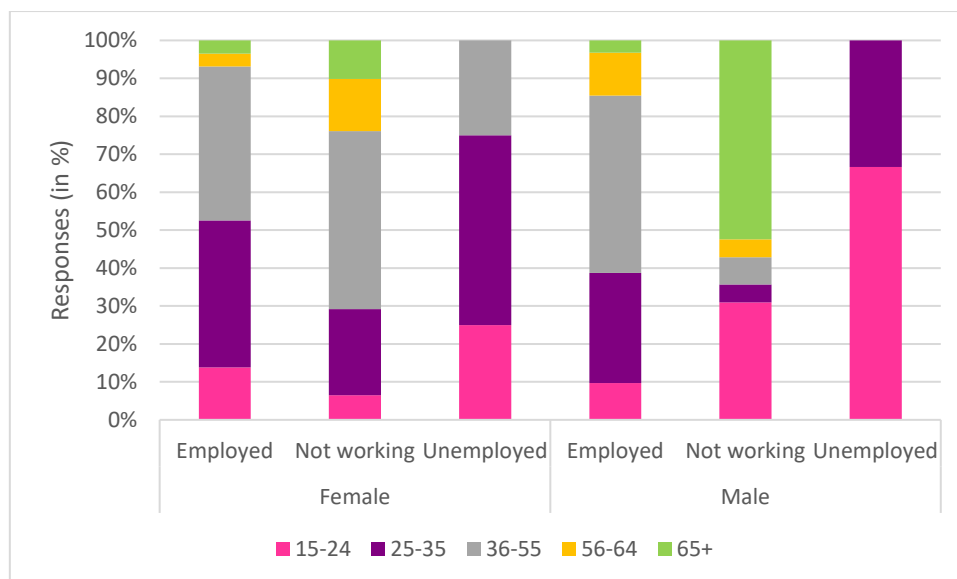


Figure 5. Employment status of the respondent by age group and gender

Public sector remains the key employer across many islands in the country and this was the same in Kulhudhuffushi City as well. Overall, the majority of the respondents were engaged in salaried jobs whilst the rest were in ‘other’ sectors that were specified in the questionnaire. Construction seemed to be area men were engaged in. Baking, traditional livelihood activities were mainly done by women.

Table 4. Primary occupation of the respondents by gender

Primary occupation	Both Sexes	Female	Male
Baking	1%	3%	0%
Carpentry / woodwork	1%	0%	2%
Construction	5%	0%	9%
Fish Processing	1%	0%	2%
Fishing	1%	0%	2%
Salaries/ wages	65%	64%	67%
Small/Medium Business	1%	2%	1%
Traditional livelihood activities	3%	5%	1%
Others (Specify)	19%	23%	15%
Not Stated	3%	3%	2%
Total	100%	100%	100%

A closer look at the top most observations in ‘others specify’ showed that most were working as tailors, and in cleaning and sweeping. Some worked as baby sitters, while others were engaged as Quran tuition teachers. Few respondents worked as pickup drivers well.

These employment opportunities are most likely to experience shocks during disasters similar to COVID-19. When developing an employment resilient community, it is important to consider the nature of involve in this type of work and offer additional income generating activities as a safety net.

At the same time, as some of these income generating activities are gender specific, it is important to scope out the demand for these activities. Island communities have limited market for some products and it should be considered in order to invest and build additional human capacities in these areas.

Table 5. Other type of occupations reported by respondents

Work	% engaged in
Tailoring	16%
Cleaning, sweeping	9%
Baby sitter	9%
Arabic and Quran tuition dhinu	7%
Business	7%
Pickup driver	4%
Bank	4%

This study also revealed most of the respondents worked as employees and only 20% of the respondents were own-account workers<sup>8</sup>. As a significant number of respondents are own-account workers, it is crucial to consider what-if scenarios in the current COVID-19 context.

### ***Skills and Work***

#### **Skills needed in the job:**

The level of skills applied in a job are a prominent component for a persons' career development and improving their entrepreneurship skills. Different jobs require different skill sets and this section analyses the skills applied for jobs based on the categorisation between public vs private.

Jobs related to public services and alike require similar skill sets; ICT skill, administrative skill, financial skills and procurement skills. The functioning of any given organisation requires such skill sets. It is noticeable that the respondents did not report any technical skills used in performing their jobs.

Table 6. Types of skill used in work

Type of skill used in work	Council	Education	Nurse	Police	Salaries/ wages	Teacher
ICT skill	18%	40%	43%	27%	15%	45%
Administrative skill	24%	40%	14%	18%	24%	9%
Financial skill	12%	0%	0%	18%	6%	9%
Book keeping	12%	0%	0%	9%	15%	0%
Farming & related skill	0%	0%	0%	0%	1%	0%
Engineering	0%	0%	0%	0%	6%	0%
food processing /cooking	0%	0%	0%	9%	2%	0%
weaving/thatching	0%	0%	0%	0%	0%	0%
woodwork	0%	0%	0%	0%	1%	0%
Procurement skill	12%	20%	0%	9%	4%	0%
other (please specify)	24%	0%	43%	9%	26%	36%

<sup>8</sup> Own-account workers are owners of an income generating activities on their own and can be carried out from home, online or from a fixed premise

Among jobs done by own-account workers, most of them used financial skills, bookkeeping and skills related to their specific work. Tailors generally used financial skills, bookkeeping and procurement skills. SMEs used procurement skills, financial and bookkeeping skills, administrative and ICT skills. Respondents engaged in traditional work used financial skills, food processing/cooking skills and weaving/thatching skills. Thus, apart from financial skills, own-account workers used skills relevant to their work. Such businesses need skill advancement to expand their business.

Table 7. Type of skills in private jobs

Skill used in work	Baking	Tailoring	Mechanic	Restaurant cashier/Sales girl	SME	Traditional livelihood	lunch crew
ICT skill	0%	0%	0%	20%	6%	0%	50%
Administrative skill	0%	0%	0%	0%	6%	0%	0%
Financial skill	20%	25%	100%	20%	22%	44%	0%
Book keeping	20%	25%	0%	60%	22%	0%	0%
Farming & related skill	0%	0%	0%	0%	0%	0%	0%
Engineering	0%	0%	0%	0%	6%	0%	0%
food processing /cooking	40%	0%	0%	0%	0%	44%	0%
weaving/thatching	0%	0%	0%	0%	0%	11%	0%
woodwork	0%	0%	0%	0%	6%	0%	0%
Procurement skill	20%	50%	0%	0%	28%	0%	50%
other	0%	0%	0%	0%	6%	0%	0%

### Skill expertise areas

In order to develop a skill-based register, it is important to gather information on the mentors who can transfer this skilled based knowledge to inspiring small business owners. As such, the survey gathered information on each respondent's expertise areas in which they can transfer knowledge to others. Promising areas in which women had expertise include public administration, food processing, tailoring, baking and legal expertise. Men noted that they had expertise in the area of construction, carpentry, tourism, fishing and business. This information will also help identify skills that need to be developed within the community and those that need reviving.

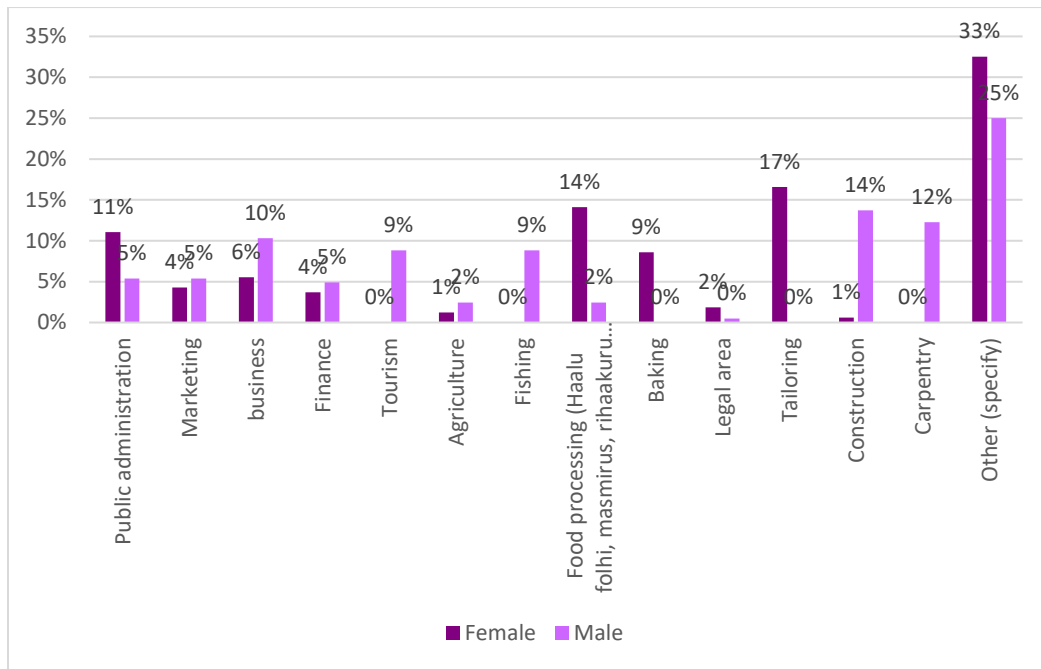


Figure 6. Expertise area for skill transfer by gender

Apart from the pre-defined expertise areas in the questionnaire, many respondents reported being expert in 'other' areas. Further elaboration of these showed the top most expertise skills ranged from teaching to machine operation. Women had skill and experience in the area of teaching, nursing and cleaning. Men had teaching, transportation skill, welding and machine operation skills. These skills can be considered for initial repository and to build upon for skill development within the community.

Table 8. Topmost skills cited in as expertise areas in 'others'

Work	Female	Male	Total
Teaching	23%	8%	15%
Nursing	11%	0%	6%
Cleaning, Sweeping	5%	3%	4%
Sea and land transportation skill	0%	7%	3%
Welding	0%	7%	3%
Machinery operating	0%	5%	2%

Incentives for staff retention include equipping workers with the necessary additional skills through which they can perform their job better and improve their output. Women require skill development mainly in the area of ICT, finance, bookkeeping while men on the other hand, needed more hands-on training to operate machines, repair and maintenance skills, etc (Table 9). The option 'other' was further explored and garnered interesting results. Welding, sewing, technician, and communication were among the key additional skills required by many of the respondents.

Table 9. Additional skill set required to perform current job

Additional skill sets needed	Female	Male	Total
ICT skills	29%	12%	20%
Financial skills	18%	11%	14%
Book keeping	13%	12%	12%
Machine operation	8%	21%	15%
Repair and maintenance skill	4%	18%	12%
Farming & related skill	2%	1%	1%
Food processing / packaging skill	6%	2%	4%
Other (specify)	21%	24%	22%

### Current skill set used to perform job:

This baseline survey also gathered information on the current skill sets used in doing certain jobs and their adaptability in performing these skills. Key areas addressed through the study range from home gardening to carpentry work. From the home-based activities, on average, more people were engaged in doing informal business, tailoring, and carpentry. In each of these works, it requires task specific skills to be performed and the respondents reported having these skills. As these are service-related activities it required mainly to deal with customers and to have customer related skills. The table below summarises the responses received for these home-based activities and skilled applied in performing these jobs:

Table 10. Home-based activities and skills used

Activity	Number and description
Home Gardening	No of people engaged: 5 (female: 4; male: 1) Skills used: growing plants, selling plants, doing business
Bakery products	No of people engaged: 3 (female: 3, male: 0) Skills used: baking, banas hedhun, customer service
Food processing	No of people engaged: 5 (female: 2, male: 3) Skills used: baking, cooking skills
Tailoring/ sewing	No of people engaged: 20 (female: 19, male: 1) Skills used: tailoring, sewing, customer skills
Carpentry	No of people engaged: 11 (female: 1, male: 10) Skills used: carpentry skill, machinery skill, lakudhin ehchihi hedhun
Informal business	No of people engaged: 43 (female: 19, male: 24) Skills used: making cakes, rihaakuru, short eats, teaching, roanu veshun, etc

However, in order to increase efficiency in performing their current job, women needed computer skills, fluency in English or other language, improve their communication skill and develop their soft skills (Table 11). Men needed to improve their communication skill, fluency in English or other language and improve their soft skill.

Table 11. Type of skill needed to function efficiently in current job

Type of skills needed	Female	Male	Total
Computer skills	21%	9%	15%
Financial literacy	7%	9%	8%
Book keeping	3%	1%	2%
Fluency in English or other language	15%	14%	15%
Communication skill	15%	15%	15%
Soft skills	12%	14%	13%
Machine operation	5%	11%	9%
Repairing of machine & vessels	4%	11%	8%
Farming & related skills	1%	2%	2%
Manufacturing of food products such as Haalufolhi, Kanamadhu metaa	2%	1%	2%
Other (specify)	13%	13%	13%

In terms of doing better in their current job, respondents engaged in salary/wage jobs needed improvement in English and soft skills while those engaged in sewing needed machine operating skills. Similarly, those engaged in construction required techniques in machine operation and repairing of machines & vessels while teachers required additional computer skills. There is a need for such trainings to be tailored and scheduled accordingly to target wider audience.

Table 1 1: Additional skills needed to perform well in their current job by industry

Industry	Computer skills	Financial literacy	Book keeping	Fluency in English or other language	Communication skill	Soft skills	Machine operation	Repairing of machine & vessels	Farming & related skills	Manufacturing of food products such as Haalufolhi,	Other (specify)
Salaries/ wages	14%	6%	2%	17%	16%	17%	9%	9%	2%	2%	6%
Fehun	7%	7%	7%	0%	13%	20%	27%	20%	0%	0%	0%
Construction	0%	0%	0%	14%	7%	7%	21%	21%	0%	0%	29%
Nurse	33%	0%	0%	11%	0%	11%	0%	0%	0%	0%	44%
Teacher	56%	0%	0%	0%	22%	0%	0%	0%	0%	0%	22%
Arabic and Quran	25%	13%	0%	13%	25%	13%	0%	0%	13%	0%	0%
Carpentry / wood	0%	25%	0%	25%	25%	13%	0%	0%	0%	0%	13%
Council	29%	0%	0%	29%	14%	14%	0%	0%	0%	0%	14%
Fish Processing	14%	14%	0%	14%	14%	14%	14%	14%	0%	0%	0%
Traditional live security guard	0%	43%	0%	0%	43%	0%	0%	0%	14%	0%	0%
Fenaka	0%	17%	0%	17%	17%	0%	0%	0%	0%	0%	50%
Hospital	0%	0%	0%	20%	0%	0%	20%	20%	0%	0%	40%
Hospital	0%	0%	0%	0%	0%	0%	0%	20%	0%	0%	80%

Learning new skills should be regarded as a lifelong learning opportunity and should match changing skill needs of the community. Almost 1 in every 4-person learnt new things in their job on a daily basis. Others learnt new things whenever there is a need (19%).

In today's work, ICT literacy is important even to perform a simple task. Almost half of the women used computers on a daily basis while 1 in 3 men used computers in their daily task. About 29% of women and 31% of men do not use computers in their work. Those who use computer skills in their work mainly use it as a search engine and to gather more information from the internet. Sending email, use of word and excel are other purposes for which computer was used.

Participants were also asked to reflect on their education, training and work experience and report on the effectiveness of these learnings to perform their current job. Around 3 in 5 people (54%) reported that their education has been very useful for their job.

Looking at minimum educational level needed for a job (Table 12), in order to perform the same job, a person requires a minimum O’level qualification. The minimum level of formal education for a person engaged in a salaried job was O’level or certificate/ diploma level. Construction and fishing were viewed as industries where even primary or no education was required and needed skills acquired on-job. To carry out traditional livelihood activities also, it did not require a modest educational qualification. This brings into prospect a window of opportunities for those below O’level qualification to approach labour market and earn an income. However, training tailored for such audience should be in par with their education level. Need for vocational education is high in the community.

Table 12. Minimum level of formal education required for the job by industry

Industry	No education	Primary level & below	Secondary level	O’ Level	A’ level	Certificate / diploma level	Degree level	Masters and above	Not Stated
Salaries/ wages	1%	10%	8%	49%	6%	13%	8%	1%	3%
Construction	18%	27%	9%	36%	9%	0%	0%	0%	0%
Traditional livelihood activity	29%	43%	0%	29%	0%	0%	0%	0%	0%
Baking	0%	67%	0%	0%	33%	0%	0%	0%	0%
Carpentry / woodwork	0%	67%	0%	33%	0%	0%	0%	0%	0%
Small/Medium Business	0%	33%	33%	33%	0%	0%	0%	0%	0%
Fish Processing	50%	0%	0%	50%	0%	0%	0%	0%	0%
Fishing	50%	50%	0%	0%	0%	0%	0%	0%	0%
Other (please specify)	29%	22%	4%	27%	2%	2%	4%	0%	9%
Not Stated	0%	0%	0%	29%	14%	29%	14%	0%	14%

### Skills needed for Home based work:

As a result of COVID-19 many were forced to return to the labour market. Within the small community, women took up work and managed to work from home. As shown through the results, home-based activities increased within the Kulhudhufushi and it's important that these activities sustain in the long run.

According to female respondents, in order to start a home-based activity, skills required include tailoring courses, baking cakes, food processing skills, financial and home gardening skills. Men mostly required equipment maintenance skill, tailoring, baking and food processing (Figure 7). Close to 46% of the respondents saw short-term training as beneficial for carrying out home-based activity and can sustain them in the near future. And half of the respondents (54%) saw a range of opportunities within the community to start up a business.



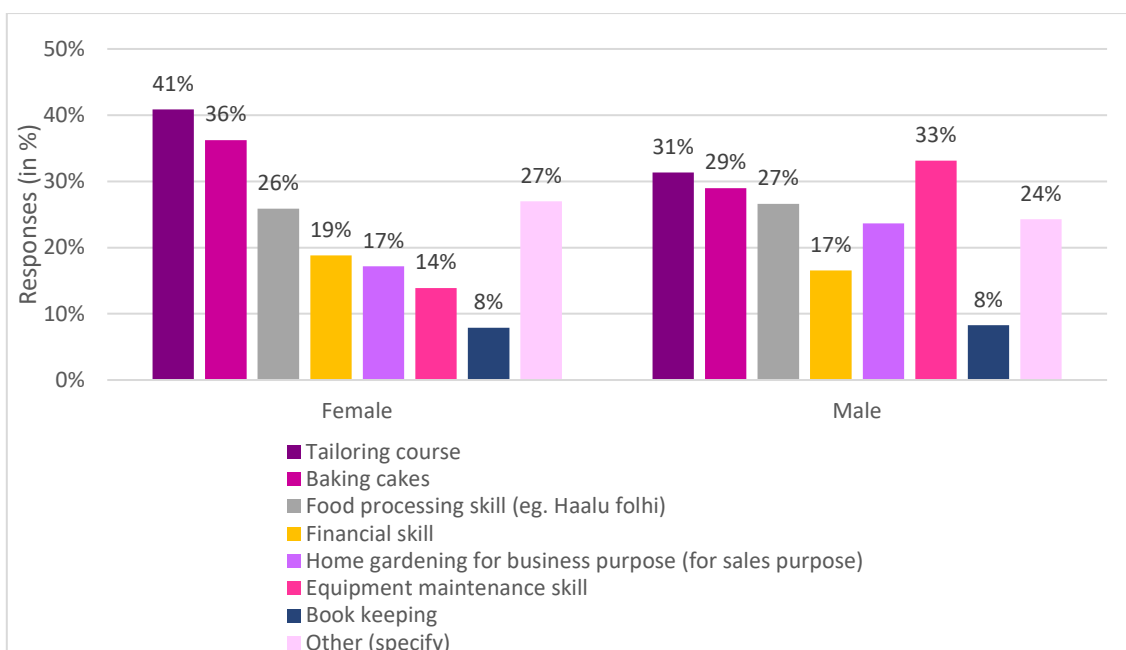


Figure 7. Additional skills required to start-up home based activities

### Future skills development

Respondents identified the potential for development of service-based businesses and the local guesthouse industry (Table 15) and hence identified these as areas for future skills development. Participants unanimously agreed such areas of work are needed and beneficial for the community. Apart from the key areas, areas of vested interest include: tourism related training, leadership training, financial literacy and bookkeeping.

Table 13. Potential areas for start-up business

Areas for start-up business	Female	Male	Total
Craft service-based business (repair & maintenance)	19%	27%	22%
Home stay/ guesthouse	19%	29%	22%
Diving centre	16%	23%	18%
Carpentry	13%	21%	16%
Other (specify)	14%	20%	16%

\* This was a multiple response question and each percentage has been calculated from each sub-total

Tourism is an industry yet to be expanded in Kulhudhuffushi. With mangrove nature parks, the city has the potential to promote tourism in future. The respondents also saw various recreational opportunities to be developed in the city. Almost 43% of the respondents saw the viability in expanding water sports tourism within the city. Development of these recreational opportunities would require workforce with necessary skills needed to sustain these activities.

Table 14. Recreation opportunities for the city

Recreational opportunities to be introduced	Female	Male	Total
Water sports	40%	49%	43%
Diving	15%	21%	17%
Other (specify)	9%	12%	10%
Total	100%	100%	100%

## **Work behaviour**

When looking for a new job, understanding factors such as work environment and compensation can help reach a person’s career goals. Participants in the survey were also asked what they take into account when looking for a job. Majority unanimously agreed that a good income was the key to relieve their worry about making ends meet. A good working environment was also important together with job security and without any fear of business closure.

*Table 15. Things to consider when looking for a job by gender*

Things consider when looking for a job	Female	Male	Total
A good income so that you do not have any worries about money	34%	41%	36%
A safe job with no risk of closing down or unemployment	19%	15%	18%
Doing an important job that gives you a feeling of accomplishment	4%	7%	5%
Work life balance	4%	6%	5%
Working environment	22%	17%	20%
Working with people you like	3%	3%	3%
Not Stated	3%	2%	3%
Other <sup>9</sup>	11%	9%	10%

Similar to the rest of the Maldives, many expatriate workers live in Kulhudhuffushi. Information on public perception towards expatriates working in the country was also gathered in the survey (Table 14). Close to 40% of the respondents expressed strict limitations to be implemented on incoming foreign workforces. Others expressed that foreigners should only be brought to work in areas Maldivians lack in terms of education and skill.

*Table 16. Perception towards expat workforce*

<b>Perception on expats coming for work in country</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
Give opportunity for foreigners in areas where Maldivians lack in education / skill	25%	26%	26%
Let anyone come who wants to	3%	2%	3%
Let people come as long as there are jobs available	6%	5%	5%
Place strict limits on the number of foreigners who can come here	38%	41%	39%
Prohibit people coming here from other countries	21%	18%	20%
Not Stated	2%	0%	1%
Others	5%	7%	6%

Kulhudhuffushi is the central hub for education in the northern region. It is also the main trade hub in the northern region. With increasing development in the city, it is expected to generate employment opportunities. However, 43% of the respondents reported that the city fell short of generating employment opportunities. However, respondents had interest in certain areas for skill development and pursuing employment. Majority of the men wanted opportunities to be generated in the tourism sector. Further areas of interest include road development, guesthouse and water sports related activities, jobs in the area of health, welding, trade and construction.

Women had interest in seeing job opportunities created in the area of road development, tourism, guesthouse and water sports related activities as a whole for the city. This compliments the opportunities

<sup>9</sup> Others was not specified in details for this question in the survey

cited by men as well. Other areas of interest include handicraft work, tuition, teaching, working in health sector. This should be capitalised and built upon to create job opportunities in the nearby future.

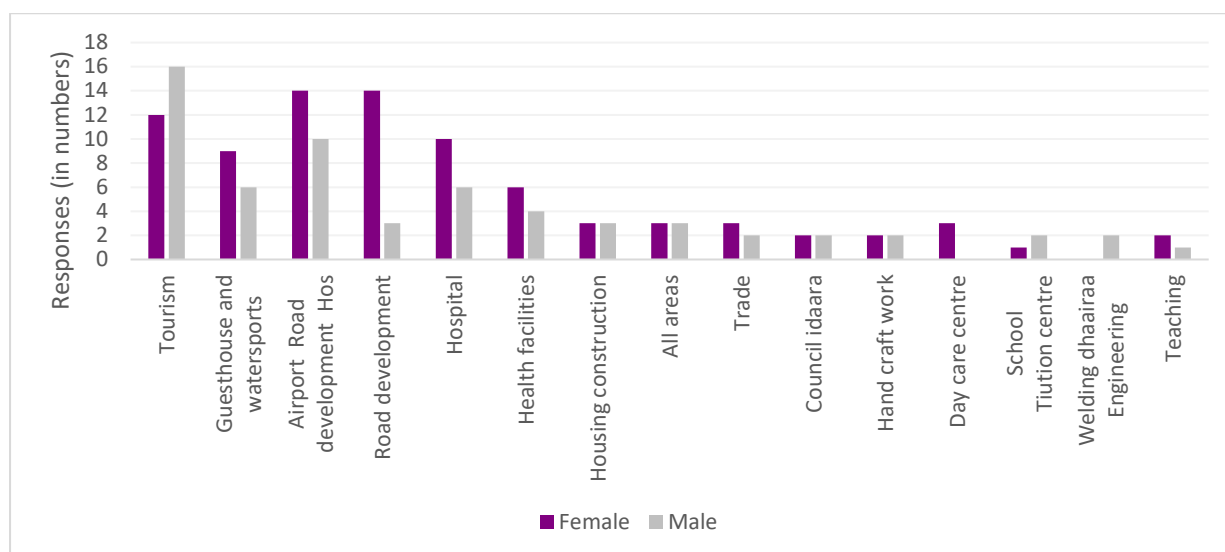


Figure 8. Interested areas of development in Kulhudhuffushi

#### A focus on ‘not employed’ population:

Determining the target segment for skill development often hinges on whether the outcomes related to employability should focus on the employed population or those ‘not employed’. Recalling that more than half of the respondents were not employed, key concerns also included their readiness to join the labour force. Data was also gathered on those who looked for employment opportunities over the past 5 years. Interestingly, the majority of those who sought for a job were employed (68%) while only 32% of the population ‘not employed’ looked for a job. Main approaches used to seek a job were through the internet, gazette, etc. Others preferred to seek help from friends and relatives.

Kulhudhuffushi City had a Job Centre functioning only for few months and it is no longer there. Overall, public had high expectation towards job centre when it came into existence and many wanted key services offered by job centres to be carried out on a continuous basis. It is important to tap into this information and mobilise resources to turn unemployed population into an employable workforce. Public lacked simple skills to fill an application form and any assistance provided will go a long way with them.

Table 17. Expected service from a job centre

Services to be offered by job centre	Employed	Not working	Unemployed	Total
Career guidance	65%	50%	29%	57%
Develop interview skills	55%	37%	43%	45%
Develop skills to prepare proposals	49%	28%	43%	38%
Other (specify)	20%	25%	43%	23%

\* This was a multiple response question and each percentage has been calculated from each sub-total

## Impacts of COVID-19

### COVID-19 and Opportunities

A key measure to mitigate the economic consequences of the COVID-19 pandemic was to look at the opportunities it created within the community (Figure 9). According to the respondents<sup>10</sup>, COVID-19 has provided more viable income generating activities in the city. Many took up online business and it has increased within the community. As a result of COVID-19 more women have become home-based workers to sustain their livelihood. The respondents also noted the abundance of food outlets within the city as the demand for basic commodities plummeted. Only a few went into education at these crucial times.

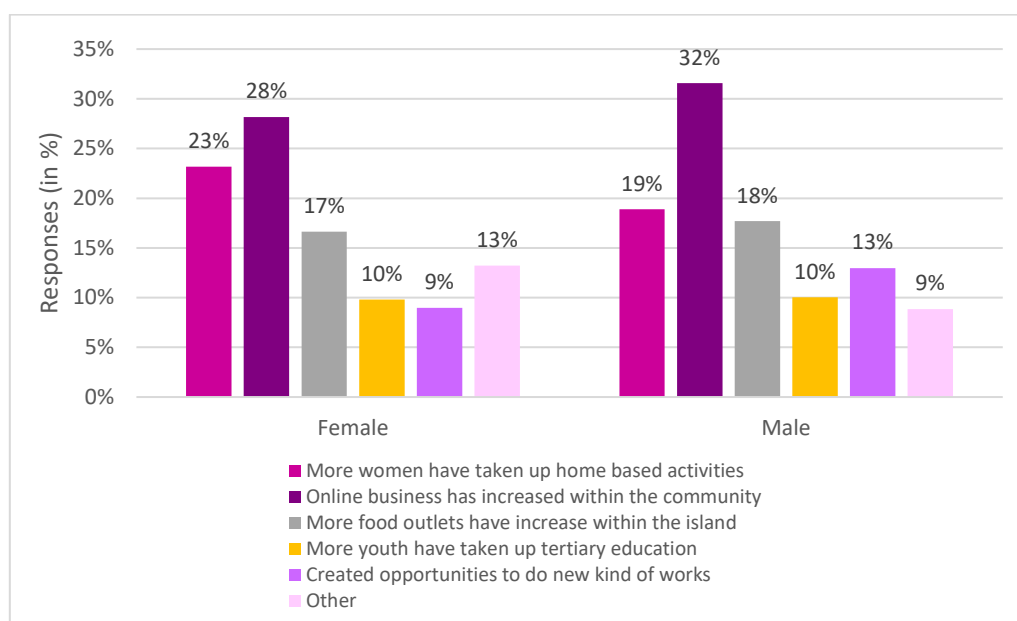


Figure 9. Opportunities created due to COVID-19

Adapting and expanding new livelihood activities in post-COVID-19 also face challenges in its sustainability (Table 17). Women saw lack of finance, unavailability of equipment within the city as the main hurdle for sustainability of their income generating activity. This was the same among men. It is thus important to invest and approach ongoing businesses within the community to expand their supply into this area.

Table 18. Challenges in the sustainability of COVID-19 created opportunities

Challenges in sustainability	Female	Male	Total
No necessary equipment/spare parts available within island	22%	24%	23%
Lack of finance	23%	21%	22%
Lack of proper infrastructure for product storage	13%	14%	13%
Lack of skills need for sustainability of these activities	8%	9%	9%
No opportunities to learn more skills	9%	9%	9%
Lack of mentors within the community	6%	8%	7%

<sup>10</sup> As survey was among those residing in the city, this excludes those residing in the resort and does not reflect the opportunities and hurdles faced by those working in the tourism industry and in resorts.

Relief from household chores to scale up production for women	4%	6%	5%
Other	16%	9%	14%

Looking ahead, the strength of the recovery remains highly uncertain. One way to move forward is investing in people and equipping them with necessary skills. In order to do that a starting point is identifying existing skills and knowledge transfer that can take place within the community. Having an inventory of skills and skill providers within the community can be a game changer for rebuilding the city.

Survey participants expressed that there was a need to have a register of existing skills within the city (87%). This in itself is an indication for the Kulhudhuffushi city to move ahead with a skill register. However, only half of the respondents felt the need to register in such a register. Similarly, the participants were in favour of having a mentors register established (77%). Enlisting in such a register lacked enthusiasm as only 3 in 10 people were willing to register. Women lacked confidence compared to men.

Table 19. Key indicators on establishing a skill register

Key indicators (out of 100%)	Female	Male	Both Sexes
Need of a skill register	88%	85%	87%
Willingness to enlist in this register for skill development	52%	59%	54%
Need of a register of mentors	76%	80%	77%
Willingness to enlist in mentor's register to provide skill development	32%	47%	37%

### COVID-19 hurdles:

The pandemic had a huge economic impact globally - even in the Maldives, many saw loss of jobs, self-employed workers saw income collapse while the government introduced universal transfers to ensure no one fell through the cracks. This baseline survey also asked about the challenges the respondents faced due to the COVID-19 with the aim to build upon these bottlenecks and consider mitigation strategies in the sustainable livelihood plan. This section analyses the challenges survey respondents faced due to COVID-19 outbreak.

Majority of the survey respondents did not face any disruption in their work due to COVID-19 (Table 19). This was mainly because majority of the respondents worked in the public sector (as referred in employment section). A further factor is that the household surveys did not capture the people working outside the island in resorts. This is a limitation identified post-survey and further information on resort workers need to be collected through interviews and background information.

Table 20. Discontinuity of work due to COVID-19

Discontinued working	Female	Male	Both Sexes
No	84%	74%	81%
Not Stated	3%	2%	3%
Yes	12%	24%	16%

Job and income losses have been particularly severe for men compared to women. Further analysis showed women working in the area of education, manufacturing short-eats/ haalufolhi and wholesale and retail trade had to discontinue their routine work while men engaged in construction/carpentry, transportation was hit hard by the pandemic.

Table 21. COVID-19 disruptions by gender and industry

Disruption faced industry	Female	Male	Total
Café and restaurants	0%	3%	1%
Construction/carpentry	0%	20%	9%
Education	24%	5%	15%
Health	2%	8%	5%
Manufacturing of fish processing	4%	0%	2%
Manufacturing of other product	2%	3%	2%
Manufacturing of short-eats an	13%	0%	7%
Tourism (non-resort)	0%	3%	1%
Tourism (resort)	2%	10%	6%
Transportation	0%	13%	6%
Utilities	0%	3%	1%
Whole-sale and retail trade	7%	8%	7%
Other <sup>11</sup>	42%	28%	35%
Not Stated	2%	0%	1%

While the majority worked in sectors not related to tourism or fisheries, among the hardest hit by the crisis was those working in tourism related jobs. The impact of COVID-19 was mainly for men compared to women in tourism related activities. For respondents impacted by COVID-19, they were asked if their work was related to tourism and fisheries sectors (Table 21)<sup>12</sup>. The impact of COVID-19 was experienced in a small proportion for women working in tourism and fisheries related activities. Both men and women were mainly affected by the travel restrictions put in place due the pandemic.

Table 22. COVID-19 impacts on tourism and fisheries activity

Was that activity related to tourism or fisheries?	Female	Male	Total
No	84%	70%	78%
Not Stated	2%	0%	1%
Yes, related to fisheries	7%	0%	4%
Yes, related to tourism	7%	30%	18%

### COVID-19 coping mechanisms

In order to overcome the impact of the pandemic, different people resorted to different measures (Figure 10). Majority of the respondents did activities other than those specified in the questionnaire (for both men and women). Among women, 15% of the respondents started home based business at a small scale.

<sup>11</sup> Others was not specified in detail for this question

<sup>12</sup> Since many of those working in resorts were outside the island, they were not included in the household survey. So this may not have captured the impact accurately.

About 11% of the respondents started a new own-account activity or a family business. Even at times of crisis, less preference was given to take up a salaried job, even on a part-time basis. Few were keen to initiate farming, or keeping animals or fishing to produce food for the family. Kulhudhuffushi is not an agricultural island but rather famous for its Saturday market with agricultural products coming from other islands.

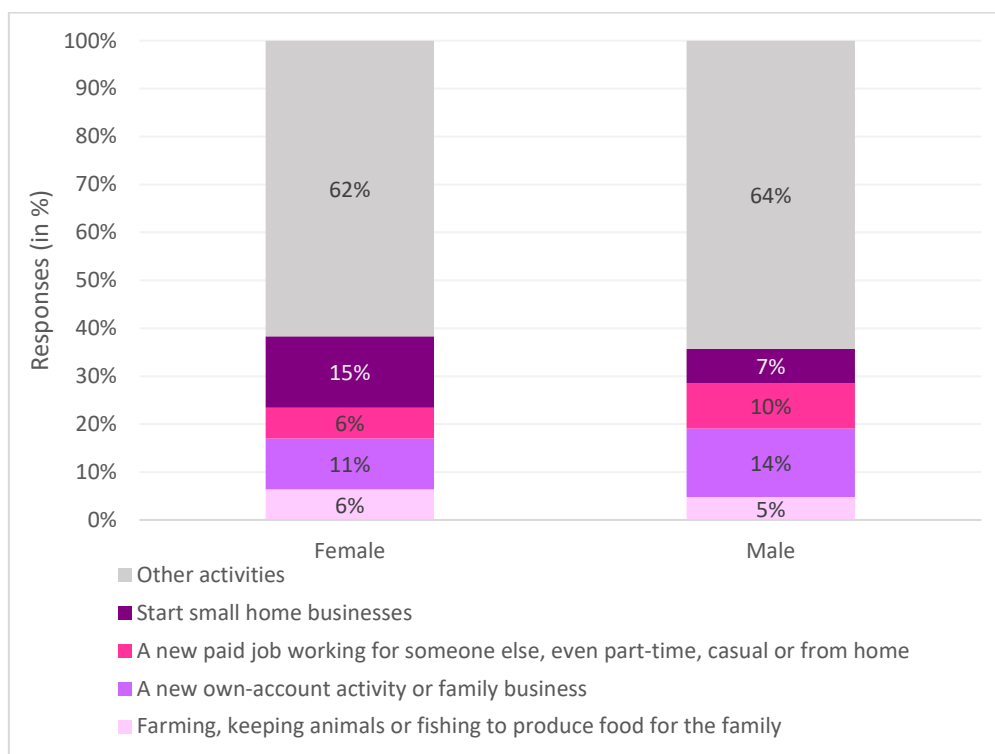


Figure 10. Activities started to cope with COVID-19 by gender

To compensate for income loss, women relied on their savings and were dependent on the support received from family and friends (Table 22). Men took risks and invested to start a new income generating activity. 17% of the men withdrew their savings to meet basic needs and 14% of the men received aid from their employers. Overall, women were more cautious and operated within their safety circle in compensating their income loss while men were more daring as majority started a new income earning activity at this crucial time.

Table 23. Measures of compensating income loss by gender

Ways of compensating income loss	Female	Male	Total
Taken a loan from friends, neighbours, relatives	7%	0%	4%
Taken a loan from a bank, credit fund or similar	0%	3%	1%
Taken a moratorium	0%	0%	0%
Received government aid or support	2%	0%	1%
Received aid from employer	7%	14%	10%
Received assistance from family and friends	17%	6%	12%
Received aid from an NGO or international organization	2%	0%	1%
Sold possessions (vehicle, jewellery, tools,)	0%	8%	4%
Sold property, business or similar	0%	0%	0%
Started farming, keeping animals, fishing to produce food for the family	0%	0%	0%
Withdrawn savings	20%	17%	18%



Reduced consumption (e.g. food...etc.)	2%	0%	1%
Started new income earning activity	4%	25%	13%
Other	39%	28%	34%

A cross analysis of these 2 questions presented further insight into the type of activity they started as to cope the impact of the COVID-19 together with their compensation strategy (Table 23). Apart from starting an income generating activity as a coping mechanism, those who started farming/ animal rearing relied on family and friend through loan and assistance given by them. Those who started an own-account also received assistance from family and friends. Those who started small home business also withdrew their saving to start up their business. This was same for those who started other activities.

Table 24. Compensation method cross classified by activities started to cope the impact of COVID-19

Compensation method for loss of income	Farming, keeping animals or fishing to produce food for the family	A new own-account activity or family business	A new paid job working for someone else, even part-time, casual or from home	Start small home businesses	Other activities
Taken a loan from friends, neighbours, relatives	20%	8%	11%	0%	2%
Taken a loan from a bank, credit fund or similar	0%	8%	0%	0%	0%
Taken a moratorium	0%	0%	0%	0%	0%
Received government aid or support	0%	0%	0%	0%	2%
Received aid from employer	0%	0%	22%	0%	10%
Received assistance from family and friends	20%	23%	11%	23%	10%
Received aid from an NGO or international organization	0%	0%	0%	0%	2%
Sold possessions (vehicle, jewellery, tools,)	0%	0%	0%	0%	6%
Sold property, business or similar	0%	0%	0%	0%	0%
Started farming, keeping animals, fishing to produce food for the family	0%	0%	0%	0%	0%
Withdrawn savings	0%	8%	11%	31%	16%
Reduced consumption (e.g. food...etc.)	0%	8%	0%	8%	0%
Started new income earning activity	40%	31%	33%	23%	8%
Other	20%	15%	11%	15%	43%

#### 4. Findings from focus group discussions

##### *Current Opportunities*

Overall, all groups agreed there are not enough job opportunities compared to those seeking employment. Especially in the private sector and service-based utilities, jobs are currently capped and only opportunities will arise if someone retires or leaves the job. The banking industry noted that many of their services are now online and this means there will be need for less people. For small shops, it was identified that if new shops like hardware and electronics shops started, there can be new job opportunities.

However, the education and health sector noted that there are opportunities to create employment for locals. For example, there are a lot of foreign nurses and teachers working in the island. These are opportunities for locals. The health sector reported there is a program started to replace foreign nurses with locals. However, these focus groups reported that some areas are very hard to find locals. In schools, health assistants are hard to recruit as the pay is low compared to a person with the same qualification working as a nurse in the health sector. They also noted it was very hard to get locals for

teaching Dhivehi and Arabic, mainly due to low pay. In the health sector, it is hard to find technicians such as radiographers and for the laboratory. Scholarship opportunities and job opportunities have been announced for these technical jobs but there has been a lack of interest from applicants. There is a need to create more incentives for students to go into these areas.

In comparison, those working from home stated that there are lots of opportunities to get into this area and earn an income. These include making food and short eats (hedhikaa), traditional foods like haalufolhi and masbondi among others. While youth seem to be interested in getting into this area, it was reported that they did not believe this to be a viable area for main income earning. The interest was more as a side business to earn extra income. Local craft workers who made metal utensils mentioned that there is lack of interest for people to learn this skill and there is a fear of this dying. This is an area with opportunity and they get lots of orders to make these.

### ***Opportunities for development***

Tourism was seen by all groups as an area that needs to be developed to benefit the community through many direct and indirect job creation opportunities. For example, construction workers will get opportunity for development of tourism related infrastructure while home based workers in food processing, farming and crafts saw this as a potential new market to sell their products. The restaurant and café industry and SMEs also saw this as an opportunity to get more customers and better business. Water sports was especially noted by many groups as an area for development as a tourism product to attract visitors. For the health sector, there is a need for development of doctors, sub-specialists and traditional healers.

All focus groups identified the need for students at school age to be introduced to these job opportunities so that they will be interested in these jobs. Awareness programs, career guidance while ongoing and was still needed, more sustainable programs to get young people to be interested in these areas was highlighted. Suggestions included skill learning incorporated to school learning for all students unlike the previous vocational programs Dhasvaaru or the current BTech program. These programs had been introduced for low-performing students and hence there is a mindset by the community and, especially parents, that this is not a good area for their children to study. Participants highlighted the need for awareness programs targeted to create a more positive mindset for vocational education in the community.

The need for more vocational courses to be run by the Polytechnic was highlighted. Areas highlighted included carpentry/woodwork, heavy machinery maintenance, traditional food processing and crafts among others. The education sector highlighted that in a survey for students more than 50% were interested in water sports but there is no opportunity such as a diving centre for them to learn. This is an area that can be developed with increasing tourism in the area. Many noted that for students to learn vocational skills they also need training opportunities on the island. A mind-set by the community was the expectation that government or existing private colleges should provide these courses and trainings. There was no thought of the community or privatesector in the community could start such progrms needed for the community.

In addition to getting youth interested, businesses, SMEs and home-based workers identified the need for business development, planning, financial management, marketing and other business related trainings for those starting up a business. Farmers identified the need for farming techniques such as greenhouses and hydroponics trainings as well as awareness on harmful impacts of chemical use in farming. These groups also identified the need for loan schemes to start businesses. Further, the need

for marketing their products and businesses were identified. Learning better social media presence was also identified as a need.

The home-based workers processing food were content with their current level of orders but they were mainly through word of mouth. If tourism was developed they saw a need for improved marketing as well as packaging and hygiene of their products. They identified the need for the island authorities to improve food and hygiene checks. Value addition of their products through improved packaging was seen as a future need, they expressed that they make the food and would not have the capacity or interest to do the additional packaging and marketing. This is an opportunity for a third party to engage and develop a business.

### ***Challenges***

Financial burden for sustaining a business or start ups, especially post-COVID-19 was identified as a challenge by the private sector. Current SME loans were mentioned as very high and current rental costs are very high for businesses. Opportunities of relieving high costs through some mechanism by the Island Council to provide cheaper land was also a need. The health sector and education sectors also identified high initial costs as reasons for private sector to be hesitant to open clinics and education centres.

Difficulty to get local workers was identified as a challenge by the café/restaurant and construction industries. Local workers are deemed as unreliable and seem to quit jobs very frequently. Drug use and substance abuse among youth was also identified as a problem to sustain them in employment. While these industries compensate by bringing expatriate workers from Bangladesh this too is identified as a challenge with long processes to bring in workers and manage them.

While there is no tourism guesthouse business in the island, as many people from the region visit Kulhudhuffushi for medicals and other purposes there is large rental business for rooms. Many believe this can be improved with introduction of tourism and standards made for this sector. This group also identified high running cost and need for easier access to loans as the main challenge.

Those processing traditional foods identified the lack of space at home to do such work a challenge. An industrial space can be explored for such workers. While youth showed some interest, there was a lack on seeing this as a viable main income earning activity as they seem such work very labour intensive. This was also highlighted as an issue as though they put in a lot of effort into the work, prices cannot be raised so high and people will not be able to or interested to buy for higher prices which reflect their effort. Increase in tourism and value-addition of the products and better marketing can help raise the prices and get better value for the workers.

While tourism development is seen as potential area for improving the local economy, the high cost of travel is seen as a challenge to attract tourists. This view seemed to be from the idea that tourism markets are for rich Western tourists. Development of backpacker, adventure and cultural tourism was discussed as a way more suited for the local area. Sea transport is relatively cheaper compared to air and can be marketed as adventure tourism.

While all sectors identified the need for students to be made aware and guided to employment opportunities in these sectors, lack of on site training facilities was highlighted as a challenge by the education sector. The need to create a positive mindset for vocational training in community was identified as a need and challenge. The health sector especially identified the loss of traditional medicine as a big challenge due to lack of interest by the Government to develop the area.

## 5. Conclusions and recommendations: Building back a resilient economy

While the fight against COVID-19 continues, what awaits us is a ‘new normal’ in the way society is organised and the way we will work. It calls upon the task of building a future of work safe, fairer, and more effective in cushioning the consequences of future crises on jobs and income.

A sustainable livelihood plan should include inclusiveness and improve resilience towards future shocks. This requires actions on a number of fronts. This includes:

- 1- Building an inventory of skills within the community- to build a resilient economy within the city, it is important to have a register of existing skills within the community. This could be a gain for future in terms of:
  - Developing mentoring programmes within the community
  - Seek grants to support skill-based youth employment within the community.
  - island development planning

However, in order to establish a skill-based register, the Council should have public acceptance and willingness to participate and take part in such a register-based activities. This requires firm affirmative actions from the Council such as:

- Creating awareness on the economic prospectus of participating in such a register.
  - Gain the trust of local experts and use them to lobby for such a register- based initiative
  - Build public faith in such registers by prioritising and using local experts to conduct future training
  - Carry out public campaigns to do voluntary registration
  - Mobilise resources to maintain this register over the years
  - Such initiatives should not be politically driven and should be long term
- 2- Enabling transfer of knowledge from experts to inspiring entrepreneurs within the community.
    - Create social dialogues within the community where inspiring entrepreneurs and job seekers can benefit from the experience of mentors- such dialogues need to focus on home-based activities and promote traditional work famous within Kuludhuffushi city.
  - 3- Expanding employment services and training
    - City Council can collaborate with the business development centre and with the Ministry of Youth to provide customized training for the community. These trainings should be based on the community needs and should include financial and digital literacy.
    - As a first step, those registered in the mentor's registry should be trained, re-trained to build their competency to deliver quality training within the community.
    - Work towards accrediting these courses so that it adds value for building a career path.
  - 4- Balancing gender equality- Women have been hit particularly hard by the COVID-19 crisis in terms of greater job and income loss. Creating a balance include:
    - Strengthening family-friendly working-time arrangements and encouraging a more balanced share of household and care responsibilities.
    - Closing the gender gap in labour force participation, pay and in social protection
    - Promote women’s participation in training and allocate seats for them

- Ensure women’s representation and voice in the planning and implementation of sustainable livelihood plan.
- 5- Modernising employment opportunities: With COVID-19, many have been quick to move to online business. This requires modernisation in their work, ICT literacy, marketing products and exploring markets for products. Such innovative ways should be included in training to encourage more productivity within the city.
- 6- Promote transition from informal to formal employment: The workers in the informal economy have been hit particularly hard by the crisis. And at the same time, COVID-19 has increased such informal employment within the community. In order to avoid the same mistake, women engaged in home-based activities should be educated and encouraged to register for social protection.
- 7- Achieving better employment prospects for traditional activities: Kulhudhuffushi is famous for its traditional food products (haalhufolhi), spices and other valued added products. Investing and attracting youth to take up such professions should be encouraged with avenues to market their products.

“Building back better” calls for increased policy integration, in particular between economic, employment and social policies, and a whole-of-community approach. Kulhudhuffushi City has the potential to establish a skilled-based register and develop prominent key experts within the society. However, it is also important to find mechanisms to monitor and sustain this register in the long run.

## **Annexes**

Annex 1: Survey Questionnaire