Labor Migration in the Maldives

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Geography

- 1200 islands
- 188 permanently inhabited
- 127 industrial
- 111 islands-resorts

- Provision of goods & services – expensive and hard
Population
436,000 including migrants (1102 people/km²)

Capital: one third of country’s population on 5.8 km²

Atolls: 58% of all islands below 1000
Environment

Dry, infertile land. Ag. Sector has been shrinking. Often limited to container gardening.

But very prone to sea level rise and flooding.
Environment

80% of land – less than 1 m above sea
42% of the pop and 70% of infrastructure within 100 meters from the shore

Fishing – 1.5% of GDP, weakened by reliance on intermediaries
As fishing declined, govt. has attempted to move population to other areas and jobs
Economy

Tourism: 29% of nominal GDP / upper middle income
Formally 55%/45% Foreign/Maldivian labor

Construction: 2002-14 6.7% average growth rate spurred by tourism and related activities: construction, transport, communication
No quota, vast majority foreign labor
Labor Market

But young Maldivians (esp. women) have not been seeking employment in the fastest expanding sectors.

Youth NEET (23.5%) (21.5% M / 25.3 % F)

Why?

• Distance & lack of transportation
• Cannot participate (HQ)
✓ Hard skills (limited training opportunities)
✓ Soft skills (attitudes)
• Do not want to participate (LQ, Q)
✓ Pay and working conditions
✓ Social expectations (3D, not for Maldivians, not for women)
• Employers’ preference for certain positions to be filled by migrants
Migrants: at least 15% of the total population

Source: UNPD, 2018
Over half of migrant workers from Bangladesh. Circa 90% from Bangladesh, India, Sri Lanka.

Source: Maldives Immigration, 2017
Where do migrants work?

• Tourism (1/3) & construction (1/3)

• Specific occupations tend to be filled by specific nationalities, e.g. cleaners (Bangladesh), maintenance (India), cooks (SL)

• Due to workers’ skills but also employers’/ recruiters’ practices (homogenous teams easier to recruit and manage, reliance on intermediaries, pay according to nationality).

• Certain sectors and employers enjoy easier access to foreign workers than others (no transparency in who gets access to foreign workers). Result: unfair competition, visa trading, irregular employment, high migration costs to workers.
Tourism

Luxury / One Island – One Resort Model

✓ goods and labor are imported from abroad

✓ 79% of beds resorts or boats vs. 21% guesthouses/hotels (2008-17)

✓ Inhabited islands – based tourism is nascent & restrained (infrastructure, culture, ownership)

✓ Hospitality training – nascent and not appreciated

Result:

Only 15% of the employed Maldivian men and 4% of the employed Maldivian women work in tourism
Construction

- Public: dependent on Chinese capital, technology and labor
- Private: dependent on Bangladeshi and Indian laborers
- Large demand in both, but bad reputation: 3D/migrants’ jobs characterized by unattractive working and living conditions including high injury and death incidence rates

- Result:
  Maldivians are attracted to a limited number of office jobs which do not require specialized training. Do not want to enter private and cannot enter public constr. work.
Health Care & Education

• High demand, especially in the atolls
• No medical school, except newly launched nursing program
• Local workers lack the skills and/or will to work in the atolls

Result:
• High labor turnover due to relatively low wages, professional growth opportunities & working environment, living conditions & better alternatives in other countries
Migrant workers’ admissions have …

• Boosted the **growth of sectors vital to Maldives’ development**, esp. tourism, construction, health and education
• Sped up a number of **critical infrastructure projects** (esp. after tsunami)
• Helped Maldivian employers **overcome labor shortages** and the countries of origin mitigate unemployment
• Transferred **basic knowledge** (e.g. in health care, management) from abroad
• Generated **tax revenues** for the Maldives and **remittances** for the countries of origin
…but they have not been matched by adequate assessment of labor shortages, activation of local workers, migrants’ recruitment and their labor market integration

• Not all employers found it easy to hire migrant workers, while others were able to rely almost exclusively on them, creating so called “migrant jobs” that locals are not willing or able to access

• Many employers who were able to hire migrants did little to attract local workers:
  ✓ wages and working conditions
  ✓ training programs (studies and internships)
  ✓ mechanization, rationalization of production

• Possibly because employers who obtained access to migrant workers assumed that they would continue to be available & took production decisions based on this assumption (e.g. resorts in isolated places). What if access is curbed?

• Unequal access to foreign workers → growth of fee-charging recruiters and irregular migration (visa trading, mismatches btw. employers and migrants expectations, high migration costs, overstays)

• Instead of lowering migration and remittance costs, Maldives has increased them. This will contribute to more irregular work and make it more difficult to attract workers in the future.