

# Social protection profile: Maldives<sup>1</sup>

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Since 2018, the International Policy Centre for Inclusive Growth (IPC-IG) has partnered with the UNICEF Regional Office for South Asia and its respective Country Offices to develop a series of comparative papers on social protection (SP) in the region, covering social expenditure, legal frameworks, design of flagship national non-contributory SP programmes—including their child- and gender-sensitive features—the socio-economic impacts of the COVID-19 crisis and the SP responses deployed, and findings from quasi-experimental impact evaluations. All the studies listed, except the last one, were published in 2020. This One Pager highlights key findings for Maldives.

From a legal perspective, the Maldivian framework for SP is largely anchored in a rights-based approach. In the first place, the country's Constitution enshrines SP as an enforceable right, to be realised progressively within the limits of the State's capacity and resources. The core statutory Maldivian laws regulating the SP sector are the National Social Health Insurance Act (2008) and the National Social Protection Act (2014). They are particularly commendable, as they seek to reduce institutional and programme fragmentation. It is also noteworthy that all seven of the national social assistance programmes mapped are legally grounded, while six are supported by regulatory frameworks, except Medical Welfare. Those regulatory frameworks can be improved, though, in relation to transparency and access to information, accessible complaints and appeals mechanisms and participatory channels. Another important document is the Child Rights Protection Act (2019), which systematises children's rights (e.g. birth registration, name and nationality), which are all fundamental preconditions for accessing SP.

In terms of social expenditure (health, education and social assistance), Maldives has the highest spending in South Asia, reaching 15 per cent of gross domestic product (GDP) in 2019. Its spending on health only is also the highest in the region as a proportion of GDP. The country has universal health insurance, the *Husnuvaa Aasandha*, complemented by Medical Welfare, which covers additional costs of more complex health services for poor households. Out-of-pocket health expenditure represents 19 per cent of total health spending, the lowest in the region (2019). Health indicators for the country are good overall, with nearly universal immunisation and high life expectancy at birth. Regarding education, Maldives is close to universal basic education for primary and lower secondary levels and boasts nearly 100 per cent literacy rates. Most of the social assistance budget goes to the Old Age Basic Pension. Finally, there is scope for making taxation more progressive, expanding the fiscal space for social expenditure, by increasing direct taxation, which is relatively low compared to taxes on goods and services.

Regarding the design features of flagship national non-contributory SP programmes, just one of them has multiple components, the Disability Allowance Programme, which is an unconditional cash and in-kind transfer, and social care services. The Old Age Basic Pension is an unconditional cash transfer. There are two other cash transfers, the Foster Parent Allowance and the Single Parent Allowance, conditioned on children's school attendance. There is also a Food Subsidy Programme for poor households, and the two non-contributory health insurance programmes, *Husnuvaa Aasandha* and Medical Welfare. To select beneficiaries, categorical targeting, means-testing or a combination of both is used. With respect to gender- and child-sensitivity, the Foster Parent

Allowance and Single Parent Allowance stand out, since the cash transfer varies according to the number and age of children in the household. Further, the Single Parent Allowance particularly targets orphans. However, there are no programmes specifically targeting or prioritising women, or programmes that explicitly target early childhood or support children's nutrition.

Concerning socio-economic impact evaluations, no experimental or quasi-experimental evaluation studies were identified for any of the seven programmes up to December 2020. Several impact evaluations were conducted in 2021 in the country, but they did not meet the requirements of an experimental or quasi-experimental impact evaluation. Therefore, Maldives is encouraged to carry out impact evaluations to estimate the causal impacts of SP programmes by differentiating between effects on recipients and non-recipients.

Finally, SP responses to the COVID-19 crisis include utility subsidies; an Income Support Allowance, which is a wage subsidy for those laid off or sent on unpaid leave, including self-employed people; and two different capped loans for companies, self-employed people and freelancers. However, most initiatives did not cover migrant workers.

Considering the above, the following is recommended for Maldives:

- Improve the regulatory frameworks of programmes where needed.
- Increase the fiscal space for social spending by making taxation more progressive (e.g. increasing individual and corporate income taxes).
- Consider launching women-targeted programmes or priority eligibility rules to enhance women's access to existing programmes.
- Consider launching a flagship programme that explicitly targets early childhood (such as programmes targeting pregnant and lactating mothers).
- Consider launching nutritional interventions for children, such as a flagship school feeding programme.
- Increase monitoring and evaluation of the socio-economic impacts of SP programmes. Establishing a routine monitoring system would lower the costs of periodic evaluations.
- Consider including migrant workers and their families in SP schemes, including the SP responses to COVID-19.

## References:

Alim, Abdul, Fabio Veras, Rafael Osorio, and Pedro Arruda. 2020a. "UNICEF and IPC-IG paper series on Regular Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3ftQDq2>>. Accessed 25 October 2021.

Alim, Abdul, Fabio Veras, Rafael Osorio, and Pedro Arruda. 2020b. "UNICEF and IPC-IG paper series on Covid-responsive Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3A6Rsw>>. Accessed 25 October 2021.

## Note:

1. Full references for the data cited in this One Pager can be found in the list of reports available in the blog posts listed above.