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13:00 : عَمْرُوتُ

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مَرْبُوعٌ مَوْجُودٌ وَوَرْدٌ مَوْجُودٌ

اَعْمُرُوا نَفْسَكُمْ وَشَرَعُوا.

So, thank you. My name is Nafees, and I am from MED, and I am also part of the Covid-19 Emergency Income Support project (PMU), under which we have initiated the consultancy to undertake a study on establishing an unemployment insurance scheme. First and foremost, thank you for granting this opportunity to showcase and discuss our work on the UI scheme and with us today he is joining our primary consultant Mr. Professor Milan. And I believe that your contributions to this work would be very invaluable in going forward. I would like to highlight, that this part of an on-going series of stakeholder sessions that we have been carrying out with key government officials and government bodies as well. So, without further due I would actually hand over the floor to Mr. Professor Milan.



Thank you very much Nafees. Thank you, Honorable members of the Economic Committee. I would like to really take the advantage of this opportunity to address some of the dilemma state present in this setting up the program, and I hope I certainly usefully highly appreciated. I just so, just like to know who are, which members are, I don't see actually the, here on the screen who is present in the meeting.

Consultant, Professor Mr. Milan Vodopivec speaking:

Ok. Very good. Very good. So, thank you. So, I hope you have received the instruction report, that I produced about this program. Because that provides quite a lot of information and also the basis of our discussion today. So, let me just briefly summarize some of the feature of the program and the some of the questions, and then we would just tackle the questions. In fact, I would like to address the questions that are laid out on page 14 of the inception report. There are 7 or 8 questions. So, those who are in particular will be discussed. But, before going to the specific questions, let me just and briefly summarize. So, we are thinking the Maldives have the decision to introduce this program in unemployment insurance program. So, as the name suggest so, this is really certain members, employed workers who contribute certain contribution rates. Let's say 1 or 2 or 3 percent of their wages to a fund. And it can also be individual level fund. But also, solidarity fund. And from this fund or funds then benefits are paid when members of the program become unemployed. And when they are unemployed, it is a standard practice that they are paid, let's say 60% or 70% of their previous salary for a certain duration of time. In addition, there also kind of provided services, important services to increase their chances to obtain a job. As well as monitor, because you are given the money is, it's kind of a mutual obligation. So, the obligation of the recipients of the benefit is really to look for a job and take one if they find it. So, this really how the program works and in developed in high income countries in. The experience shows that it has indeed offer the sole



protection and so most people who get unemployed at least for some times are offered this benefit. It helps them to smoothen their consumption. It also provides only bare skills, because when they are unemployed obviously some, most of job seekers may take advantage of certain training or are programs that improved the skills and improve their earning capacity and an employment capacity. So, again so, this is what we talking about is introducing a scheme where, when employ workers would contribute to the fund and when they are unemployed, they would take money from this fund to finance benefit. So, this is basically how it works and of course, you know we were come to the fact that in Maldives, I mean there are certain circumstances we have taken into account. Bu, first of all, let me just ask you, do you have any questions at this point, just about how this program works?

Chairman speaking:

Thank you, professor. As professor said we all are very much aware of unemployment situation in Maldives, especially amongst the youth. We acknowledge governments constant effort to tackle these social issues, while the ministry is working on developing unemployment insurance program. It is important to ensure that it is a feasible and sustainable program which help in achieving higher employment rate in Maldives in the future. After professor's views, I will give the floor to our Honorable Members. So, it's Honorable Members turn now.

Member of Central Maafannu Constituency Ibrahim Rasheed speaking:

Thank you, professor. Just I need clarify a question, that was rise in here on the paper page number 14. Is it weekly benefit or unemployment benefit or, it's an insurance scheme, right? And if it is fall may be if some lost his employment or his job within the period of certain time how it is easy to weekly or monthly basis?

Chairman speaking:

Thank you, Honorable Ibrahim Rasheed. So, I will give the floor to professor now.

Consultant, Professor Mr. Milan Vodopivec speaking:

Thank you. It's really the practice is that the benefit is, it can be paid either monthly or by weekly. Its random sell them, paid more frequently. But, so when the person loses the job then he or she would come to the job center, and then register as a job seeker,



and then show primarily that he or she has lost job not by his willingness and if he or she concede with it for sufficient time. Let's say six months, previous six months, duration of six months. Then if he or she would be given the entitlement to receive the benefit. And then the next month received he or she would have to search for a job and be prepared to take the job. So, he has to really then fulfill continuing eligibility conditions.

Chairperson speaking:

Thank you, professor.

Consultant, Professor Mr. Milan Vodopivec speaking:

Any other questions? You know what I would indeed suggest to remove this question, so, I just like to also give a little bit of a background on which question and would have discussion about the questions

Chairperson speaking:

Thank you, professor. I give floor to Honorable Ibrahim Nazil.

Member of South Hithadhoo Constituency Ibarhim Nazil speaking:

Thank you chair. Thank you, professor. I would like to ask you this, I believe this is a very early stage of this program what you are doing right now. So, I would like to ask you, have you spoke, I mean met this NSPA people? National Protection Agency. I believe this is also part of insurance, kind of insurance thing.

Consultant, Professor Mr. Milan Vodopivec speaking:

Yeah, I have met. We have the meeting the very productive meeting. I think Mr. Azzam, if I am correct, was kind of having this. Yes, we had a very good meeting with them.

Member of South Hithadhoo Constituency Ibarhim Nazil speaking:

Okay. Alright. But I agree this. This is just a program that is given the delivery dates and those things are mentioned in your TOR. And I think, how long does to; its say's twelve weeks to complete this? Is it right?

Consultant, Professor Mr. Milan Vodopivec speaking:

I'm sorry. 12 weeks to do what? sorry! Can you repeat the question please?



Member of South Hithadhoo Constituency Ibarhim Nazil speaking:

Yeah, to deliver this thing, the program from your side as a consultant; You are the main consultant, to deliver this.

Consultant, Professor Mr. Milan Vodopivec speaking:

Alright, Yeah. It's actually, according to the contract I have, there are four reports that I'm supposed to produce, and a kind of just over the half of the program. So, it's started the working April, and I am supposed to submit the final proposal by early January. And so, I have already produced another report which is call situation assessment report. And I am working right now on stimulating the program. So, I'm pretending as is the program existed last ten years and I'm kind of using the work histories of the Pension Office. Maldives retirement pension scheme membership to stimulate the effects of unemployment insurance. And so, then as mention, so by January I should produce the final report.

Chairman speaking:

Thank you, professor.

Consultant, Professor Mr. Milan Vodopivec speaking:

So, if there are no other questions so may be than lets go to certain questions that I think are most important the lame is that we are facing and we are trying to introducing unemployment programs to Maldives. So, the, I should mansion that the key, there are several things that of course at the beginning of this program in particularly in country like Maldives, that we have to take in to count. One is of course the fact that this program will be new. So, you have to establish new capacities. Then there is a weaker administrative capacity which all about providing important services to job seekers, as we know Maldives is really trying in lately in last years. I would say to establish job centers and also, to establish the centralized units in also on Islands. And there is also of course large in formal sector or many people, about one third is I find in the situation assessment report, that work informally, that is without formal contract and do not pay contributions. And so, this is, that means that of course they would not be covered by this program. And also, it means that people who lose their jobs, they may well take a job in this kind of informal way, and of course it would be very hard to verify their employment status. So, that this facts have to be accounted for when we are thinking



how to setup the program. And now if we move it would really to what you know the question, so may one question particular as being Economic Committee really is, who should pay for this program? Should government provide any subsidies to the program? Or should the employers and workers each contribute? Let's say small contribution rate, usually it is about each contributing 1 or 1.5 percent to the scheme, and government should really stay out. Do you have any views about that?

Chairman speaking:

Thank you, Professor. I give floor to Ibrahim Rasheed.

Member of Central Maafannu Constituency Ibrahim Rasheed speaking:

Professor, thank you. I do not have many questions, but I need to clarify, it is very important to have a legal framework in this. Is there any work done regarding about this so far with through ministry? That just need to clarify.

Consultant, Professor Mr. Milan Vodopivec speaking:

This is, the legal framework is kind of logically follows this kind of a conceptual proposal. You know, we would like to clarify certain questions, and then of course indeed this is a very important area that you are pointing to, of course legal framework has to be established. And we are as a part of this discussions. for example, I have talked to some colleagues the Ministry of Economic Development also about legal issues and so, it is about, for example how would, what are the Legal ways to show, to prove the reason for separation from employment. As I mentioned you, so there is a voluntary separation, usually job seekers do not qualify. So, we have to establish legal way to providing such proof, and I met with Mr. Ali Shuja from the Ministry of Economic Development who are a lawyer who and we discuss this thing with him.

Chairperson:

Thank you, professor. Now I give floor to Honorable Ibarhim Nazil

Member of South Hithadhoo Constituency Ibarhim Nazil speaking:

Thank you chair. Professor, I would like to ask you this, you just mention about the contribution and those things. What are the roles that Maldives Pension Administration Office is doing in this kind of program? I think I may need to find out what are their roles actually the Pension Office?

Consultant, Professor Mr. Milan Vodopivec speaking:



Indeed yes. Thank you very much. This is, thank you for your question. Of course, you know we want to taking to count existing capacities, and it would really make sense we did not to use the Pension Office to help develop or an indeed administer this program. They would very easily add additional contribution to their, when collecting moneys from their members. They would enroll them also in this program in correct contributions from them. And of course, also as it is done in other countries, for example, Chile. So, job centers employment, so they would employment officers would, job centers would process all the information from job seekers, in establish which ones have the right to start to receiving benefits. And then they will send this list to Pension Office, and Pension Office would pay them out. In similarly for people who are ready waiting title to receive, they will have to confirm this eligibility by doing certain actions, by searching for a job, and again job centers would notify the Pension Office for every month, and saying yes, this person is still eligible to receive the benefit. Of course, if it is within the parameter of the system. So typically, let's say, indeed I am proposing that as a starting, where you the potential benefit duration would be 6 months. So, when a person, either a person loses job, he or she would be eligible to receive the benefit for 6 months. Of course, if he or she doesn't, many would find jobs earlier and indeed in this simulations that I do, over 60% of the job seekers who start receiving benefits find jobs before exhausting the right to benefits.

Member of South Hithadhoo Constituency Ibarhim Nazil speaking:

Thank you, Professor.

Chairman Speaking:

Thank you, Professor. I have given to all Honorable Members, and I think they are aware of Professor, for your brief insight into progress of the program and your experience. This is a very productive meeting. As we discussed, we will work out and will forward if there is any additional comments from Honorable Members. And thank you very much for Professor and MED team. If there is any additional views from MED or Professor, please continue. I give floor.

Research Officer of Ministry of Economic Development Mr. Ali Nafees speaking:

Yeah, thank you. Thank you Chair. Milan, do you have any parting comments that you want to give to the committee.



Consultant, Professor Mr. Milan Vodopivec speaking:

Well, I would just like to, you know emphasize that indeed, you know, this work has really now coming to the concluding phase, and once we produce the final reports, we will of course, you and share with also with the Honorable Members.

Research Officer of Ministry of Economic Development Mr. Ali Nafees speaking:

Yes, and we will be sharing the situation assessment report with the committee as well. So, that they could actually contribute on that work as well right? Yah.

Chairman Speaking:

Thank you very much. There is one more request from Honorable Member Ibrahim Rasheed.

Member of Central Maafannu Constituency Ibrahim Rasheed speaking:

Thank you chair. Just need to clarify that regarding this fisherman issues. Ok, if we going for hybrid system ok. How can we include formal sector like a fishermen and all those farmers.

Consultant, Professor Mr. Milan Vodopivec speaking:

Yes, this is a, thank you very much. This is a very protenant question say that difficult one, you may have no that you know, I think I put out in the report that. Self-employed are actually typically not include in the program. Ant if they are of course, then they are, they also have to contribute an often, they contribute also for the employer. Because they don't have employer. They are themselves employers. So, suppose we would allow fisherman the program, we would allow to enroll and I think there would be some kind of set standard for how much they pay, and indeed I mean there is also, this not easy situation that the fisherman has to show that for some reason the man for his services has stopped. And our reviews in large way. So, this is not an easy program true just for the need of fishermen. So, really, I think this issue if been important has to be taken on seriously and discussed what will be the modalities for the fishermen to join or there is another program that we should have done when they are kind of loose their, the ability to fish.

Chairman speaking:

Thank you professor. I think that's all for today and once again thank you so much professor and MED team.

اگرچہ میں اس موقع پر آپ کا شکریہ ادا نہیں کر سکتا، لیکن میں آپ کی اس تقریر پر بہت متاثر ہوں۔

Research Officer of Ministry of Economic Development Mr. Ali Nafees speaking:

اگرچہ! میں اس موقع پر آپ کا شکریہ ادا نہیں کر سکتا۔

Thank you, all of the Honorable Members, for to the grant this audience for us. And we will be following up with situation assessment report, so that you could actually contribute to the report as well. Thank you once again.

Consultant, Professor Mr. Milan Vodopivec speaking:

Thank you very much on my part of course as well.

Chairman speaking:

Thank you.

