Decent Work and Social Justice in Pacific Small Island Developing States

Challenges, Opportunities and Policy Responses
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### Acronyms

<table>
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<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>DWCP</td>
<td>Decent Work Country Programme</td>
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<td>FEMM</td>
<td>Foreign Economic Ministers Meeting</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GNP</td>
<td>Gross National Product</td>
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<td>KAB</td>
<td>Know About Business</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>NCD</td>
<td>Non-communicable disease</td>
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<td>PACER</td>
<td>Pacific Agreement on Closer Economic Relations</td>
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<td>PIF</td>
<td>Pacific Islands Forum</td>
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<td>PIFS</td>
<td>Pacific Islands Forum Secretariat</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>OSH</td>
<td>Occupational Safety and Health</td>
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<td>SIDS</td>
<td>Small Island Developing States</td>
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<td>SIS</td>
<td>Small Island States</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>SPC</td>
<td>Secretariat of the Pacific Community</td>
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<td>SPREP</td>
<td>Secretariat of the Pacific Regional Environment Programme</td>
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<td>SPF</td>
<td>Social Protection Floor</td>
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<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
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<tr>
<td>ESCAP</td>
<td>Economic and Social Commission for Asia and the Pacific</td>
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<td>UNESCO</td>
<td>United Nations Educational Scientific and Cultural Organization</td>
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Decent work and social justice are building blocks for sustainable development. Productive employment that provides adequate livelihoods, social protection and respect for worker rights is an essential element of environmental, social and economic sustainability. While economic, social and labour market circumstances differ markedly, important decent work deficits exist in the majority of SIDS. Common characteristics among the SIDS include:

- High rates of unemployment, including youth unemployment and extensive under-employment;
- Large informal sectors and heavy reliance on subsistence agriculture in many States;
- Limited wage employment that is concentrated in the public sector and subjected to cuts associated with austerity measures;
- Small private formal sector that often provides low quality jobs;
- Labour force that has inadequate formal education and limited resources devoted to training and skills;
- Gender and other forms of labour market discrimination as well as pockets of child labour and potential problems with forced labour;
- In some States, labour laws are out-dated, but the bigger problem is inadequate enforcement of existing labour laws due to weak labour inspection and labour courts;
- Inadequate labour market information systems; and,
- In some States, insufficient support for freedom of association and collective bargaining and often inadequate social dialogue.

Against this general background, generating decent work for all in the SIDS remains a priority development goal. Good governance, rule of law and respect for human rights are a critical foundation for development and growth. A stable, fair and transparent system of governance permeates to all facets of decent work – ensuring a conducive environment for sustainable enterprises that support economic growth; enforcing fundamental rights of workers; improving their income and productivity, facilitating collective bargaining and social dialogue and protecting the most vulnerable workers.

The ILO recognises that the SIDS require additional resources and tailored solutions to address the major geographic, environmental and other special constraints to development that they face. Enhanced resources and assistance must be accompanied by good governance, accountability and respect for the rule of law. In addition to political commitment expressed in policy documents and national development plans, a renewed drive to implement such goals must be operationalized through such measures as: public administration reforms to incorporate incentive structures that encourage compliance with the law; providing predictable and adequate funding to labour administrations and labour inspectorates; as well as strengthening independent systems of review including by representative organizations such as trade unions and employer organizations.

Having stressed the importance of good governance as an enabler to other strategies on decent work promotion, the following six clusters of recommendations target the reduction of the deficit of decent work in the SIDS, namely the formation of:
• **Policies to foster strong, sustained and balanced economic growth:** Even prior to the global economic crisis most of the SIDS lagged behind other developing countries in terms of economic growth and progress towards development goals. As a result, employment growth was inadequate to absorb expanding populations. Accelerating economic growth will require a balance between macroeconomic policies, infrastructure development, and a sectoral approach, which identifies and supports sectors with potential both for economic development and decent work creation (this might include fisheries, resource extraction, telecommunications, tourism, as well as the care and creative industries).

• **Policies to create decent jobs through climate change resilience and adaptation:** As investment in climate change resilience and adaptation initiatives continues to expand, there is increased opportunity for governments to create local jobs through public projects in this area (such as climate change resilient infrastructure). There is also increased potential for entrepreneurs to start up ‘green’ enterprises – which can be incentivized by the right mix of government policies.

• **Policies to enhance human capital:** Improvements in the quality of education systems and carefully linking training and skill development to areas of potential job growth is critical for reducing structural unemployment and increasing youth employment. Governments need to do more to support and train people who struggle to find work. Targeted training, job counselling, job matching, and business development services all have potential in this regard.

• **Policies to create an inclusive labour force:** Discrimination in the workforce, particularly against women and disabled workers, constrains labour force productivity and leads to emotional distress, social breakdown and rising welfare costs. It is also closely connected to violence and harassment in the workplace. Employers, trade unions and governments need to take a more proactive approach to eliminating the problem of discrimination, based not only on human rights principles, but also a recognition that a workplace free of discrimination and harassment leads to better work performance and higher productivity.

• **Policies to promote labour protection:** In addition to improved and updated legislation, there needs to be a long-term programme of capacity building for labour ministries, labour inspection services and other labour market institutions, as well as activities to support the organisation of workers and employers and their constructive involvement in the development and implementation of public policy.

• **Policies to foster sustainable labour migration and mobility:** More can be done to ensure the development impact of migration from (and within) the SIDS. This can be achieved through capacity building support to help governments identify new market opportunities, and develop a rigorous legal and regulatory framework to ensure the protection of workers.

The SIDS face formidable challenges in achieving economic and social development. However, they do have assets and opportunities at their disposal to forge a different path of development and decent job creation to that familiar in other parts of the world. The test will be how well the SIDS can turn their emerging challenges into new opportunities. For example, whilst climate change presents potentially disastrous consequences for the SIDS, it is also an emerging area of decent job creation, particularly if investment can be concentrated on climate-resilient infrastructure using local workers.

Similarly, while the large number of youth presents potential security and social issues, with quality education and training young people can stimulate growth through the regeneration of the public sector, entrepreneurship, remittances from increased labour migration and through new ideas in emerging sectors such as telecommunications, tourism or creative industries.
1 Introduction

1. Creating decent work is a key pillar of sustainable development – the goal of fostering a balance between the economic, social and environmental facets of development.\(^1\)

   However, the unique environmental and geographic circumstances of the Pacific – including geographic remoteness from markets, small and dispersed populations, vulnerability to natural disasters and climate change – all combine to present a set of hurdles to economic growth and job creation.

2. Achieving sustainable development in SIDS is an issue to be tackled in the upcoming third SIDS Conference hosted by Samoa in September 2014. Amongst the priorities for this conference are those of identifying existing and emerging challenges and opportunities for sustainable development of SIDS, and how SIDS’ priorities should be integrated in the post-2015 development agenda. Addressing the issue of a decent work deficit in the Pacific has been identified by Pacific Island countries in the Pacific Preparatory Meeting of July 2013.\(^2\)

   In support of the discussion at the Preparatory Meeting, the paper builds on previous analyses of decent work in the Pacific, including ILO Decent Work Country Programmes, labour market and labour policy assessments, as well as broader literature on development in the Pacific, to provide a summary of challenges and recommendations on policies to stimulate sustainable enterprises, and economic growth in the lead-up to the SIDS Conference.

3. The body of the paper is divided into three parts. Part 2 summarizes the geographic, economic, social and labour context of the Pacific, identifying some of the development challenges faced by the region. Part 3 sets out some of the key challenges in creating decent work, including constraints on employment and growth, the limited scope of social protection measures and schemes, insufficient social dialogue with key partners such as worker and employer organizations, impediments to labour rights protection, and the barriers to a socially inclusive workforce. Finally Part 4 provides thematic clusters of policy recommendations which the paper argues would help to increase decent work in the Pacific SIDS. It is hoped that this analysis can be a useful source of information for discussions in preparation to, and during, the SIDS Conference.

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1 UNESCAP Pacific (2013) Pacific Regional Synthesis Report, presented to the Pacific Regional Preparatory Meeting 10-12 July 2013 for the Third International Conference on Small Island Developing States (SIDS), September 2014, Samoa.

2 Ibid.
2 The unique Pacific context

4. The Pacific is a region like no other for its sheer geographical size, diversity, and challenges. It presents a staggering diversity of cultures, natural resource endowments, and economic and industrial growth prospects – from small aid-dependent atoll nations to sizeable resource-rich economies. The Pacific is home to one-third of the 45 small island developing states across the world.

5. The countries of the Pacific are not homogenous and there have been many attempts to identify sub-groupings. The most commonly used is the colonial construct of Melanesia (PNG, Solomon Islands, Vanuatu, Fiji); Polynesia (Tonga, Samoa, Cook Islands, Niue, Tuvalu); and Micronesia (Kiribati, Nauru, Palau, Federated States of Micronesia, Marshall Islands), all of which are members of the Pacific Islands Forum (PIF). Others have grouped the countries by size or by previous political affiliation, for example the three countries that have a Compact of Free Association with the United States of America in the northern Pacific (Federated States of Micronesia, Republic of Marshall Islands and Palau) and the two in free association with New Zealand (Cook Islands and Niue). The PIF has a sub-grouping of smaller island states (SIS), comprising Cook Islands, Niue, Nauru, Marshall Islands, Palau, Tuvalu and Kiribati. Five countries among the 14 are categorised as Less Developed Countries by the United Nations: Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu. For the purposes of this paper, the emphasis is on a range of common issues across these various sub-groupings, in creating decent work, and the paper notes examples where relevant.

6. Demographically, the region features a significant youth bulge, with the 15-24 year age group comprising of around two million people, accounting for nearly one-fifth of the region’s total population and one-third of the adult working population.3

7. The Pacific region has experienced poor economic growth and sluggish progress against development indicators. After the sub-Saharan region, the Pacific is estimated to be the most ‘off-track’ to achieving the Millennium Development Goals.4 Only two of the smaller Pacific Island countries, Niue and the Cook Islands appear likely to achieve the employment target (1.B) of MDG 1, namely ‘full and productive employment and decent work for all, including for women and young people’.5 Recovery after the global financial crisis and the food and fuel crises that preceded it has been slow, with economic growth averaging only two per cent between 2009 and 2011 and forecasted to do the same during 2012-2017.6 Per capita annual real GDP growth in the region averaged less than 1% over the period 2000-2012,7 and poverty rates have climbed to over 20% in nearly

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6 Ibid.
7 Asian Development Bank (2013), The Economics of Climate Change in the Pacific, 21
Climate change is, and will continue to be, one of the most significant challenges to the future of Pacific Island countries. The Asian Development Bank (ADB) forecasts that if the world were to stay on the current fossil-fuel intensive growth model (the ‘business-as-usual’ scenario), total climate change cost in the Pacific is estimated to reach 12.7% of annual GDP equivalent by 2100. Climate change not only threatens to undermine the economic viability of key sectors and food and water security, but is also predicted to jeopardise livelihoods and community health. In some cases climate change may even displace whole populations. Substantial numbers of Pacific Island communities are at ‘extreme risk of sea level rise’ since as much as 50% of the region’s population lives near the shore (within 1.5 km) and many countries lie no more than a few metres above sea level. Five Pacific Island countries, of the seven Pacific Island countries assessed, were, in 2011, placed amongst the top 15 of 173 countries in the World Risk Report, which measures susceptibility to climate change and other threats, as well as coping and adaptive capacities. Natural disasters will, due in part to climate change impacts, increase the economic toll on the region, notwithstanding the high costs already experienced by the region (with studies showing that eight of the 20 countries with the highest average annual disaster losses scaled by GDP are Pacific Island countries).

A related vulnerability of Pacific Island countries is low diversification of resources. Across the region, there are four key economic sectors: fisheries, tourism, agriculture and the maritime sector. Of these, the former three are expected to be severely impacted by climate change. The earlier mentioned ADB research has forecast losses in excess of 50% in key crops in PNG and Solomon Islands by 2050. Catches of skipjack tuna are predicted to decrease by more than 30% in Western Pacific and PNG. Climate change will also significantly impact on tourism in the region, with a forecasted decrease of revenues by 27%-34% for the region. The economic losses to these sectors will not only impact on growth but also on livelihoods and employment. The maritime sector, which generates remittance transfers from seafarers that form up to 25% of GNP in some Pacific Island countries, is also contracting as a source of income and jobs. The number of seafarers from Pacific Island countries has decreased substantially over the last five years due, in part, to the effects of the global financial crisis, and there currently seems little indication of growth in this sector.

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8 UNESCAP Pacific (2013), above n1.
9 Asian Development Bank (2013), The Economics of Climate Change in the Pacific, xiv
12 Asian Development Bank (2013), above n10, 3B.
13 Ibid.
14 Ibid.
15 Asian Development Bank (2013) Outlook 2013 Update: Governance and Public Service Delivery notes that newly released data from a seafarer recruitment agency showed a substantial decline in remittances to $0.3 million in 2012 from $1.2 million in 2001, a sizeable decline in an economy whose estimated GDP is $37 million. The number of ships contracting with the agency also declined.
10. Political instability, social disturbances, violent crime, and weak governance are recurring problems for countries like PNG, Fiji, Tonga and Solomon Islands, and are an impediment to investor confidence and economic growth.

11. Finally, it is important to note the unique vulnerability of Pacific Island countries to economic shocks and crises, particularly due to heavy dependence on imports. Volatile fuel prices also have the potential to cripple growth in the region due impact on the transporting of goods across the vast Pacific region.16

Decent work – comprising ‘jobs that are productive, provide adequate incomes and social protection, respect the rights of workers and give workers a say in decisions which will affect their lives’ is a crucial tool for reducing poverty and ensuring social justice through assurance of the dignity of workers.

A number of decent work challenges face the Pacific region: high rates of unemployment and under-employment (particularly amongst youth); prevalence of poorly regulated, low quality jobs that generate inadequate incomes and limited social protection; skill shortages and other employability impediments; gender and other forms of discrimination; out-dated labour laws; limited enterprise and entrepreneurial development; weak labour institutions and poor regulatory capacity of governments; and insufficient social dialogue. This Part will discuss some of the key challenges in these thematic areas.

3.1 Availability of decent jobs

A shortage of comparative data on Pacific labour markets and varying definitions of employment and unemployment make it difficult to analyse and compare labour market trends. However, it is clear that the Pacific region suffers from significant unemployment and under-employment, particularly amongst the youth, who form a significant part of the population. Youth unemployment in the Pacific is estimated at 23% and the situation is particularly dire in countries such as the Republic of Marshall Islands, Kiribati and the Solomon Islands, where rates of youth unemployment are at 62.6%, 54% and 46% respectively. In Samoa and Vanuatu, young people make up around one-half of the total unemployed population. Both in the Republic of Marshall Islands and PNG economically active youth are nearly three times as likely to be unemployed as their adult counterparts. For young men in the Pacific Islands, the unemployment challenge is especially severe.

While economic, social and labour market circumstances differ markedly, important decent work deficits exist in the majority of Pacific SIDS.

Generating Decent Work for all women and men in the Pacific SIDS remains a high priority development goal as a crucial tool for reducing poverty and ensuring social justice.

young people aged 15-24 was 6% overall, but an alarming 18.1% for urban male youth. Likewise, in the Republic of Marshall Islands youth unemployment was 11%, with higher rates for young men (12.2%) compared to young women (8.7%).

15. In addition, young people in the Pacific Islands who are able to find work are too often employed in poor quality jobs with limited earnings, security or protection. In Samoa, for example, there were three and a half times more youth informally employed than unemployed. In total, more than two in three young Samoan workers were engaged in informal jobs. Poor job quality and widespread vulnerability in the labour market hinders progress in poverty reduction and social development. In Fiji, for instance, around one in five workers still earn too little to escape US$2 per day poverty, and another two in five live just above the poverty line and remain highly vulnerable to falling back into poverty in the context of a sudden economic, social or environmental crisis.

16. Urbanization is both a symptom and a cause of youth unemployment and under-employment. In Kiribati over half the population lives in South Tarawa, putting pressure on the formal labour market to provide jobs, especially as there is limited land available for subsistence agriculture. In PNG, unemployment in rural areas is a key driver of migration to towns and cities, particularly Port Moresby. According to a recent National Youth Commission survey (October 2013), of the 318 youth respondents in Port Moresby, 44% said they moved to the city in search for a job, though many still remained unemployed after arrival.

17. The negative impact of youth unemployment reaches beyond the lack of income security for so many young people. It also impacts on law and order, exacerbating urban unrest, social instability, and crime especially against women and girls.

18. Most Pacific Island countries’ economies are dual economies. The small formal sector is generally engaged in resources (particularly, PNG and Solomon Islands), the manufacturing sector, the public sector and service industries such as finance, construction, transportation, tourism and utilities. The, much larger, informal sector primarily comprises subsistence agriculture and micro enterprises. A key challenge in Pacific Island countries is to strengthen the linkages between these two segments of the economy. For example, in Samoa, the lack of upstream value-added chains from agriculture and fishing, such as processing facilities and storage facilities for perishable products, results in a loss of economic and job opportunities and deprives farmers of secure market outlets where they can sell their produce at predictable prices. The few

Pacific Island economies are not creating decent jobs. The region suffers from significant unemployment and under-employment, particularly amongst young women and men, who form a significant part of the population.

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25 ILO: Key Indicators of the Labour Market, 8th Edition (Geneva, 2013), table 1B.
agro-processing firms that do exist, as well as commercial buyers such as restaurants and shops, identify continuity of supply and quality as the main constraint to sourcing local product. Thus, many buyers prefer or have to resort to purchasing imports.  

19. Growth of export industries has been limited, which could be due to a number of reasons including the fall in business confidence as a result of violence and political upheavals in Pacific Island countries including Fiji, PNG and the Solomon Islands. However, other reasons relate to supply-side constraints such as infrastructure. Numerous countries have tried to develop a more export-oriented approach in order to nurture businesses, including by improvements to the regulatory environment, which is a common priority across most national development plans. However little practical change seems visible in many Pacific Island countries. The costs of starting a business remain relatively high, infrastructure is still poor, and there are high telecommunication, electricity and other costs as a result of public monopolies.

20. Temporary migration opportunities to Australia and New Zealand have provided a limited outlet for unemployment pressure in some Pacific Island countries (enabling up to 8,000 workers per year into New Zealand, and 2,500 into Australia). Overseas employment opportunities also exist for seafarers, particularly from Kiribati and Tuvalu, who both operate maritime training centres.

3.2 Education and employability

21. Across the region, accessibility to basic education is improving. However, many countries still suffer from issues of accessibility, quality and a mismatch of curricula and opportunities in the workforce. This is particularly an issue for the technical and vocational education and training (TVET), which is delivered in one of three ways: as part of the formal school system, (including school-based, pre-vocational and post-secondary technical institutions), through centre-based trade-training outside the formal system, and through enterprise-based training such as apprenticeships. Private training providers are important sources of TVET in most Pacific Island countries and include churches, not-for-profit providers and for-profit providers.

22. There are reported skill shortages that largely reflect a failure to adapt curricula to the changing demands of the economy. An ADB analysis of TVET in the Pacific found that training typically lacked direct linkages to employers and their needs, was inconsistent with employment trends, and thus lacked economic relevance. The study found that training systems generally were not flexible and did not respond easily to changing demands.

31 This may include: registering and licensing of businesses; connection to utilities (telephone & internet, electricity and water); accessing finance.
32 ADB (2008), Skilling the Pacific Technical and Vocational Education and Training in the Pacific, pxvii
33 Ibid
23. Although good progress has been made in access to education, some children are still being left behind, exposing them to the risk of recruitment as child labourers. In PNG, ILO research has revealed children not attending school are particularly vulnerable to recruitment into child labour (nearly 50% of children surveyed having never attended school). The problem of child labour remains persistent in many parts of the Pacific, in occupations ranging from domestic service, market trading and hotel work and agriculture. Commercial sexual exploitation is also evident in several Pacific Island countries. In Fiji and PNG, available data shows significant numbers of working children, many in the worst forms of child labour such as child prostitution, drug trafficking, begging, carrying heavy loads, and collecting and/or handling scrap metals and chemicals. The vulnerability of school age children to labour exploitation is exacerbated by human trafficking in the region, which is influenced by weak border and immigration controls, corruption and weak governance, patriarchal social systems and cultural practices which create special vulnerabilities for girls and women, poverty, and the region’s susceptibility to natural disasters. The employment of children is not only a rights-based issue, but also a significant economic and social concern for governments, as child labour leads to a loss of educational and skill development which in turn hampers the productivity of the next generation of workers, reducing earning capacity and the upward job mobility when they reach adulthood.

24. Employability and productivity are also being affected by the rising incidence of communicable and non-communicable diseases (NCD). NCDs account for as many as 75% of all adult deaths in the Pacific, with the majority occurring amongst the economically active. They threaten to impose significant financial and economic burdens on Pacific governments, and are likely to have an adverse impact on small and medium enterprises (SME). At the household level, the impact of NCDs will be felt through reduced capacity to work and declining productivity, disposable income and savings, thus perpetuating the poverty cycle for low income families who are at greater risk.

3.3 Social security and labour protection

25. A range of social protection systems exist in the Pacific region. The most widespread form of social protection is traditional social protection, variously referred to in the Pacific Island countries including as wantok or kastom. Some key features of traditional social protection include access to land for all who require it; labour exchange or cooperative labour groups for tasks such as clearing land or house-building; social obligations to provide for members of the family or community; and an understanding that gifts will typically be repaid or reciprocal assistance provided in future.

26. More formal systems of social protection or social security comprise contribution-based health, pension and unemployment protection, along with tax-financed social benefits.

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Whilst it is difficult to generalize given the heterogeneity of coverage and provisions, it can broadly be said that the systems mainly cover only the formal (generally public) sector and provide far less protection to those in the informal sector. Social protection systems often include: (i) a free or subsidised education policy; (ii) free healthcare services (though often requiring some out-of-pocket expenses and varying significantly in quality); and (iii) a National Provident Fund covering formal sector employees which provides a lump sum benefit in case of retirement after specified age, death, invalidity and permanent migration. In some Pacific Island countries there is an employment liability scheme for workers' compensation based on compulsory insurance for employers.\^40 Few countries however have a paid maternity leave scheme, with most countries requiring leave to be paid for by the employer rather than through social insurance or taxation. One exception is the Cook Islands, which in 2013, implemented a government-funded paid maternity leave scheme.

27. Most countries have also established very limited social assistance targeted to the poorest segments of the population, though Fiji does have a national cash support program targeted to households experiencing hardship, and which provides cash benefits to eligible members of the population.\^41 Given the increasing risk of climate change there is also a need to explore the possibility of providing property insurance (damages from disasters), crop insurance and other protection against income losses in agriculture and fisheries due to climate-related causes.

28. Whilst traditional social protection systems do continue to play a critical role in providing social protection to many households, they do not eliminate hardship in communities. Household surveys show that those in the deepest hardship are often the least likely to benefit from traditional social protection systems, such as assistance through gift-giving networks.\^42 Furthermore, traditional social protection systems have limited ability to protect individuals in cases of aggregate shocks and those that affect whole communities.\^43

3.4 Social dialogue and tripartism

29. Historically, a number of countries in the region have not had a culture of tripartism and social dialogue with respect to labour and employment matters. However, there is a growing number of countries that have formally established tripartite labour bodies. Such bodies comprise of government, worker and employer representatives, and their mandate typically include providing advice to the relevant Minister on the governance of the labour market. In the last three years, the establishment of these bodies in the Solomon Islands, Vanuatu and Samoa, and to some extent Kiribati, suggest an increasing commitment to

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\^40 Dwyer, Maire (2013) Social Protection in Vanuatu and the Solomon Islands, 9(2) Policy Quarterly, 63
\^41 World Bank (2014) Above N. 16,90
\^42 Id.7
\^43 Ibid
tripartism. Of the countries that have tripartite labour bodies, their capacity to meet and engage on labour and employment issues, including minimum wage advisory functions, have some weaknesses that require capacity building support.

30. Regionally, trade unions are more likely to be present in the public sector, with little representation in private sector activities. In addition, a lack of resources, such absence of paid staff, premises and security of funds impacts on trade unions ability to organise members, bargain collectively and represent the interests of trade unions within formal settings. Representative organisations of employers similarly face constraints, but are more likely to have paid staff, premises and funds.

3.5 Principles and rights at work

31. There has been a promising development in the region in recent years with an increase in the rate of ratifications of International Labour Standards, and a rising number of Pacific Island countries expressing a commitment to ILO principles. However, in a number of countries, existing labour legislation continues to be grounded in legal frameworks implemented by earlier colonial administrations that were responsible for Pacific Island territories. In this respect labour legislation is often characterized by the absence of a number of fundamental protections expressed in ratified ILO standards. Thus, labour legislation in Pacific Island countries sometimes includes provisions that have a discriminatory impact on women; provisions that enable termination of employment “at will” by the employer as well as limitations on the right to freedom of association and collectively bargain. In addition, existing dispute resolution processes tend to be fragile, subject to lengthy delays and are occasionally exposed to political intervention.

32. The existing capacities of labour administrations are critical to the oversight of labour legislation. Within this context, existing oversight mechanisms within Labour Ministries are often fragile; with limited staff, inconsistent enforcement and weaknesses in policy capacity. Existing capacity weaknesses also impact on governments’ desire to implement much needed labour law reform to modernise existing legal frameworks and improve compliance with international labour standards. The policy capacity of labour administrations is affected by weaknesses in evidence-based policy development, and particularly gaps in available labour market information and analysis as a policy informant.

33. A key feature of Pacific labour markets referred to above is the disparity between the private and public sectors in respect of terms and conditions of employment. Generally, conditions are much more favourable for workers in the public sector - which in some cases may be attributable to higher levels of unionisation and more modern public sector regulation.\(^44\) In Kiribati, for example, the absence of legislated minimum leave requirements in the private sector contrasts sharply with a generous range of paid annual,

sick, compassionate and redundancy leave extended to public sector employees.  

34. Occupational Safety and Health (OSH) is an area of critical concern for labour administrations across the Pacific. In some Pacific countries there is currently no OSH regulation at all, while in many others there is only limited and out-dated coverage. Requests have been received from several Pacific countries (i.e. Kiribati, Vanuatu, and Samoa) for technical assistance to reform OSH regulation through the development of legislation and regulations, and this work is currently ongoing.

3.6 Social inclusion

35. The active participation of young people in decisions and actions at local and national levels is widely recognized to be important if they are to build more democratic, inclusive and prosperous societies. In the Pacific such participation has been slow due to a range of factors including (a) cultural traditions that may limit youth involvement, (b) absence of structures, policies and resources to encourage and facilitate youth involvement, and (c) lack of awareness about civic participation both on the part of young people and decision makers.

36. There are emerging positive signs of strengthening youth participation in the Pacific. The Forum Leaders’ Communiqué in 2011, highlighted the need to urgently address youth unemployment, and to include the voice of youth in decision-making. The 10 year Pacific Youth Development Framework (2014-23) adopted by Pacific Ministers of Youth in December 2013, strongly highlights the opportunities for more inclusive pacific societies for young people including reaching out to marginalised groups of youth in Pacific Island countries.

37. Gender equality is an ongoing challenge due to cultural and institutional barriers that restrict women’s equal access to productive assets and formal jobs. Gender-based discrimination and sexual harassment present significant barriers to women’s full participation in employment and lead to social exclusion. Sexual harassment in the workplace is defined as including any forms of unwanted attention of sexual nature which affect the dignity of workers both physical, verbal and non-verbal conduct, including sexual assault and rape, and may be perpetrated by managers, colleagues, clients or the public. Workplaces are exposed to the negative spill-over of gender-based violence in communities and families, that is pervasive across the Pacific region. However, by tackling discrimination and sexual harassment in workplaces, there is an opportunity for the principle of gender equality to be reinforced in other aspects of people’s lives outside of the workplace.

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45 Ibid.
47 “Acknowledged the need for increasing employment and other meaningful opportunities for youth, including the voice of youth in decision-making” – Pacific Islands Forum Secretariat, 2011. Leaders’ Communiqué, Auckland 2011.
48 Sexual harassment can occur to both men and women, but the victims are mostly women.
38. Apart from the impediments to women’s equal access to labour market, gender discrimination is evident in occupational segmentation and (indirect) wage discrimination; for example, women are under-represented in senior level jobs in most Pacific Island countries. To the extent that they exist for Pacific women, formal employment opportunities are typically found in a small range of undervalued ‘female’ occupations in the service sector (including domestic work), tourism, garment making and food processing, where wages are lower and conditions poor and workers enjoy little bargaining ‘voice’. However, conditions that are even more precarious exist in the unregulated informal economy where larger numbers of women endure unsafe, unhealthy and hazardous occupations like market and roadside trading, and are at greater risk of poverty. The sex industry is becoming an increasingly compelling work option for some Pacific women, a direct outcome of rising poverty levels as well as the limited opportunities for decent work in the formal economy. Sex work is particularly associated with the fishing, logging and mining industries of PNG, Solomon Islands and Kiribati and the urban centres of Suva, Honiara and Port Moresby.

39. There have been some positive developments with the 2012 Forum Economic Ministers Meeting (FEMM) calling for greater efforts to improve women’s participation in both formal and informal economies and to increase their entrepreneurship by removing the restrictions on their access to finance, business ownership and employment; affirmative action policies aimed at increasing the proportion of women in senior jobs; more inclusive governance in local produce markets and better regulation to create safer and fairer conditions for female vendors. The Pacific Leaders Gender Equality Declaration followed the FEMM in August 2012 with Leaders noting the economic and other costs to the region of gender inequality and agreeing to adopt measures to ‘eliminate all barriers preventing women from participating fully in the economic sphere’.

40. Tackling discrimination against persons with disabilities - who face cultural prejudice and discriminatory barriers to education, vocational training and employment opportunities, as well as poor access to social services like housing and health - is another significant hurdle for Pacific Island countries. Persons with disabilities represent a significant group in the Pacific region, totalling an estimated 800,000, and their numbers are rising due to the high incidence of diabetes (resulting in amputations and blindness) and increasing accidents (both workplace and traffic). Persons with disabilities face cultural (or attitudinal) prejudice and discriminatory barriers to education, vocational training and employment opportunities as well as poor access to social services like housing and health. The situation is particularly difficult for women with disabilities (who are especially at risk of gender-based violence), because they are assumed to be incapable of fulfilling their culture-assigned roles as mothers, wives and unpaid community workers. So too, young women with disabilities face additional discrimination on the job market because of their gender and youth.

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51 PIFS (Aug 2012) 2012 Pacific Regional MDGs Tracking Report, 14 (Table 6).
56 ILO (2012b) Above n29, B.
4 Opportunities for Creating Decent Work for all Pacific Islanders

41. Designing strategic solutions to address the problems in the preceding chapter is a task that requires an understanding of which policies have, and haven’t, worked well in the past. Thus, before discussing the key opportunities for decent work, it is important to draw attention to the cross-cutting issue of a lack of data in the Pacific, which makes evidence-based policymaking particularly challenging. As noted by a number of reports of the region, national household surveys and labour force surveys are conducted sporadically, if at all; and even where they are occur, a lack of technical expertise in implementation and analysis result in data that is out of date or of doubtful quality.\(^57\)

42. Despite the issues of data, it is nonetheless clear that creating decent work of all Pacific Islanders remain a priority and thus a development objective. However recognizing the challenges as outlined in the previous section, it seems increasingly unlikely that the traditional path to economic and social development is feasible. This path of agricultural production leading to export-oriented manufacturing and finally a service economy is one familiar to other regions of the world, but very difficult to replicate in regions with small markets, geographic remoteness from larger markets and narrow resource bases.

43. However, some Pacific Island countries do have potential to expand their export base through such practical measures as improvement in infrastructure and decreasing the cost of transport. Furthermore, the increasing tradability of services, does provide opportunities for some Pacific Island countries to move from low productive activities particularly in agriculture to higher productive activities in services, including telecommunications and tourism.

44. Furthermore, while the traditional development path may often not be feasible for all Pacific Island countries, it should not be recognised that as for all parts of the world, good governance, rule of law and respect for human rights are a critical foundation for development and growth. A stable, fair and transparent system of governance is a necessary precondition of decent work – ensuring business confidence which can boost economic growth; protecting fundamental rights of men and women at work and improving their income and productivity; facilitating social dialogue and protecting the most vulnerable workers. Whatever other tailored and unique policies may be crafted in the Pacific to address the geographic and other constraints to development, they must be built from a foundation of government and civil society accountability and

57 World Bank (2014), above n16, n17
respect for the rule of law. This must go beyond political commitment expressed in policy
documents and national development plans, and must be operationalized through such
measures as:

- gender equitable public administration reforms to incorporate incentive structures
  that encourage transparency and accountability;
- providing predictable and adequate funding to gender equitable labour
  administrations and labour inspectorates; and
- strengthening independent systems of review such as review by representative
  organizations of employers and workers.

45. Having stressed the importance of good governance as an enabler to other strategies on
decent work promotion, this Part details some of the particular policies that the ILO has
identified as possible ways to boost decent work creation in Pacific Island countries.
These comprise policies which create an enabling environment for enterprises; which
build on the increasing climate change resilience and adaptation investment; which
increase human capital; which create an inclusive labour force; which protect workers’
rights and which foster sustainable migration. It is important to recognize that, in many
cases, Pacific Island countries have recognized the importance of these areas and have
already made some progress. Yet, more work is still possible, and a strategic focus on
the policies identified may help policymakers to focus their actions on the areas with
most potential for creating decent jobs for women and men and promoting sustainable
development.

4.1 Policies to create an enabling environment for sustainable enterprises

46. Sustainable enterprises balance economic, social and environmental goals in their
business strategy. Pacific Island countries, along with most parts of the world, have
acknowledged the importance of such enterprises as the economic engine of future
growth. However, such enterprises can only thrive in an environment of good regulatory
policy, buttressed by the good governance indicators outlined above (rule of law and
transparency) as well as sound and stable macroeconomic policy. Pacific Island countries
have recognized the need to improve regulatory policy, but progress has been slow.
As noted in Part 3, many Pacific Island countries continue to have a poor regulatory
environment for promoting business – costs of registering a business are high, as are
taxes; land is difficult to obtain; telecommunication and electricity is costly. These costs
can be crippling for micro and small businesses, which form the bulk of the private
sector in Pacific Island countries. An enabling environment should not only lower the
costs of starting and maintain a business but also improve infrastructure and access to
transport, without which, access to markets will be severely limited. Measures are being
taken in Pacific Island countries to promote a conducive business-enabling environment.
For example, PNG’s Mid-Term Development Plan has identified the importance of SME
development at a policy level, yet practical changes remain elusive, with research
indicating that the registration process for small businesses is still unnecessarily lengthy
and complex.

58 ILO (June 2007) Conclusions concerning the promotion of sustainable enterprises,
47. Increasing the number and size of exporting firms in Pacific Island countries is of course a challenging area to tackle, but studies show that export growth is possible in some Pacific Island countries through improvement to physical infrastructure, human capital and other investments. In PNG, the Development Strategic Plan and the Mid-Term Development Plan have identified creating an ‘attractive and enabling environment’ an important priority, creating economic corridors with special free-trade and industrial zones, facilitating investment in infrastructure and developing marketing and technological capabilities to improve productivity.  

48. In addition, industrial policy that takes into account job creation potential and poverty reduction is essential. Experience from developing countries more generally shows that increasing productive capacities, GDP growth and structural transformation are not automatically reflected in jobs that are more productive, nor increased employment opportunities. The focus on decent job potential is particularly important in the Pacific as too often, creation of employment is seen as an after-thought or a secondary outcome of investment rather than one of the major motivators.

49. In the Pacific, a number of important sectors where more and better jobs may be created include:

- **Fisheries and seafaring** are a vital source of employment, household income and food security for a large number of Pacific Island countries. Fisheries are a significant source of revenue (in the form of access fees) from foreign fishing fleets in several countries. The sector contributes over USD258 million to the GDP of Pacific Island countries and more than 14,000 formal jobs, primarily from the tuna fishery. Similarly, there may be scope for reviving the maritime sector, which has in the past produced remittance transfers worth over 25 per cent of GNP. Seafaring is a means of income less susceptible (than household fishing) to climate and market price fluctuations however it relies on Pacific Island countries being able to compete with other seafaring countries, particularly in Asia.

- **Telecommunications** are becoming a critical tool for development and have the potential to enable considerable employment opportunities where the infrastructure and regulatory environment exists. Call centres and back-office processing centres have been established in Fiji employing hundreds of workers. The time-zone advantage plus the English speaking population favours such activities in some Pacific Island countries. High-speed broadband internet access was extended to Tonga through underwater fibre-optic cable in 2013, enabling the establishment of a call-centre there. Development partners are working with Pacific Island governments

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Even prior to the global economic crisis most of the Pacific SIDS lagged behind other developing countries in terms of economic growth and progress towards development goals.

Accelerating economic growth will require the right balance between macroeconomic policies, infrastructure development, and a sectoral approach, which identifies and supports sectors with potential both for economic development and decent work creation.

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60 Id, 55.
61 SPC Regional Maritime Programme website http://www.spc.int/maritime/index.php?option=com_content&task=view&id=14&Itemid=34.
to provide and improve enabling legislative and regulatory environments for enabling ICT based business.

- **Tourism** is another important area of economic activity in the Pacific, and will be one of the key themes of discussion at the SIDS Conference. There are a number of challenges and opportunities in increasing the tourism sector in PICs, and to enable Pacific women and men to benefit from a sizeable portion of the 73 million jobs which the travel and tourism industry estimates will be created by 2022. One way may be to increase the number and skills of local workers in hotels. Another is increasing local produce in the tourism supply chain. For example, although countries like Vanuatu have very fertile land on some of its 80 islands with different climate zones and different altitudes, the tourism industry still imports a lot of agricultural produce due to the fact that agriculture is largely subsistence agriculture and where produce is sold, it is often for a few months a year rather than all year round. A number of suggestions have been made about ways in which to increase the participation of local farmers in the value chain, which could be through agro-food cooperatives, or “nucleus farms” where one person owns the company and receives produce from local suppliers. A very successful example of this is Tanna coffee in Vanuatu. The nucleus farm, in this case Tanna coffee collects coffee from local suppliers and processes the coffee beans on site in Tanna. The coffee is produced for the domestic market and for export.

- Culture-based and creative industries are a largely untapped resource across the Pacific region. Pacific Island countries are culturally rich, diverse and offer many possibilities in culture-based industries, especially if initiatives go beyond the stereotyped view of artisanal handcrafts and performing arts and extend to advertising and branding, architecture and design, galleries, museums, fashion design, film and music. The SPC undertook a review of the role of creative industries in the Pacific and found that this vast potential was largely untapped. Among its findings were, that:
  - there are few formal training opportunities in the creative industries;
  - there is a lack of adequate organisational and service infrastructure;
  - there are low levels of investment;
  - there is a limited understanding of how cultural /creative industries can derive economic returns and benefits, which limits expansion;
  - there is little data available;
  - work in the creative industries is not seen as a profession;
  - there are limited incentives to take an enterprise approach; and
  - handicraft production is one of the only economic opportunities in many remote areas but it needs to be supported with links to markets, otherwise it provides only minimal returns.

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62 Creating Opportunities for Youth in Hospitality, International Youth Foundation, January 2013
63 Study in the agriculture sector in Vanuatu undertaken by the ILO Pacific Growth & Employment Project (forthcoming)
65 Ibid.
66 Ibid.
50. Governments need to develop industrial policies in a country-specific context. There is no “one-size fits all” approach. However, more detailed analysis and consideration of employment outcomes of industrial policies and practices are required. A number of Pacific Island countries (e.g. Fiji, Samoa and PNG) are moving to develop national Employment Strategies based on comprehensive employment diagnostics studies. For example, an analysis by ILO indicated the importance of investment in agriculture in Samoa with a view to stimulating broad-based increases in agricultural productivity.\footnote{ILO (2013) Samoa Employment Situation Analysis: Draft (internal document), 2.} Given the impacts of climate change on Pacific Island countries, such analysis can also include developing an understanding of the employment-environment linkages.

4.2 Policies to create decent jobs through climate change resilience and adaptation

51. There is growing investment in climate change resilience and adaptation projects across the Pacific,\footnote{Rio+20 Pacific Regional Preparatory Joint Ministerial Meeting (July 2011) Apia, Samoa, Outcomes Document.} including a proliferation of climate change funds both to reduce the causes of climate and address the effects. These include the Global Environmental Facility (including the Special Climate Change Fund and the Least Developed Countries Fund); the Adaptation Fund, the Green Climate Fund and the Strategic Climate Fund. The Pilot Program for Climate Resilience, approved in November 2008, was the first program developed and operational under the Strategic Climate Fund, and pilots programs and projects built on National Adaptation Programs of Action and other relevant country studies and strategies. Many other programs have followed including, in the Pacific, the EU’s Global Climate Change Alliance.

52. There are a number of reasons why funding to increase climate change resilience and adaptation is good for development. Firstly, it can help reduce the crippling dependence of Pacific economies on fossil fuel imports (in line with the commitments of regional leaders) and promote energy security for the poor. Second, better conservation of ecosystem services and green farming are likely to result in improved household incomes and ‘safety nets’ for the rural poor as well as improved yields for subsistence farmers.\footnote{Atu Emberson-Bain (2011) ‘Greening the Economy in a Blue World’ Draft paper for UNESCAP Pacific, Suva.} Another key factor, overlooked in many previous analyses, is that investment in climate change resilience and adaptation projects is also beneficial for job creation, especially for young men and women. More attention needs to be paid to this aspect of climate change investment.

53. Public investment in climate change resilience might include use of climate change funds to construct sustainable, energy-efficient, and climate change-resistant infrastructure, for public agricultural projects, or helping to develop eco-friendly tourism options.\footnote{R. Duncan & R. Voigt-Graf (2010) above n21, 39-40} For this, local labour, rather than the use of foreign workers or experts, should be used as much as possible (and form part of the political negotiations on aid spending).

54. New opportunities are also emerging for innovative entrepreneurship and small business development based on investment in natural capital, the production and use of green goods and services, reliance on green energy, and the creation of green jobs. The green economy can also provide a focal point for the entrepreneurship training and vocational skill development necessary to improve employment prospects and earning potential for school age and out-of-school youth, including disabled youth and young women, especially in countries like PNG, Vanuatu and Kiribati.
4.3 Policies to enhance human capital

55. The youth bulge experienced by the Pacific in recent decades is generally viewed with trepidation and even alarm, yet a youthful population can also be an important asset for a country. Youth generate ideas, launch innovative businesses, study and work overseas and thus bring new knowledge and skills which can increase productivity. Of course not all young people in Pacific Island countries have these opportunities. Much depends on their human capital. Empirical research is clear that good quality primary and secondary school significantly increases young people’s ability to find waged employment\textsuperscript{72} as well as their ability to participate in successful business entrepreneurship. It is also widely accepted that the goal of increasing young people’s human capital is critical not only from an economic perspective, but also because a lack of access to education and jobs can lead to wider social problems.

56. Good coordination between school curricula and employer needs is particularly important for increasing employment. Currently labour market shortages may often be filled by foreign workers, or been left unfilled, constraining business growth. Progress has been made to improve school and TVET curricula so that it more closely matches the needs of employers. Functioning systems that involve private sector and educators in setting standards and curricula are critical.

57. Across the Pacific, more can be done to create an entrepreneurial society where owning and running a business can be considered a credible career path for both men and women. The ILO has been involved in entrepreneurship education in schools and technical and vocational institutions, providing teachers with training and teaching materials for a curriculum called ‘Know About Business’ (KAB). In 2007 KAB was introduced in PNG in partnership with the Small Business Development Corporation and since then approximately 29,000 young people have received training, 67 high schools have been involved and 300 teachers have participated in the ‘train the trainer’ programme.\textsuperscript{73} Similar projects developed in Fiji and Kiribati at low cost and with wide reach through integration into the curriculum.

58. However, education and training through formal schooling is not sufficient. There also needs to be greater investment in public employment services such as job centres which help young men and women (and other workers) find jobs through such activities as job matching, disseminating information about vacancies, providing training on interviewing skills and curriculum vitae development and providing referrals to training schemes. One example of this type of service provision is the Fiji National Employment Centre, which provides free public employment services in 14 centres around the country. These centres help unemployed people find national and international job opportunities, and

\textsuperscript{72} ILO (2013) above n55, 4-6.
provide training schemes such as apprenticeships and mentoring for potential business entrepreneurs. Other governments including Vanuatu, PNG and Samoa have also indicated interest in adopting such an approach to employment services.

59. There must also be greater investment in skills development for small enterprise development. This could be through a list of registered business service providers that are trained to provide quality support in areas such as financial literacy, business management, information technology, product development, and marketing, among many others. Whilst a number of countries do have an array of public and private business development services, they poorly coordinated, often inaccessible in rural areas and unregulated in terms of quality. For example, in Vanuatu there is a lack of complementarity of programs from different providers, high cost, lack of availability in rural areas, and lack of tailoring to micro and small enterprises.74

4.4 Policies to create an inclusive labour force

60. An inclusive labour force should comprise all adult workers willing and able to work. Discrimination on the basis of gender, disability, or other characteristic, as well as the limited opportunities to enter the labour force by particularly vulnerable groups, is not only a breach of a human rights, but also carries detrimental economic impacts. This is because exclusion not only reduces productivity (person selected may not be the best person for the job) but also increases the cost of the (albeit limited) benefits that are provided to people out of the workforce, who could otherwise be employed (for example, disability benefits and pensions).

61. Women comprise more than half of the labour market yet still continue to face severe problems of discrimination. This is an issue that governments and the ILO social partners must work to tackle. Pacific governments have already expressed strong political commitment to the economic empowerment of women and identified ways to improve the opportunities and rights they enjoy, as equal development partners, in the labour market and in other economic activity, and the challenge is now to implement these policy commitments. Employers can also play an important role in removing discriminatory practices which lead to low productivity in workplaces. Sexual harassment and discrimination has several negative consequences for employees, employers and societies as a whole. For the workers emotional stress, physical illness and trauma resulting from sexual harassment can seriously impact on their engagement in work. This can in turn lead to financial distress for the women and their families. For enterprises,

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sexual harassment leads to workplace tensions that may impede teamwork, collaboration and work performance, with increased absenteeism and lower productivity.\textsuperscript{75}

62. While disability has only in the past decade begun to receive attention from PIC governments, there is a growing consensus about its importance as a key development and human rights issue, and the necessity for disability-inclusive development as a pathway to poverty eradication, human dignity, and the achievement of the MDGs. This is demonstrated in a range of high-level political commitments, and the emerging body of strategic, policy and implementation frameworks at national and regional levels. Of particular note is the Pacific Regional Strategy on Disability 2010-2015 (PRSD), endorsed initially by Ministers responsible for Disability in 2009 and subsequently by Forum Leaders in 2010.\textsuperscript{76}

63. Another rights issue which urgently needs to be addressed in the Pacific is the issue of tackling child labour. These efforts should, depending on the level of previous action, focus on building national action plans on eliminating the worst forms of child labour through stakeholder forums (currently undertaken in Samoa) or operationalizing existing plans (such as national action plans in PNG and Fiji); as well as building the capacity of labour inspectors in maintaining child labour monitoring systems and programs to raise awareness of child labour issues amongst workers and employers.

4.5 Policies to promote labour and social protection

64. The full implementation of ratified fundamental labour standards is critical to progressing a decent work agenda in Pacific Island countries. During the last five years there has been increasing attention to the ratification of ILO standards, including the eight fundamental ILO Conventions as well as other standards such as the Maritime Labour Convention, which is of particular importance to Pacific Island countries.

65. The translation of ratified ILO standards into law, policy and practice requires significant attention to labour law reform and its implementation. A number of countries including PNG, Vanuatu, Kiribati and Samoa have made a commitment to labour law reform and taken important steps towards implementing a reform agenda through the development of reform Bills. However, progress is often slow, and requires a long-term programme of capacity support that extends beyond the development of legislation to targeted capacity building to support the implementation of new legislative requirements (such as labour and OSH inspection). Similarly, awareness-raising among employers and workers of new roles and responsibilities under revised legislative frameworks is equally important.

\textsuperscript{75} ibid.
\textsuperscript{76} PIFS (March 2013) ‘Disability Inclusive Development in Pacific Island Countries’ Sustainable Development Brief No 14, 3.
66. Pacific Island governments’ interest in labour law reform has continued to grow during the last two years – and there is increasing interest in moving beyond fundamental labour standards to other dimensions including occupational safety and health as well as workers’ compensation reform.

67. Supporting good labour governance though the establishment of, and assistance to, tripartite labour advisory bodies underpins efforts to implement a labour law reform agenda. The emergence of new tripartite labour advisory bodies in the Samoa, Solomon Islands, Kiribati and Vanuatu in the last three years, as well as the growth of informal social dialogue in Tonga are good indicators of a growing longer-term commitment to policy dialogue on good labour governance in parts of the Pacific.

68. In the Pacific, establishing at least a minimum level of social protection is recognized as a necessity. This ‘social protection floor’ (SPF) is being promoted by the ILO as well as other UN agencies and advocates a minimum level of access to essential services and income security for all.\textsuperscript{77} Social protection floors are nationally-defined sets of basic social security guarantees which should comprise at least the following four social security guarantees, as defined at the national level:

- access to essential health care, including maternity care;
- basic income security for children, providing access to nutrition, education, care and any other necessary goods and services;
- basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- basic income security for older persons.

69. Although social protection policy development priorities may differ from one country to the other, and will need to be discussed through country-specific assessments based on national dialogue, the following policy developments could be proposed in several countries:

(i) the extension of health care schemes to uncovered groups of population;
(ii) the further development of cash transfers programs and school feeding programs to facilitate access to education, nutrition and care for children;
(iii) the design and establishment of worker’s compensation insurance schemes that will cover accident prevention (through OSH legislation), cash benefits in the case of loss of income and comprehensive medical care and rehabilitation;
(iv) the design and establishment of maternity benefit schemes;
(v) the design and establishment of integrated packages of social protection and employment services targeting the youth (e.g. linking public employments with vocational training and post training support services);
(vi) the development of a minimum pension scheme for all elderly persons in need of protection;
(vii) the introduction of measures to improve compliance with existing labour law and social security provisions; and
(viii) the development of community-based mechanisms to facilitate access to social protection and serve as “intermediary agents” of social security and anti-poverty programmes.

\textsuperscript{77} Resolution 67/8 on ‘Strengthening social protection systems in Asia and the Pacific’ adopted at ESCAP’s 67th Commission session.
70. Finally, governments could also boost traditional systems of social protection by, for example greater investment in subsistence sectors and village infrastructure to improve capacity for food security, and promoting rural entrepreneurial activities that provide food, water and energy security for rural communities.

4.6 Policies to foster sustainable and well managed labour migration and mobility

71. Labour migration abroad has a long history in the Pacific and takes many forms, including seasonal migration for four to nine months in Australia and New Zealand through government organized programs; the employment of seafarers who spend up to one year abroad on foreign vessels; skilled migrants who spend anywhere from a year to their entire working lives in other Pacific Island countries or in other parts of the world (often working as nurses, peacekeepers, accountants and teachers); and migrants who leave permanently, such as Pacific Islanders eligible to go to New Zealand under the Pacific Access Category. Other than seasonal workers, little is known about the scale and nature of other types of migration of Pacific Islands (with the exception of Fijian migrants), a fact that severely impacts on the ability of countries to design appropriate migration strategies.

72. The sending of remittances is an important source of income for families, and a source of foreign exchange for Pacific Island governments (noting however that a large inflow of remittances from workers abroad in small economies pushes up the exchange rate, causing a detriment to the competitiveness of domestic firms).\(^78\) Research on remittances in the Pacific shows that globally, male and female migrants from some Pacific Island countries remit at a very high rate relative to migrants in other regions. Furthermore, remittances are stable and continue for a long time following migration.\(^79\)

73. Facilitating migration, particularly through the seasonal worker programs, has also had additional windfalls of making a dent in problems of rural unemployment; and also strengthening the capacity of labour departments to manage labour migration (often now managed by a special labour sending unit) as a result of the technical support that the Australian and New Zealand governments have provided to facilitate participation in the schemes.

74. However, more can be done to ensure the development impact of migration from (and within) the various Pacific region. This can be achieved through capacity building support to help governments identify new market opportunities, and develop a rigorous legal and regulatory framework to ensure the protection of workers.

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labour markets, including markets within the Pacific region. While efforts towards regional labour mobility schemes such as the Pacific Island Countries Trade Agreement (PICTA) Temporary Movement of Natural Persons Scheme and the Melanesian Spearhead Group Skills Movement Schemes should be noted, their slow progress towards implementation must also be highlighted.

75. Market research into new international labour markets is particularly important in the case of Tuvalu and Kiribati given the sharp contraction of seafarers employed. These countries, and perhaps the region as a whole, could benefit from a market research unit to collect sex-disaggregated information on the current labour needs of destination countries, forecast future labour market needs in potential destination countries; recommend relevant skill development programmes to Pacific Island countries to link with labour market needs in destination countries, and provide technical assistance (if required) on negotiation of access. Such information allows governments to ensure their workers have the appropriate skills to match demand and better target certain labour-market sectors in destination countries.

76. Finally, Pacific Island countries need to become better at engaging with their diaspora and provide incentives for them to stay engaged with the country (such as through business connections, diaspora investment) or to return home (through such incentives as offering dual citizenship, tax breaks for diaspora companies, and other measures). Such work could begin through research on where diaspora live and work – information which is currently not readily available but would be very useful for policymaking.
5 Concluding thoughts

77. The Pacific SIDS faces formidable challenges in achieving economic and social development. However, they do have assets and opportunities at their disposal to forge a unique path of development and decent job creation. The test will be how well the these countries turn their emerging challenges into new opportunities. For example, whilst climate change presents potentially disastrous consequences for the SIDS, it is also an emerging area of decent job creation, particularly if investment can be concentrated on locally constructed climate-resilient infrastructure.

78. Similarly, while the large number of youth presents potential security and social issues, with quality education and training young people can stimulate growth through the regeneration of the public sector, entrepreneurship, remittances from increased labour migration and through new ideas in emerging sectors such as telecommunications, tourism or creative industries.
About the ILO

The International Labour Organization (ILO) is the United Nations agency devoted to promoting rights at work, encouraging decent employment opportunities for women and men in conditions of freedom, equity, security and human dignity, and enhancing social protection. It is unique in that it brings together representatives of governments, employers and workers to jointly shape policies and programmes and strengthen their dialogue.

The ILO develops international labour standards and works with members States to ensure they are respected in practice as well as principle.

The ILO Office for Pacific Island Countries based in Fiji, provides technical assistance to nine member States (Fiji, Kiribati, Republic of Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tuvalu and Vanuatu), as well as to non-member States in the region as required, on a wide range of areas including: labour migration; the elimination of child labour; promotion of gender equality; labour law reform; protecting seafarers; labour market statistics; occupational safety and health; HIV/AIDS in the workplace; youth employment; and entrepreneurship development.

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