



National Strategic Human Resource Plan

2011 - 2015

**Ministry of Strategic Planning,
National Development & Statistics**

August 2011



FOREWORD

I take much pride in the publication of this National Strategic Human Resource Plan 2011 – 2015. The Plan is borne out of the Roadmap's Vision "*A Better Fiji for All,*" and outlines Fiji's current key labour market challenges and the targeted policies and strategies to address these challenges.

The main objective of the NSHRP 2011-2015 is to lay out a national strategic plan for the appropriate development and utilization of Fiji's human resource. The NSHRP serves as a guide to attain the fullest and most productive use of Fiji's stock of human resource. It recognizes the broader features of human resource planning, including the need to address issues relating to employment, education, health, gender, poverty, youth and problems of social exclusion and vulnerable groups.

The NSHRP 2011 – 2015 is a five year "rolling plan" which will be reviewed and revised annually by the Ministry of Strategic Planning, National Development & Statistics to cover subsequent five-year periods. This Strategic Plan is a result of consultations with all relevant stakeholders, that is, ministries and departments, the private sector, tertiary institutions, professional bodies and civil society.

The thrust of the NSHR Action Plan addresses three major thematic areas: (i) minimizing imbalances in the labour market; (ii) improving the functioning of the labour market; and (iii) improving the productivity of Fiji's workforce.

The strong commitment of the private sector, NGOs, tertiary institutions, United Nations Development Programme and other international organisations towards the development and finalization of the NSHR Action Plan is a testimony of their support to the fullest and most productive utilisation of Fiji's human resource.

I take this opportunity to thank all those who have participated in the preparation of this important document, and I look forward to your continued support in its implementation.

Commodore Voreqe Josaia Bainimarama
Minister for Strategic Planning, National Development & Statistics

ABBREVIATIONS

CAFF	College of Agriculture, Fisheries and Forestry
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CHRIS	Computerized Human Resource Information System
BNPL	Basic Needs Poverty Line
EEO	Equal Employment Opportunities
FHEC	Fiji Higher Education Commission
EU	European Union
FBOS	Fiji Bureau of Statistics
FNQF	Fiji National Qualification Framework
FNU	Fiji National University
FNPF	Fiji National Provident Fund
FSM	Fiji School of Medicine
FSN	Fiji School of Nursing
GDP	Gross Domestic Product
HDC	High Development Countries
HDI	Human Development Index
HIES	Household Income and Expenditure Survey
HR	Human Resource
HRPC	Human Resource Policy Committee
HRTC	Human Resource Technical Committee
IHRDPEP	Integrated Human Resource Development Programme for Employment Promotion
ICLS	International Classification Labour Force Statistics
ILO	International Labour Organization
LFPR	Labour Force Participation Rate
LMCCC	Labour Management Consultation and Cooperation Committee
LMIA	Labour Market Information Analysis
MDGs	Millennium Development Goals
MYEOS	Ministry of Youth, Employment Opportunities & Sports
NEC	National Employment Centre
NCSMED	National Centre for Small & Micro Enterprise Development
NGOs	Non-Government Organizations
NFE	Non-Formal Education
NSHRP	National Strategic Human Resource Plan
NTPC	National Training and Productivity Centre

NYSS	National Youth Service Scheme
ODA	Overseas Development Assistance
OHS	Occupational Health & Safety
PPP	Purchasing Power Parity
PICs	Pacific Island Countries
PSC	Public Service Commission
RDSSSED	Roadmap for Democracy and Sustainable Socio-Economic Development
SNE	State of the Nation and the Economy Report
SEA	Service Excellence Award
TVET	Technical and Vocational Education and Training
UoF	University of Fiji
UNDAF	United Nations Development Assistance Framework
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USP	University of the South Pacific
WHO	World Health Organization
WRO	Wages Regulation Order

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CHAPTER 1: INTRODUCTION

Human resource development is vital for economic growth and improving living standards. In a small island state such as Fiji, human resource development is especially critical, given the existence of many physical and economic challenges. Moreover, Fiji has continued to lose significant numbers of skilled workers because of the domestic political instability over the past 20 years and the increased demand from Australia, Canada, New Zealand and the US for young, skilled workers from overseas as their respective populations age.

The Ministry of Strategic Planning, National Development and Statistics has estimated that Fiji has approximately 20,000 school leavers each year. These numbers greatly exceed the domestic formal employment opportunities available due to job creation and job openings resulting from the emigration of employed workers. Fiji needs to create an economic climate that will foster many more domestic employment opportunities for youth and also create an education and training environment that will provide its youth with the necessary skills to fill the jobs created and to encourage additional investment and jobs.

For human resource utilisation in the near term, it is unlikely that Fiji can increase domestic employment opportunities at a rate that will provide jobs for the existing numbers of unemployed and underemployed, as well as the secondary school and tertiary training graduates who will be looking for employment in the near future. Many of these will have to find employment overseas. Thus, a further challenge for Fiji's education and training institutes is to prepare the labour force for overseas employment, including within the Pacific region.

All governments are constrained in their ability to invest in human resource development by the resources available to them. The Government of Fiji is no different. It has assumed responsibility for the provision of universal primary and secondary schooling, as well as giving considerable assistance to university and technical and vocational education and training. While there are strong arguments for making primary and secondary schooling available to all, it is also widely recognized that there are both public and private benefits to university and technical and vocational education and training and that individuals undertaking such education and training should bear part of the costs. Consideration of the education and training costs to be borne by individuals forms an important part of this plan.

This National Strategic Human Resource Plan (NSHRP) 2011-2015 is a guide to the fullest and most productive use of Fiji's human resource. The document is a five-year "rolling plan" that will be reviewed and revised annually to cover subsequent five-year periods. It is an integrated component of the overall national development policies and strategies as human resources planning cuts across all social and economic sectors.

The Plan consists of four (4) major chapters. Chapter 2 outlines the current economic and demographic development, trends and challenges. This sets the macroeconomic context for the NSHRP 2011 – 2015. Population has been growing at 0.7 percent annually from the 1996 Census to the 2007 Census. The vast geographical region has great potential for investors to utilize our natural resources for economic growth and development, contributing to more employment opportunities.

Chapter 3 highlights the trends in the labour force and in labour market operations. With continued population growth at an annual average of 0.7 percent, the labour force is expected to grow accordingly. The public and private sectors play a significant role in employment creation but a significant proportion of the labour force continues to be engaged in the subsistence sector. Implementation of wages regulation and employment legislation is critical to achieving equality of employment between gender groups, reasonable wages for productivity, and enhancing affirmative relationships between employers and employees.

Chapter 4 discusses the challenges that hinder human resource development and utilization. An issue elaborated on in the chapter is the continuing migration of skilled personnel seeking better opportunities abroad. Limited employment opportunities is another obstacle affecting human resource development, with economic growth of prospective sectors of the economy unable to keep pace with the growth of the labour force—resulting in an increasing youth unemployment rate.

The final chapter presents the National Strategic Human Resource Plan of Action, which sets out policies and strategies to address the issues affecting human resource development, particularly in relation to addressing imbalances in the labour market, improving productivity of the work force, and improving the functioning of the labour market.

As a plan rather than a programme, the NSHRP only covers the broad strategies of the Plan. Such strategies will be elaborated upon and carried out by the responsible agencies made up of ministries, departments, NGOs, and other stakeholders. By integrating them into the Plan in a systematic way, the NSHRP seeks to provide the necessary coordination of the Plan to guard against duplication of effort and working at cross-purposes. In this way it ensures the most effective use of scarce public resources and effective implementation of the Plan.

CHAPTER 2: ECONOMIC AND DEMOGRAPHIC DEVELOPMENTS

2.1 Introduction

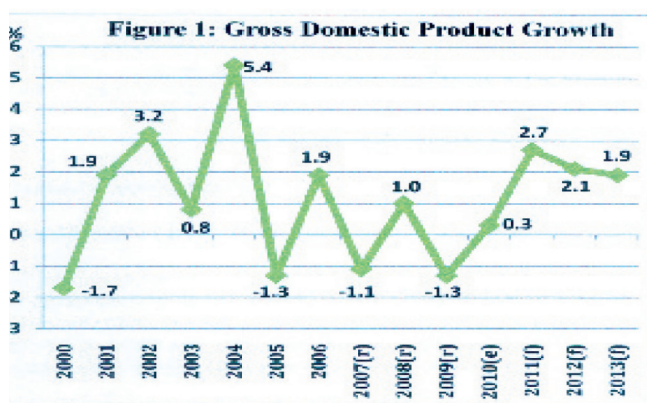
This chapter has three objectives. The first is to provide a snapshot of Fiji's recent economic performance. This places the analysis of the National Strategic Human Resource Plan (NSHRP) 2011-2015 for Fiji into context. The second objective is to provide a brief overview of socio-economic development policies. This discussion is crucial as it provides insights into the major issues affecting the NSHRP. The third objective is to provide an overview of the national, regional, and global development frameworks adopted Government.

2.2 Demographic and Economic Situation

Fiji's total land area of 18,272 square kilometres is spread over more than 300 islands, of which some 100 are inhabited. At the time of the 2007 Census of Population and Housing, Fiji's population was 837,271, comprising 427,176 males (51%) and 410,095 females (49%). The median age was 23.6 years. Fiji's population grew by approximately 0.7% per year between the previous Census in 1996 and the 2007 Census—a slow growth rate, caused by high rates of emigration and the low fertility rate.

Urban dwellers comprised about 51% of the population in 2007, compared to 46% in 1996. The 2007 Census was the first census to count more people in urban areas than in rural areas. The increased share of the urban population is the result of rural-urban migration, as well as the incorporation of formerly rural areas into the urban sector.

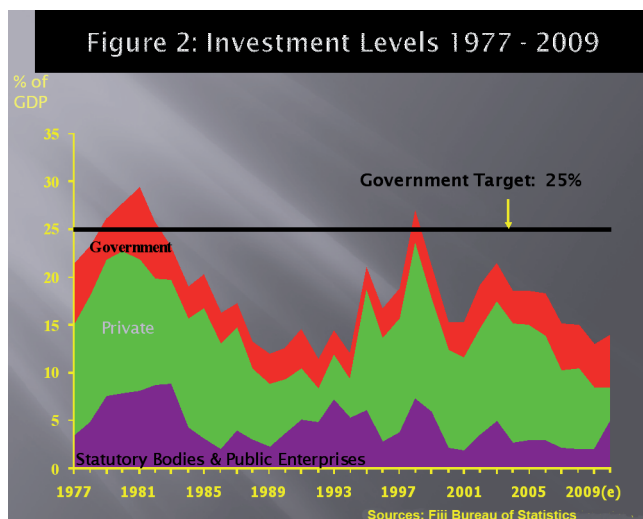
Apart from a brief interlude, economic activity in Fiji has been weak since 2000, with annual real GDP growth averaging only 0.92% up to 2010 (see Figure 1). The sluggish growth has largely been the result of reduced investment levels, under-performing exports, and, more recently, declining remittances. Since 2007, the tourism sector has been adversely affected by various factors, with the latest being the global economic crisis. Visitors arrivals have recovered and stood at 631,000 in 2010 and is projected to be at a record high of 660,000 in 2011.



Source: Fiji Bureau of Statistics & Macroeconomic Committee

The sharp increase in imported food and fuel prices in 2007-08 and the global financial crisis and economic recession since 2008, compounded by the occurrence of natural disasters and political instability, has meant that real GDP growth since 2006 has been negative—as reflected in Figure 1. A contraction of 1.3% was estimated for 2009, with a modest projected recovery of 0.3% and 2.7% in 2010 and 2011, respectively. The modest recovery is expected to be broad-based with strong contributions from resource based industries.

Although total public and private investment has risen in recent years, it remains below the average of 20% of GDP for developing countries and well below the Government's target of 25% of GDP, as shown in **Figure 2**. Of particular concern has been the low rate of private sector investment. Given that the basis for sustained economic and employment growth is strong private sector investment (both domestic and foreign), supported by government investment in infrastructure and essential services, the major goal of economic reforms must be to create a favorable investment environment.



The lack of regular maintenance and upgrading of the country's basic infrastructure (roads, potable water, electricity, and telecommunication services) has aggravated the challenges facing socio-economic development. The provision of modern utilities is an essential pre-condition for the diffusion of economic opportunities throughout the country's regions. In particular, the inadequate provision of ports, jetties, and regular inter-island shipping services is a major concern for those looking for investment and employment opportunities in the outer islands.

2.3 Socio-Cultural Development

Most of the economic welfare indicators have worsened in Fiji over the past three decades. These indicators include the Human Development Index (HDI) and the Millennium Development Goals (MDGs) relating to the proportion of people living in poverty, and maternal and child mortality rates.

The HDI is a widely accepted measure of a country's progress in attaining satisfactory levels of education, health, and income. According to the 2010 UNDP Human Resource Report, Fiji is currently placed 86th (HDI Value 0.669) out of 177. When compared to Fiji's ranking at 92nd out of the 177 in the 2007/08 UNDP HDI report, Fiji has improved by five places in the 2010 HDI ranking. Within the classification of Human Development Countries (HDC), Fiji has been classified in the Medium HDC group, which includes 41 countries. The other three classifications are Very High HDC (42 countries), High HDC (43 countries) and Low HDC (42 countries).

Achieving improvements in income equality is one of the most difficult challenges facing Fiji and its people. On the basis of the 2008/09 Household Income Expenditure Survey (HIES), 31% of the population lived below the Basic Needs Poverty Line (BNPL), declining from 35% as recorded in the 2002 HIES report. The Poverty Gap, or the amount of money needed to lift each poor household above the BNPL was an estimated \$152 million in 2008, as compared to \$120 million in 2002. An estimated 71% of poverty alleviation resources would be required in rural areas and the balance in the urban areas. The 2008/09 HIES also showed that the income earned by the richest 20% of households increased from 47.9% in 2002-03 to 50.2% in 2008-09. The income share of the poorest 20% of the population decreased from 5.9% in 2002 to 5.4% in 2008. The average rural household income increased from \$10,559 to \$11,608, representing a 10% increase, while average urban household income increased from \$15,267 to \$23,036, a 51% increase. While the urban poverty level (as measured by the BNPL) decreased from 28% in 2002-03 to 19% in 2008-09, rural poverty increased from 40% to 43%.

Access to basic education is a right of all Fiji citizens. However, the large numbers of students dropping out early from school is a critical problem, since it must be one of the major contributing factors to the growing incidence of poverty. With limited skills and knowledge to improve their livelihoods, early school leavers make up a large proportion of the unemployed and subsequently some get engaged in criminal activities in most urban centers.

Women's higher risk of poverty and destitution is associated with lower labour force participation rate, increasing separation and divorce rates, and problems in collecting lower maintenance payments from separated spouses. Female unemployment increased slightly from 7.8% in 1996 to 8.7% in 2005, in part as a result of the loss of jobs in the garment industry; but also from the increased labour force participation of women. Some of the major challenges to enhancing the socio-economic development of women include the non-implementation and monitoring of the Equal Employment Opportunity Policy in all workplaces; the presence of gender segregation in labour markets; poor monitoring of the compliance of laws and administrative practices and procedures with the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Articles; difficulty in maintaining effective social safety nets for the employed; spread of HIV/AIDS; and collection and analysis of gender-sensitive data.

Improved social outcomes are contingent upon economic growth. A growing economy will facilitate the achievement of improved social outcomes, such as reduced poverty rates, improved educational facilities, and more funding for health. The implementation of structural and economic reform initiatives is therefore crucial to socio-economic development.

2.4 National, Regional and Global Development Frameworks

Strategic priorities of the Fiji Government are detailed in the Roadmap for Democracy and Sustainable Socio-Economic Development 2010-2014 (RDSSD). The RDSSD has the overriding goal of building "A Better Fiji For All", with objectives that are divided into several priorities on which the Government will concentrate during the next five years. The policies in the RDSSD are consistent with the MDGs.

To address its economic and social challenges, Fiji has adopted several regional and global development frameworks. The eight MDGs form a blueprint that responds to the world's main development challenges and are to be achieved by 2015; the MDGs have been agreed to by all countries and the world's leading development institutions.

The Pacific Plan was endorsed by Pacific Leaders at their Pacific Islands Forum Meeting in Port Moresby in October 2005. With a focus on regionalism and sub-regionalism, the Pacific Plan includes 13 strategic objectives under four pillars (good governance, economic growth, sustainable development, and security). It makes special reference to finding decent income and employment opportunities for the growing numbers of unemployed youth, school leavers, and people living below the poverty line.

For the United Nations Development Assistance Framework (UNDAF) cycle 2008–2012, a joint UNDAF was undertaken by the UN Country Teams of Samoa and Fiji. This UNDAF was based on a review of national and regional plans, strategies, and policies of the 14 Pacific Island Countries (PICs) and regional bodies, UN mandates, and UN areas of expertise, which led to the identification of four UN priority areas. Particularly important in the analysis was the Pacific Plan, whose objectives closely align with the identified UN priorities. Human rights and gender equality have been mainstreamed in the design, implementation, monitoring and evaluation of programmes in the UNDAF.

The UNDAF has identified opportunities for ILO's involvement and potential partnership. ILO is listed as a partner in most programme outputs under the priorities "equitable economic growth and poverty reduction", "good governance and human rights" and "equitable social and protection services". ILO is the lead partner in the output "enabling environments support employment-friendly micro-small- and medium-sized enterprises" under the first priority. In addition, there are opportunities for ILO involvement in creating "Green Jobs" under the fourth priority.¹ The UNDAF stakeholders' meeting in Suva in May 2007, during which the joint UNDAF was presented, also identified the importance of focused activities dealing with the "youth bulge" in the PICs.

Donor Assistance

Fiji is supported by international and regional institutions and bilateral donors, which endeavour to closely align their contributions to the country's priorities while largely avoiding direct support to the Fiji Government.

The Australian aid programme, valued at close to F\$44 million as indicated in the 2011 Budget Supplement, focused on mitigating the economic and social hardship resulting from Fiji's political instability and the global recession. The main focus areas were the Health Sector Improvement Program, the Education Sector Program, and the Australian Civil Society Support Program and Rural Enterprise Development.

¹ Efforts to tackle climate change could result in the creation of millions of 'green' jobs in the coming decades, according to the report *Green Jobs: Towards Decent work in a Sustainable, Low-Carbon World* from the United Nations on the impact of the emerging global green economy, released in September 2008. Green jobs reduce the environmental impact of enterprises and economic sectors, ultimately to levels that are sustainable. Changing patterns of employment and investment result from efforts to reduce climate change and its effects are already generating new jobs in many sectors and economies, and could create millions more in developed and developing countries.

The 2005-2010 NZAID/Fiji aid programme strategy remains largely in place despite several activities partnering with the Fiji Government being frozen. Programme implementation is now focused on promoting democratic governance, strengthening civil society, and assisting people living in poverty, especially those in squatter and informal settlements.

Fiji continues to receive valuable contributions and development assistance from Asian countries such as the Government of Japan through JICA, Korea, and the Republic of China towards the education, health, and infrastructure sectors, and the Disaster Management Rehabilitation programme. The increasing role of Chinese ODA can be noted from its increased funding from \$8m in 2009 to around \$27m forecasted for 2011.

The EU is another major donor in Fiji and has earmarked euro 30.2 million under the 10th EDF 2008-2013 for the focal Water and Sanitation sector.

Several UN agencies maintain sub-regional offices in Fiji. UNDP maintains a Multi-Country Office in Fiji, which is responsible for UNDP's national programmes in various PICs. UNICEF, ILO and WHO also maintain a sub-regional office, while UNFPA's regional office is in Fiji.

CHAPTER 3: LABOUR FORCE TRENDS AND LABOUR MARKET OPERATIONS

This chapter outlines recent trends in Fiji's labour force. It also discusses the operation of the labour market in Fiji. It is important to understand these issues in order to develop appropriate strategies for the development of Fiji's human resource.

3.1 Population Trends

The population estimate for 2010 is 854,975 (see **Table 1**). This estimate is based on the recent (1996-2007) growth rate of 0.7%, which is slightly less than the 0.8% per annum increase recorded over the 1986-1996 decade. The total population increased by 8.0% from 775,077 in 1996 to 837,271 in 2007. As tabulated below, the estimated population for 2014 is 879,164.

Table 1: Population Actual (1996 & 2007) and Estimates (2010 & 2014)	
Year	Total
1996	775,077
2007	837,271
2010 (e)	854,975
2014 (e)	879,164

Fiji's population is slowly losing its youthful profile. Whereas in 1996, some 35% of the population was under 15 years of age; by 2007 this share had declined to 29%.

Source: Fiji Bureau of Statistics.

Over the same period the share of the population aged 65 years and over had grown from 3.2% to 4.6%. As a result, the share of those of working age and potential labour force members rose from over 61% in 1996 to over 66% by 2007; a potential "demographic bonus" for the nation, but only if most of those of working age are able to find productive employment.

The composition of the population in the rural and urban areas is also changing, with Fiji becoming increasingly urbanized as internal rural-urban migration continues. The extension of urban boundaries, the expiry of land leases, movement of people due to employment, and seeking better education for young people contributes to this trend. In 1996, the rural population accounted for about 54% of the total, while in 2007 its share had declined to 49%; whereas for the urban population, its share increased from over 46% in 1996 to about 51% in 2007. The urban population grew at 1.5% per year between 1996 and 2007, while the rural population shrank by 0.4% per year. The urban population increased by 61,591, while the rural population declined by 8,768. National population growth during the 1996-2007 inter-census period was mainly due to growth in the Central Division (55% of the total increase). The Central Division also has the fastest rate of urban immigration.

The changing age and ethnic profile and geographic distribution of Fiji's population is impacting on patterns of consumption, rates of labour force participation, dependency rates, and demands on social services, including health and education, as well as leading to more intense competition in the labour market for remunerative employment. The increasingly larger share of the population living in the urban areas may mean that the unit cost of schooling is declining. However, the fact that their share of the population is increasing and that a lower proportion of youth are going on to Form 7 means that the share of youth who are unskilled is increasing. This issue raises an important challenge for human resource development.

3.2 Labour Force

Supply of Labour

In general, the supply of labour is the total hours that workers wish to work at a given real wage rate. This comprises of the employed labour force and those registered as unemployed and who are actively looking for employment.

The size of the labour force (those employed and those actively seeking work in both the formal and informal sectors of the economy) is determined by the size of the population of working age and by the extent to which people in this age group are seeking employment (the participation rate). The two major components of the labour force (economically active population) are the employed and the unemployed. The number of economically active people as a share of the population is known as the Labour Force Participation Rate (LFPR). According to the 1996 Census the LFPR at the time was 38.4% (see **Table 2**). The unemployment rate was reported as 3.7%. At the 2007 census, 334,787 people were recorded as being in the labour force (equivalent to a LFPR of 40%). The unemployment rate was reported as 8.6% (28,790). It is estimated that 128,800 (38.4% of the labour force) were engaged as wage and salary earners in 2007 as compared to 110,080 in 1996 and 121,900 in 2004, while self-employed people made up around 4% of those employed for money. The increase in unemployment over this period is not surprising, considering that Fiji experienced three coups during this time, which led to downturns in the economy and job losses. In addition, many cane farmers were affected due to the non-renewal of land leases and the impact of the garment industry in the economy was significantly reduced due to the loss of preferential trading arrangements.

As seen in **Table 2**, between 1996 and 2007 the LFPR declined for all age-groups. The largest declines were in the 15-19, 40-44, and 50-64 age groups. The most worrying declines are those in the 15-19 age group and in the mid-career 40-44 age group. These are most worrying as they illustrate that, first, those entering the labour force have had declining chances of gaining work experience, while second, those in the 40-44 age group will still mostly have heavy family responsibilities.

Therefore, between the 1996 Census and the 2007 Census, the population grew by around 8.0% and the labour force grew by 12.4%. However, it is important to note that in the 1996 Census the labour force cut-off age was 15 years, while in the 2007 Census the cut-off age was set at 10 years of age, which meant that the 2007 labour force included 7,799 youths aged 10-14 years (see **Table 2**). The LFPR of around 40% is low by international standards. For example, Australia's LFPR was 65.7% in October 2010. Most likely one of the major reasons for the difference is the much lower participation of women in labour activities outside the household (household labour is not counted as labour in the collection of labour market statistics).

Table 2: Labour Force to Population Ratio (LFPR), 1996 and 2007

Age	1996 Census			2007 Census		
	<i>LF</i>	<i>Pop</i>	<i>LFPR (%)</i>	<i>LF</i>	<i>Pop</i>	<i>LFPR (%)</i>
10-14	-	-	-	7,799	82,384	9.5
15-19	24,438	83,682	29.2	18,656	79,518	23.5
20-24	42,413	66,955	63.3	47,221	80,352	58.8
25-29	42,462	61,660	68.9	49,346	73,487	67.1
30-34	42,811	60,841	70.4	43,063	63,535	67.8
35-39	40,068	55,779	71.8	38,466	56,552	68.0
40-44	31,856	44,180	72.1	37,749	56,274	67.1
45-49	25,347	37,081	68.4	32,662	50,322	64.9
50-54	18,661	28,683	65.1	23,779	40,009	59.4
55-59	12,863	22,245	57.8	15,830	31,161	50.8
60-64	8,033	15,459	52.0	9,218	24,120	38.2
65-69	4,801	10,761	44.6	5,563	16,808	33.1
70-74	2,323	6,357	36.5	2,781	10,110	27.5
75+	1,694	7,230	23.4	2,654	11,902	22.3
Total	297,770	775,077	38.4	334,787	837,271	40.0

Source: Fiji Bureau of Statistics, Census 1996 and Census 2007.

Status in Employment – Demand for Labour

Labour demand is defined as the quantity of labour that employers are willing to employ at a given point in time. It is determined by the level of real wages (nominal wages deflated by a price index) and the level of labour productivity.

Table 3: Labour Force according to Employment² Status, 1996 and 2007

Labour Force Category	1996 Census	2007 Census
In Money Economy	219,314	252,399
Subsistence: Without Money	67,332	46,575
³ Unemployed	11,124	28,014
Total Labour Force	297,770	326,988

Source: Fiji Bureau of Statistics, Census 1996 and Census 2007.

² Employment includes all persons involved in activities that return money to the person, household, or company, such as persons producing goods for sale, growing crops, catching fish, collecting shells, or other things for sale; and a person who sells services.

³ According to the International Classification Labour Force Statistician [ICLS] and ILO, a person is unemployed if the person did not work during the reference period and was available for work and actively looking for work.

Status in employment distinguishes between three useful categories of employed personnel namely; wage and salaried workers, self-employed workers, and contributing family workers. **Table 3** shows that while there was an increase in the total number of people working in the money economy, there was a sharp decline in the numbers recorded as working in the subsistence economy.

Underemployment

Underemployment can be described as people who work fewer hours than they are willing and able to and who are hampered by a lack of skills and access to proper education and training facilities. According to the 2004-2005 Employment and Unemployment Survey, the total underemployment was 75,676, which was approximately 22.5% of the labour force. More up to date statistics on underemployment will be generated through the 2009-2010 Employment and Unemployment Survey.

Urbanization

The trend in urbanization, which was evident at least as early as the 1986 Census, continues, as reported in the 2007 Census (see **Table 4**). The reasons for the emigration out of the rural areas are expiry of land leases, people seeking paid employment opportunities, families seeking better education for children, and families seeking better health facilities. No doubt too there is a “bright lights” effect, that is, the entertainment attractions of urban life.

The rural-urban migration affects the composition of population in both the sending and receiving areas. The rural labour force declined marginally over the inter-census period, while the urban labour force increased by 22% and is now larger than the rural labour force. Both the rural and urban unemployed increased substantially—no doubt partly reflecting the attempts of people to move from subsistence to formal employment.

Table 4: Labour Force Classification by Urban and Rural Sectors, 1996 and 2007

Labour Force Category	1996			2007		
	Rural	Urban	Total	Rural	Urban	Total
In Money Economy	107,853	111,461	219,314	111,780	140,619	252,399
Subsistence: Without Money	50,603	16,729	67,332	38,711	7,864	46,575
Unemployed	3,276	7,848	11,124	10,550	17,464	28,014
Total Labour Force	161,732	136,038	297,770	161,041	165,947	326,988

Source: Fiji Bureau of Statistics, 1996 Census and 2007 Census.

3.3 Employment by Occupational Groups

The Agricultural and Fishery Workers (21%) and the Elementary Occupations (21%) were the dominant occupation group in the 1996 Census followed by Craft & Related Workers (12.0%) (see **Table 5**). The dominant occupational groups identified in the 2007 Census were Service, Shop & Market Sales Workers and Elementary Occupations, which includes domestic helpers and cleaners, garbage collectors, labourers, caretakers, etc. There was a major decline in Agricultural, Animal Husbandry and Forestry Workers & Fishermen (0.88%) in the 2007 Census.

Table 5: Occupational Group Composition, 1996 & 2007

Occupational Groups	1996 Census (Percentage of Employment)	2007 Census (Percentage of Employment)
Legislators, Senior Office Managers	4.0	4.31
Professionals	8.0	13.26
Professional Technical and Related Workers	5.0	11.63
Administrative and Managerial Workers	-	-
Clerical and Related Workers	8.0	14.07
Service Workers and Shop and Market Sales Workers	10.0	16.90
Agricultural, Animal Husbandry and Forestry Workers and Fishermen	21.0	0.88
Craft and Related Workers	12.0	10.16
Production Workers, Transport Equipment Operators, and Labourers	10.0	10.04
Elementary Occupations	21.0	14.99
Armed Forces	-	3.74
Workers Not Classified	1.0	-
NEC	-	0.03

Source: 1996 Census and 2007 Census, Fiji Bureau of Statistics

Table 6 portrays the sectoral and gender distribution of those in paid employment in 2007. Males dominate in the following occupations: Legislators, Senior Officials & Managers; Professionals; Technicians and associates; Service workers, etc; Skilled agriculture, etc; Craft & Related Workers; Plant & Machinery Operators & Assemblers; Elementary occupations; Armed Force; and the NEC. Females dominate in the Clerks occupational classification and are improving in the Professional category.

Table 6: Occupational Distribution of Paid Employment, by Sectors and Gender, 2007

	Legisla- tors, Senior Official & Mangrs	Profes- sionals	Tech- nicians & Associ- ates	Clerks	Service Worker & Shop & Market Sales Worker	Skilled Agritr. & Fishery Worker	Craft & Related Worker	Plant & Mach- inery Operators & Assemblers	Eleme- ntary Occpt.	Armed Force	NEC
M	3,830	7,925	8,617	7,063	12,416	996	10,680	7,436	13,985	4,273	18
F	1,194	7,544	4,946	9,343	7,299	36	1,169	4,272	3,495	86	12
T	5,024	15,469	13,563	16,406	19,715	1,032	11,849	11,708	17,480	4,359	30

Source: Fiji Bureau of Statistics

Changes in the involvement of women in the labour force between the 1996 Census and the 2007 Census are shown in **Table 7**. Changes in the percentages of women in all categories in **Table 7** dominate changes in male categories. The percentage increase in the number of females in paid employment was around 3.5 times that of males. Many more females left work in the subsistence sector—presumably to seek paid employment. This shift partly explains the larger increase in the number of females reported as being unemployed.

Table 7: Labour Force Classification by Gender, 1996 and 2007

Labour Force Category	1996			2007		
	Male	Female	Total	Male	Female	Total
In Money Economy	166,299	53,015	219,314	181,691 (9.3%) ⁴	70,708 (33.4%)	252,399 (15.1%)
Subsistence: Without Money	28,051	39,281	67,332	21,429 (-23.6%)	25,146 (-36.0%)	46,575 (-30.8%)
Unemployed	5,702	5,422	11,124	13,835 (142.6%)	14,179 (161.5%)	28,014 (151.8%)
Total Labour Force	200,052	97,718	297,770	216,955 (8.4%)	110,033 (12.6%)	326,988 (9.8%)

Source: 1996 Census and 2007 Census, Fiji Bureau of Statistics

4 Note: Percentage changes from the 1996 Census to the 2007 Census are shown in brackets.

3.4 Wages

Around 30% of workers in Fiji are members of trade unions, while non-unionised workers are protected by government-appointed Wages Councils tasked to oversee that the industries they cover pay their employees a reasonable wage. It should be noted that non-unionised workers are the most vulnerable group of workers. It has been estimated that over 30,000 workers are employed in the ten industries covered by the Wages Council. The ten Wages Councils are the Printing Industry Wages Council; Security Industry Wages Council; Building, Civil and Electrical Engineering Wages Council; Manufacturing Industry Wages Council; Hotel and Catering Industry Wages Council; Garment Industry Wages Council; Road Transport Wages Council; Wholesale and Retail Wages Council; Sawmilling and Logging Industry Wages Council; and the Mining Wages Council.

The Preliminary Report on Poverty and Household Incomes in Fiji 2008-09 highlights the reality of income inequality in our nation; the poorest 20% of our people receive around 5% of the national income while the richest 20% receive around 48% of the national income. The existence of an over-supply of unskilled and semi-skilled labour in the cash economy has, no doubt, served to dampen wage increases in the low-wage segments of the labour market. However, wages paid by private firms have to be supported by labour productivity or else the workers will not be hired. The harsh economic reality of wages below the poverty line and social injustice are the major reasons for the Government to gradually push towards a National Minimum Wage rate that is above the poverty line. However, the Government recognizes that wage levels must be in accord with productivity and therefore it is actively promoting increases in national productivity as the way forward. This is to ensure that workers are guaranteed just and decent wages above the poverty line (Pillar 8 of the Peoples Charter for Change, Peace & Progress).

Prior to the enforcement of the new Wages Regulation Order in mid-2009, the old rate had been in force for almost four years. Private sector remuneration for low-skilled workers generally lagged behind that of the public sector, and this could be attributed to the non-appointment of Wages Council members, lack of compliance by employers, and administrative bottlenecks including the political will to enforce the wages orders. Frequent review of wage rates should be encouraged to take account of inflation and changes in productivity.

The wage rates agreed by the tripartite social partners provide a national safety-net benchmark that the Wages Councils Chairman and the Ministry of Labour are using as a platform and leverage towards negotiating and reaching a National Minimum Wage above an assessed poverty line. The Ministry has been pursuing this national goal since the new Employment Relations Promulgation 2007 came into effect from 2nd April 2008. With the forecast recovery in the global and domestic economy from this year, it is envisaged that the National Minimum Wage can be achieved through good faith from all the tripartite partners.

The establishment of the ten new Wages Regulations Orders (WROs) under their respective Wages Councils will ensure that workers' wages are adjusted to take account of increases in the cost of living and in line with productivity increases. Following the gradual sustainable increments in the WROs, a National Minimum Wage will be declared by Government once all the industry minimum wages for all classes of workers have been set above the poverty line by the Wages Councils. However, it has to be recognized that real wages (i.e. adjusted by inflation), even for the least skilled, have to be supported by the productivity of the industries that employ them. Otherwise, they will not be employed. Therefore, it is critical that productivity be increased throughout Fiji.

Such a goal has implications for both the education and training of the labour force and for the operation of all economic activities, including government investments.

Obviously, arresting the increase in Fiji's poverty level is critical and a cross-cutting issue involving all Government ministries and departments. The Labour Ministry is now in its sixth and final phase of reforming all of its outdated labour laws to provide decent work for all in Fiji and ensure that social justice is delivered in all workplaces. One of the aims of the Labour Reform is to promote good faith employment relationships and sustainable productivity improvement through modern and progressive business practices with flexibility in wage fixing. The Ministry is promoting the adoption of productivity-based wage systems to raise wages through workplace productivity gains.

The new Employment Relations laws require workplace Labour Management Consultation and Cooperation Committees (LMCCC) to be mobilized to boost workplace productivity. The Labour Ministry's newly-established Productivity Unit has been involved in the capacity building of these workplace committees through quality competency-based training for LMCCC members to ensure that they will be the productivity and good relations change agents in the workplace.

3.5 Public Service

Fiji's civil service accounts for around 11% of those earning money in Fiji's workforce. The Public Service Commission (PSC) is embarking on a number of initiatives focusing on improving efficiency and service delivery, enhancing productivity, and reducing government's operating expenditure. Accordingly, Government is committed to reducing the Operating/Capital ratio from the current 80:20 to around 70:30, or even lower. The Public Sector Reform must be pursued vigorously to ensure that more resources can be diverted to capital investments, including investment in human capital. As a starting point, Government reduced the compulsory retirement age from 60 to 55 years on 30th April 2009. It subsequently reduced the total number in the Civil Service from 27,129 to 24,885, generating a savings of about \$40.2 million of operating expenditure. By the end of March 2010, the number had increased to 26,925 due to the reinstatement of those in the technical and professional positions.

The State of the Nation and the Economy Report (SNE) stated that the first issue in Civil Service Reform is to make the Civil Service more transparent and accountable by exposing its work to public scrutiny. The second is the need to address and reverse the worsening situation in public service delivery. The way forward, as outlined in the Enhancing Public Sector Efficiency in the People's Charter, is, first, to accelerate the rightsizing of the civil service through restructuring. The other three priorities are modernising human resource management and remuneration, rebuilding the capacity of the Civil Service, and E-government. To help realise the objectives of the reform, the PSC has reintroduced the Service Excellence Awards (SEA), which provide an opportunity for Government agencies to evaluate their organizational performance, management approaches, and processes, and the effective utilization of allocated resources to achieve specified outputs.

3.6 Emigration

Emigration of the skilled labour force has been significantly reduced over the past five (5) years (see **Table 8**). While emigration reduced for most occupational groups, a significant increase was noted for the Plant & Machine occupational group and for Workers Not Classified occupational group. From 2006 – 2010, an average of around 4,801 people emigrated annually. This is a reduction in emigration when compared to an average of around 5,000 people emigrated annually between 1987 and 1999.

Table 8: Emigration by Occupational Groups 2006 - 2010

Occupation	2006	2007	2008	2009	2010
Professional, Technical & Related Workers	1443	1382	1398	1330	988
Administrative & Managerial Workers	310	298	369	356	302
Technician & Related Workers	224	191	197	158	148
Clerical, Supervisors & Related Workers	274	204	207	142	120
Service Workers	243	178	198	183	152
Agriculture, Animal Husbandry, Forestry Workers & Fishermen	63	65	48	63	58
Craft & Related Workers	268	220	226	170	178
Plant & Machine Workers	60	57	54	67	81
Elementary Occupations	945	857	862	774	755
Armed Forces	13	13	13	5	9
Workers Not Classified	1305	1295	1600	1564	1320
Total Migration	5148	4760	5172	4812	4111

Source: Fiji Bureau of Statistics.

From 2006 to 2008, Accountants, Engineers, Architects/Technicians, Teachers, Nurses, and Agricultural Officers emigrated in large numbers. It is assumed that this flow was in part due to external employment demand, as well as the domestic political instability. The number of qualified and skilled people emigrating or seeking employment abroad aggravates the skill shortage.

3.7 Unemployment

As noted earlier, the unemployment rate as recorded in the 2007 Census was more than double the rate recorded in the 1996 Census. The increase in the labour force and the poor growth in investment and formal employment have no doubt led to the increase in the number and percentage of the labour force without paid employment.

Due to increases in urbanization, the unemployment rate in the urban areas was about two times greater than in the rural areas and this trend has been observed in the past three Censuses. In the same period, the unemployment rate for females improved slightly, although it was still two times higher than the rate for males in the 2007 Census (see **Table 9**).

Table 9: Unemployment—Total, Rural/Urban, and Male/Female

Year	Total Labour Force	Total Unempl.	% Unempl.	Urban Unempl. (%)	Rural Unempl. (%)	Male (%)	Female (%)
1986	241,160	18,189	7.5	11.9	4.6	5.4	15.3
1996	297,770	11,214	3.7	5.8	2.0	2.9	5.5
2007	326,988	28,014	8.6	10.5	6.6	6.4	12.9

Source: Fiji Bureau of Statistics, Census reports 1986, 1996, and 2007.

As shown in **Table 10** below, there was a decrease in total employment in the rural sector from 158,456 in 1996 to 150,491 in 2007, while total employment in the urban sector increased from 128,190 to 148,483. It was noted that employment of both males and females decreased in the rural sector while it increased in the urban sector.

Total unemployment increased in the rural and urban sectors from 11,124 in 1996 to 28,014 in 2007. For males, it increased from 5,702 in 1996 to 13,835 in 2007 while females increased from 5,422 to 14,179.

**Table 10: Number of Employed and Unemployed in
Rural & Urban Sectors, 1996 and 2007**

	Year	Employed			Unemployed					
		Total	Male	Female	Number			Rate (%)		
					T	M	F	T	M	F
All Sectors										
Total	1996	286,646	194,350	92,296	11,124	5,702	5,422	3.7	2.9	5.5
	2007	298,974	203,120	95,854	28,014	13,835	14,179	8.6	6.4	12.9
Rural Sector										
Total	1996	158,456	109,258	49,198	3,276	1,663	1,613	2.0	1.5	3.2
	2007	150,491	105,542	44,949	10,550	5,206	5,344	6.6	4.7	10.6
Urban Sector										
Total	1996	128,190	85,092	43,098	7,848	4,039	3,809	5.8	4.5	8.1
	2007	148,483	97,578	50,905	17,464	8,629	8,835	10.5	8.1	14.8

Source: Fiji Bureau of Statistics, 1996 and 2007 Census reports.

3.8 Labour Market Operations

Our knowledge of how the formal labour market operates in Fiji is still severely limited. Little analytical work has been undertaken on issues such as the nature and determinants of personal earnings differentials, including the returns to various human resource characteristics such as formal education, informal and formal training, and labour market experience; the extent to which the formal sector labour market is segmented according to institutional (public versus private) and personal (gender) characteristics; the impact of the past educational expansion; and the manner in which younger, more educated recruits are absorbed into the labour market.

Investment in Human Capital

Education has taken a significant share of total government expenditure over the past few decades. However, both in terms of dollar amounts and as a percentage of total government expenditure, the Ministry of Education's budget has been highly volatile in recent years. As shown in **Table 11** below, the Ministry's budget allocation fell in 2006, increased in 2007, and then reduced again in 2009.

Table 11: Ministry of Education Budget, 2005-2011

Year	Total Expenditure (\$m)	Share of Total Government Expenditure (%)
2005	269,910.3	19.4
2006	275,305	17.8
2007	292,794.2	19.5
2008	292,161	19.1
2009	275,254.3	16.0
2010	239,138.4	13.9
2011	245,098.1	12.5

Source: Budget Estimates, Minister of Finance Operations.

Much of the funding has been spent on infrastructure, facilities, and scholarships. Government has been allocating funds to the University of the South Pacific (USP), Fiji National University (FNU), Fiji School of Medicine, and more recently, the University of Fiji (UoF).

The role of these training institutions is to develop human resources to match the labour requirements at national and international levels. This has been a challenging task, since the labour needs for each economic sector keep changing. For example, the growth of the tourism sector has increased demand for the many skills involved in the tourism sector as well as the demand for tradesmen in the construction sector.

A focus on the Ministry of Education budget brings home the point that the NSHRP cannot focus solely on the tertiary and TVET sector, as the outcomes produced by these sectors in terms of skills and knowledge depend greatly on the raw material that they have to work with—that is, the graduates from secondary schools. Although, it has to be recognized that the poor prospects for employment can entice parents to remove their children from school and employ them on the farm or in other activities.

More funding for primary and secondary schooling is not necessarily the answer to better outcomes. As research by Narsey (2004)⁵ has found, there is not a positive correlation between higher per pupil funding and better academic performance. Neither is there evidence that lower teacher:pupil ratios lead to better academic performance. These findings persisted across urban and rural areas. Narsey suggested that the Government and school authorities should experiment

⁵ Wadan Narsey, 2004. *Academic Outcomes and Resources for Basic Education in Fiji: Disparities by region, ethnicity, gender and economic background*, Institute of Education, University of the South Pacific.

with incentives systems that encourage better academic outcomes. This appears to be a sensible suggestion. It may be assisted by the adoption of a scheme recently brought in by the Australian Government to test primary school children annually in literacy and numeracy and make the results public so that parents know how their child's school/teacher is performing and the education authorities know where to increase resources to gain better results. But to repeat what Narsey (2004) found, the answer is not necessarily more teachers or more funding for schools; the answer is more likely to be improvements in teacher quality, which throws the concern back to the teacher-training institutions.

Further, government allocates resources towards scholarships for development of Fiji's human resource. Government's commitment can be noted from the increase in the allocation of funds from 2005 to 2009. The total funds increased by \$2.9m from 2008 to 2009. Even though it decreased by \$1m from 2010 to 2011, there is a significant increase when compared to the total scholarship allocations since 2005 (see **Table 12**).

Table 12: Government Scholarship Allocation, 2005 to 2011

Scholarship Agencies	2005	2006	2007	2008	2009	2010	2011
Multi Ethnic	\$4m	\$4m	\$4.25m	\$5.5m	\$5.5m	\$5.5m	\$5.5m
iTaukei	\$8m	\$8m	\$8.3m	\$8.5m	\$8.5m	\$10m	\$10m
PSC	\$3.6m	\$1.6m	\$2.1m	\$2.1m	\$3m	\$4.5	\$4m
FSM Scholarship Grant	–	\$2m	\$2m	\$4m	\$2m	\$2.5	\$2m
Total	\$15.6m	\$15.6m	\$16.65m	\$16.1m	\$19m	\$22.5m	\$21.5m

Source: Budget Estimates, Ministry of Finance

Labour Market Information

An efficient labour market is where buyers and sellers of labour agree on the terms and conditions of employment, and where these negotiations are backed up by an effective labour market information system (LMIS). A prerequisite to effective human resource planning is up-to-date information on the operations of the labour market to enable projections on the demand for labour from the various economic sectors; as a consequence, training programmes can be developed to match the identified needs. Job seekers and Teachers/Career Counselors require such information to make quality decisions on which occupational group to target.

The state of labour market information in Fiji is the most developed in the region. Fiji is the only country that has carried out a full Labour Force Survey, titled the "Employment/Unemployment Survey", which was conducted by FBOS in 2004/2005. FBOS has recently established a household survey unit that is to conduct a labour market survey every five years. The unit is also responsible for conducting the HIES. The most recent HIES was carried out in 2008. In addition to these surveys, labour market information is available from the Annual Employment Survey, a survey covering all registered business establishments. Other administrative records useful for Labour Market Information Analysis (LMIA) include migration data, the Fiji National Provident Fund

(FNPF) database, the Labour Standards database of the Ministry of Labour, Industrial Relations and Employment (MLIRE), and the Fiji Employers Federation's database.

Since the Labour Force Survey broadly covers the internationally-accepted labour market indicators, and is supplemented by ten-yearly censuses, establishment surveys, and administrative data, the necessary labour market data collection instruments are largely in place in Fiji. However, timeliness and frequency are still major issues in the conduct of the Labour Force Survey and the Annual Employment Survey, as there are long delays between the conduct of the surveys and the publication of their results, limiting their usefulness for decision-making purposes.

In contrast to the availability of labour market data, analysis and dissemination of the results of analysis are less developed. Collaboration on LMIA between various stakeholders has been minimal in the past, and analysis, dissemination, and use of labour market information has been sketchy. Currently, most labour market analysis is performed by academics, sometimes in collaboration with FBOS. Although of high quality, dependence on external collaborators does not guarantee a sustained stream of labour market analysis.

There is a need for improvements in the area of labour market analysis and dissemination. MLIRE and the Ministry of Strategic Planning are open to collaboration with ILO to strengthen labour market analysis and the LMIS more generally. In 1998, Government, with assistance from ILO, established the Integrated Human Resource Development Programme for Employment Promotion (IHRDPEP), which operates as an inter-governmental unit. Among the key objectives of the IHRDPEP is promoting employment creation through empowerment, improvements in labour market information systems, and increased collaboration between the various stakeholders in LMIA. Recently, steps in the direction of increased dissemination have been taken by the Human Resource Section of the Ministry of Strategic Planning through the establishment of a LMIA dissemination website, called the "Computerised Human Resource Information System" (CHRIS).

Initiatives by the Ministry of Strategic Planning to collate human resource information and data and post it on CHRIS will ensure the availability of the information to potential users. It will be a useful database, which can be analyzed to determine future demand in areas of employment in the labour market and indicate to training institutions and future job seekers study areas on which to focus.

Because of the availability of labour market data collection instruments, ILO's pipeline LMIA Project should focus on technical assistance in the field of analysis and dissemination. The Ministry of Strategic Planning would likely be the appropriate body to implement these activities in close collaboration with FBOS. Technical assistance should pay attention to improvements in the timeliness of survey reports.

3.9 Accreditation Systems

There are numerous vocational training institutions and courses. Therefore, Fiji needs to develop a comprehensive accreditation system for international qualifications of trained manpower. The legal framework of the Fiji National Qualification Framework (FNQF) with the Ministry of Education needs to be finalized, so it can be implemented to standardize the quality of graduates from these training institutions. The mandate of the FNQF includes a number of key responsibilities such as:

- to develop, apply, and carry out regular reviews of vocational competency standards relating to qualifications specified in the FNQF;
- to arrange for the accreditation and registration of training providers and trainers and to approve regular reviews of such accreditation and registration;
- to administer and conduct national examinations and tests for trades; and
- to coordinate an accessible and flexible qualifications system—the standards of which are recognized internationally—to meet national needs.

The FNQF is being established to achieve the following purposes:

- Contribute to national economic performance by encouraging the provision of high quality education and training through qualifications that meet the needs of Fiji's economy;
- Encourage individuals to progress through the levels of education and training by improving access to qualifications;
- Promote flexible pathways to assist people to move easily between education and training sectors and into the labour market;
- Ensure flexibility to suit the diversity of purposes of education and training;
- Regulate the value and characteristics of qualifications awarded in Fiji;
- Describe the quality of learning and assessment that results in the award of qualifications;
- Assure the quality of the learning and assessment that results in the award of the qualifications;
- Ensure nationally consistent recognition of outcomes achieved in post-compulsory education;
- Regulate the issuance of national qualifications; and
- Promote national and international recognition of qualifications offered in Fiji.

3.10 Labour Market Reform

Labour Market Reform currently being facilitated by the Ministry of Labour have six main components, as listed below:

- OHS Reform – successfully completed between 1991 and 2001;
- Employment Relations Reform–(1996 to 2003 and 2003 to 2009);
- Productivity Reform–(2009 to 2011);
- Wages Reform – (2008 to 2011);
- Employment Creation Reform (National Employment Centre)–(2009 to 2011); and
- Workers Compensation Reform–(2009 to 2011).

The periods shown in brackets above are the periods over which market research, policy framework design, legislation drafting and development, tripartite social dialogue, establishment of administration and institutions with capacity building, training, commissioning, and realization of positive results have been completed or are expected to be completed for that component of the Reform.

Satisfying the demand for new jobs continues to be a major challenge for Government. In facing up to this challenge, the Government is committed to ensuring confidence, stability, and productive growth in the economy through the promotion of an investor-friendly and competitive environment for business activity. Despite numerous changes in government in the past two decades, the relevant stakeholders have been challenged, together with the current administration, to be resolute in fulfilling the various components of the labour reforms to facilitate national wealth creation and alleviate poverty.

The main challenges to the labour market reforms are to completely overhaul and strategically position labour market policies, standards, laws, institutions, and practices, within the context of on-going globalization, to ensure that the social protection afforded to workers is compatible with their needs, whilst the policies also promote good faith employment relations and ensure that best business and management practices are implemented in workplaces to improve productivity and wealth creation in a sustainable manner.

Reform of Employment Creation Agencies

The new National Employment Centre (NEC) is an overarching national network incorporating all the Government's employment creation agencies, including the Integrated Human Resources Development Programme for Employment Promotion (IHRDPEP), the National Centre for Small and Micro-Enterprise Development (NCSMED), the National Youth Service Scheme (NYSS), Poverty Alleviation Unit, Department for Women, Ministry of Agriculture, Agro Marketing Authority, and the Coconut Industry.

NEC's primary objective is to boost employment creation and improving productivity nation-wide through a better governance framework and its core function is to consolidate all employment creation agencies into a "one-stop" quality service for all unemployed. The institutional transformation of all employment creation agencies through NEC is to be undertaken by adopting international best practices and standards as reflected in the draft Decree. In a nutshell, the one-stop NEC is to actively engage Fiji's unemployed in meaningful economic activities through the following core activities:

- (1) Life skills and employment skills training and work attachment for absorption into formal local employment;
- (2) Entrepreneurial skills training and creation of small businesses locally through seed funding and technical support service;
- (3) Promotion and facilitation of overseas employment opportunities;
- (4) Participation in Fiji's first National Volunteer Scheme for those wishing to promote civic responsibilities to the various sectors, in Fiji, in the Pacific Region, and elsewhere overseas;
- (5) Undertake skills training and re-retraining or up-skilling of unemployed persons and workers; and
- (6) Collation and analysis of labour market supply and demand data to facilitate the effective delivery of NEC's core business.

CHAPTER 4: ISSUES, CHALLENGES AND OPPORTUNITIES FACING HR DEVELOPMENT AND UTILISATION

4.1 Introduction

The country faces major challenges in generating sufficient employment opportunities to meet the aspirations of its rapidly growing population. Failure to deal with the challenges now will entail substantial social and economic costs in future. Practical measure need to be developed to address the challenges. The challenges and strategies to address them need to be considered by the consultative and planning mechanism of government to improve skills development and ensure that Fiji is productive and competitive in the regional and global labor markets.

This chapter considers the major challenges that have to be effectively confronted in developing the national human resource. These are emigration and the opportunities for off-shore employment, skill shortages, the high level of youth unemployment, the lack of productivity growth, problems in education and training areas, gender inequality, discrimination against the disabled, and the obstacles to job creation.

4.2 Emigration

The substantial emigration of skilled workers that Fiji has experienced since 1987 has significantly reduced the country's supply of skilled workers in most professions and trades. Replacing these skills possess a significant challenge to human resource development. Full analysis has not been undertaken to determine what this loss of skills has meant in terms of loss of investment, economic growth, incomes, and welfare, but it has been substantial. However, some studies have given an indication of the size of the loss. Lal (2003)⁶ has estimated that Fiji loses, on average, \$44.5 million annually due to emigration, mainly through loss of skills, re-training new appointees, and delayed appointments. The figure is estimated to be much higher, \$274.7 million, if account is taken of the output lost if the emigrant's work is not carried out by a replacement.

However, the more important economic loss from the emigration of skilled personnel may be the loss of experience. Through its scholarships program, Government has ensured the training of many professionals. As Chand and Clements (2008)⁷ found from their study of the response to the loss of skills through emigration, there was a positive response in the educational level as many local students undertaking university education in order to enhance their migration prospects as well as to take up the jobs left open by the emigrants. Indeed, the investment in education has been so large that Chand and Clements estimate that Fiji's stock of human capital has increased despite the high level of emigration.

6 Brij V. Lal, 2003. *Fiji Islands: from immigration to emigration*.

7 Satish Chand and Michael A. Clements, 2008, "Skilled Emigration and Skill Creation: A quasi-experiment", Center for Global Development Working Paper No. 152, CGD, Washington, DC.

But the new graduates cannot replace the experience that has been lost due to emigration. Survey after survey of employers in Fiji point to the lack of practical experience of new employees as the biggest labour market problem that they face (see e.g. Voigt-Graf 2006)⁸. This void of experience is one of the most important problems faced in developing our human resource.

Opportunities for off-shore employment

There are positive impacts from emigration, however. Recently, migrant remittances have exceeded the export revenue generated by sugar and garment exports and have been the country's second largest source of foreign exchange earner after tourism. The recent flow of workers' remittances is also noteworthy when compared with the flows of official aid and foreign direct investment. Remittances were \$310.9 million in 2005 and increased to \$322.3 million in 2006. However, they declined to \$256.4 million in 2007 and to \$188.0 million in 2008. In 2009, remittances increased to \$294.0 million and will continue to increase until 2012 as forecast. The decline in the volume of remittances would have had a negative impact on the well-being of dependent households, since such transfers—unlike other types of transfers—are directly used to cover primary needs such as food, education, and healthcare, as well as improvements in housing.

Much of the recent increase in remittances has been generated by workers seeking overseas employment on a temporary basis in fields such as family care, security, agriculture, and the hospitality industry. Such temporary employment is a substitute for the lack of employment opportunities in Fiji and is therefore somewhat of an employment safety valve. It is fortunate for Fiji that the ageing populations in the advanced countries provide these opportunities, but in the long run they cannot be seen as a substitute for the invigoration of investment, economic growth, and employment at home.

The term “brain drain” designates the international transfer of resources in the form of human capital, i.e. the migration of relatively highly-educated individuals from developing to developed countries. However, while the economic impact of the loss of human capital through emigration and overseas employment has long been recognized, more recently the benefits to the source country of this phenomenon—beyond the receipt of remittances—have also been recognized. For example, many of those who go overseas for work do not do so permanently, and when they return they bring back enhanced skills, such as in nursing and teaching. Moreover, they also return with enhanced perceptions of what to expect from government, which can lead to demands for improved governance.

However, to reduce the pressure of supply-driven emigration from Fiji, a role of government must be to ensure political stability, maintain law and order, ensure industrial stability, provide better education and health facilities at a low cost, and provide attractive remuneration packages to highly skilled professionals to encourage them to remain in the country.

8 Carmen Voigt-Graf, 2006. “Analysis of Skilled Employment Demand and Opportunities in the Pacific Labour Market”, School of Economics Working Paper 2006/11 (ELMS-3), University of the South Pacific. Voigt-Graf reported that “all industry representatives consulted in Fiji agreed that the lack of formal qualifications was not as serious as the lack of workplace competencies” and that more on-the-job training was needed.

But it has to be admitted there is little hope that in the near future Fiji can provide paid work opportunities for the many who are unemployed and underemployed, as well as the continuing large numbers of graduates from the education system. Therefore, taking up overseas work opportunities will continue to be a necessary strategy for many Fijians if they are to improve their welfare and that of their family. The challenge for Fiji is to provide the education, training, and experience needed to maximize the ability of its people to make the most of work opportunities both home and abroad.

4.3 Youth Unemployment

A very important characteristic of Fiji's labour market is that a high percentage of the population of job seeking age (15–29 years) has little chance of gaining formal sector employment. With a few exceptions of particular industries for short periods, such as construction and tourism, growth rates in GDP have not kept pace with population growth. With continued low economic growth projections and the population phenomenon of the “youth bulge”, this gap is likely to become worse.

The 2004–2005 Employment and Unemployment Survey reported that almost one-half (47%) of all the unemployed had attained Senior Secondary or higher education. The percentage was much higher for females (67%) than for males (35%). Some 14% of the unemployed had certificates, diplomas, or degrees. This shows that either there is a mis-match between labour supply and demand or the qualifications attained are not relevant to the market's requirements—or perhaps there is an element of both explanations. Thus, the problem of unemployment is not just one of youth unemployment but of educated youth unemployment.

Government is endeavouring to strengthen its services to capture and develop the full potential of young people and motivate them to be productive citizens. Rural youth potential is being harnessed by encouraging youth into implementing small enterprise development projects for self-employment and improved livelihoods. Youth development programmes of the Ministry of Youth and Sports involve the provision of advisory and technical services for youths and youth groups to enable them to become socially responsible and economically self reliant. Further, the training to be provided in these areas under the National Employment Centre program will assist greatly towards this end.

4.4 Lack of Productivity Growth

Productivity growth means that more value is added in production for the same levels of inputs of land, labour, and capital, which leads to more income becoming available to be distributed. At the national level, productivity growth raises living standards because more real income improves people's ability to purchase goods and services (whether they are necessities or luxuries), enjoy leisure, improve housing and education, and contribute to social and environmental programs. Additionally, higher incomes mean that greater government revenues become available to provide essential infrastructure and services.

**Table 13: Cross-Country Comparisons of Real PPP GDP Growth Rates,
1990-95, 1995-2000 and 2000-06 (%)⁹**

1990-1995		1995-2000		2000-2006	
Malaysia	9.1	Cambodia	7.1	Cambodia	9.2
Singapore	8.5	Vietnam	6.9	Vietnam	7.5
Thailand	8.5	Singapore	6.1	India	7.2
Vietnam	8.2	Lao PDR	6.0	Lao PDR	6.4
Indonesia	7.6	India	5.7	Mongolia	6.2
Korea	7.5	ROC	5.6	Bangladesh	5.5
ROC	6.9	Bangladesh	5.1	Iran	5.5
Lao PDR	6.2	Sri Lanka	5.0	Pakistan	5.1
Sri Lanka	5.3	Iran	4.9	Thailand	5.0
Hong Kong	5.1	Nepal	4.7	Indonesia	4.8
India	4.8	Malaysia	4.7	Singapore	4.8
Nepal	4.8	Korea	4.3	Philippines	4.6
Pakistan	4.7	Philippines	3.9	Sri Lanka	4.6
Bangladesh	4.3	Pakistan	3.4	Korea	4.5
Fiji	2.7	Mongolia	2.8	Hong Kong	4.5
Iran	2.5	Hong Kong	2.6	ROC	3.4
Philippines	2.0	Fiji	2.1	Nepal	3.1
Japan	1.5	Japan	1.0	Malaysia	2.7
Mongolia	-2.8	Indonesia	0.8	Fiji	2.6
		Thailand	0.0	Japan	1.5
(regrouped)		(regrouped)		(regrouped)	
Asia21	5.3	Asia21	4.2	Asia21	5.6
APO20	3.9	APO20	2.9	APO20	4.0
ASEAN8	7.5	ASEAN8	2.4	ASEAN8	4.8
(reference)		(reference)		(reference)	
China	11.6	China	8.3	China	9.4
US	2.4	US	4.0	US	2.4
EU15	1.6	EU15	2.8	EU15	1.9

Unit: Average annual growth rate (percentage)

Source: APO Productivity Databook 2009, Asian Productivity Organization.

⁹ Note: Purchasing Power Parity estimates of GDP mainly take account of the country differences in the prices of non-tradable goods and services.

Table 13 provides cross-country comparisons of real purchasing power parity (PPP) GDP growth rates for 1990-1995, 1995-2000, and 2000-2006. The statistics show that Fiji has been doing poorly for many years by comparison with other countries in the Asia-Pacific region. Economic growth, as measured using GDP or other indicators, is primarily a function of the accumulation of factors, particularly capital, and productivity growth. The accumulation of labour, particularly skilled labour, can also be important for economic growth, except as in Fiji's case where the labour is unemployed. In that case it can subtract from economic growth as the result of crime and other social dysfunction. Capital accumulation is important as much of the new ideas and technology is embodied in new capital and therefore promotes increases in productivity. Given Fiji's poor performance with respect to attracting investment, it has been missing out on this source of growth.

Little analysis has been undertaken to measure Fiji's productivity performance. The analysis that has been carried out presents a dismal picture. For example, Duncan (1996)¹⁰ showed that Fiji's unit labour costs in manufacturing were much higher than in some of the fast-growing countries of East Asia: Indonesia, Malaysia, and Philippines. It was speculated that this was because productivity levels were too low as a result of inward-looking industrialization policies. Reddy and Duncan (2006)¹¹ measured productivity growth in agriculture in Fiji and other PICs and found that basically there had been no productivity growth over the past 45 years.

Table 14: National Labour Productivity Growth 1999 - 2007

Year	Real GDP (F\$m)	Total Employment	Labour Productivity	Labour Productivity Growth
1999	2,673.0	289,900	9,220.4	—
2000	2,626.8	291,000	9,026.8	-2.1
2001	2,675.9	292,200	9,157.8	1.5
2002	2,761.2	293,300	9,414.3	2.8
2003	2,784.4	294,400	9,457.9	0.5
2004	2,935.4	295,500	9,933.7	5.0
2005 (1995 Prices)	2,897.6	297,900	9,726.8	-2.1
2005 (2005 Prices)	4,327.3	2,97,900	14,526.0	
2006	4,407.5	299,500	14,716.2	1.3
2007	4,369.2	299,000	14,612.7	-0.5

Source: Fiji Bureau of Statistics.

10 Ron Duncan, "Unit Labour Costs in Manufacturing in Fiji and Papua New Guinea", *Pacific Economic Bulletin*, 11(2): 39-47, 1996.

11 Mahendra Reddy and Ron Duncan, 2006. "Agricultural Productivity in Pacific Island Countries: issues and challenges", *The ICAI Journal of Agricultural Economics*, III(2):16-31.

However, **Table 14** shows Fiji's labour productivity and the growth rate since 1999. The average labour productivity growth rate stood at 0.8%, with the lowest annual labour productivity growth rate of -2.1% in 2000 and the highest rate of 5% in 2004. From 1999 to 2007, Fiji's labour productivity growth fluctuated but at an increasing trend.

Good productivity growth can stem from several sources: (i) pursuing economic activities that are consistent with the country's comparative advantage; (ii) openness to investment, both domestic and foreign; (iii) education; (iv) research and development (R&D); and (v) government policies that foster competition. Pursuing economic activities that are consistent with the country's comparative advantage implies that the country should be open to trade and investment. Openness allows the country to take advantage of the ideas developed in other countries. Essentially, most of the rapid growth of China and other East Asian Countries has been through reaping the benefits of the new ideas that more advanced countries have developed—i.e. “catch-up” growth.

For a developing country such as Fiji, education and R&D are essential to be able to take advantage of the ideas and technologies developed in the more advanced countries. For that reason, most of the R&D should be applied, i.e. adapting the ideas and technology to the particular circumstances in Fiji, rather than attempting to undertake basic research, which is usually incredibly costly. Government policies must foster competition between firms within the country so that they will make the best of the ideas and new technology that they are able to borrow; this means that the government must have good regulatory and trade practices policies. Fiji has not done as well as it could with respect to all of these productivity-promoting policies.

4.5 Education and Training

An educated society contributes to the wealth and welfare of a nation. Education has been a priority of successive governments in Fiji. Access to basic education is a right of all Fiji citizens. Education up to secondary level is well established in Fiji, with ownership and management of schools being undertaken in partnership between the State and the community: 98% of schools are managed by civil society and non-government organizations, while government provides teachers and sets the curriculum.

The government tertiary education sector operates under the auspices of four ministries: Health (FSM/FSN), Labour (NTPC), Agriculture (CAFF), and Education (FNU). In addition, there is the non-government tertiary sector, which includes institutions that operate under the auspices of Fiji-based or Pacific-based organizations and those supported by offshore organizations. These include Corpus Christi Teachers College under the Catholic Church in Fiji, the Pacific Regional Seminary, the Seventh Day Adventist Church's Fulton College, the Methodist Church's Theological College at Davuilevu, Pacific Theological College, and the Arya Pratinidhi Sabha's University of Fiji.

Those training facilities supported by offshore agencies include a number of universities and advanced colleges from Australia and New Zealand. Some of these are University of Southern Queensland, New Zealand Pacific Training Centre, and Australian Pacific Technical College. The above institutions, irrespective of their origin, funding source, or ideology, provide tertiary education for people of Fiji and collectively contribute to the tertiary sector.

Maintaining an appropriate level of financing of education and training is likely to be one of the most crucial challenges that will face the Government because of the slow growth of government revenues. An appropriate allocation of funds to education needs to be maintained, as investment in education can yield substantial returns to the individual and to society as a whole. A well-educated

labour force is a very influential factor in promoting development by attracting new investment. In their development plans, Barbados, the fastest-growing island economy in the Caribbean, and Maldives, the fastest-growing island economy in the Indian Ocean, both identified education as an important factor in the growth process and gave it priority. Both have achieved a highly educated population and both have maintained a strong record in attracting foreign investment.

The Ministry of Education contributes directly to education and training outcomes as well as indirectly impacting other national outcomes that contribute towards economic growth and stability. The measures undertaken to make education accessible include the provision of qualified teachers, the provision of grants to subsidise the cost of education to the community, and the upgrading of facilities. In the area of pre-school education, government trains and pays salary grants to pre-school teachers who teach in rural areas.

The education system will need to consolidate efforts to build and support social cohesion in schools. More emphasis has been placed on examinable subjects, sports, and other extra-curricular activities. A deeper understanding and acceptance of cultures and inbuilt values is critical to having and practising an internalised sense of national identity; therefore, more support is required to strengthen and embed values teaching in all schools in Fiji. However, it is recognized that school curriculum are already heavily loaded and fitting in new material will require a good balance to be struck.

Primary and Secondary Schooling

The large number of students dropping out early from school is a critical problem. School drop-outs are often the result of poverty and is also one of the factors contributing to the high incidence of poverty. With limited skills and knowledge to improve their livelihoods, early school leavers make up a large share of the unemployed and subsequently they contribute disproportionately to the rising tide of crime and violence occurring in most urban centres.

Poverty has many dimensions. One dimension is lack of access to education and training. In turn, this means a lack of access to work. With the level of poverty so high, one of the major challenges for the NSHRP will be making education more accessible for the poor and disabled people.

Tertiary Education

Under the Roadmap, the government recognizes the critical importance of tertiary institutions for developing high-quality human resources, especially in an increasingly technology-driven world economy. The government also recognizes the challenges facing these institutions, challenges that include inadequate funding and facilities, curriculum that are inadequate to meet the challenges of nation building, and inadequate and inappropriate staffing.

Technical and Vocational Education and Training (TVET)

There is a need for more technical and vocational training to address the shortages of skills in industries and professions. The shortages are in large part the result of many skilled people leaving the country—a phenomenon that was exacerbated by our recent history of political instability. These skills need to be replaced, especially in industries where there is presently potential for expansion and employment creation such as tourism, agriculture, and the construction industry. But the workforce needs to be educated and trained in a wide range of skills so that investors can take advantage of new economic opportunities as they arise.

As noted earlier, surveys of employers show a high level of dissatisfaction with the competency levels of newly-trained employees. Employers complain that they are being used as an avenue for graduates of TVET institutions to gain needed practical experience before they leave for work overseas. There are obviously problems with TVET in Fiji. The adoption of the FNQF is to raise TVET to international standards. This will, no doubt, make it easier for graduates to find jobs overseas. But that is an inevitable consequence of the lower productivity and lower real incomes in Fiji, for which the only cure is faster productivity growth. However, the FNQF framework should improve the capabilities of those TVET graduates who choose to remain in Fiji and will improve their productivity and assist in raising real incomes throughout Fiji.

4.6 Gender Inequality

The target set for UN Millennium Development Goal (MDG) 3 was to eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education by no later than 2015. School enrolment data published annually by the Ministry of Education and enrolment data provided by tertiary institutions provide figures on the ratio of girls to boys. In Fiji, the gender ratio for primary schooling in 2007 (0.92) was closely balanced and the enrolment figures reflect the overall girl-to-boy ratio (0.96) in the population (FBOS Census 2007). At secondary and tertiary level, however, the ratio of girls to boys is reversed: 1.06 and 1.08, respectively. The gap between girls and boys widens as the education level increases, with girls increasingly outnumbering boys.

Recent indicators show little difference in the educational levels and achievements of men and women. However, despite Government's commitment to gender equality, occupational discrimination and gender segregation are strong and persistent, as they are in most countries (see **Table 15** for figures on occupational segregation). Economically Active Females increased by 55% between 1982 (20%) and 2004 (31%), compared to a 35% increase for males. While the number of households increased by more than one-third in this time, the total number of females doing full-time household work and female household workers declined by 5%, another indicator of the increase in paid employment by women. There has been little change in males doing household workers, however. Females should be encouraged to become part of the "Economically Active" workforce in Fiji, moving out of full-time household work into income-earning work for the household; but this can only happen if the jobs are available and women have the necessary skills. Unfortunately, with the dramatic decline in the garment industry in recent years, the jobs in which women have been able to find employment have shrunk sharply.

Table 15: Comparison of Men and Women Employed, 2004-05

Activity	Female	Male	All	% Female	% Fem	% Male
A Wage earners	39,263	106,835	146,098	27	18	47
B Salary earners	18,303	30,581	48,884	37	8	13
C Employers	617	2,647	3,263	19	0	1
D Self Employed	23,105	68,713	91,818	25	10	30
E Family Workers	19,486	18,470	37,957	51	9	8
F Community Workers	1,730	505	2,235	77	1	0
G Household Workers	120,855	1,642	122,497	99	54	1
Total	223,359	229,393	452,752	49	100	100

Source: FBOS, 2004-05 Employment and Unemployment Survey.

Despite the low wage levels, unit labour costs in Fiji's garment industry are not internationally competitive; the country's products are uncompetitive without subsidies or special terms for market entry. The only solutions to this problem are to raise productivity in the industry and move into higher value-added activities.

Women's higher risk of poverty and destitution is associated with increasing divorce and separation rates and problems in collecting maintenance payments from a separated spouse. Women constitute the majority of beneficiaries under the Social Welfare Department's Family Assistance Scheme.

Development constraints and challenges in overcoming gender discrimination include:

- implementation and monitoring of sectoral programmes, government policies, and administrative practices and procedures that have incorporated gender perspectives;
- implementation and monitoring of Equal Employment Opportunities (EEO) policy in all workplaces;
- monitoring the compliance of laws and administrative practices and procedures of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Articles;
- maintaining effective social safety nets for the employed, in particular training and investment to promote alternative livelihoods for women displaced from the manufacturing sector;
- promoting rural women's advancement in economic activities without destroying the sustainability of women's fisheries and, therefore, household food security;
- continuing social impact analysis of trade agreements on women's health from imported, low quality foods;
- increasing incidence of domestic violence;
- spread of HIV/AIDS; and
- collection and analysis of gender-sensitive data.

Obligations to Eliminate Discrimination

Fiji has incorporated the principles and provisions of CEDAW into its legislation through the implementation of the Women's Plan of Action; the Domestic Violence Bill enacted; and the Family Law Act. Hence, there are provisions in our laws that state the protection of rights for women, and anti-discriminatory provisions specifically in the areas of gender-based violence and sexual offences against women. There have been no amendments to legislation to deal with discrimination in the specific areas described in the substantive articles. At present there is a great need for laws to protect the rights of women and to put into enabling legislation the anti-discriminatory provisions in the Constitution, specifically in the areas of gender-based violence and sexual offences against women.

Gender-based violence and legal aid

The SNE Report in relation to sexual offences and gender-based violence is based on 12 years of research by the Fiji Women's Crisis Centre. Prior to the 2006 coup, the Sexual Offences legislation had been drafted and a Commissioner appointed. Public forums were held in 1998 and 1999 to discuss issues arising out of the draft. All the work that commenced has since stopped. The Law Reform Commission has shown renewed interest in continuing with the Domestic Violence reference but the Ministry would like to see a time frame set for this review.

The Minister for Strategic Planning commissioned research on the Economic Cost of Domestic Violence in November 1999 and the Bureau of Statistics had begun planning research for this in 2000 but was shelved due to the coup later that year. However, the Ministry of Strategic Planning has expressed interest in reviving this research. The Violence against Women Task Force has met only once since May 2000 and is more or less defunct. It needs to be revived, since it was quite effective in lobbying for a domestic violence bill, sexual offences legislation, and research on the economic costs of domestic violence.

Although legal aid is provided by the State, women still face great difficulty in accessing legal aid because of the strict criteria applied, which works against women who earn a salary. With violent crimes increasing, demand for legal aid services is increasing and, unfortunately, criminally accused persons take precedence over women with financial problems. The services provided by some legal aid practitioners within the legal aid system are inadequate due to sexist and patriarchal attitudes. Work on evidence rules in rape cases has stopped; although most courts are disallowing past sexual history of victims through corroboration, it is still used.

Affirmative Action for Women

In terms of access and participation of girls in education, much progress has been made in recent decades. The female literacy rate, often considered a crucial indicator in development, is on a virtual par with that of males: 91% for females compared to 94% for males. The discrepancy in favour of males is thought to be because of the lack of schooling of elderly women.

Despite the positive indicators on access, participation, and literacy rates, there are gender differences in different areas of the education sector. In Fiji, there are many initiatives in Non-Formal Education (NFE), mainly run by non-governmental and church organisations. There is, however, a significant gender bias in the provision of NFE. Many more places are available in NFE programs for males than for females. Programs for females usually echo domestic roles and revolve around the domestic arena: home economics, cooking, sewing, traditional crafts, etc. There is much scope for progress in NFE programs for women. Courses need to be challenging and relevant, including practical skills as well as areas such as marketing and negotiation skills.

Affirmative Action for People with Disabilities

In the Employment Relations Promulgation of 2007 there was a provision for a 2% quota for people with disabilities. However, the quota has not been filled. The problem appears to be the lack of effective enforcement.

These are people with special needs; one in particular is the need to make campuses more disability friendly. Indeed, the provision of buildings to cater for people with disabilities is covered by the Fiji National Building Code. However, again the objective of making campuses disability friendly has not been achieved and the problem appears to be the lack of enforcement.

TVET appears to be the area where most can be achieved through education and training to move people with disabilities into paid employment. But the success rate is not impressive. According to a baseline survey in 2008/09 on *Persons with Disabilities in Fiji and Rotuma*, it was found that only 12% of the disabled had been able to find useful employment. More needs to be done to make TVET more disability friendly. Further, there needs to be a service that matches the disabled with training possibilities and matches them with job opportunities. The mechanisms being set up through the NEC could possibly provide these services.

4.7 Constraints on Job Creation

Investment by the private sector, supported by government investment in infrastructure and essential services, is the basis for the creation of new jobs. An increase in employment potentially means an increase in the number of taxpayers. This, in turn, should lead to higher revenue for the Government through increased tax collections. Increased tax revenues allow the Government to provide a greater level of services to citizens by expanding current programs or by undertaking new projects such as investing in new roads, schools, and hospitals. Government can also retire public debt at a faster rate if its revenue base increases.

As more people secure jobs, the number able to afford the basic necessities of life increases. Thus, sustained investment growth can have a direct, positive impact on improving people's living standards and consequently in reducing poverty levels.

There are many possible constraints to job creation in Fiji. However, not all of them are equally important and a key issue in policymaking is to identify the priority areas for attention. Potential constraints to job creation are: lack of private and government investment, skill shortages, high-cost, inefficient, and unreliable essential services such as power, water, and shipping, and lack of secure access to land. However, the purpose of this report is to identify measures to overcome skill shortages and, more generally, raise the education and training levels of Fiji's population.

Accelerating the growth of small business start ups and micro-enterprise need to be considered seriously. Government needs to promote the establishment of new entrepreneurship education and training programmes in the education system at all levels from primary to tertiary level including vocational institutions. Increases in participation of people in establishing new micro and small businesses will promote economic growth.

Skill Shortages

A skills shortage or skills gap is a mismatch between the supply or availability of human resources and the requirements of the labour market. Skills gaps exist where employers feel that their existing workforce has inadequate skill types/levels to meet their business objectives, or where

applicants for positions are apparently trained and qualified for occupations but lack the variety and/or quality of skills required.

Skill gaps may exist because an industry is growing quickly and therefore has difficulty in meeting its skill requirements. This may take place over a considerable time, such as with the development of tourism in Fiji—an industry that has continued to expand and demand workers trained in hospitality skills. Or there may be an excess of demand for skills because of a short-term expansion, such as occurred in the construction industry in Fiji. But the major skills gap in Fiji has been due to the continuing, rapid emigration of skilled and experienced professionals and tradesmen.

Skill shortages have adverse effects at company, regional, and national levels. Skill shortages can be highly damaging to company productivity, profitability, and competitiveness. Skills shortages may force employers to raise salaries to attract suitable applicants. Higher wage levels for categories of skilled workers may also cause wider wage differentials by skill. This may result in rising inequalities and reduced social cohesion, and push up labour costs and inflation; thus having a negative impact on international economic competitiveness.

Over the past two decades there have been major changes in the global education environment which have had a major impact on tertiary and other post-secondary education. Globalization has brought with it an increasing mobility of labour, knowledge, technology, and capital across borders; and countries with a strong and effective tertiary education sector are in a position to derive the most benefit from this situation.

One of the most important requirements in the development of the NSHRP is to ensure that we develop a tertiary education system that builds and sustains a “knowledge society” in which our tertiary institutions are engaged with knowledge production and related technological applications; turning out the required number and quality of skilled and educated people who can contribute positively to the national economy. This means developing a high quality and coherent national tertiary education system where various parts of the system are working together collaboratively and co-operatively while responding to national needs and international demands.

CHAPTER 5: THE NATIONAL STRATEGIC HUMAN RESOURCES PLAN OF ACTION

5.1 Introduction

Participants at the Mini Economic Summit held in September 2008 emphasized that improving human resources is a priority for government. The view was also expressed that there should be improved coordination with respect to human resource development strategies. This could be achieved through consultation with the private sector and employees' representatives to consider Fiji's training needs. Government decided in 2009 that the Strategic Planning Office should be the department tasked with human resources planning as one of its core functions. Central to this function is the identification of priority need areas within the various economic sectors.

As an economy grows/contracts, sector/industry projections of human resource needs will change. Awarding of study scholarships is one conduit for the development of our human resources. It is prudent therefore that the Government and donor agencies align scholarship programmes with projected human resource needs. Individual education and training organizations also have to plan their activities in the light of projections of the demand for the various professions and trades. Professional and trades organizations too have an interest in the prospects for employment in the various professional and trades areas.

With shortages of skills in almost all professional and trades areas in Fiji, similar Pacific region-wide shortages, and looming skills shortages in the ageing populations of the advanced countries of the Pacific (Australia, Canada, New Zealand, and the US), demand for skilled graduates from Fiji can be considered to be unconstrained; i.e. as a small provider in global terms, demand for Fiji graduates is perfectly elastic. As far as Fiji is concerned, education and training is supply-constrained; i.e. there is only a limited government budget for education and training. Thus, the key issue to be determined is where is the biggest pay-off to public expenditure on education and training. Cost-benefit analysis of this issue would have to take into consideration issues such as providing Fijians with the necessary skills to access international markets, the differential benefits from making up domestic skill shortages in areas such as doctors, nurses, and teachers versus shortages in the public service and shortages in the trades. This is an exercise that the Ministry of Strategic Planning is ideally placed to undertake and should be given responsibility for. The results would allow the Government to make more-informed decisions about where to allocate its education and training resources.

But projections of human resource needs in the various economic and social activities are not the immediate concern of the NSHRP. Its role is to lay out a national strategic plan for the appropriate development of Fiji's human resources. Therefore, the NSHRP's focus is the set of policies that will be most effective in stimulating human resource development through the effective functioning of the education and training organizations.

It is the role of the education and training organizations, the Ministries concerned with supporting education and training,¹² employers, and professional and trades associations to make projections about human resource needs and to use these as a basis for any request to Government for support of their endeavors.

12 Since 2006, priority areas of training need in the public and private sectors have been identified through the annual National Training Needs Surveys facilitated by Ministry of National Planning. TPAF also undertakes surveys to establish priority areas for TVET. With the incorporation of TPAF into FNU, this exercise should be broadened to look at priorities training areas for FNU as a whole. USP should also be undertaking similar exercises.

As well as developing policies in accordance with the NSHRP, it is the Government's role to provide an information base that the various organizations can use to develop projections of human resource needs. It is also the Government's role to take into account in its human resource strategy broader issues such as increasing investment, improving productivity, fostering livelihoods in the informal sector, and promoting the maximization of the opportunities for off-shore work. All of these issues are taken into account in developing the NSHR Action Plan set out below.

The NSHR Action Plan also recognizes the need to address issues relating to gender, poverty, youth, social exclusion, and vulnerable groups. Many of these issues are taken up in the sectoral volumes accompanying the Roadmap for Democracy and Sustainable Socio Economic Development (RDSSED). This Plan is intended to be the first of five-year "rolling plans" that will be reviewed and revised on an annual basis. It must be viewed as an integral part of the Roadmap since human resource planning cuts across all social, economic, and development issues. The Plan provides a blueprint for Government, in partnership with NGOs, the private sector, and other civil society stakeholders, for achieving Fiji's national development and human resources goals and objectives.

5.2 The NSHR Action Plan

The NSHR Action Plan addresses three major policy or thematic areas: (i) minimizing imbalances in the labour market; (ii) improving the functioning of the labour market; and (iii) improving the productivity of Fiji's workforce. Within each area there are a number of major issues that need to be addressed. These major policy areas and issues are set out below, together with the policies recommended to address them.

5.2.1 Thematic Area 1: Minimizing Imbalances in the Labour Market

Issue (1): Labour supply exceeds labour demand

There are an estimated 20,000 new labour force entrants each year (school leavers coming out of school system and tertiary institutions) competing for around 10,000 formal sector job openings.¹³ The 9,000 school leavers (est.) with only Form 4 to Form 7 level will be greatly disadvantaged as they search for entry into tertiary-level education, vocational training institutions, or formal sector employment opportunities. The labour market entrants unable to find formal sector employment will search for work in the informal sector or remain unemployed. The longer they remain unemployed, the more difficult it will be for them to gain employment.

13 The Ministry of Education 2007-2008 Annual Reports together with new enrolment at tertiary institutions such as USP, FNU and UoF confirmed the figures. The figures includes drop out from Forms 4 to 7 and new enrolment in 2008.

Overall Policy: Stimulate an increased number of income earning opportunities aimed at absorbing those entering the labour force in the 2011-2015 period.

Policy 1: Aim to create new paid employment opportunities every year in the formal sector through private sector expansion.

Policy	Strategies	Responsible Agencies
Policy 1.1: Raise investment to generate higher levels of output and employment.	Strategy 1.1.1: Targeted investment and trade promotion activities. Identify and address constraints directly impacting on private investment, including the approval process.	Investment Fiji MSPND&S PSC MIT MoF
	Strategy 1.1.2: Address high cost, inefficient and unreliable essential services for private investment.	MoF MoWE& T MIT
	Strategy 1.1.3: Make available timely and secure access to land for potential investors.	MoL TLTB PCDF (NGO) IHRDPEP (MSPND&S)
	Strategy 1.1.4 Enhance domestic production of processed foods with a view to encouraging farmers to produce for an expanded agri-business industry	MoA MIT Investment Fiji

Policy 2: Ensure improvement of educational attainment in Fiji's school system and continuous training of Fiji's workforce.

Policy	Strategies	Responsible Agencies
Policy 2.1: Strengthen education and training and improve rate of enrolment and retention of students in Fiji.	Strategy 2.1.1: School curriculum to be made more responsive to labour market.	MoE
	Strategy 2.1.2: Facilitate education of students in primary, secondary and tertiary institutions.	MoE

Policy 2.2: Support training in technical areas and capacity building within Fiji's workforce.	Strategy 2.2.1: Introduction of technical and skills training curriculum at secondary school level.	MoE MLIR&E
	Strategy 2.2.2: Government to allocate necessary resources to TVET and encourage students to undertake technical training.	MoE MoA
	Strategy 2.2.3: Ongoing capacity building to equip those attending training with relevant skills and knowledge to be able to secure employment abroad, where necessary.	MoE NEC

Policy 3: Expand income-earning opportunities in cash crop agriculture and provide the required training targeted to rural-based school leavers and others interested in farming as a business.		
Policy	Strategies	Responsible Agencies
Policy 3.1: In conjunction with appropriate infrastructure development, promote the concept of small scale farming as a viable business suitable for rural youth to take up as their livelihood.	Strategy 3.1.1: Through the relevant agencies, provide counseling and training of secondary school students and rural youth to equip them to undertake more productive on-farm and rural off-farm activities.	MoE MoA NCSMED/ FDB
Policy 3.2: Support the expansion of training in appropriate forms to equip youth to operate their own farming ventures profitably.	Strategy 3.2.1: Strengthen agricultural training programmes supported by Government within the formal school system and for out-of-school youth to ensure the most cost-effective and successful ways for such training to be of practical benefit to youth and applied by youth in taking up farming as a lifetime vocation.	MoE DYS MoA Tutu Training Centre NCSMED

<p>Policy 3.3: In partnership with NGOs, Government to provide the necessary micro finance, marketing, and other assistance to youth and other established farmers required to ensure that their farming enterprises become successful business operations.</p>	<p>Strategy 3.3.1: Government in consultation with NGOs and village representatives to identify the financial and marketing needs of self-employed farmers in the individual communities and introduce the appropriate mechanisms by which to make such financial and marketing support available to the communities and farmers.</p> <p>Strategy 3.3.2 Government in consultation with NGOs, CSOs, and Provincial Councils to replicate the Tutu Model to suit the various agro-climatic conditions.</p> <p>Strategy 3.3.3: Government in consultation with key stakeholders to provide relevant training to landowners who are not renewing their land leases and those displaced farmers who emigrate internally to new farming enterprises.</p>	<p>NCSMED MoF NGOs MPD Tutu Training Centre AMA</p> <p>iTaukei Affairs MoA MFF</p> <p>MoA FDB</p>
<p>Policy 3.4: Support larger-scale farming operations as an employment option for appropriately trained youth by providing a favourable environment through government agricultural development strategies included in the Roadmap 2009-2014.</p>	<p>Strategy 3.4.1 Provide an institutional mechanism for discussions between private agricultural entrepreneurs and the Ministry of Agriculture to ensure application of appropriate conditions and policies aimed at private sector-led growth in agricultural production.</p> <p>Strategy 3.4.2: The College of Agriculture, Fisheries & Forestry (CAFF) to strengthen the focus of its education and training programmes on the needs of future private sector entrepreneurs in agriculture.</p>	<p>MoA</p> <p>FNU (CAFF)</p>

Issue (2): Persisting skill shortages

A major factor impeding economic growth and development in Fiji has been the shortages of well-trained, experienced trades people and of middle- and high-level managers caused by the less than adequate outcomes from the TVET institutions and the continued emigration of professional and technical personnel. This constraint has resulted in lost opportunities for additional employment elsewhere in the economy that would have been generated by higher rates of investment and economic growth.

Within the formal sector, it is the Public Service—where over two-thirds of middle- and high-level workers with tertiary education and training are employed—that suffers the most from manpower shortages. Some 10% of all established posts in the Public Service are vacant due to its inability to recruit and, particularly, to retain professional and technical personnel such as doctors, nurses, engineers, and scientists.

Overall Policy: To generate higher levels of graduates from training and tertiary education institutions than required by employers in anticipation of losses of qualified manpower (including graduates themselves) through emigration while at the same time trying to reduce the rate of emigration.

Policy 1: Support higher output of internationally recognized graduates from tertiary and vocational training institutions in occupations where there are skill shortages.

Policy	Strategies	Responsible Agencies
Policy 1.1: Upgrade syllabus and relevant requirements in all tertiary and vocational institutions to comply with the FNQF standards.	Strategy 1.1.1: Ensure training to FNQF standards by all tertiary and vocational institutions so as to produce graduates of higher quality. The Ministry of Strategic Planning in consultation with relevant stakeholders to provide advice in identifying priority areas of study.	MSPND&S MoE All Ministries & Departments Employers' Organisations Training Providers
	Strategy 1.1.2 Encourage the introduction of FNQF competencies and skill-based assessment from Secondary school level and upwards	MoE HEC FNU
	Strategy 1.1.3: Encourage and facilitate the registration of all tertiary and vocational institutions within the FNQF.	MoE FNU USP UoF HEC
	Strategy 1.1.4: Review the apprenticeship system in light of the introduction of FNQF standards to ensure Fiji is producing graduates on a par with overseas countries.	MoE FNU (NTPC)

Policy 1.2: Government to continue the provision of the Student Loan Scheme, scholarships, and short term training.	Strategy 1.2.1: Provide resources for the long-term training of students and workers to upgrade their skills and knowledge so that they are ready to replace those leaving Fiji's workforce.	PSC iTaukei Affairs
	Strategy 1.2.2: Identify and address immediate needs, and provide resources for short-term training to address this issue.	PSC MSPND&S

Policy 2: Hiring and retention of highly-trained personnel in the Public Service.		
Policy	Strategies	Responsible Agencies
Policy 2.1: Improve the incentive structure and other conditions of employment in the Public Service.	Strategy 2.1.1: Rates of pay to be responsive to labour market supply-demand conditions in the form of adjustments in the rate of pay for occupations in short supply; but at the same time consider what activities can be effectively outsourced to the private sector.	PSC
	Strategy 2.1.2: Consider providing additional anomaly payments and improved non-financial incentives to officials in occupations identified as particularly difficult to fill.	PSC

Policy 2.2: Government to re-examine the distribution of scholarships, the cost-sharing scheme and bonding for all Government scholarships in an effort to recover part of the cost of investing in human capital.	Strategy 2.2.1: Review the policies and procedures for the distribution and repayment of government scholarships.	PSC iTaukei Affairs
	Strategy 2.2.2: Upon completion of their award and gaining employment, all Government-sponsored students to fully repay their bond. Government, through PSC, to provide the necessary monitoring mechanism.	PSC iTaukei Affairs
	Strategy 2.2.3: All local scholarship providers to conduct an annual tracer study to monitor progress of their sponsored students and provide updates to forums such as DSC.	PSC iTaukei Affairs
	Strategy 2.2.4 Government, through the Ministry of Strategic Planning, to undertake a Cost-Benefit Analysis of government-funded training programmes.	MSPND&S

Policy 3: Discourage emigration and promote immigration of skilled manpower.		
Policy	Strategies	Responsible Agencies
Policy 3.1: Monitor and control the migration of skilled workers.	Strategy 3.1.1: Government to monitor the skills exodus in crucial professions such as doctors, engineers, nurses, and surveyors and implement remedial measures where necessary.	DI
Policy 3.2: Improve the political and socio-economic climate in Fiji in line with the objectives of the Roadmap 2009-2014.	Strategy 3.2.1: Ensure stability within Fiji in order to encourage investment.	PMO

Policy 3.3: Stipulate the repayment to Government of the full amount of scholarships and loans extended to those emigrating, based on the principle of the use of scarce public funds for the development of Fiji only.	Strategy 3.3.1: Develop bilateral Memorandum of Understanding to ensure the full recovery of scholarship bonds before migrating scholars are allowed to leave.	PSC iTaukei Affairs MoF DI
Policy 3.4: Ease the immigration requirements of people with skills in short supply in Fiji if they intend to work in Fiji.	Strategy 3.4.1: Introduce a quota system on numbers to be allowed to immigrate in each identified skills-short occupation and adjust it regularly in line with changes in the supply-demand situation. Strategy 3.4.2: Establish a points system for permanent residence visas to encourage immigration of skilled workers in areas of short supply.	MSPND&S PSC DI MSPND&S PSC DI

5.2.2 Thematic Area 2: Improving the Functioning of the Labour Market

Issue (1): Poor state of the Labour Market Information System (LMIS)

An important impediment to the smooth operation of the labour market in Fiji is inadequate labour market information. There is a dearth of data and information on the labour market conditions required by planners and policy makers, as well as job seekers and employers. Job seekers need information on job and earnings opportunities to make decisions about occupation, education, and training choices; employers need such information to decide on the incentives required to attract candidates to fill vacancies. Agencies providing scholarships and other education policy making agencies also need comprehensive labour market information. The PSC needs such information to decide on scholarship awards and on the incentives required for the civil service to be competitive in the labour market. A good LMIS would also be invaluable to local and overseas investors.

Overall Policy: Improve people's chances of getting a decent job that matches their skills and rewards the acquisition of those skills.

Policy 1: Updating and monitoring the Computerized Human Resources Information System (CHRIS) to meet the need for information on the potential and current labour force, its current and future employment and occupational distribution, and the rates of remuneration being paid by employers.

Policy	Strategies	Responsible Agencies
Policy 1.1: Government to continue supporting the operation of the computerized human resources information system (CHRIS) and the collection of labour market information and its analysis.	Strategy 1.1.1: Data collection through surveys to be conducted on a regular basis, as this are essential for sound labour market analysis.	FBOS
	Strategy 1.1.2: Effective collaboration and sharing of data between government, statutory bodies, and private firms.	FBOS FNPF FRCA MLIR&E FCEF RBF Investment Fiji ILO Decent Work Country Programme (DWCP) assistance
	Strategy 1.1.3 Collection and updating of information from relevant stakeholders in the CHRIS Website to be continued on a regular basis. A network link to be provided to the CHRIS Website for participating producers and users of such information.	MSPND&S ILO (DWCP) assistance

Issue (2): The absence of a National Placement Service

With the absence of a National Placement Service, Fiji do have a National Employment Centre which was established in 2009 for creation of employment services in addition to the service provided for unemployed youth by the MYEOS, where job seekers and employers with unfilled vacancies can be matched.

Policy 1: Provision of an employment service catering to the needs of job-seekers of all ages.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to support the establishment and operation of a National Employment Service.	Strategy 1.1.1: The establishment of the National Employment Centre will ensure that job matching is undertaken on a national basis.	MLIR&E DY&S
	Strategy 1.1.2: Due to the high cost involved in the NEC operation, consideration should be given to recovering some of the costs from its beneficiaries.	MLIR&E MoF
	Strategy 1.1.3: Fiji's Diplomatic Overseas Missions to coordinate and secure employment opportunities within their respective areas of jurisdiction.	MFA&IC

Issue (3): The lack of a Comprehensive Accreditation System

Fiji lacks a comprehensive system of international accreditation of trained manpower, which hinders employers—both nationally and overseas—in assessing the capacity of job applicants from Fiji.

Policy 1: Progress the implementation of an international accreditation system in the form of the Fiji National Qualification Framework (FNQF), which is currently being set-up to meet this need.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to progress the establishment of the Fiji National Qualifications Framework accreditation system.	Strategy 1.1.1: Adoption of the Fiji National Qualification Framework (FNQF) in the Fiji Higher Education Commission (FHEC).	MoE FHEC

Issue (4): Outdated Labour and Industrial Relations Laws

The current industrial relations system and labour standard services need to be reviewed to meet current demands in providing a labour market environment that promotes flexibility, competition, productivity, improved terms and conditions of employment, and equal employment opportunities for all. In particular, there is an urgent need to continue with the OHS reform programme that is currently underway, including the promulgation of remaining OHS regulations and the strengthening of the National Risk Emergency Service, the National Chemical Management System, OHS Joint Partnership Projects, Workplace OHS Capacity, and OHS in the Public Service. A review of Worker's Compensation legislation is also necessary due to the changing work environment.

Policy 1: To revise Fiji's labour and industrial relations laws in line with international conventions and practices.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government, in consultation with stakeholders, to progress the review and revision of labour legislation.	Strategy 1.1.1: Continue with the comprehensive review of labour legislation	MLIR&E ILO (DWCP) assistance
Policy 1.2: Government to support the Occupational Health and Safety Reform Program.	Strategy 1.2.1: Development and enactment of OHS regulations. Strengthening of the National Risk Emergency Service, the National Chemical Management System, OHS Joint Partnership Projects, Workplace OHS Capacity and OHS in the Public Service.	MLIR&E ILO (DWCP) assistance

Issue (5): Improving access of women and the disabled to training and work

Females are now performing well in terms of gaining access to education and professional women are asserting themselves in the workplace. However, less well educated women have relatively few employment opportunities and suffer considerable gender-based violence. Legislation is needed to protect the rights of women as set out in the Constitution, specifically in the areas of employment, family law, gender-based violence and sexual offences against women.

As far as the disabled are concerned, workplace quotas made available to them in the Employment Promulgation of 2007 have not been filled. The obstacles to achievement of this goal appear to be that campuses and curriculum are not disability friendly. Moreover, there appears to be a lack of effective enforcement. Further, there needs to be a service that matches the disabled with training possibilities and matches them with job opportunities. It seems that the mechanisms being set up through the NEC could provide these services.

Policy 1: Provide equal access for women and disabled people to training and employment.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to strengthen legislation to minimize discrimination against women.	Strategy 1.1.1: Enactment of legislation to protect the rights of women in all areas of their life, including employment and family.	MWSW&PA AG NGOs ILO (DWCP) assistance
	Strategy 1.1.2: Support campaigns by relevant organizations to raise public awareness of the illegality of violence and sexual offences against women.	AG MWSW&PA NGOs
	Strategy 1.1.3 Support and enforce equitable distribution of scholarship awards to women, disadvantage families and disabled persons	PSC Multi Ethnic iTaukei Affairs
Policy 1.2: Government to strengthen legislation to encourage attainment of employment by disabled people.	Strategy 1.2.1: Enforce the availability of employment opportunities according to the workplace quotas in the Employment Relations Promulgation 2007.	MLIR&E FNCDP ILO (DWCP)
	Strategy 1.2.2: Make training curricula available that are disability friendly. A system to match the disabled with training possibilities and with job opportunities should be put in place through the NEC.	MoE FNCDP MLIR&E

5.2.3 Thematic Area 3: Improving the Productivity of Fiji's Workforce

Issue (1): Low productivity in parts of the formal sector

Many formal sector employers complain of the low productivity of their employees because of inadequate pre-service training as well as their lack of motivation. The poor state of technology employed is said to be another factor leading to low productivity.

Activities that have to be artificially supported through tariffs and preferential trade agreements are activities that are not consistent with Fiji's comparative advantage. As a result they are of low productivity, not internationally competitive, and forced to pay low wages if they are to survive. The garment industry is a prime example of this problem.

Policy 1: Promote productivity and quality-enhancing changes in formal sector enterprises, preferably without creating redundancies.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to lead and enhance initiatives aimed at increasing productivity and output quality in all areas of production in Fiji, as stated in the Productivity Charter 2005	Strategy 1.1.1: Provide an enabling environment that will encourage investment in activities most suited to Fiji's resource endowments.	MSPND&S Investment Fiji RBF MLIR&E (NEC) FNU (NTPC) MIT
	Strategy 1.1.2: Ensure the availability of quality infrastructure such as roads and ports. Also, make readily available essential services such as water, electricity and telecommunication at low cost.	MWPU FEA DE WAF
	Strategy 1.1.3: Strongly advocate human resource development, as it is a critical element in ensuring productivity growth and higher incomes and welfare for all.	MSPND&S PSC
	Strategy 1.1.4: Strengthen the collection of data on productivity growth and other industry achievements.	MLIR&E FNU

Issue (2): Low productivity and incomes in the informal sector

The informal sector, including subsistence farming and off-farm informal activities, comprises many activities where productivity is low and the incomes generated are too low to provide for the basic needs of the workers and their families.

Policy 1: Promote productivity and generate higher incomes in informal sector enterprises.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to strongly promote diversification of activities in the informal sector.	Strategy 1.1.1: Support the shift of farmers engaged in pure subsistence farming to mixed subsistence/cash cropping or cash cropping alone.	MoA MIT
	Strategy 1.1.2: Develop vocational centers in high schools (discussed earlier), which should assist in training village youth to become more involved in farming and encourage them to undertake productive activities.	MoA MoE
	Strategy 1.1.3: Review and strengthen where necessary the replication and adaptation of the Tutu Model as a means of delivering vocational training to youth in their villages.	Tutu Training Centre MoE

Issue (3): Low productivity and incomes in cash crop farming

In cash-crop agriculture, particularly in the important sugar industry, the low productivity and high-cost operations make Fiji's products uncompetitive in the world market. Major problems leading to low productivity in the sugar industry have been the impasse over the renewal of the leasing system for native land, the poor governance in the Fiji Sugar Corporation (FSC), particularly the sugar payment system, the high incidence of theft, and the reluctance of indigenous farmers to honour contracts with traders. The lack of long-term security for leasing of native land has constrained access to credit and therefore constrained investment in both sugar and non-sugar agriculture. For example, the lack of security of land tenure has made farmers reluctant to make fixed investments in the land, to adopt new varieties of crops, and to develop larger farms through aggregation of leases. Failure to move forward in these areas has constrained productivity growth, and even reduced it.

Policy 1: Promote productivity and generate higher incomes in cash crop enterprises.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to continue making progress on obstacles inhibiting productivity growth in agriculture.	Strategy 1.1.1: Continue with policy change to ensure productivity improvements in agriculture, such as has been done with the adoption of the payment for cane on the basis of sugar yield rather than sugar content (a long overdue reform), changes to the native land leasing system, and changes to the management of FSC to ensure better governance and improved performance following years of losses.	MoA
	Strategy 1.1.2: Improve the law and order situation in rural areas and thereby reduce the high incidence of agricultural theft.	PD
	Strategy 1.1.3: Promote productivity and quality improvements so that local agricultural output becomes more competitive with imported products.	MoA FIHTA Department of Tourism
	Strategy 1.1.4: Promote value chain analysis of major agricultural commodities with a view to increasing domestic sales, e.g. to tourist resorts, as well as exports	MoA MSPND&S Private sector

Issue (4) High levels of employment in subsistence agriculture

Over one labour force participant in five (12% of men and 38% of women) is still engaged solely in subsistence farming in Fiji. The technology employed remains simple and the productivity and output from such activity remains low.

The underlying problem is that there is excess labour in the agricultural sector. The reason for this is that off-farm, labour-intensive activities are not developing quickly enough to draw the surplus labour out of agriculture. Therefore, increases in farm productivity will only increase the surplus labour problem and the number of under-employed and unemployed, unless off-farm employment opportunities can be increased.

Policy 1: Promote the transfer of farmers in pure subsistence activities to mixed subsistence/ cash crop farming or pure cash-crop farming.		
Policy	Strategies	Responsible Agencies
Policy 1.1: Government to support the shift of farmers engaged in subsistence farming to mixed subsistence/ cash cropping or cash cropping alone.	Strategy 1.1.1: Identify better farming practices through research in order to have higher-yield varieties of farm products. Farmers to be informed of these new practices.	MoA
	Strategy 1.1.2: Government to intensify Integrated Rural Development through the adoption of the Tikina participatory and empowerment approach.	MSPND&S (IHRDPEP) MPD

5.3 Institutional Arrangements needed to implement the NSHR Plan

Institutional Arrangement 1	For intra-Government co-operation and co-ordination in implementation of the NSHRP, the Human Resources Technical Committee (HRTC) and the Human Resources Policy Committee (HRPC) will be the responsible institution. The HRTC and HRPC serve as the forums for ensuring information sharing and co-ordination for Government programmes involving development and utilization of human resources.
Institutional Arrangement 2	Upon approval of the NSHRP by Government, an appropriate mechanism to be established to facilitate co-operation between Government and those NGOs interested in carrying out particular programmes included in the NSHRP and supported by Government funding.
Institutional Arrangement 3	To facilitate co-operation with the private formal sector, Government to continue to rely on the Fiji Commerce and Employers Federation and the Fiji Chambers of Commerce as the representatives of such establishments in discussions between it and the sector.
Institutional Arrangement 4	The National Centre for Small and Micro Enterprise Development, in consultation with the National Micro-finance Unit, to assist micro and small scale entrepreneurs that are intended to be major beneficiaries of policies and programmes of the NSHRP and with which Government will co-ordinate its actions. NGOs involved in supporting these informal sector enterprises will be consulted as provided for under Institutional Arrangement 2 above.
Institutional Arrangement 5	The Aid Unit of the Ministry of Finance will co-ordinate the activities of the international donor community in discussions regarding support for the action programmes of the NSHRP by multilateral and bilateral donor agencies.