



## *PACIFIC UPDATE 2014*

# **Realizing Pacific job needs in the 21<sup>st</sup> Century**

**Andrew N Parker  
Principal Social Sector Economist  
Manila, Philippines  
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# Objectives

1. Raise awareness of nature of jobs challenge
2. Enquire into structure and behavior of labor markets
3. Propose some preliminary strategic policy options for further analysis

# The Pacific jobs challenge

- Population growth, esp in Melanesia 2-3%p.a.; low in North Pacific
- Drives even bigger ↑ in working age population +50%; >3% in PNG, SOL, TIM
- Low labor force participation rates – 41-73%, esp low for women
- Limited formal sector employment – av 58%
- Significant public sector employment – av 30% vs. Australia (17%)

# Labor market structure and behavior

- Private sector
- Competitiveness
- Public sector – employer of last resort
- Formal vs. informal
- Unemployment vs. underemployment
- Regulatory environment – min wage; business friendly
- Migration and remittances

# Strategies for generating employment

1. Expanding private sector opportunities
  - Infrastructure investment
  - Strategic investments
  - Access to finance
  - Regulatory environment
2. Reform public sector
  - SOE reform, community-service obligations
  - Social safety nets
3. Improve education and training
  - Basic education
  - TVET
4. Regional cooperation and integration
  - Temporary worker schemes
  - Trade agreements