

**Skills for Inclusive and Sustainable Growth in
Developing Asia-Pacific:
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**Investing in Skills
for Domestic Employment or Migration?
Observations from the Pacific Region**

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Overview of the Pacific Region

- The Pacific region, including Timor-Leste, consists of many small island countries, spread across the vast areas of the Pacific ocean.
- Challenges:
 - **Economic:** limited access to world markets, narrow industrial bases, small populations, natural disasters
 - **Demographic:** high population growth, large young population (40%+ of the total population)
 - **Education & skills training:** limited access & inadequate quality/performance
 - **Labor market:** Insufficient jobs to absorb growing young populations, while skilled/technical positions face a shortage of qualified workers

Country	Mid-Year Population (2010)	Age 0-14 as % of Total Population (2010)	Age 15-24 as % of Total Population (2010)	Gross Secondary Enrollment Ratio [male]
Melanesia and Timor-Leste				
Fiji	847,800	28.9	18.3	86.0
Papua New Guinea	6,486,000	38.9	19.8	[29.0]
Solomon Islands	528,000	39.6	19.1	[37.6]
Vanuatu	239,400	38.1	21.2	49.0
Timor-Leste	1,066,600	42.0	19.8	58.0
Polynesia				
Cook Islands	23,200	27.5	18.9	83.0
Samoa	184,000	37.5	19.6	84.0
Tonga	103,000	37.0	19.6	103.5
Tuvalu	11,100	32.1	19.3	[87.0]
Micronesia				
Federated States of Micronesia	102,600	36.3	22.8	[68.0]
Kiribati	100,835	35.2	21.0	[47.0]
Marshall Islands	54,200	41.8	22.7	[66.0]
Nauru	10,000	35.6	21.1	52.0
Palau	20,500	20.5	16.4	97.0

Challenges for Skills Development

(Outlined in Pacific Education Development Framework 2009-2015)

- Limited access to organized skills development relative to number of school leavers;
- Weak linkages of training systems to labor market demand and employers' needs;
- Inadequate infrastructure, equipment, materials for training;
- Lack of qualified teachers with real work experience;
- Weak quality assurance processes (e.g., evaluation of skills competencies);
- Lack of basic literacy and numeracy among many young people

Employment & Unemployment

- Lack of reliable/comparable data makes it difficult to accurately analyze the situation across countries.
- Available statistics on unemployment indicate that:
 - Of men aged 20-24, 50%+ are neither working nor studying in Kiribati, RMI, Samoa; unemployment rate 48% in Kiribati (age 15-24), 57% in Solomon Islands;
 - For those aged 25-29, still 25-50% of men are jobless
- Yet, employer-side stories indicate difficulty in recruiting appropriately skilled workers:
 - 17% of public sector positions are vacant in Solomon Islands (e.g., teachers, nurses, administrators);
 - 10% of construction workers are foreigners in Timor-Leste, mostly skilled workers (in 2008)

Migration opportunities

- Australia, New Zealand, and the US are primary destinations for employment opportunities for some Pacific countries.
 - Samoa (annual average 3,000), Tonga (1,500)
 - Cook Islands, Kiribati, Tuvalu to NZ through the Pacific Access Scheme
 - RMI and FSM to the US (the Compact of Free Association)
 - Fijians are also increasingly found in other Pacific countries short of vocational skills
- PNG, Solomon Islands, Vanuatu, Timor-Leste have fewer access to overseas employment.

Australia Pacific Technical Colleges (APTC)

- Established by AusAID in 2007 in PNG, Fiji, Vanuatu, Samoa offering qualifications (level 3+) in hospitality and tourism, automotive, manufacturing, construction and electrical services, and health and community services.
- Courses delivered by Australian registered training organizations under Australia's regulatory framework.
- To address skill shortages in the PICs, and to enhance the migration opportunities.
- So far, 2000+ graduates produced, but limited numbers have gone to Australia for employment.

Migration: Brain drain or skill creation?

Impact on small island countries

- Positive impacts of remittances on improving living standards, but a negative impact of losing skilled labor?
- Many migrants to NZ and AUS are often low-skilled
- Others cite the importance of incentives for skills training related to migration (e.g., Fijian migrants)

e.g. Emigration by tertiary-educated Fiji Islanders increased investment in tertiary education in Fiji

Identifying demand for skills: Examples from Timor-Leste

- From a demand-driven skills development perspective, focus can be placed on identifying the country's development priority, emerging economic sectors, and their skills needs (e.g., mix of skills, level of competency required)
- **TL Strategic Development Plan (2011-2030)** aims to sustain high rates of economic growth by focusing on increased investment in quality infrastructure.
- **Infrastructure investment fund**: \$317m in 2010, \$600m in 2012, and \$670m in 2015.
- Shortage of workers in the sector: foreign skilled workers occupy all top technical positions (e.g., Indonesia, Philippines, China)

Employed Persons by Industry

Employed Persons (age 10+) by Industry		
	Number	%
Primary	204,355	65.6
Secondary	15,554	5.0
Manufacturing	7,720	2.5
Electricity/gas	249	0.1
Water supply	258	0.1
Construction	7,327	2.4
Tertiary	91,407	29.4
Wholesale/retail	18,259	5.9
Transportation/storage	6,833	2.2
Accommodation/food	2,578	0.8
Admin & support service	7,287	2.3
Public admin	24,470	7.9
Education	11,907	3.8
Other	20,073	6.4
Total	311,316	100.0



Source: Population & Housing Census 2010

TVET in Timor-Leste

- Until now, TVET system has been mostly supply driven, provided by NGOs, church institutions, international donors:
 - In 2009, 1,900 trainees from 39 registered training providers, but no competency-based training
 - Limited private-sector involvement
 - TVET constrained by low levels of education and low rates of adult literacy

TVET in Timor-Leste

- TVET system is beginning to develop:
 - National Qualification Framework approved in 2011
 - TL TVET Plan 2011-2030 approved in 2012, with dual emphases on foundation skills and competency-based training
 - Competency-based training to roll out in 2013
 - ADB support for mid-level skills training in construction & automotive trades (levels 2-4)
 - Workplace training
 - Proposed concept of skills transfer through infrastructure development projects

