

EMPLOYMENT & THE LABOUR MARKET

Fact Sheet

BACKGROUND

The relationship between labour market, employment, and a country's development underscores the impact of human capital for economic and social development. The COVID-19 pandemic has caused a shift in the dynamics of the global labour market, and Fiji is no exception to these shifting dynamics. With a reported labor force of 376,303 in 2022, which represents 40.18% of Fiji's population, it is the second largest labour force in the Pacific region with a large pool of young populace. In the current context, growing skill shortages and declining labour productivity, are areas of concern to the Fijian labour market. The government aims to achieve 'Decent Work & Sustainable Employment for All', by promoting decent work opportunities, ensuring safe and healthy workplaces, enhancing productivity and encouraging good faith employment relations.

CURRENT STATUS

The post-pandemic era has more than ever before placed focus on how best a country could increase the size of its economy. Fiji has been faced with a growing labour exodus, following the pandemic years. For the period, January 2018 till August 2023, around 80,000 Fijian residents have travelled out of the country for better employment opportunities and emigration.

For the years 2022-2023, there were 7,131 workers from Fiji in Australia participating in the Pacific Australia Labour Mobility (PALM) Scheme. In addition, a total of 1,050 workers were mobilized to New Zealand under the Recognized Seasonal Employer (RSE) work programme as of December 2023. Eventually, this has contributed to skill-gaps across sectors. Despite the demand for workers, Fiji's unemployment rate is reported to be 4.3%.

Furthermore, the review of national minimum wage rate is to be finalized in this financial year. The line

Ministry has already initiated work on this very important exercise. Concurrently, a national training and skill needs survey is being conducted by the Strategic Planning Office at MOFSPNDS. Data accumulated from this national survey would form the basis of a five-year National Human Resource Plan.

CHALLENGES

1. *Non-compliance with International Labour Organization (ILO) conventions:* Negative ILO reports over the years has led Fiji towards not being able to attract desired investors.
2. *Archaic labour-related legislations:* Archaic laws are present, for example, the Employment Relations Act. Legislations are old and outdated, which was developed around 17 years ago. The employment landscape has evolved over the years, making these laws obsolete. Additionally, important to consider that a consultative approach was not taken hence, employers are not happy with some of these enforced legislations.
3. *Measuring productivity:* Fiji has never measured its productivity. This is interlocked with the notion of National Minimum Wage Rate (NMWR). The NMWR has never been determined through productivity-based wage systems.
4. *Labour exodus:* This has caused skill gaps across sectors. In the first eight months of 2023, a total of 10,947 Fijians have departed the country for employment reasons, and 2,153 Fijians have permanently migrated. It is clear that Fiji needs workers and they are not getting trained anywhere near fast enough to meet the significant demands or replace Fiji's increasing outbound exodus.

OPPORTUNITIES

1. *Facilitating visa-free travel with major development partners (Australia and New Zealand):* To undertake ambitious projects, the country needs more workers. Hence, visa-free

travel would allow easier access for workers from Australia and New Zealand coming into the country.

2. *Making inward migration more attractive to the international labour market:* For example, creating recognized work-to-residence pathways for those workers entering Fiji on work permits. This will help Fiji to attract and retain skills, increase size of the labour force, and eventually contribute towards growing the economy through enhanced productivity.
3. *Improving labour-market standards to meet accredited international best practices:* Ratifying international conventions and agenda's, and reviewing existing labour laws to be compliant with international commitments, such as amendments to certain sections of the Employment Relations Act.
4. *Reforming the education system to align with the evolving job market – meet industry demands:* A starting point would be to assess the qualifications that are produced by the educational system, and reconcile these with the skills and competencies demanded by the industry. This would allow stakeholders to determine the oversupply or lack of skills in the country. Reforming the education system to align with the evolving job market is essential to producing a workforce that meets industry needs.

FUTURE POLICIES AND STRATEGIES

- **Enhance and modernize employment relations framework:**
 - ✓ Ratify appropriate International/ Regional conventions and domesticate into relevant laws.
 - ✓ Formulate, implement and periodically review coherent and written national labour policies.
 - ✓ Review of the Acts, Regulations and Policies to improve employment quality.

➤ **Reduce the National unemployment rate:**

- ✓ Ensure robust programmes are available for job creation.
- ✓ Implement robust re-integration support programmes for seasonal workers returning to Fiji.
- ✓ Revive the National Wages Council.

➤ **Address outward migration and skill gap shortage:**

- ✓ Re-look at the immigration laws and allowing more overseas workers.
- ✓ Provision of more scholarships to the areas of shortage.
- ✓ Bonding private sector and government sponsored students from universities, TEVT, skill development centres and Training institutions for double or triple the period of the study.
- ✓ Introduce a program to reemploy retired skilled people to fill skill gaps.
- ✓ Encourage engagement of interns by ministries.
- ✓ Review policy to extend maternity leave to retain women in the work force.
- ✓ Universities and training institutions to re-align their programs and enrolment in with skills required.
- ✓ Establish a clear career progression pathway for jobs across all sectors and government.
- ✓ Improve quality of life in terms of access to affordable housing, quality education, insurance and medical care to retain and attract talent back into the country.
- ✓ Undertake a study/survey to understand the motivation for outward migration and what could be done to retain and attract back talent.
- ✓ Establish a Talent Return program in partnership with the private sector to bring back talent in the areas where there is a skill shortage.