

# **Draft Framework for Addressing PNG's Employment Challenges**

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Port Moresby



# Background to NEP

- In 1976, PNG ratified ILO Convention C122 - Employment Policy Convention, 1964;
- In Article 1, C122 calls upon countries to “declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment”;
- ILO has provided technical assistance to DLIR to develop a National Employment Policy (NEP) including currently under the ADB/ILO technical assistance project “Improving the Performance of Labour Markets in the Pacific”.

# SUSTAINABLE DEVELOPMENT GOALS





# Sustainable Development Goal 8

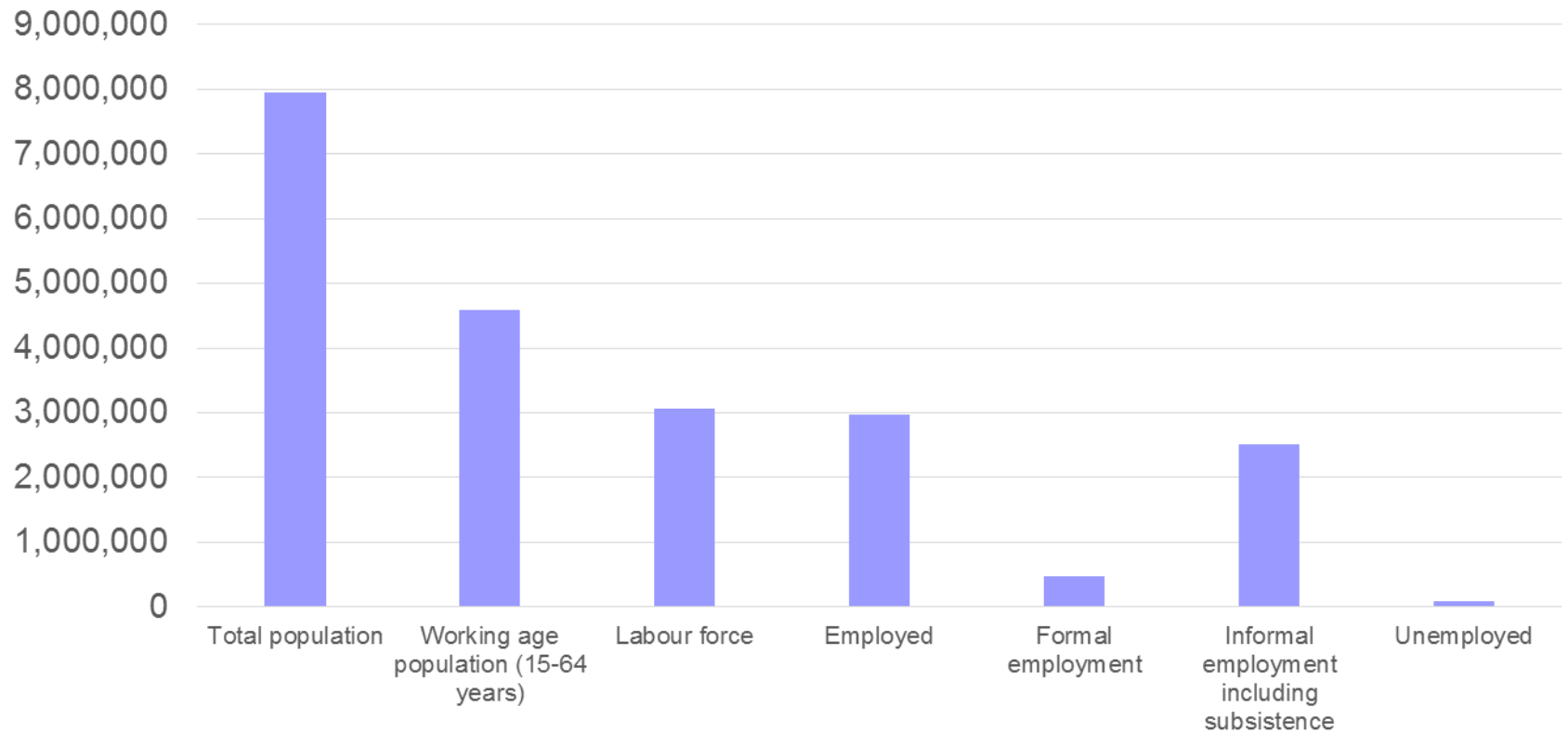
- SDG 8: Promoting inclusive and sustainable economic growth, employment and decent work for all;
- By adopting the SDGs in 2015, the PNG Government has committed itself to making progress on employment.



# Aim of this presentation

- The ILO has provided additional assistance to reinvigorate the process of drafting the NEP;
- Consultations with several Government Departments and agencies and the social partners were held;
- Aim of today's presentation: seeking wider feedback on priority areas that were identified during consultations.

# The Labour Force in 2014



Source: Based on data presented by Jones and McGavin, 2015.

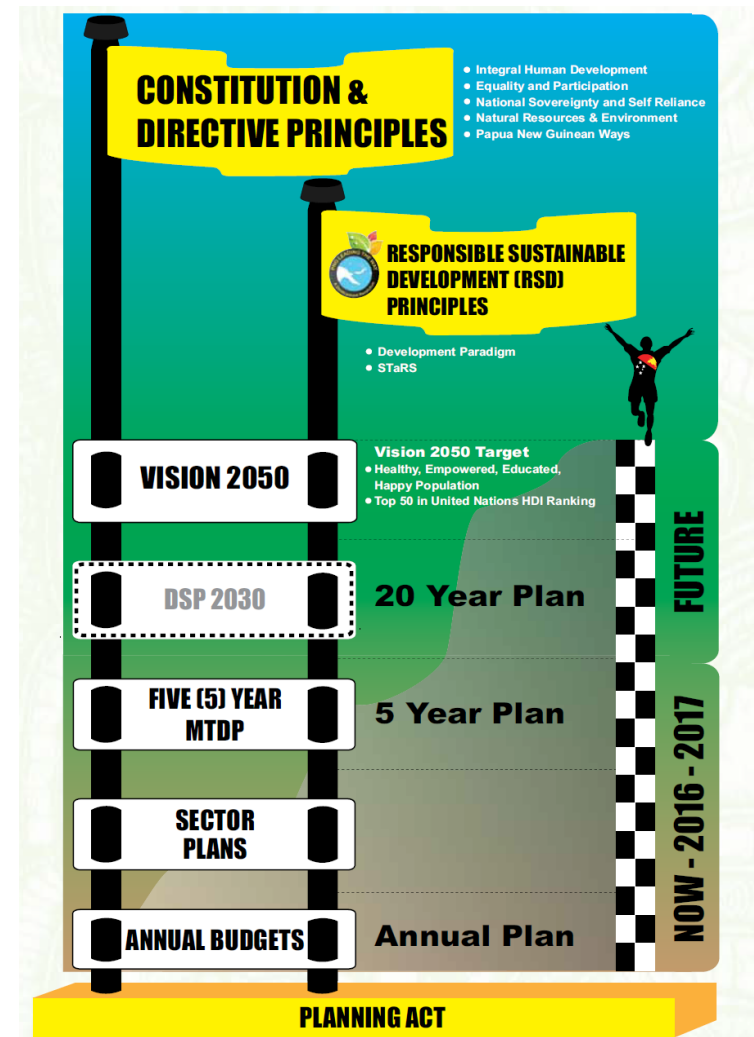


# Major labour market issues

- Huge informal economy: In 2014, appr. 2.5 million Papua New Guineans in informal employment, including subsistence activities, equivalent to 84% of all employed persons;
- Economic activity dominated by large mining and gas projects with relatively little employment beyond the construction phase;
- Low level of skills in workforce and insufficient quality and quantity of TVET;
- Large number of foreign workers on work permits (over 40,000 in 2015);
- Lack of labour market data;
- DLIR lacks resources.

# Alignment of NEP

- NEP aligned with National Planning Framework;
- NEP aligned with major Policies including National Population Policy, National SME Policy, National Youth Policy, National Informal Economy Policy, National Training Policy, etc.








# Proposed priority areas in NEP

1. Unemployment / youth unemployment
2. Informal employment
3. Gender inequality
4. Skills development
5. Labour mobility
6. Labour market data
7. Institutional and legislative reform



# Priority area 1: Unemployment / youth unemployment

## **Main challenges**

- high rate of youth unemployment (in 2011: only 7.6% of youth in paid employment)
- lack of skills and experience

## **Main action areas**

- Career guidance
- Support for self-employment: Entrepreneurship training, improved access to credit
- Work experience / cadetships
- Public employment scheme
- Labour law more youth friendly



# Priority area 2: Informal employment

## **Main challenges**

- Informal economy creates jobs for the majority of Papua New Guineans but the urban informal economy is limited in scale and scope
- Growth of informal economy as a step towards growing the SME sector

## **Main action areas**

- Labour market assessment of informal economy
- Improving financial inclusion
- Training and capacity building
- Empowering informal economy participants



# Priority area 3: Gender inequality

## **Main challenges**

- Low female participation in formal labour market
- Women largely engaged in informal economy
- Women have lower level of education and skills than men
- Women disadvantaged in running businesses

## **Main action areas**

- Improved access to training
- Improved access to credit
- Other support for women business owners
- Legislative and institutional mainstreaming



# Priority area 4: Skills development

## **Main challenges**

- Shortage of adequately skilled workers
- Fragmentation of TVET sector
- Low quality and quantity of training
- Mismatch of training and labour market needs

## **Main action areas**

- Aligning training to labour market demand
- Review of scholarship system
- Increasing industry involvement
- Improving quality of TVET



# Priority area 5: Labour mobility

## **Main challenges**

- Work permit system with outdated classification of occupations
- Lack of skills transfer under work permit system
- Lack of monitoring and enforcement of work permit guidelines
- Granting of language exemptions

## **Main action areas**

- Revision of occupational categories
- Improved monitoring of skills transfer
- Improved monitoring and enforcement of work permit guidelines
- Granting of fewer exemptions




# Priority area 6: Labour market data

## **Main challenge**

- No reliable up-to-date labour market data available

## **Main action areas**

- Enforcing data reporting requirements
- Developing skills supply and demand databases
- Establishing a labour market information system (LMIS)



# Priority area 7: Institutional and legislative reform

## **Main challenges**

- DLIR's position within wider government
- Employment issues have not been mainstreamed
- Legislative reform process not completed

## **Main action areas**

- Determining the future role of national employment services
- Strengthening of DLIR and of labour and employment issues within DLIR
- Establishing of desks within DLIR





**WHAT ARE YOUR  
VIEWS?**