





**How many people are in
formal wage employment in
PNG?**



**How many people are
unemployed in PNG?**



**What is the average wage
in PNG?**



**How many university
graduates find a job within
two years of graduating?**



We don't know



Why does it matter?



Purpose



Papua New Guineans want a
better **quality of life** for the
present and future generations.

Grappling afresh with Labour Resource Challenges in Papua New Guinea

A FRAMEWORK FOR MOVING FORWARD



Australian Government
AusAID



Productivity

Quantity & *quality* - relative
to a defined objective, in
this case “*better quality of
life*”



Education and training




Why data?



Labour market analysis in PNG is complicated

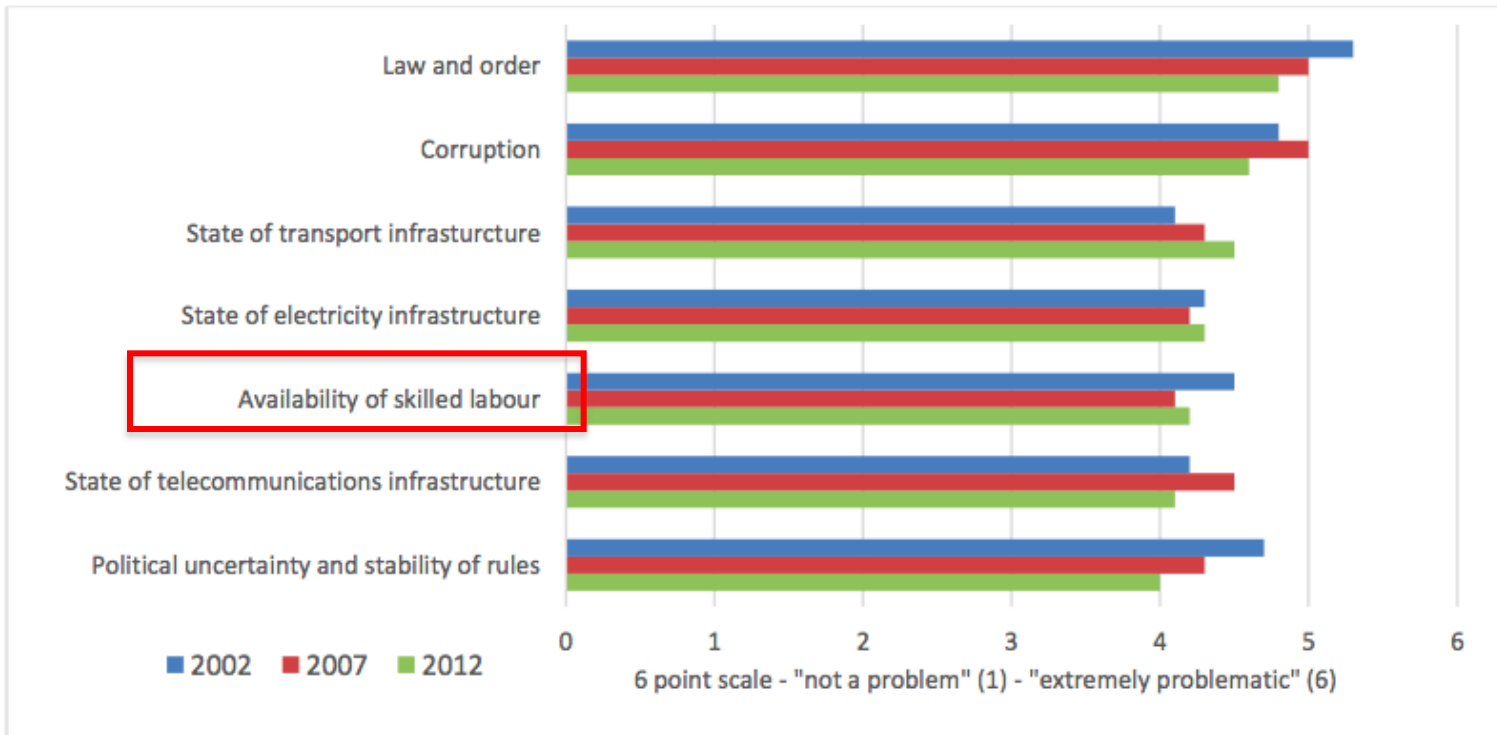


**Supply side is the most
complicated issue in PNG**




Structural impediments to enterprise

Top 7 Constraints to formal business and investment in Papua New Guinea





What is the context?

- 
- **Formal wage employment**
 - **Informal employment (informal sector and subsistence sector)**
 - **Unregulated employment**



Variation - by region, age and sex



Which sectors provide formal wage employment?

Figure 8.13 – Industrial sector as a percentage of GDP in 2011²³

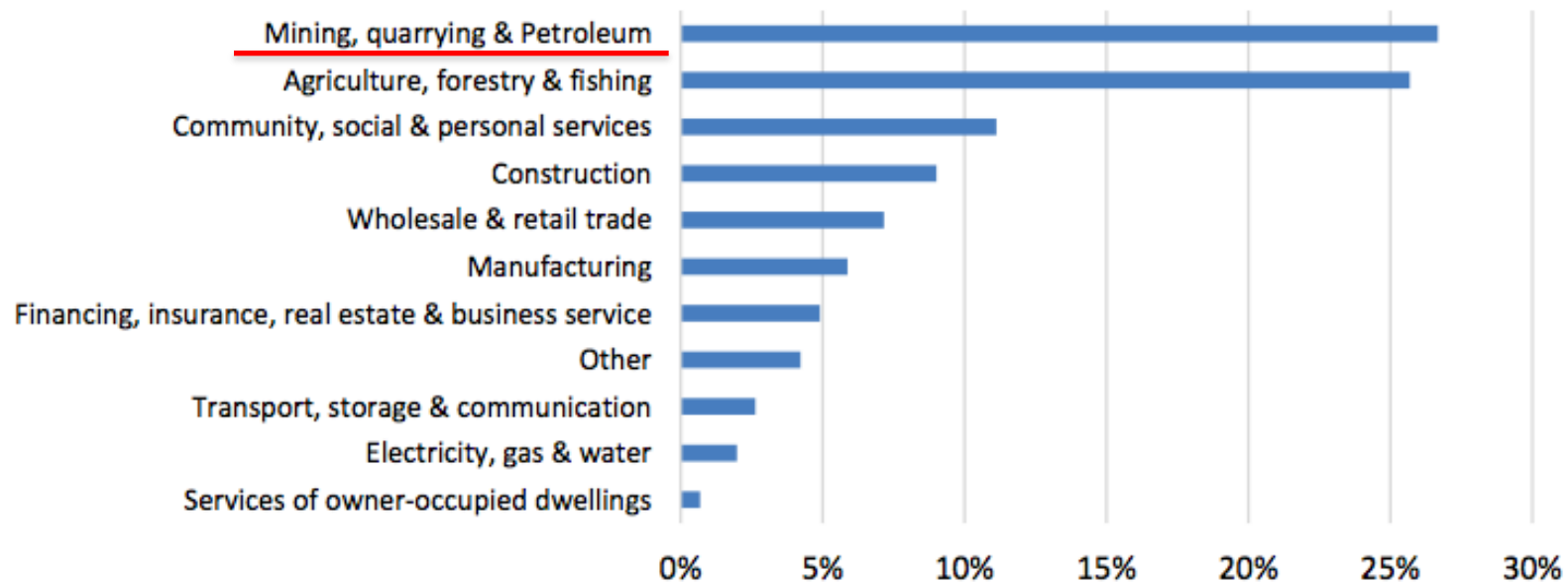


Figure 8.5 – Formal wage employment by industrial classification¹¹





Predominately low skilled

Many are *unemployable*



Why employ people from overseas?

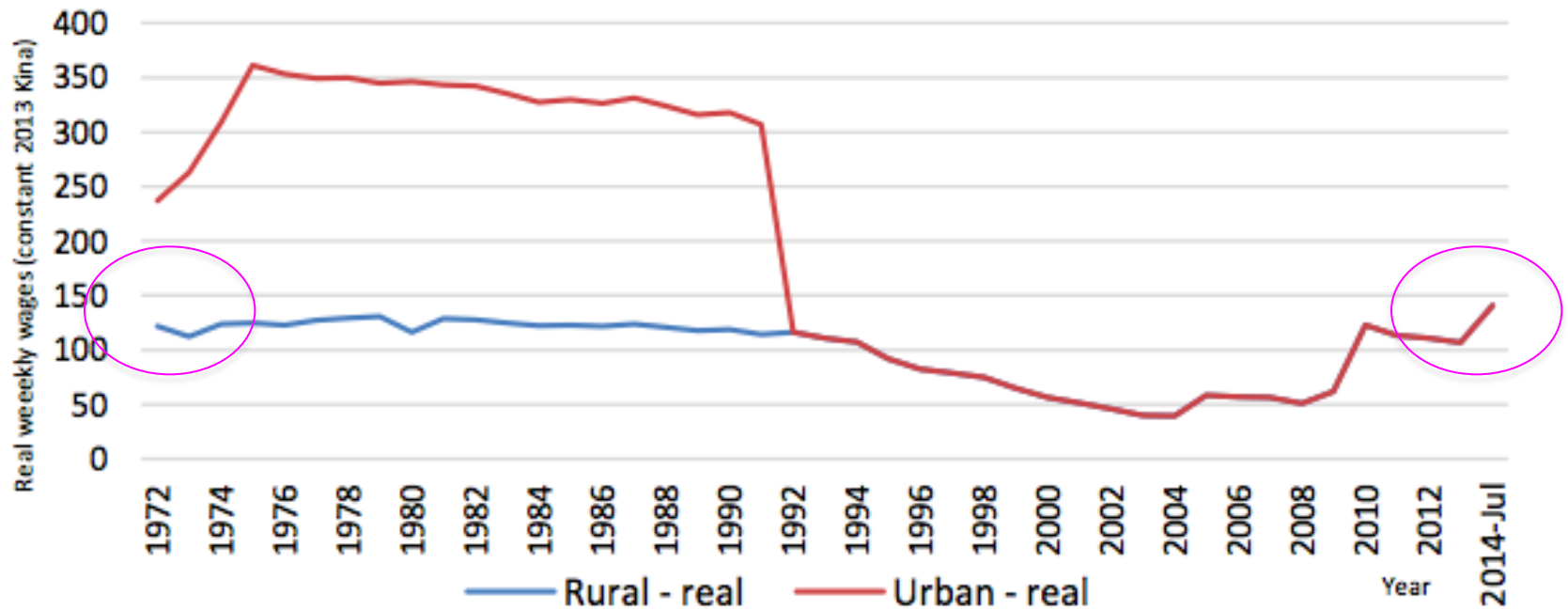


Beware of bullshit



Real versus nominal

Figure 11.2 – PNG real minimum wages 1972-2014 (2013 Kina per week)



Fortnightly real average wage – low skilled employees

1990 – K631

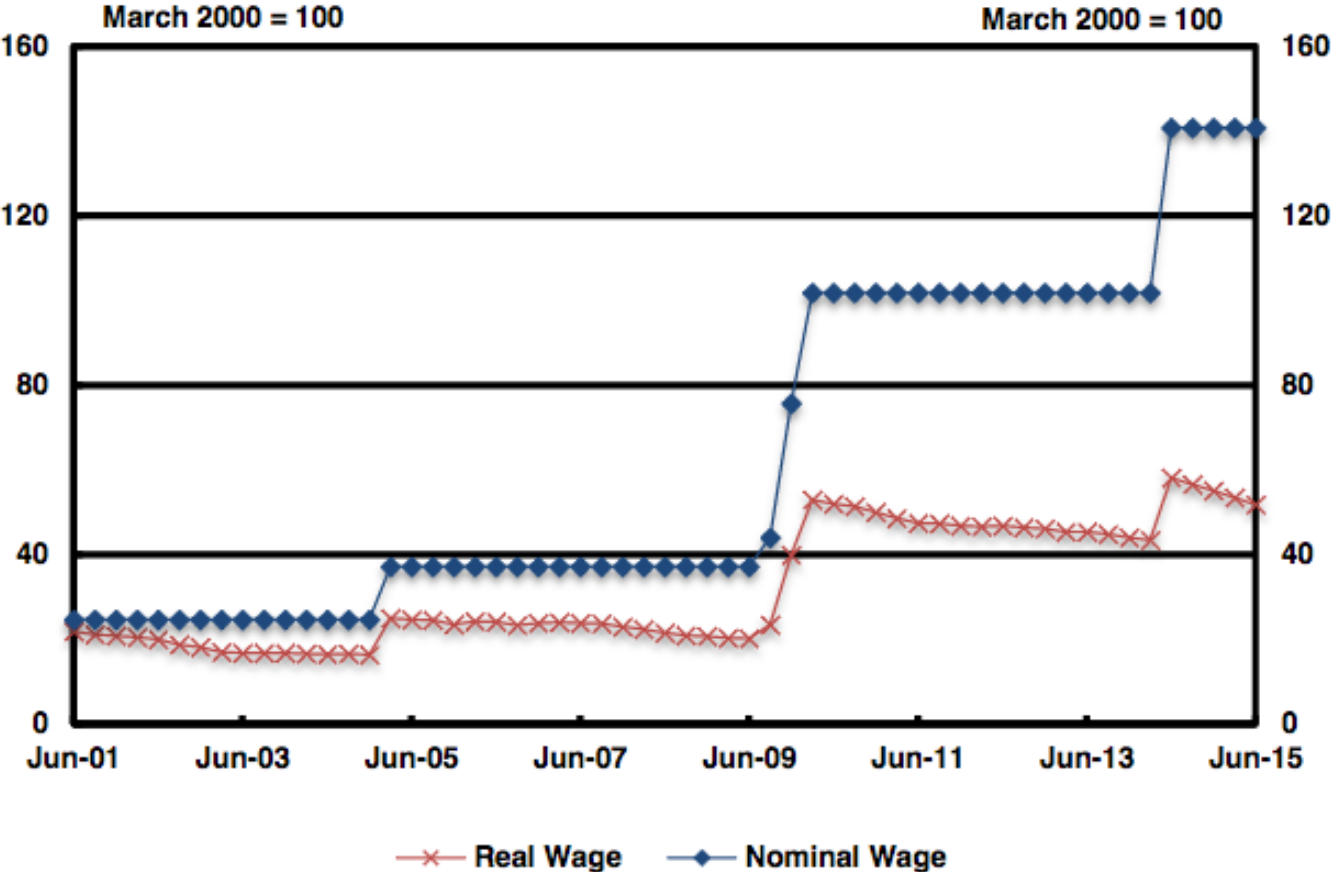
1998 – K376

2013 – K336



Time period

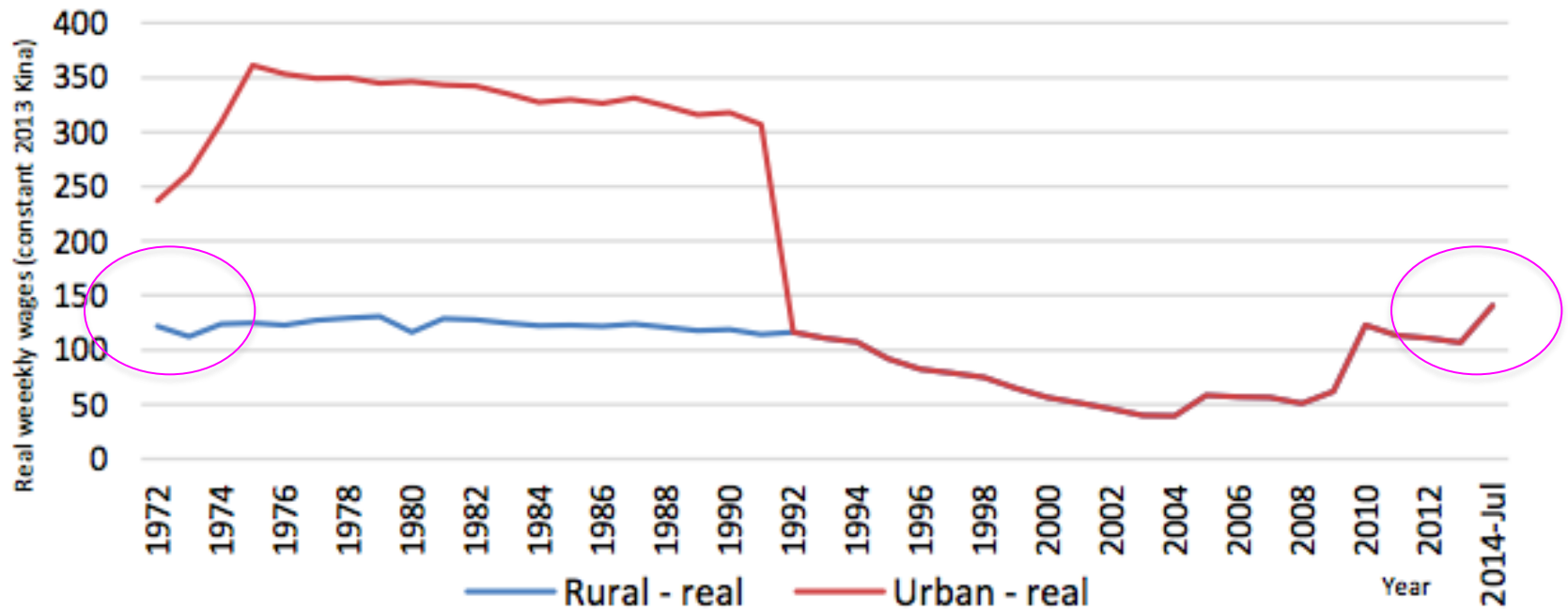
Chart 20: Wages Index



2001

2015

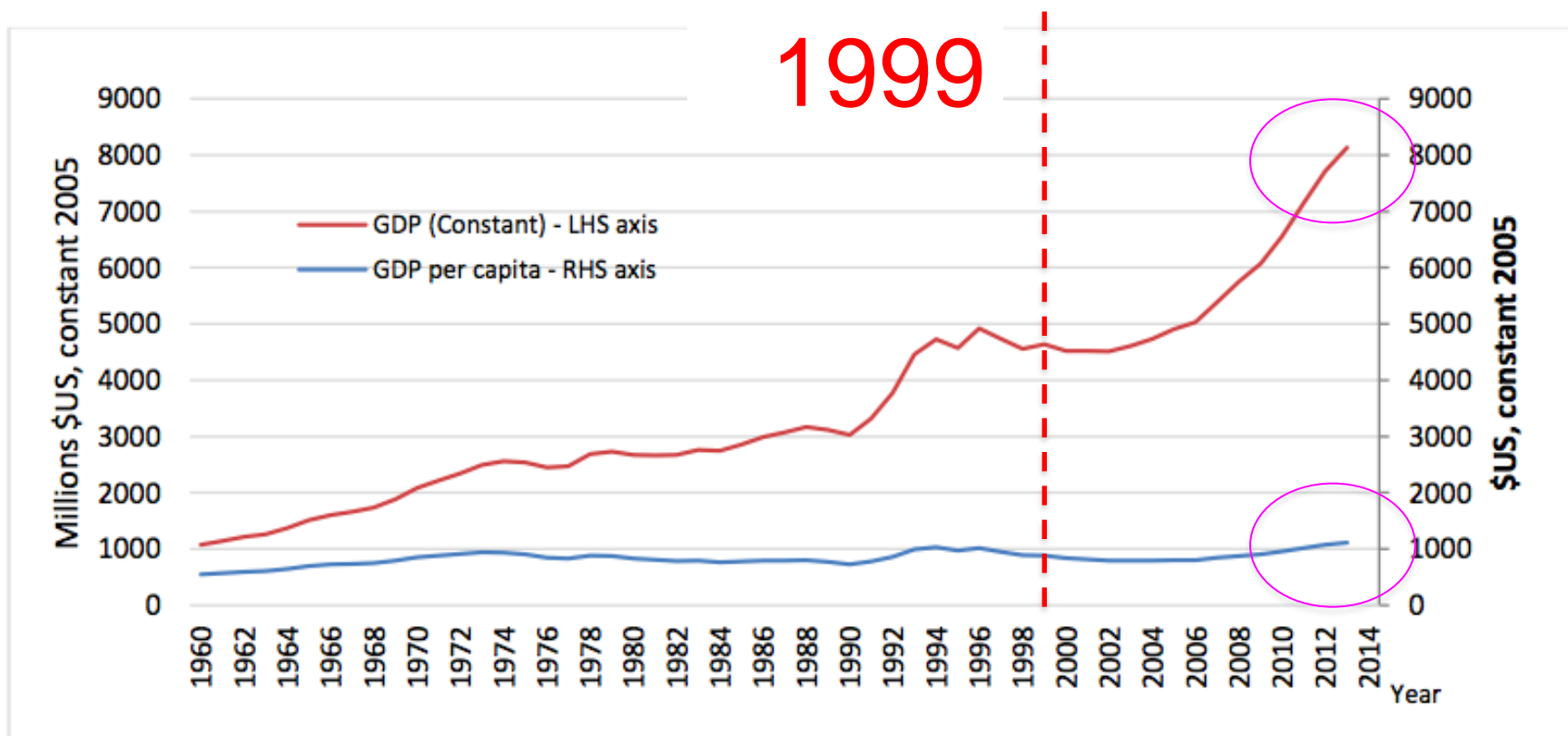
Figure 11.2 – PNG real minimum wages 1972-2014 (2013 Kina per week)





**What is the change in real
per person terms?**

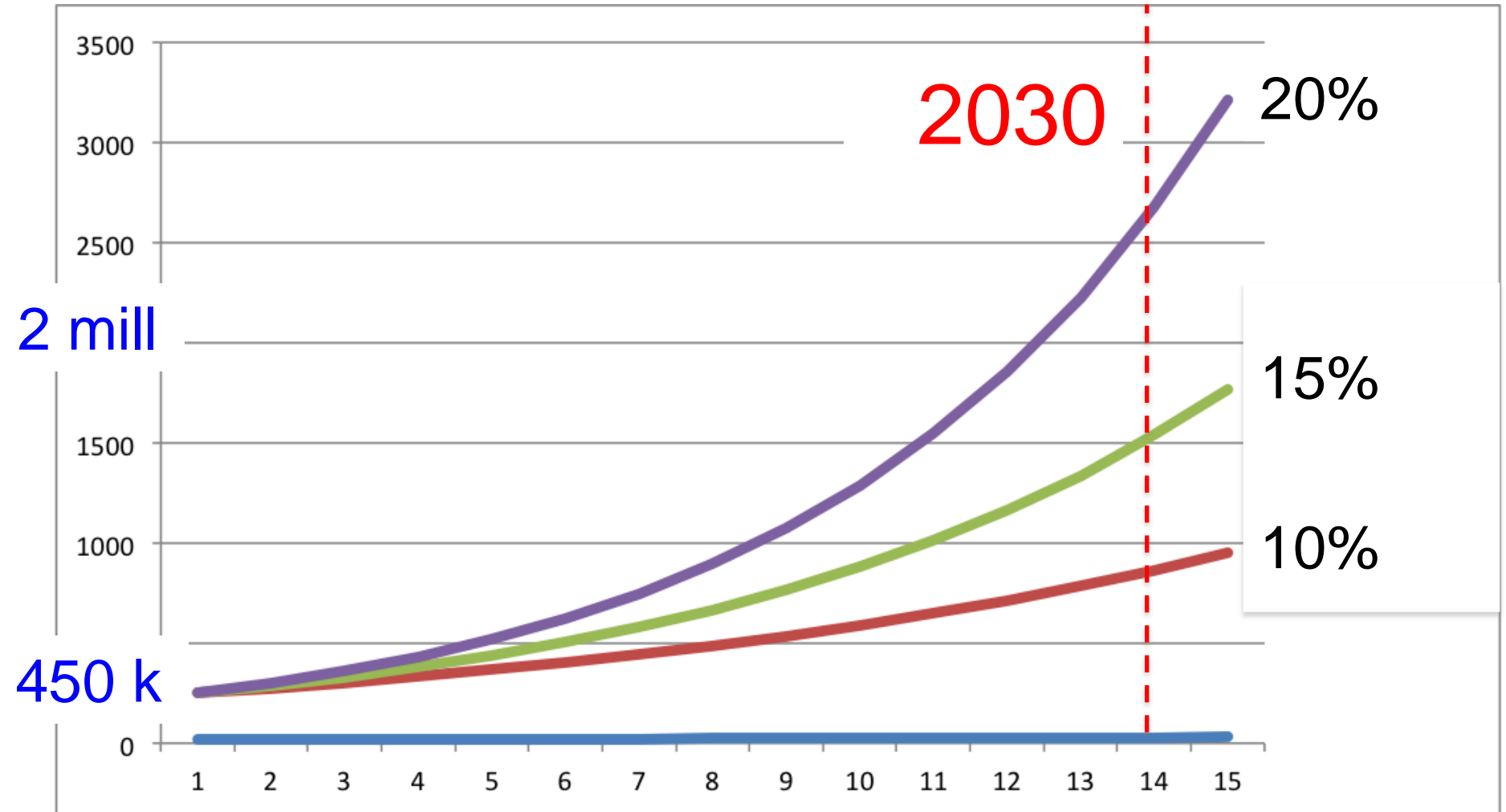
Figure 28 – Real GDP and real GDP per capita 1960-2014 (Constant 2005 \$US)³⁶





What is realistic?

2 mil wage employees in SME by 2030?






Relative to what?



Why is there no data?



Not too little data but too little
**sharing & a lack of a common
purpose**



Lack of political will


- National statistics are designed to **measure the performance** of modern market societies relevant to a previous time period.
- The purpose of the measurement is to see if the change has brought improvement. In essence, they are the means by which **productivity** is measured.



Demand independent data



What are the most important skills?



Human institutions that support the modern market state and the capacity of the PNG state to ***build, maintain*** and ***refine*** these institutions over time.

Decline in the institutions that support the labour market and effect the quality of human resources in general:

Government bureaucracies – in terms of capacity and function

Education – primary, secondary, tertiary, vocational

Public infrastructure – transport, electricity, law and order

Public goods – rule of law, good governance, security



**What explains the decline
in public sector capability?**

- **Think about productivity – quality and quantity**
- **Rebuild the capacity of the National Statistics Office**
- **Focus on real wages**
- **Demand policies have an objective and are publicly measured**
- **Beware of bullshit**
- **Don't tolerate corruption**