

HARNESSING HUMAN CAPITAL: EMPLOYMENT POLICY BRIEF

1. OVERVIEW

The Samoa Youth Monograph (SYM) 2020 draws on and analyses data collected in the 2016 Samoan Population and Housing Census to present a picture of the younger generation in Samoa. This policy brief is one of three accompanying briefs that have been developed through a stakeholders consultation process to take a closer look at specific topics that impact on adolescents (aged 15 to 19 years) and youth (aged 18 to 35 years) in Samoa. This policy brief looks at harnessing human capital and includes an analysis of 2016 Census data as well as data from other sources.

The primary goal of the SYM and this policy brief is to generate dialogue among key stakeholders to identify priority areas for intervention and reform; to empower young people with information; and to provide an evidence base of data to guide investment decisions and advocacy efforts.



Samoa Bureau of Statistics
Apia, Samoa



United Nations Population Fund
Pacific Sub Regional Office
Samoa and Fiji

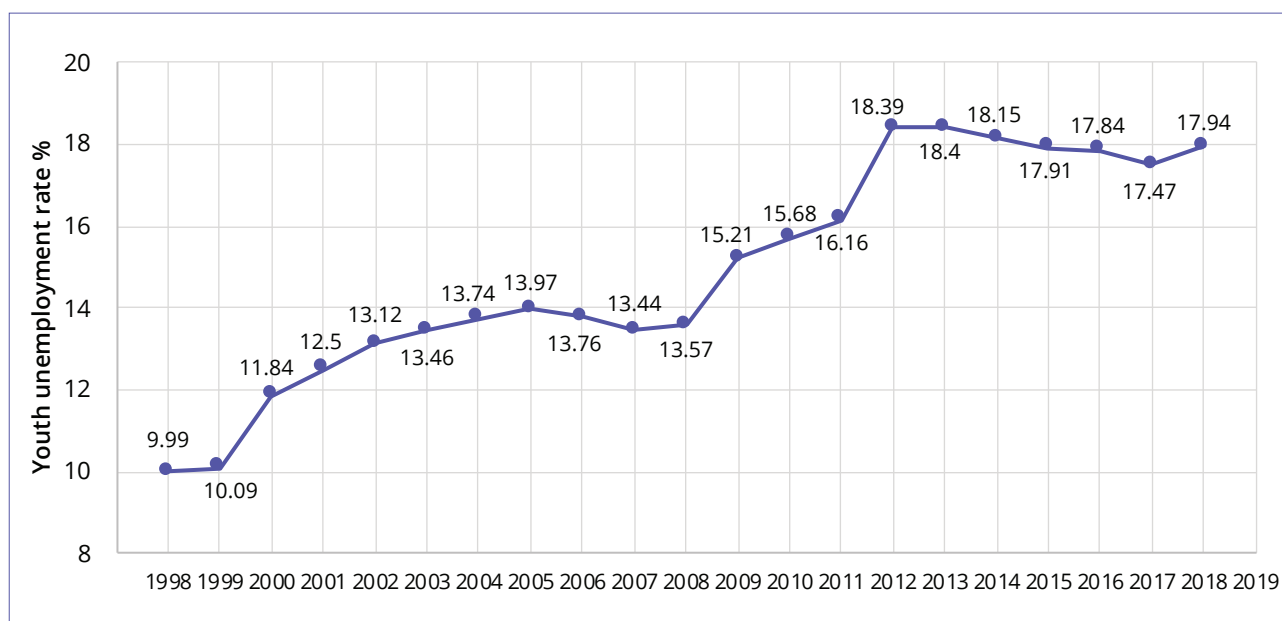
2. INTRODUCTION

Samoa, like many Pacific Island Countries and Territories (PICTs), is in the midst of a youth bulge. The proportion of the population between 15 to 24 years stands at 19.7 per cent, compared with a range for PICTs of 13 per cent (Palau) and 20 per cent (Papua New Guinea).¹ The Gross Domestic Product (GDP) per capita in Samoa was US \$4,183 in 2018, positioning Samoa as an upper-middle income country according to World Bank country classifications. Employment is based primarily upon subsistence agriculture, tourism and manufacturing.^{2,3} The economy also relies heavily upon remittances from Samoans working overseas, which have made up an average of 22 per cent of the national GDP over the past two decades.⁴

Samoa is experiencing a prolonged bulge in the youth population.⁵ This comes at a time when youth unemployment has been rising consistently, from 5 per cent in 1991 to 18.4 per cent in 2019.⁶ At 18.4 per cent, youth unemployment for 15 to 24-year-olds in Samoa is one of the highest rates in the Pacific Islands as compared with 3.4 per cent in Tonga, 4.5 per cent in the Solomon Islands, and 14.5 in Fiji, within the context of an average of 9.9 per cent in upper middle-income countries in 2019.⁷

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Figure 1: Samoa youth unemployment rate – 1998 to 2018



Source: ILO estimates.⁸

A factor contributing to the high youth unemployment rate is the lack of any formal financial security in subsistence-based labour.⁹ In 2016, 68 per cent of Samoan youth were in informal employment.¹⁰ Labour market institutions in the Pacific, including in Samoa, are not well developed with an absence of a minimum wage, employment protection and trade unions.¹¹

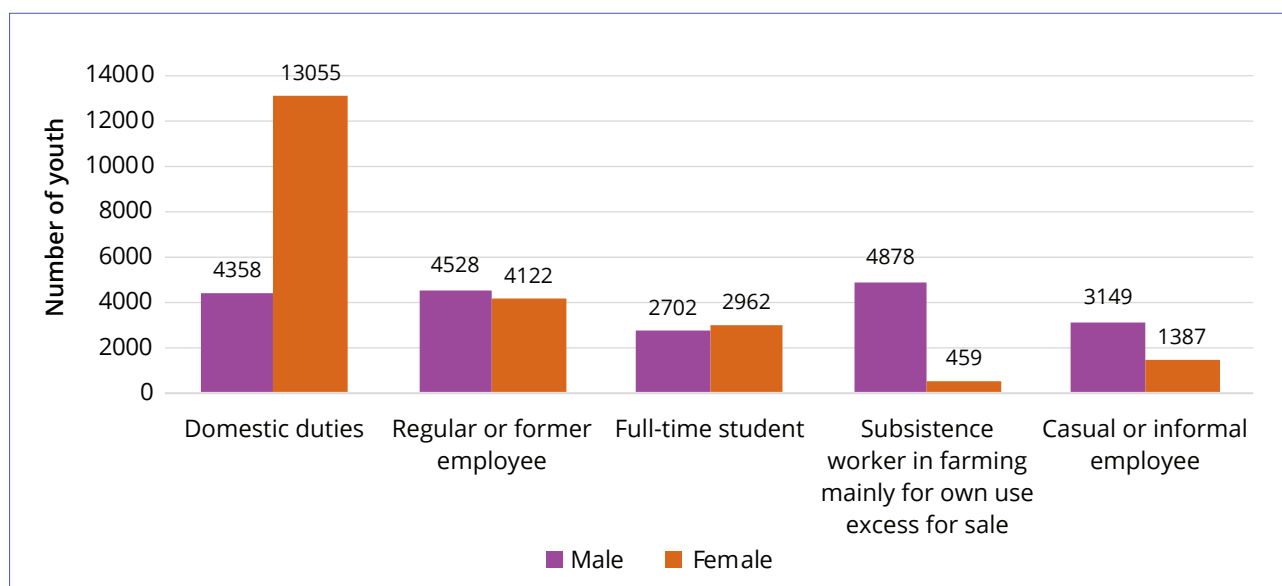
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Samoa is also impacted by a "brain drain" with highly-skilled youth travelling overseas for further education and in search of better employment opportunities.¹² Whilst the remittances from Samoans working overseas are a

major source of income for the country (21.6 per cent),¹³ the resulting impact is a depletion of highly-skilled workers and patterns of migration that act as a disincentive to employers to invest in training and development for staff.¹⁴

The 2016 Census Data shows that the majority of youth aged 10 to 19 are engaged in education. However, this sharply declines from 20 years of age onwards with a large proportion neither employed nor in education, as illustrated at Figure 2 below.

Figure 2: Youth population aged 18-35 years by top five main activities and sex, 2016 Census



Source: 2016 Samoa Census Data as presented in the Samoan Youth Monograph 2019 (Full Report).

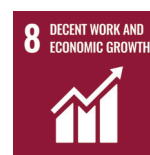
Harnessing the potential of youth in the employment sector, within the context of economic challenges, requires effective, efficient policy design, informed by quality data. Youth is an important time in the life of any individual; a time to start realizing aspirations and looking forward to economic independence.¹⁵ With the right policies and programmes in place a large number of youth in Samoa have the potential to be productive.

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The Samoa Development Strategy outlines priorities and outcomes that provide a policy framework for employment, education and training, including increasing macroeconomic resilience; increasing exports; growing agriculture and fisheries; improving tourism development; and enhancing private sector participation.¹⁶ In addition, the Pacific Youth Development Framework 2014-2023, outlines a strategy and priority outcomes for a coordinated approach that includes a regional policy framework and mechanisms where employment is the top priority.¹⁷

Rapid improvements in technology, coupled with an ever-changing world of work, has brought about an environment characterized by an increasing scarcity of stable employment especially for young people.¹⁸ The global population is rising, in particular the youth population, which is projected to grow by 7 per cent to nearly 1.3 billion between 2015 and 2030.¹⁹ Against this backdrop, fighting unemployment, specifically youth unemployment, is being reaffirmed within policy circles as an important macro-economic objective for governments the world over.²⁰

Many countries have committed to consensus documents and international agreements on employment. The UN Sustainable Development Goal (SDG) 8,²¹ indicator 8.5.2, aims to achieve decent work for all by measuring the unemployment rate by sex, age and persons with disabilities.²² Sustainable Development Goal (SDG) 10, indicator 10.7, commits to facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.



The top priority of the Samoa National Action Plan (SNAP) for Youth Employment is to “enhance employability amongst young people (15 to 29 years) through better alignment of skills and labour market–demands by 2020.”²³ The Samoa Education Sector Plan builds on the Strategy for the Development of Samoa 2016/7-2019/20, particularly in the areas of education and employment and the need to improve employment prospects and reduce the scarcity of skilled labour that constrains private sector growth.

The 2015 SNAP identified a lack of national employment policy and committed to a Youth Employment Action Plan Framework for implementation.²⁴ The Samoa National Youth Policy (SNAP) 2011-2015 commits to improved accessibility of youth to vocational training and second chance education with respect to employment creation in both the formal and informal sector.²⁵

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This policy brief examines the factors impacting on youth unemployment and provides examples and recommendations for policies that will harness human capital and improve outcomes in youth employment.

3. APPROACH

An international literature review was conducted to identify trends and policy recommendations for improving outcomes in harnessing human potential. The scope of the review included peer-reviewed research and articles that focus on employment and government, and other relevant reports on employment in Samoa and the Pacific Islands region. Consensus documents and international and regional agreements on harnessing human potential were reviewed, particularly in relation to policy commitments. Reviews of policy implementation were included as, in practice, laws and policies may not be aligned with such agreements and, where laws may exist, absent or sporadic enforcement and resources may inhibit change adoption.

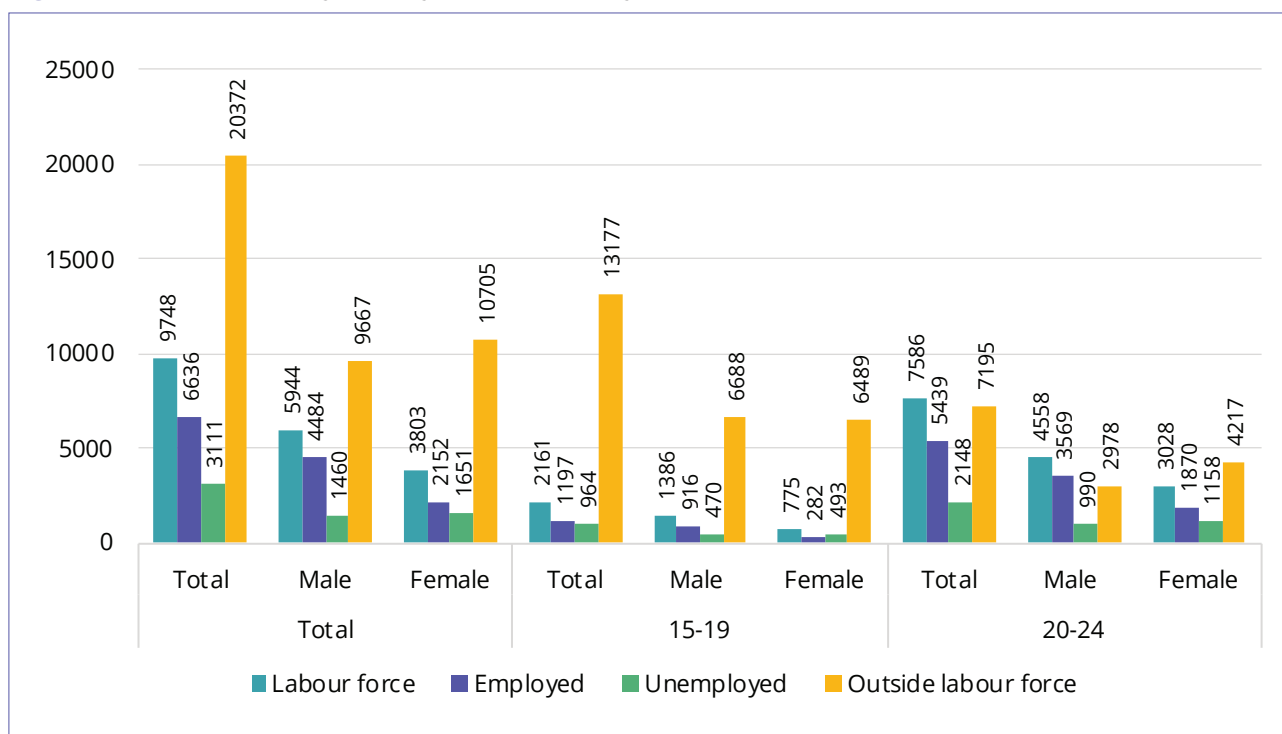
4. FINDINGS

At 18.4 per cent, youth unemployment in Samoa is double that of upper-middle income countries.²⁶ The unemployment rate among secondary school graduates is 39.9 per cent, on a par with the unemployment rate among Technical and Vocational Education and Training (TVET) graduates at 39 per cent.²⁷ The underutilization of human capital in the youth population is a significant problem that affects the potential of Samoans to thrive and prosper as a nation.²⁸

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The underutilization of the total youth population, particularly female youth, is illustrated at Figure 3 below:

Figure 3: Distribution of youth by current activity status and sex, 2017



Source: Samoa Labour Force Survey 2017²⁹

A factor influencing the rate of women in employment is that whilst women's role in leadership has improved in government and business, as women achieve higher levels of education, the roles of women at the village level remain bound by traditional beliefs that decision-making is the responsibility of men.³⁰

In Samoa, there are a large proportion of youth who end up in subsistence production, including those with TVET degrees. While 28 per cent of discouraged young job seekers say they are unable to find jobs that match their skills, many others say they are overqualified for the available jobs. Support for access to a combination of apprenticeship, classroom learning, and on-the-job training have proven to be effective in Indonesia.³¹ Employers have been found to proactively seek graduates from TVET colleges that demonstrate effective skills development.³²

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For youth who pursue work overseas, Pacific Island policies have been shaped on the understanding that remittances of income back to countries of origin would decline over time. Recent research, however, by the Australian National

University indicates that remittances contribute greatly to overall savings and the accumulation of assets within countries of origin.³³ An increased dependence on remittances has also put pressure on immigrant workers to continue with work overseas despite adverse conditions and treatment, with one study of the Australian agricultural sector finding Pacific Islanders in particular to be disproportionately affected.³⁴

The issue of mismatch between training and the skills required by the labour market is remarkable in the Pacific countries. This is a contributing factor to the migration or “brain drain” of skilled workers to other countries.³⁵

Technical and Vocational Education and Training (TVET) demand continually exceeds supply within the Asia-Pacific region, with both graduates and employers critical of the level of work readiness of graduates.³⁶ TVET and higher education institutions in the Asia-Pacific region also express concerns regarding the lack of relevance of curriculum to current industry needs.³⁷

Based on data from the Fund for Peace, the indicator for human flight and brain drain considers the economic impact of human displacement (for economic or political reasons) and the consequences this may have on a country's development. The higher the index, the greater the human displacement. The Fund for Peace provides data on this indicator for Samoa from 2007 to 2018. The global average for 2018 was 5.64 index points. The highest value was in Micronesia at 9.9 index points and the lowest value was in Austria at 1.2 index points. The average value for Samoa during this period was 8.66 index points, with a minimum of 7.9 index points in 2007 and a maximum of 9.5 in 2017.³⁸ These values are consistently high with Samoa ranking third out of 176 countries in 2018. Samoa's score of 9.4 was lower than Micronesia (9.90) and Somalia (9.50). This implies that the brain drain phenomenon is relatively high in Samoa compared to the majority of the world.³⁹

The migration of workers has been part of Samoan life for centuries.⁴⁰ Given the importance of Samoan migration to culture, it seems relevant to explore the robustness of Samoan culture and its ability to adapt to change by looking at the country's institutions, their structure and the impact they have on the ability of cultures to progress.⁴¹

Inclusion of all youth in workforce participation has been improved by through the Nuanua O Le Alofa's Annual Internship Programme.⁴² This programme seeks to provide persons with disabilities with an opportunity to gain work experience within the government and private sectors through a one week programme that is held as part of activities to commemorate the International Day of Persons With Disabilities in December. For many of NOLA's members, this is the only opportunity for them to gain practical experience in the workforce. In addition, the programme supports businesses to gain an understanding of what it is to promote an inclusive and accessible workplace.⁴³

Participation in this programme increased from 13 to 19 participants between 2016 and 2018. Seven graduates of the programme have been offered jobs within the organization where they completed their internship and two participants have used the experience to successfully apply for alternate employment. This shows an approximate 30 per cent successful pathway to employment through matching skills with employer needs. As well as specific policies and programmes for children with disabilities in education, such as the Nuanua O Le Alofa's Annual Internship Programme, dedicated support

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needs to be ensured through the inclusion of children with disabilities within legislation on education.⁴⁴

5. POLICY RECOMMENDATIONS

Regardless of the rising unemployment rates, recent studies, surveys and development literature are rich in viable policy options that the Government of Samoa can adopt to curb the increasing youth unemployment rate. Some of these policies are currently being implemented and, where these are effective, should be scaled up. There is also an urgent need to contextualize workable youth employment policies within the region as a priority.

Policy recommendations include:

1. Linking educational curricula to identified labour market demand.
 - TVET skills and training need to be linked more clearly to labour market demands and at best be informed by development strategies that identify skills for priority growth areas in government, non-government and private sectors.⁴⁵ This process will be assisted if the government ensures timely access to available data that promotes an understanding of the skills needs and gaps in the labour market.
 - There must be concerted efforts at the village level – through legislative targets and policy mechanisms – to pursue the objectives for gender equity in employment and leadership as set out in the Strategy for the Development of Samoa.⁴⁶
2. Engaging the public-private sectors and adopting national policy key initiatives at the secondary and university levels could include:
 - The promotion of volunteerism, apprenticeships, internships and job shadowing to overcome the barrier of a lack of work experience and practical skills and build job-seekers' knowledge about the world of work, enhance their networks and offer on-the-job training and experience.⁴⁷
 - Career guidance to address the barrier of low levels of job market information and the mismatch between possibilities and aspirations, identifying achievable opportunities for job seekers.
 - Training on entrepreneurship⁴⁸ and strategies for raising capital in schools to enable youth to identify business opportunities, gain soft skills and raise necessary start-up capital for their business initiatives.⁴⁹
 - Job fairs to connect employers to potential employee candidates.⁵⁰
 - Skill certification and resume writing to boost the work-readiness of youth.⁵¹
3. Programmes for unemployed youth that are effective should be expanded, ensuring the rights of youth with disabilities are embedded within employment legislation and policy, separate to the provisions within the Samoan National Policy for Persons with Disabilities 2011.⁵²

While these interventions, particularly those to facilitate the school-to-work transition, have proven effective, their effectiveness could be contextual and determined by the prevailing local conditions.

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