International Labour Organization

Australian Government
Department of Employment and Workplace Relations



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Papua New Guinea: Country Factsheet

[Working Draft]

2024

Key Points

- Papua New Guinea has a labour force participation rate of 52 per cent.
- A key labour rights challenge in Papua New Guinea is incorporating women in the formal economy.
- Papua New Guinea's social partners are the Papua New Guinea Trade Union Congress, the Employers Federation of Papua New Guinea, and the Department of Labour and Industrial Relations.
- Papua New Guinea has ratified 23 in-force ILO conventions, most recently C081 – Labour Inspection Convention, 29476 (No. 81), and C144 – Tripartite Consultation (International Labour Standards Convention, 1976 (No, 144); future ratification priorities include key occupational safety and health conventions (including C161) and social security conventions (including C102).

Country overview

Papua New Guinea (PNG) had an estimated population of 10.1 million people in 2022[i], the largest in the Pacific Island Region. An estimated 45 per cent of the population is under the age of 18 and the majority of the population live in rural areas. GDP per capita was at US$3,099; it has grown steadily over the past decade with growth of 4 per cent in 2022.[ii] PNG is classified as a lower-middle income country by the Development Assistance Committee (DAC) of the OECD.[iii] In the past twenty years, the service industry has overtaken the agriculture industry as the greatest contributor to GDP.

Key Data

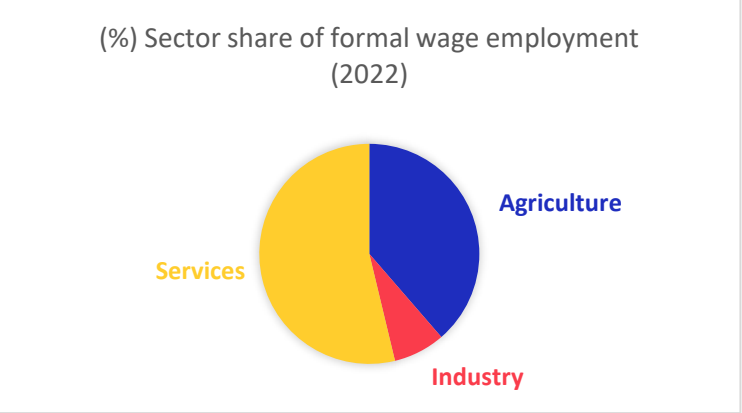
- **Population:** 10.1million
- **Working-age population:** 7.9 million
- **Labour force participation rate:** 52%
  - Women: 50.6%
  - Men: 53.3%.

Source: United Nations, Department of Economic and Social Affairs, Population Division, "World Population Prospects, Online Edition", 2022, accessed 12 April 2024; ILO, "ILO modelled estimates database", ILOSTAT, accessed 14 April 2024.

The labour market and the labour force

The latest labour force figures for PNG can be taken from the 2022 Socio-Demographic and Economic Survey.[iv] At that time, the working-age population was 7.9 million and labour force participation rate was 52 per cent. A large proportion of the workforce are in informal and subsistence agriculture.[v] Over half of the those working in formal wage employment are in the services sector at 53.7 per cent, followed with 38.6 per cent in agriculture and 7.6 per cent in industry. The unemployment rate is 2.7 per cent, rising to 3.8 per cent for youth. 27.7 per cent of youth are not in education, employment, or training. According to the 2020 Social Security Inquiry Datatbase, 9.6 per cent of the population was covered by at least one social protection benefit.

▶ Labour rights challenges



Source: ILO, "ILO modelled estimates database", ILOSTAT, accessed 14 April 2024.

Women in PNG are less likely to work for pay and, when they do work, are more likely to be in less secure and informal employment. Employment in the informal economy is usually characterized by a lack of structure and a lack of access to legal protection, secure benefits, welfare protection or representation. One estimate suggests that GDP per capita could be 20.8 per cent higher if women's access to employment were to match men's.[vi] The 2010 concluding observations of the Committee on the Elimination of Discrimination Against Women called on PNG to review its labour laws and ensure that employment legislation applied to and is enforced in the public and private sectors. It also called for PNG to provide a regulatory framework for the informal sector with a view to providing access to social protection and benefits. Strengthening the law to provide paid maternity leave in the private sector and provide greater access to childcare would also enhance women's access to the formal, waged sector. Gender-based violence is also connected with women's access to formal, waged employment outside the home and work absenteeism.[vii] The Universal Periodic Review of Papua New Guinea recommended that priority given to promoting the rights of people with disabilities and their access to health, education, employment and basic services.[viii] The Committee of Experts on the Application of Conventions has urged the Government to take necessary measures to adopt a list of hazardous work prohibited for persons under 18 years, in light of child labour.[ix]

Labour Administration System

- **Labour policy:** Department of Labour and Industrial Relations; and Department of Personnel Management.
- **Employment promotion:** Department of Labour and Industrial Relations; and the Department of Commerce and Trade.
- **Worker welfare:** Department of Labour and Industrial Relations; and the Department of Personnel Management.
- **Labour mobility programmes:** Department of Labour and Industrial Relations; Department of Treasury, and Department of Foreign Affairs.
- **Wlefare of workers overseas:** Ministry of Foreign Affairs and External Trade.
- **Employment services (public, private and overseas):** Department of Personnel Management.
- **Labour and OSH Inspection:** Department of Labour and Industrial Relations.
- **Dispute resolution:** Department of Labour and Industrial Relations; Department of Personnel Management; the Public Service Commission; and Industrial Tribunals.
- **Social Protection:** The Office of Workers' Compensation; the Workers Compensation Tribunal.
- **Tripartite Boards:** National Tripartite Consultative Council (NTCC).

Source: ILO, "Baseline Study of the labour administration systems in eleven Pacific Island Countries that are members of the International Labour Organization", (unpublished); ILO, "Mapping of labour administration systems in Pacific Island Countries: Tripartite bodies and social dialogue", (unpublished).

▶ Legal and policy framework

PNG has several current national policies that comprise their national labour policy. These include the National Employment Policy (2023 – 2032), the Labour Market Information Policy (2022 – 2032), and the National Training Policy (2022 – 2032). These, in turn, are guided by the Papua New Guinea Vision 2050, the Medium-Term Development Plan (MTDP 2023 – 2027) and the National Trade Policy. The MTDP commits to creating employment for the local population, while investing in small and medium business development to mitigate the decline in formal employment. The Employment Act (1978) is the primary legislation governing employment relations in PNG. While it is listed for review under the MTDP, it currently contains some gender discriminatory clauses that include the ability for an employer to automatically terminate the contract of the spouse of an employee, where the contract with the employee has been terminated; and consider the wife of an employee a cook for the purposes of food rations.

Migration dynamics

In 2020, there were 4,810 Papuan New Guineans abroad. Two key labour mobility schemes include the Pacific Australia Labour Mobility (PALM) scheme and New Zealand's Recognised Seasonal Employer (RSE) scheme. Both of these schemes are designed to fill seasonal labour shortages, largely in agriculture and horticulture industries. The PALM scheme generally allows workers to work for nine months and also has long-term deployment options; the RSE scheme allows seasonal workers to stay in New Zealand up to seven months in any 11-month period. In the 2022 to 2023 period, visas under these schemes were issued to 1,459 migrant workers. PNG is also a country of destination for migrant workers, with migrants from Fiji and Kiribati reportedly migrating to work in the mining and extractives sector.

Source: United Nations, Department of Economic and Social Affairs, Population Division, "International Migrant Stock 2020 [Total, origin]", UNDESA dataset, accessed 14 April 2024; Charlotte Bedford, "Pacific labour mobility over the last year: continued growth", *DevPolicyBlog,* 8 August 2023.

Ratification

Papua New Guinea has ratified 23 ILO conventions that are currently in force. In addition, Papua New Guinea has ratified a number of international treaties including the International Covenant on Civil and Political Rights; the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); and the Convention on the Rights of the Child (CRC).

Fundamental

C029 – Forced Labour Convention, 1930 (No. 29)
C087 – Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
C098 – Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
C100 – Equal Remuneration Convention, 1951 (No. 100)
C105 – Abolition of Forced Labour Convention, 1957 (No. 105)
C111 – Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
C138 – Minimum Age Convention, 1973 (No. 138)
C182 – Worst Forms of Child Labour Convention, 1999 (No. 182)

Governance

C122 – Employment Policy Convention, 1964 (No. 122)

Technical (recently ratified)

C081 – Labour Inspection Convention, 1947 (No. 81)
C144 – Tripartite Consultation (International Labour Standards Convention, 1976 (No, 144)
C190 – Violence and Harassment Convention, 2019 (No. 190)

Tripartism in action

PNG's social partners are the Papua New Guinea Trade Union Congress, the Employers' Federation of Papua New Guinea and the Department of Labour and Industrial Relations. In 2023, the Government demonstrated commitment to promoting the application of the principle of social dialogue by ratifying the Tripartite Consultation (International Labour Standards Convention) 1976 (No, 144). The National Tripartite Consultative Council (NTCC) is established under the Industrial Relations Act 1962 (s.9B) and is required to meet twice each year (s.9E). Its membership consists of four specified Ministers, six members representing specified employer and business members organizations, and six members representing public and private sector unions (s.9B). In appointing workers' and employers' representatives, the Minister must consult the Trade Union Congress and the specified Employer and Business Membership Organization respectively (s.9B). The Chair is the Minister responsible for labour and employment matters. Papua New Guinea has had accredited tripartite delegations for the three most recent International Labour Conferences.

▶ ILO's support to PNG centres around the following priorities:

1. Completion and implementation of labour law reform and related legislation;
2. Support for implementation of international labour standards, including, the three most recently ratified conventions
3. Promotion of productive and decent employment, particularly for young men and women; and
4. Promotion of the capacity building process of tripartite partners.

Due to a number of conventions becoming outdated, the ILO is committed to supporting PNG to ratify:

- C088 - Vocational Training (Adults) Recommendation, 2950 (No. 88)
- C102 - Social Security (Minimum Standards) Convention, 1952 (No. 102)
- C118 - Equality of Treatment (Social Security), 1962 (No. 118)
- C121 - Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121).
- C129 - Labour Inspection (Agriculture) Convention, 1969 (No. 129)
- C155 - Occupational Safety and Health Convention, 1981 (No. 155)
- C160 - Labour Statistics Convention, 1985 (No. 160)
- C161 - Occupational Health Services Convention, 1985 (No. 161)
- C176 - Safety and Health in Mines Convention, 1995 (No. 176)
- C183 - Maternity Protection Convention, 2000 (No. 183)
- C187 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)
- Maritime Labour Convention, 2006, as amended (MLC, 2006)

[i] United Nations, Department of Economic and Social Affairs, Population Division, "World Population Prospects, *Online Edition*", *2022*, accessed 12 April 2024.
[ii] United Nations Trade & Development, "General profile: Papua New Guinea", UNCTADstat database, accessed 14 April 2024.
[iii] OECD, "DAC List of ODAW Recipients"
[iv] National Statistical Office, *Socio-Demographic and Economic Survey*, 2023.
[v] Carment Voigt_Graf, "Why do so few Pacific Islanders take advantage of opportunities in Papua New Guinea's labour market", The National Research Institute Papua New Guinea Issue Paper 22, 2016.
[vi] The World Bank, *Papua New Guinea: Country Economic Memorandum. Pathways to faster and more inclusive growth*, 2023.
[vii] The World Bank, *Papua New Guinea: Country Economic Memorandum. Pathways to faster and more inclusive growth*, 2023.
[viii] UN Human Rights Council, [Matrix] Thematic list of recommendations, UPR of Papua New Guinea (3rd Cycle – 39th Session) (2022).
[ix] ILO, "Direct Request (CEACR) - adopted 2023, published 112nd ILC session (2024)", NORMLEX, accessed 14 April 2024.

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