



► Impact of COVID19 on employment and business in the pacific

July 2020

Findings of the Rapid Assessment (RA) in Fiji and Samoa

Introduction

According to the latest *ILO Monitor:COVID19 and the World of Work (5th Edition)*¹ released on 30th June 2020, the number of working hours lost across the world in the first half of 2020 was significantly worse than previously estimated. The world of work has been impacted severely mainly by prolongation and extension of containment measures. Compared to the first and second quarter 2019, the following were the percentage of working hours lost and its equivalence to full time jobs, for the first half of 2020:

2020	Lost working hrs	Eq. full time jobs
Q1	5.40%	155m
Q2	14%	400m

The disproportionate impacts on **women** could undo some of the gains in gender equality in the labour market and exacerbate disparities. Not only is it destroying employment of **young people**, but it is also disrupting education and training, and placing major obstacles in the way of those seeking to enter the labour market or to move between jobs.² **Employers** and **own-account workers**, particularly those in the **informal economy** and the hardest-hit sectors are currently facing high risks of serious disruption³. The second half of 2020 suggest that the labour market recovery will be uncertain and assuming a second wave of the pandemic,

working-hour losses would be equivalent to 340 million full-time jobs in the last quarter.

The ILO has developed a global policy framework for tackling the economic and social impact of the COVID-19 crisis and it is based on the premise that the crisis has a human face and, as such, it calls for a human-centered response. The framework is based on four Pillars:

- (1) Stimulating the economy and employment,
- (2) Supporting enterprises, jobs and incomes,
- (3) Protecting workers in the workplace,
- (4) Relying on social dialogue for solutions.

To determine the impact of COVID19 on employment and business in the Pacific Island Countries, the ILO Pacific Office is working with its National Tripartite Constituents in the member countries to undertake Rapid Assessments (RA). RA's for Fiji and Samoa has been completed with a solid model to replicate in Tonga, Palau, Republic of Marshall Islands, Solomon Islands, Tuvalu, Vanuatu and Kiribati next.

Pre COVID19 labour market conditions

Before the COVID19 crisis, labour market situation in the Pacific was characterized by underemployment, high levels of informality, gender disparities in employment outcomes, and a large and growing share of young people entering jobs market with limited options in the formal sector. While on the positive side there were also promising signs in the region's tourism, niche agriculture and fishing sectors during the pre COVID19 era.

¹ https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_749398/lang-en/index.htm

² https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_745879/lang-en/index.htm

³ https://www.ilo.org/global/about-the-ilo/WCMS_738753/lang-en/index.htm

Indicators	FJI	SAMOA
Labour force	346,214	48,104
Employment by top five (3) industries	Wholesale & retails, manufacturing and accommodation	Agriculture, wholesale & retail and public administration
Total employment by Gender	76.4 per cent male, 37.40 per cent female	67 per cent male, 33 per cent female.
Workers dependant on wages for income	76 per cent	63.7per cent
Informal employment rate	66.2 per cent (ILO)	37.3 per cent
National unemployment rate	5.5 per cent (7.8 percent women and 2.9 per cent male)	14.5 per cent (53 per cent female)
Youth unemployment rate	18.1 per cent	31.9 per cent
Source	205-16 Employment, Unemployment Survey. 2017 National Census.	2017 Samoa Labour Force Survey

RA Key findings

The total businesses surveyed in Fiji was 271, mainly members of the Fiji Commerce & Employers Federation (FCEF). The number of workers surveyed in Fiji was 2,132, mainly members of the Fiji Trades Union Congress (FTIUC). In Samoa 119 business was surveyed, 352 workers and 210 Samoan households.

The Ministry of Employment, Productivity & Industrial Relations (Fiji) surveyed approximately 18,000 work places and 130,000 workers, however, the analysis of the findings is in progress.

A: Employment

	Fiji	Samoa
Employment Status	50 per cent of the workers surveyed have lost jobs. The majority of those that were still in employment were on reduced hours.	26 per cent of Samoan workers, who worked for the surveyed business, have lost jobs. Of these, the majority 64 per cent are females. The majority of those that were still in employment are on part time.
Reduction in Income	50 per cent of workers reported to earn more than 30 percent less income, compare to pre COVID19.	For those still in employment, 56 per cent of workers indicated reduction in income up to 50 per cent.
Capacity to transit to alternative employment	94 per cent of current workers indicated that they do not have the capacity to transit to alternative forms of employment should they lose their jobs. The majority of these had no access to land and fisheries.	The majority of the households surveyed reported that they would go back to farming and fishing.
Workers benefiting from stimulus package	81 per cent of workers reported benefiting from the government's stimulus package, indicating	

	specifically to receiving their FPNF funds and reduction in FPNF deductions.	
Workers need financial support	54 per cent of redundant workers were unable to secure jobs and need financial support while 46 per cent have ventured into substance living and operating a micro business in the informal sector.	
Need for protection	99 per cent of the workers interviewed indicated that government should do more to protect their jobs and rights, instead of depleting their retirement fund..	Majority of redundant workers supported the extension of non ACC payment (90 per cent) and non-repayment of NPF Loans for 2-6 months (8 per cent)

B: Business

	Fiji	Samoa
Businesses Affected	70 per cent of sectors are affected by COVID19 as much as 50 to 80 per cent.	56 per cent of Samoan businesses had been severely impacted and 52 per cent had no insurance.
Businesses working options	5 per cent of business surveyed reported teleworking. The majority, particularly those in the manufacturing and wholesale & retail sectors, indicated that the majority of their workers were not able to telework.	
Cash flow problem	58 per cent of businesses indicated adequate cash flow for only up to six (6) months, with manufacturing and wholesale & retail sectors having major cash flow challenges.	70 per cent of businesses surveyed indicated adequate cash flow for only up to three (3) months. 86 per cent of Samoan businesses reported decline in income and 55 percent reported difficulty in paying wages.
Businesses risk closing down	41 per percent of business surveyed indicated they were operating partially and they risk shutting down resulting in further job losses.	45 per cent of businesses indicated they were operating partially and they risk shutting down resulting in further job losses. 61 businesses have closed.
Stimulus package helping businesses	74 per cent of surveyed business indicated that they did not benefit from the government stimulus package. Micro, Small & Medium Enterprises benefitted the least.	
Businesses opting for diversification	70 per cent of the business reported difficulty in diversifying to respond to Changes resulting from COVID19. These were mainly large businesses with already large capital investments. However, MSME's	

	reported ease of diversification through production of a variety of products with existing investment.	
Re-Skilling and Skills Upgrading	In Fiji, three (3) out of ten (10) enterprises reported needing new skills from workers due to operational changes resulting from COVID19.	
Business Continuity Plan and COVID related business practices	87 per cent of businesses reported practicing social distancing, providing PPE and hygiene products to workers. The majority also reported having OHS policies, COVID19 preparedness plans and business continuity plans (BCP). The majority of businesses that reported to not practice and have the above were micro and small enterprises	

Recommendations

The following recommendations are presented with strong emphasis to work with national tripartite partners through social dialogue:

1. **Supporting Businesses:** Special targeted policy interventions are needed for businesses recovery, such as: i) specific job retention scheme; ii) direct financial compensation to MSMEs; iii) amendment of insolvency and restructuring regulations; iv) innovative financial portfolios ; v) incentives to empower informal businesses, including social protection coverage for informal workers and (vi) introduce or expand incubator and accelerator programmes for targeting redundant formal sector workers to ensure just transition to micro businesses and feasible MSME's that have closed down.
2. **Youth and Women:** Increase the employability of young women and men, particularly in new emerging sectors (Blue/Green Skills, Circular Economy and IT based GIG economy). This will require universities and technical and vocational institutes to overhaul their curriculum and training programmes, targeting young male and female redundant workers, by revisiting and re-vamping apprenticeship programs with strong private and public sectors participation and incentivization. To cushion the impact of COVID-19 on women, the government needs to take a targeted effort that includes the following recommendations:
 - Prioritize relief efforts towards sectors that have higher female to male participation ratio to protect working females from losing jobs and income.
 - Provide non-financial support by organizing community run day-care services in areas with minimal risk of virus exposure. This would enable working mothers to work from home (or go to work in case of essential workers).
 - Prioritize working women, in particular single mothers, in the government's relief plans as they tend to be more vulnerable.
 - Widen access to finance through special credit schemes for women. Access to finance is a constraint for MSMEs, more so for small scale self-employed women entrepreneurs who represent 25% of the self-employed workforce.

3. **Protecting workers:** Targeting redundant workers who have lost income through a social protection lens such as wage subsidies, unemployment insurance, job guarantee schemes, etc. Mainstreaming COVID19 response into workplace policies, plans and training (OSH policies and Business Continuity Plans) and develop national teleworking policies to protect current and front line workers. Review employment policies and legislations to strengthen protection for workers and employers while facilitating the new work arrangements that COVID19 will bring.
4. **Labor mobility and migration:** Promote safe and productive labour migration for the trans-tasman bubble, linking it to national recovery strategies and outcomes. Ensure adequate support is provided to Pacific seasonal workers including coverage under government income support schemes, medical insurance and opportunities for safe repatriation. Provide psychosocial counselling and services to Pacific labour mobility workers and their families affected by COVID-19 border closures. Wherever possible, training and reskilling of Pacific labour mobility workers should take place in each country of origin so that migrants have alternative employment options.
5. **Labour intensive employment programmes in infrastructure development:** using local labour and community contracting in all national infrastructure development projects. Working in partnership with national and local/rural/island based private sector to stimulate local economic development through public infrastructure development.

The ILO acknowledges our tripartite partners the Ministry of Employment, Productivity & Industrial Relations (Fiji), Fiji Commerce & Employers Federation (FCEF), Fiji Trades Union Congress (FTUC), Ministry of Commerce, Industry & Labour (Samoa), Samoa Chamber of Commerce & Industry (SCCI) and the Samoa Workers Congress (SWC) for leading the RAs in their respective countries.

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