Labour Market Situation of Young People

The Pacific Island Countries share a similar array of employment challenges including small economies, limited employment opportunities and global climate change which risks reducing natural, human and financial capital. Moreover, these countries face a youth bulge and have to meet the challenge of ensuring quality employment opportunities for the increase of labour market entrants (ILO, 2013).

Vanuatu is no exception, with 18.8 per cent of its population aged between 15-24 and a youth unemployment rate of 10.6 per cent in 2009 (latest data). Young women are more likely to be unemployed than young men, at 11.2 and 10.2 per cent, respectively.

Young women also have a lower labour force participation rate at 50.9 and 62.1 per cent, respectively, in 2013 (KILM). The educational attainment levels of youth have improved substantially: secondary educational enrolment increased from 29.7 in 1999 to 51.6 in 2010 (UNESCAP). There remain difficulties in access to secondary schools and the provision vocational education and tertiary education. This has been targeted for improvement by the Secretariat of the Pacific Community and the Government of Vanuatu (ILO, 2013).

Table 1: Youth Employment Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Force Participation Rate, ages 15+ (2013)</td>
<td>70.8</td>
</tr>
<tr>
<td>Youth Labour Force Participation Rate, ages 15-24 (2013)</td>
<td>56.6</td>
</tr>
<tr>
<td>Youth Unemployment Rate (2009)</td>
<td>10.6</td>
</tr>
<tr>
<td>Youth Unemployment Rate in South Eastern Asia &amp; Pacific Subregion (2016)</td>
<td>13.0</td>
</tr>
<tr>
<td>Enrolment in secondary education (2010)</td>
<td>51.6</td>
</tr>
<tr>
<td>Enrolment in tertiary education (2004)</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Source: 1. ILOSTAT; 2. KILM; 3. ILO 2016, WESO; 4. UNESCAP
Youth Employment Policy Approach

The challenges facing youth in Vanuatu include the quality of general education and vocational education, lack of financial capital, poor conditions of work due to seasonal employment and the mismatch between labour supply and demand. The country’s Priorities and Action Agenda acts as a national development strategy with long-term policy priorities while Vanuatu’s Planning Long, Acting Short document focuses on the economic and social agenda over a four-year time period, including the objective of improving the quality of education. The Education Sector Strategy sets the target of having 100 per cent of students who complete at least Year 12 of education to find employment in the formal economy or continue on to higher education. In addition to focusing on education, the Government promotes self-employment and entrepreneurship as means of employment generation. In terms of target groups, the Government of Vanuatu targets those young people between the ages of 12-30. Within this group, other sub-groups are those who are in conflict with the law, have contracted sexually transmitted diseases, current drug abusers, school drop-outs, talented/gifted youth, women and those in rural areas.

Policy and Legal Measures

Macroeconomic and Sectoral Policy: Regarding sectoral strategy, the Education Sector Strategy aims to support tourism, IT, management, business and finance, as well as increase access to the College of Agriculture and promoting agriculture education.

Enterprise Development: Youth are encouraged to start their own business through various favourable policies, including access to finance and non-financial services. The National Youth Development Policy creates a Youth Challenge Fund for those starting a business and also sets up Youth Cooperative Societies in agriculture and industry with easier access to micro-credit facilities. Young women with prior training and skills are targeted via financial and/or material assistance and soft credit facilities are created for youth with disabilities to help them start their own business. The Policy includes other measures supporting enterprise development such as supporting business training, providing special training for youth with disabilities on how to start a business and holding workshops on micro-credit and small scale entrepreneurship schemes.

Education and Training: Reforming and improving the system of technical vocational education and training (TVET) receives significant attention across several policy documents. The National Youth Development Policy targets reforming the curricula to better match the skills in demand in the labour market, including integrating computer literacy into the training. In terms of delivery, the Vanuatu National Training Council will be strengthened and civil society groups will be encouraged to also provide training and skills development, alongside government institutions. The Education Sector Strategy aims to establish more TVET places to increase participation and
merges the Vanuatu Institute of Technology with the Vanuatu Institute of Teacher Education to create the Vanuatu Polytechnic. In addition, the *Priorities and Action Agenda* supports improvement of the Agriculture College and more training for farmers in agriculture, livestock, fisheries and forests.

In terms of **career guidance**, the *National Youth Development Policy* will reorganise counselling at all the educational institutions and will create career advisory departments. To promote work experience and training opportunities, the *National Youth Development Policy* mentions the possible establishment of a “**Student Industrial Attachment Programme**” which will provide students with work-based experience to develop new skills, both specific and generic. The creation of an “**Attachment Programme**” for on-the-job training will also be explored as a possibility. For apprenticeships, a **National Open Apprenticeship Scheme** will be established and funded, with the National Youth Employment Unit in charge of implementation (**NYDP**).

To improve access to education, the *Education Sector Strategy* mentions increasing the number of scholarships available for TVET and establishing a **Vanuatu Scholarships Board** linked to the Human Resources Development Task Force. There will be a **National Pro-Poor Technical Scholarship Programme** so that those coming from low-income households can more easily access training. There will also be a **National School Fee Loan Scheme** and block grants available to facilitate access to TVET.

Vanuatu has a *National TVET Qualifications Framework* which classifies different qualifications, benchmarked to international practices. It covers pre-vocational training, followed by technical vocational education and training and then by lifelong learning.

**Labour Law and Legislation:** The *Employment Act* prohibits the **employment** of those under the age of 12, with the exception of light work in his family-managed agricultural undertaking. Young people under the age of 18 are not permitted to work on ships, except if allowed by a medical practitioner. For those employed under the age of 18, a register must be maintained by the employer. The **probationary period** is regulated to 15 days up to a maximum of 6 months. **Night work**, defined as 7 consecutive hours falling between 10pm and 6am, is prohibited to youth under the age of 18. Those over 16 may work at night if allowed by the labour officer.

For those young people aged 21 or above wishing to be employed abroad as **seasonal workers**, the *Seasonal Employment Act* regulates their terms of employment. The type of work is “seasonal” if performed outside of Vanuatu and can only be done during certain times of the year. The seasonal employment agreement must be made in writing. The Act also regulates what type of agent counts as a licencee and permit-holder. They must give a pre-departure training to the seasonal employee, and keep records of their names, departure/return dates and financial transactions. The Commissioner of Labour is responsible for monitoring compliance.

---

**Did you know?**

Vanuatu has ratified **8 ILO Conventions**, including **7 Fundamental Conventions:**

- Forced Labour Convention (No. 29)
- Freedom of Association and Right to Protection of the Right to Organise Convention (No. 87)
- Right to Organise and Collective Bargaining Convention (No. 98)
- Equal Remuneration Convention (No. 100)
- Abolition of Forced Labour Convention (No. 105)
- Discrimination (Employment and Occupation) (No.111)
- Worst Forms of Child Labour Convention (No. 182)
Labour Market Policies: The National Youth Development Policy calls for the establishment of Youth Development Centres which will offer several services for unemployed youth and out-of-school youth. These services include career guidance and counselling, vocational skills training, sports and cultural activities. One model Youth Development Centre will be built in each of the six provinces. In addition to this, the Policy targets youth coming from juvenile correction institutions through the provision of education, skills training and employment opportunities.

In terms of social protection, the National Youth Development Policy mentions the possibility of creating a Social Security Scheme for Youth in the future. This could be for those aged 18-30 who are registered unemployed and are looking for employment or are undergoing additional training. The Minimum Wage and Minimum Wages Board Act establishes a minimum wage of VT 8,500 per month, with a particular rate for young workers employed during their school holidays at VT 250 per day.

Structure of Governance and Main Actors

The main actors involved in the implementation of youth employment-related policies include the Vanuatu National Training Council, Ministry of Education and Training, Ministry for Youth and Sports, and the Ministry of Interior Affairs. The Department of Labour and Employment is a section within the Ministry of Interior Affairs and the Commissioner for Labour is in charge of inspecting working conditions. The Ministry Youth and Sports oversees youth policy in general while the Ministry of Education and Training focuses on developing the human resource potential of the country. It includes the National Education Commission, which is responsible for overseeing the allocation of scholarships for TVET. Finally, the National Training Council implements the National TVET Qualifications Framework, ensuring periodic reviews of qualifications and accreditation.

References:
- ILO, 2015. ILOSTAT Database.
- ILO YouthPOL eAnalysis 2015, contains information with analysis of policy documents.
- UNESCAP, 2014. Statistical Yearbook for Asia and the Pacific
- World Bank, 2015. World Development Indicators.

Source: www.charterworld.com