

# 2

## SKILLS GAPS IN THE PACIFIC

TALIDIG VOCATIONAL CENTRE  
2006 ENROLLMENT OF STUDENTS.

YEAR ONE MALE STUDENTS x SECTION:

1	Carpentry Section	=	20
2	Mechanic Section	=	30
3	Welding Section	=	30
			Subtotal = 80 students

YEAR TWO MALE STUDENTS x SECTION:

1	Carpentry Section	=	25
2	Mechanic Section	=	30
3	Plumbing Section	=	20
			Subtotal = 75 students

TOTAL OF MALE STUDENTS = 155 Students

YEAR ONE FEMALE STUDENTS = 25 students  
YEAR TWO FEMALE STUDENTS = 20 students

TOTAL OF FEMALE STUDENTS = 45 Female students

GRAND TOTAL = 200 students

Boarding Students = 180 students  
Day Students = 20 students.

## Overview

Most PICs have limited formal employment opportunities for their expanding populations. Growth of the labor market far exceeds job growth in most PICs. This means most new entrants will have to be self-employed in the informal sector.

Ironically, formal sector employment opportunities are limited, but skills shortages are widespread across the PICs. Three main factors are responsible: growth in mining and tourism, emigration, and inadequate output or quality from the TVET system.

Growth in the mining sector in PNG and in tourism in the Cook Islands, Fiji Islands, Samoa, Tonga, and Vanuatu has created a rising demand for skilled labor, especially in hospitality- and construction-related occupations. These countries do not have enough people with the skills required—particularly in management/supervision and trades occupations—who are capable of working on par with international standards. In addition, emigration exacerbates the skills shortages, as many with skills leave for better-paying jobs elsewhere. Hence, the local supply of appropriately skilled labor is unable to keep pace with the demand.

The supply of appropriately skilled labor in PICs depends mainly on output from the TVET sector. However, there appear to be too few TVET graduates in key fields and the performance level of TVET graduates is below that expected in the workplace. TVET systems are unable to provide a sufficient supply of graduates with adequate performance levels. Industry, in turn, has adjusted by employing lesser-skilled staff and providing internal training.

The informal sector in the Pacific is largely limited to the processing and merchandising of primary produce; providing services, such as carpentry and mechanical repair, transport, and small-scale vending; and producing and selling handicrafts and sewn materials. Skills gaps occur in all these activities (as shown in Appendix 3). Small-scale fishing and other primary production provide the only real opportunities in the vulnerable island states, and greater agricultural production in the land-rich states. Moreover, the youth closest to urban centers aspire to an urban rather than a rural livelihood, often with unrealistic expectations.

## Emigration

Emigration is a key factor in skills shortages in the PICs. Limited opportunities in the formal sector and a lack of appeal for subsistence and informal sector employment have led many people to look for another solution, that of emigration. This option is readily available for some countries but not for others. Emigration has some effects that are generally perceived as positive, including: remittances to the source country (see Voigt-Graf 2007b; Table 13); possibilities of migrants returning home with new ideas, skills, technologies, and capital; releasing jobs in the local labor market, thus, potentially

reducing unemployment; and increasing incentives for families to invest in education and training. However, it can also drain the source country of those with needed skills and work experience.

As a solution, emigration enables the émigré an income that generally exceeds that obtainable in the country of origin. Most people prefer to stay in their country of origin with family so that a significant economic incentive is required to emigrate. For people with formal sector jobs and adequate income, the necessity to emigrate will be much less than for individuals with low income. Increasingly however, as the benefits of foreign living such as substantially higher salaries, access to health services, and the availability of significant education opportunities for children become popularized, the allure increases.

Emigration has become a major labor market factor in most PICs except for group 1 countries. The host countries are generally Australia, Canada, New Zealand, and US. Emigration can be long term, where the individual takes up domicile in a host country and pursues opportunities available there, as either a citizen or noncitizen. It can also be temporary, where the individual maintains domicile in the country of origin but gains periodic work in a host country or on a foreign vessel.

Citizens of Pacific countries have varying opportunities for long-term migration. Under the Compact of Free Association with the US, all citizens of the RMI, FSM, and Palau can work in the US. Cook Islanders have New Zealand citizenship and, hence, the right of domicile there. New Zealand also has migration quotas for citizens of the Fiji Islands, Kiribati, Samoa, Tonga, and Tuvalu. Individuals in Australia and New Zealand whose skills are in-demand can also migrate to those countries. Many skilled Indo-Fijians have migrated there, as well as to Canada. A strong demand for skilled workers in Australia has led to new initiatives in recognizing skills based on Australian national TVET qualifications. One such initiative is the proposed Australia–Pacific Technical College, which will enable citizens of Pacific countries to gain Australian qualifications or recognition of partial completion of Australian qualifications.<sup>1</sup> Achieving Australian national qualifications in demand will enhance an individual’s opportunity to migrate to that country.

Short-term emigration is primarily for contracted periodic work on board cruise ships, and fishing and merchant vessels. About 870 citizens of Tuvalu and 1,100 I-Kiribati currently work on board foreign vessels. Given about 3,400 people in employment in Tuvalu and 13,000 in the cash economy of Kiribati, this contracted labor force represents a significant component of the employed labor force in both countries. New Zealand is also testing a recruitment system for up to 5,000 workers from the region, which is for

1 Australian national TVET qualifications comprise a set of units of competency. Each unit is a specification of a given workplace performance (generally a product or service). Achievement of qualifications is based solely on a person’s ability to perform in a workplace, not on the pathway of achieving performance (e.g., attendance at a TVET institution).

short-term labor in horticulture and viticulture. However, this is not expected to require a significant number of workers. Moreover, some opportunities for skilled personnel to gain work in other PICs are also available. At one stage, Nauru offered significant employment opportunities in its phosphate industry.

The impact of emigration on the labor market differs by its duration. Short-term emigration results in the skills remaining within the country of origin. However, since most skills (e.g., maritime/fishing skills) are primarily of use outside the country, the benefit of having these skills is of minor importance in the country of origin. In the case of long-term migration, a substantial skilled workforce is lost to the country of origin. This can have a major impact on the availability of local citizens who possess the required skills.

In a survey of employers<sup>2</sup> in PICs as part of this review, 69% of respondents indicated that emigration is extremely important, very important, or important as a factor in skills shortages (Voigt-Graf 2007a). Responses from employers also showed that the Cook Islands, Fiji Islands, RMI, FSM, Samoa, and Tonga had the highest percentage of employees with critical skills leaving their employment as the consequence of emigration. In the case of the Fiji Islands, 56% of employers gave emigration as the reason for loss of employees with critical skills. Because of emigration, the smaller pool of skilled workers also means fewer qualified supervisors and managers. This can also lead to attrition of qualified TVET instructors. In Tonga, for example, the loss of instructors in refrigeration/air-conditioning and plumbing resulted in courses being discontinued. The Cook Islands, Fiji Islands, RMI, and FSM currently suffer significant shortages of skilled labor because of long-term emigration. The emphasis by Australia on the achievement of Australian TVET qualifications, particularly at the certificate III level and above, generally requires a significant level of workplace experience. Key destinations, such as Australia and New Zealand, place a premium on skills. Conversely, the least skilled do not meet the requirements for migration to wealthy destination countries.

For Compact member countries, emigration affects all parts of the labor force from those who are unemployed, those with limited skills, to the most skilled. For these nations, the TVET system de facto serves the labor market of the US. Indeed, the TVET system can play a major role in imparting skills to enable locals to gain better-paying jobs in the US. Access to better-paying jobs can also have the benefit of individuals increasing their skill set. Should individuals return to work in the country of origin, they bring substantial skills with them at little cost to their country. However, differential wage rates of skilled workers between the Compact member states and the US make repatriation largely unattractive from an economic perspective. The labor market of the Compact member states copes with the skills shortages by importing skilled labor from

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<sup>2</sup> All 13 countries were surveyed, but no responses were received from Vanuatu and only a small number of responses were received from Palau (4% response rate) and Nauru (15% response rate).

countries that do not have ready access to the US, such as the Philippines. This ultimately makes it increasingly difficult to find citizens for supervisory and management positions because of a reduced pool of skilled citizens. Apart from Compact member countries, Cook Islands, and Samoa (to a lesser degree), emigration from Pacific countries is largely affecting the most skilled and therefore the most critical for society. A World Bank report on Solomon Islands (2007) commented on technically skilled Solomon Islanders leaving for better-paying jobs in other countries.

### Skills Gaps by Country Group

Three key factors account for skills shortages in PICs: sector-specific economic growth, emigration, and the skills supply from the TVET sector. The country reports for this ADB project and the World Bank report on Solomon Islands (2007) reveal substantial skills shortages across PICs. Kiribati and Tuvalu are the only exceptions. Three factors account for skills shortages: job growth created by sector-specific economic activity such as tourism and mining; skill loss through emigration; and the supply/outputs of the TVET system. At one extreme, small fragile island states (group 2) have weak private sectors and little domestic generation of foreign exchange.<sup>3</sup> A limited economy means less demand for skilled labor as in Kiribati. At the other extreme, the large states of the Fiji Islands and PNG have stronger private sectors and greater breadth of economic activity. The stronger the economy, the greater is the demand for skilled occupations. For states with a significant tourism industry, shortages occur for hospitality and construction workers because of the continuing construction and refurbishment of hotels and other infrastructure. The recent surge in mining activity in PNG has created a skills shortage among engineering, mining, and construction occupations. As stated above, emigration by itself can create skills shortages as demonstrated in the Compact member states. A combination of economic growth and access to emigration creates even greater skills shortages, as evidenced in the Cook Islands and the Fiji Islands.

The output of the TVET sector is the third factor relating to skills shortages. It interrelates to the other two factors. Key parameters of a strong TVET system include the existence of diverse TVET institutions, the range of programs offered, industry involvement in training, quality benchmarks, and multiple sources of funding. Paradoxically, a weak economy employing only a narrow range of skilled occupations—as in Kiribati, RMI, Nauru, and Tuvalu—can mean a limited or almost nonexistent TVET sector. This, in turn, limits the ability to deal with the ongoing attrition of the workforce. Skills shortages created through economic activity and/or emigration can also give rise to unfulfilled expectations by employers about TVET graduates. Over 80% of the respondents in the

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<sup>3</sup> Some states earn significant foreign exchange from fishing, but the fishing fleets are largely foreign owned and are crewed by foreign nationals.

employer survey indicated that insufficient numbers of graduates and inadequate quality of the TVET system contributed strongly to skills shortages. Employers naturally expect that TVET graduates can replace skilled workers lost through emigration. However, there can be significant disparities between needed skills and performance of fresh TVET graduates. This can lead to rejection of local TVET graduates in favor of expatriate skilled workers. With emigration, countries face a dilemma in the funding of TVET as it serves as a vehicle for skills formation in destination countries rather than the domestic economy. Hence, a question arises whether investment in TVET—particularly lengthy full-time programs—provides benefits to the source country.

Difficulties in recruiting staff lead employers toward alternative strategies. The predominant strategies are upskilling existing employees, dividing the work, and recruiting overseas. A study on Solomon Islands (World Bank 2007) reveals that employers have redefined jobs to use semiskilled employees and improve the skills of existing employees. Data on training<sup>4</sup> across the region show that about one third of employers apply less than 1% of their total expenditure on training. However, about 30% of employers in the manufacturing and hotels and tourism sectors use between 2% and 4% of their expenditure on training. Further data from a survey of employees indicate that more than 60% of respondents had received training in their current workplace. Of those who had received training, 35% had participated in formal training at the workplace and another 30% had undertaken informal training. Overall training had an average duration of 62 days and was concentrated in frontline management, accounting/financial skills, and customer service. These approaches to skills formation within the firm suggest that TVET systems should examine alternative delivery models in association with industry to play a more effective role in training.

Evidence indicates that skills shortages are particularly associated with key export-earning economic activities—primarily mining and tourism—and the associated economic sector, construction. The highest vacancy rates in the survey were seen in the construction and the hotels and restaurants sectors. Almost two thirds of all employers reported difficulties in recruiting suitable staff. In occupations, about a third of respondents indicated difficulty in recruiting managers/professionals, technicians, and tradespeople. About 10% of employers reported great difficulty recruiting for the occupations of customer service clerks, electrical mechanics and fitters, refrigeration and air-conditioning repairers/installers, motor vehicle mechanics and fitters, electricians, plumbers and pipe fitters, civil engineering technicians, other technicians/associate professionals, and computer technicians. Between 8% and 10% of the respondents had difficulty recruiting

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<sup>4</sup> Field (1998) distinguishes between learning that takes place within an organization and formal training. According to Field, there is often an overemphasis—especially in data collection—on the level of formal training taking place and a disregard for job-based learning, much of which can be more effective than formal studies. Hence, the data above provide only one dimension of performance enhancement.

suitable secretaries; building and construction technicians; clerks; servers and bartenders; carpenters and joiners; and chefs and cooks.

Recruitment also varied by location. About two thirds of employers in capital cities experienced difficulty in finding staff, but this increased to 75% of employers in outer islands and 80% of employers in rural areas of the main islands.

The following sections review labor market issues according to the three country classifications.

## **Group 1: Land-rich, Low-income Countries**

### *Formal Sector Gaps*

Skills shortages in group 1 countries are mainly qualitative. Many people are trained, but they generally lack skills and experience required in the workplace. For example, Solomon Islands employers indicated that they prefer to hire high-performing secondary school graduates with appropriate attitudes and train them themselves rather than hire graduates from TVET institutions (World Bank 2007). Recruitment becomes more difficult for more highly skilled positions. Demand for applicants with diplomas and certificates tends to be greater than demand for those with apprenticeship and vocational–technical certificates (World Bank 2007). Appendix 3 provides a summary of the main skills gaps in this group of countries.

Local citizens cannot be recruited for an array of occupations, leading to the recruitment of expatriates often at much higher wages. The more complex the skill, the more likely the shortage of suitably qualified local citizens. The first reason for this mismatch is a gap between the performance standard achieved in the TVET sector and the standard actually required in the workplace. Second, enterprises lack a training culture to undertake effective workplace learning. The general attitudes acquired in the TVET sector place many graduates at a disadvantage in being able to work effectively and learn in a workplace. In many cases, young people study full time in an environment that lacks the values important in the workplace such as punctuality, responsibility, working effectively with others, and efficiency. Students' perceptions of what they have achieved can often differ with how an employer judges them. Consequently, they are not well prepared for a work environment that, at best, may offer them a comparatively menial job that is below their expectations.

The relative growth of different parts of the economy largely determines key areas of skills shortages. For PNG, mining and related activities are currently demanding a skilled workforce with a shortfall being met with expatriate labor. The higher wages in mining activities substantially diminish the supply to other sectors such as manufacturing. As shown in Appendix 3, there is a shortage in a wide range of trades and supervisors. For Vanuatu, shortages largely occur in tourism-related activities, including construction.

Supervisory and management skills are particularly lacking. Solomon Islands also suffers from a general range of technical skills shortages. Data from a group of employers show that 35% of unmet demand for skilled positions was for people with vocational or technical training (World Bank 2007).

So many people are trained in skill areas such as automotive mechanics, accountancy, and carpentry, suggesting an oversupply. However, invariably the level of skill acquired is below the performance level of urban modern-sector enterprises. Hence, any surplus trained labor does not constitute a surplus of individuals with adequate performance levels. Consequently, there is a shortage of carpenters and mechanics with adequate skills in Solomon Islands and Vanuatu. Many, nonetheless, use these skills as informal sector workers providing services in rural areas.

Shortages become even more acute where training places for specific occupations are limited and where access to high-quality work experience is needed. For example, little training is taking place for the building finishing trades such as tiling, painting, and plastering. Therefore, a shortage exists of skilled and experienced workers for these trades in PNG. Similarly, little training is provided for chefs. Achieving international standards depends on gaining appropriate experience under a highly skilled worker. All countries have a shortage of electricians and, in some countries, plumbers. Two countries have shortages of refrigeration and air-conditioning tradespeople.

Shortages of technicians are only apparent in PNG because of its more significant manufacturing sector. Vanuatu, particularly because of its expanding tourism industry and other building activities, suffers shortages of construction supervisors specifically, while there PNG suffers a general shortage of supervisors. A lack of adequately skilled personnel at the skilled worker level ultimately results in a small pool of people from which to draw for higher positions.

In-service skills gaps are largely in government and business operations. Studies have revealed major performance gaps in public service activity: in understanding what the public sector is, appropriate ethics, and ability to follow procedures. Skills are generally lacking in customer service, finance, and office management and administration in general. These findings led funding agencies, such as the Australian Agency for International Development (AusAID), to fund training for the public sector, especially in PNG, with a strong focus on good governance. In addition, people running businesses lack general management and entrepreneurial skills. Many existing technical staff can also be significantly upgraded in their skills. Machine shop skills were highlighted in Vanuatu but, given the overall shortage of skilled workers, there is substantial scope for upskilling existing workers. In Solomon Islands, a shortage of qualified workers results in unqualified workers being employed, resulting in a significant need for upskilling (World Bank 2006).

### *Informal Sector Gaps*

The overall importance of agriculture sheds light on the skills gaps between the practices people currently carry out and those that can lead to much higher productivity. Most countries can benefit from improved animal husbandry practices and more advanced agricultural knowledge of the crops they are currently growing or are likely to grow. For PNG, improved skills are particularly needed for growing coffee and cocoa, which are major export products, as well as for newer crops such as vanilla and rice. Solomon Islands requires skills for improved techniques in coconut and cocoa production. Vanuatu has skills gaps in the growing of coconut, cocoa, and vanilla. Skills are also required in fishing, aquaculture, and logging (Solomon Islands). Concerning logging, skills in sustainable approaches are particularly needed as shown by a need for skills in reforestation. A survey on rural training needs and opportunities in the Solomon Islands identified the following areas (Table 2.1).

Key skills gaps in the informal sector center on the processing and merchandising of economically important products—such as cocoa and coffee—and on comparatively new products such as vanilla. Otherwise, the informal sector skills gaps are predominantly in processing primary products and merchandising, producing handicrafts in urban areas, and providing services such as carpentry. Skills gaps are also seen in basic business management and marketing.

Vanuatu faces widespread skills shortages for upgrading its productivity in agriculture. Entrepreneurial skills are needed in the rural sector where individuals are mainly self-employed. Significant technical skills gaps in the rural sector hinder development. These include inadequate understanding of more efficient cultural practices, such as

**Table 2.1: Survey Results on Rural Training Needs in the Solomon Islands**

**Rural training opportunities**

- Improve village life—electrification, safe water (80% of communities are trying to implement local community development projects requiring specialized skills)
- Prepare youth to find wage jobs in rural industries, logging, and mining
- Promote village-based enterprises for self-employment to supplement family income

**Potential occupations for self-employment or wage employment**

1. Farmer
2. Housekeeper, home duties
3. Shopkeeper, market vendor
4. Carpenter
5. Fisherfolk
6. Security
7. Mechanic
8. Chainsaw operator
9. Timber miller

Source: World Bank, 2007.

laborsaving implements and inputs (including fertilizers and pesticides). Knowledge about cultural practices is also weak with regard to specific crops and livestock. Scope exists for more research into agriculture and livestock, but the agriculture and extension services have been largely ineffective in disseminating knowledge to producers. Achieving the Government's priority of increased agricultural productivity depends heavily on addressing the skills gaps of this sector. Yet a skills strategy is still not in place.

## Group 2: Small, Vulnerable Island States

### *Formal Sector Gaps*

Both the RMI and FSM have significant skills shortages because of the easy access by their citizens, skilled and unskilled alike, to jobs at higher salaries in the US. The survey of PIC employers revealed that about 30% of employers from RMI and FSM lost employees to emigration in the previous 12 months, compared with about 10% of Kiribati employers.

The problem is exacerbated in RMI where the TVET system is almost nonexistent. This makes it difficult to recruit newly trained staff. The lack of trained local staff is mutually reinforcing. The shallow pool of skilled domestic workers contributes directly to shortages of qualified supervisors and managers. Consequently, skills shortages occur in almost all occupational areas. Skills shortages in the RMI and FSM are addressed through importing skilled foreign labor.

Emigration from Kiribati, Nauru, and Tuvalu is difficult except for skilled workers. Skills shortages arise because of the limited TVET sector. At the same time, the narrow range of people in many occupations does not require a broad TVET system, since this would quickly overproduce skilled workers in relation to the labor market's absorptive capacity. Emigration, however, is becoming more attractive for the skilled and is likely to lead to increasing skills shortages. An example of skills shortages in Kiribati that is not easily addressed by the TVET sector is naval architect technicians, mechanical drafts people, and those in metal trades.

Employment on foreign fishing fleets and passenger vessels has become a major avenue of employment in Kiribati and Tuvalu, but there are no skills shortages. The labor requirements of foreign vessels are addressed through negotiations between maritime colleges and the fleet owners. This results in adaptation of intake and output from training institutions according to needs.

The major skills shortages of vulnerable small island states are summarized in Appendix 3.<sup>5</sup> The RMI and FSM demonstrate significant shortages of local people in a range of financial, management, and technical occupations including construction trades reflecting the strong impact of emigration and, in the case of RMI, an almost nonexistent TVET sector. Employment of expatriates willing to work for local wages has

<sup>5</sup> No data are available for Nauru.

largely addressed the skills shortages, allowing locals to gain employment for higher wages in the US. A strengthening of the TVET sector without other measures is unlikely to lead to more citizens replacing expatriates because of the wage differential between the US and the local economy. Rather, the main purpose of strengthening a TVET sector would be to enable locals to gain better-paying jobs in the US.

Kiribati, Nauru, and Tuvalu do not have the same level of skills shortages as the RMI and FSM because they lack ready chances for emigration and have smaller, closed economies. The few responses to the employer survey in Nauru indicated difficulties in recruiting staff with critical skills. Two factors that contribute are a lack of training facilities and reliance on an imported trained workforce in the past. Limited economic development in Nauru, however, will result in weak demand in most skilled areas.<sup>6</sup> Similarly, a small population and limited economic growth in Tuvalu has not resulted in a demand for skilled labor that exceeds the current skilled pool. Kiribati has a TVET sector to meet skill requirements. Kiribati and Tuvalu also use overseas scholarships to develop skills, enabling these countries to maintain an adequate pool of skilled labor. Thus, shortages in technician levels in the two countries can be addressed through scholarships to the Fiji Islands. Other shortages, e.g., in the metal trades, are currently addressed through short-term programs. Nonetheless, filling up positions in Kiribati takes longer than in other countries and there are more vacancies relative to population than in other PICs. Given the dominance of public sector employment, vacancy rates may also stem from the length of time required for public service processes.

Major skills gaps in existing employees occur largely with respect to management/supervision and planning skills. A full list is provided in Appendix 3. The employer survey showed that customer service and financial/accounting skills had the highest priority for training in Kiribati, RMI, and FSM. The main needs for Nauru and Tuvalu were in computer engineering, financial/accounting, and human resource development; Tuvalu also needed small-business management and secretarial skills.

### *Informal Sector Gaps*

The potential for expanding and improving agriculture is limited. Still, data from Kiribati, FSM, and Tuvalu indicate that skills gaps exist in efficient practices in coconut growing, fishing, chicken/pig husbandry, and vegetable production. However, the high levels of urbanization in RMI means that a much smaller percentage of people require skills for the informal sector. Access to migration also acts as a disincentive to agricultural activity.

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<sup>6</sup> During its boom years, Nauru imported skills from other Pacific island countries and neglected the development of skills among its citizens. Following the demise of the phosphate industry, these workers were repatriated to Kiribati and Tuvalu, leaving a shortage of skills.

Informal sector skills gaps outside agriculture are primarily in handicrafts, basic trade skills such as carpentry and mechanical repair, and sewing.

### **Group 3: “Advanced” Island States**

#### *Formal Sector Gaps*

These island states suffer widespread skills shortages in construction trades, plumbing, electrical, refrigeration/air-conditioning repair, and hospitality occupations. Emigration of skilled workers from Tonga, Samoa, and the Fiji Islands, and general emigration of Cook Islanders to New Zealand is largely responsible. The skills gaps are addressed by recruiting expatriate labor. Appendix 3 provides a full list.

The diverse Fiji Islands economy, with its substantial tourist industry, has a large demand for skilled labor. However, once individuals have acquired sufficient skills, they are attracted to the higher wages offered in Australia and New Zealand. The levels of skills attained in parts of the TVET sector are not well matched to the performance required on the job. The consequence is shortages in most occupational areas. The Cook Islands and the Fiji Islands have the greatest skills shortages. Ease of migration for Cook Islanders means a remaining workforce with few skills and an expatriate workforce is often required. A similar situation exists with Compact member countries, where wage differentials drive the labor markets. Citizens use their access to higher-paying jobs in New Zealand, while expatriates who cannot work in New Zealand accept lower-paying jobs in the Cook Islands.

Samoa and Tonga have fewer shortages than the other two countries, and vary in their skills shortages (apart from plumbers). The existence of a TVET sector in both is likely to ease some of the problems caused by the emigration of skilled workers.

In-service needs in the Fiji Islands are predominately acquisition of technician qualifications that are readily available at the Fiji Institute of Technology (FIT). In Samoa, needs cover a wide range of clerical, financial, fishing, and hospitality skills (Appendix 3). For Tonga, the in-service needs are in fishing, and financial and clerical functions. For the Cook Islands, skills needs are in customer service, management/supervision, financial/accounting, and fishing. The employer survey found that the main skills needs for these states, generally, are in human resource management, accounting/financial services, and customer service.

#### *Informal Sector Gaps*

No specific agricultural and informal skills gaps were identified in this group of countries. Remittances, employment in the hospitality industry, and emigration provide sufficient options for income resulting in little interest in informal sector activities. Increasingly, the youth tend to aspire for higher aspirations than hard labor in agricultural activities.