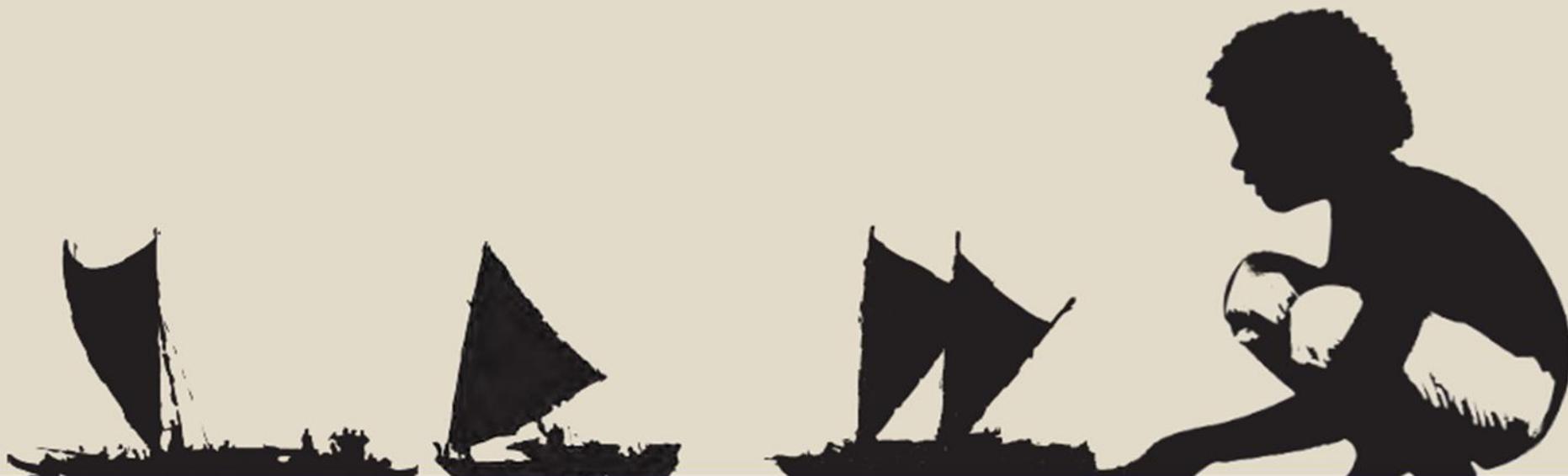
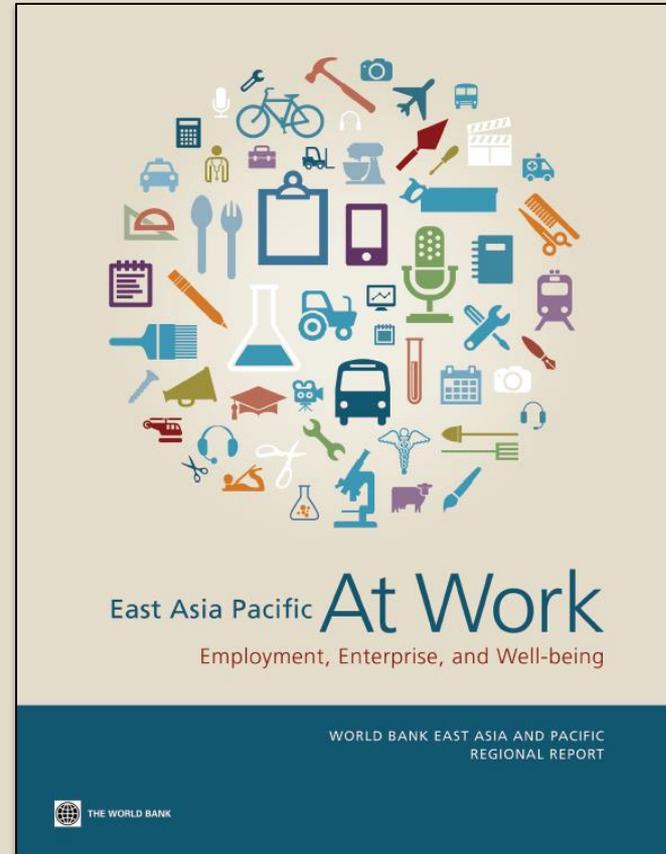




Well-Being from Work

In the Pacific Island Countries



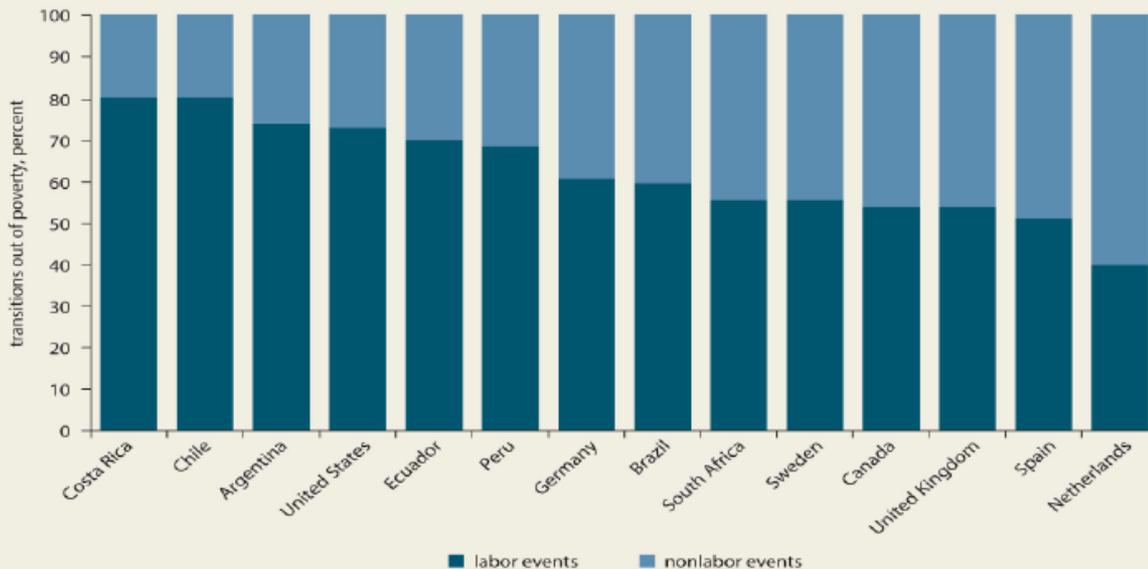
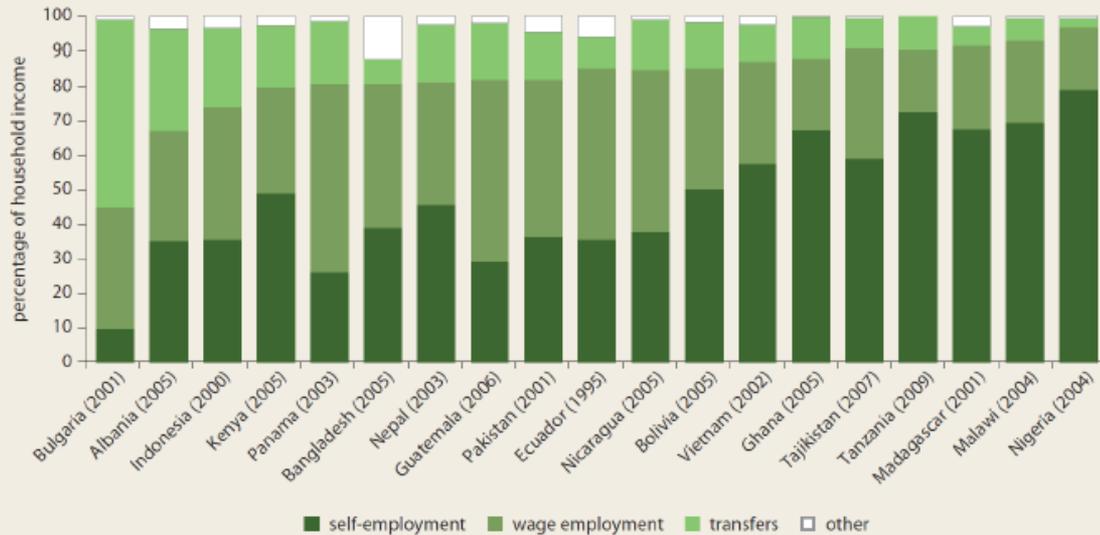


‘Wellbeing and Work in the Pacific Island Countries’ is part of a global research program examining how policies can support better development outcomes from employment.

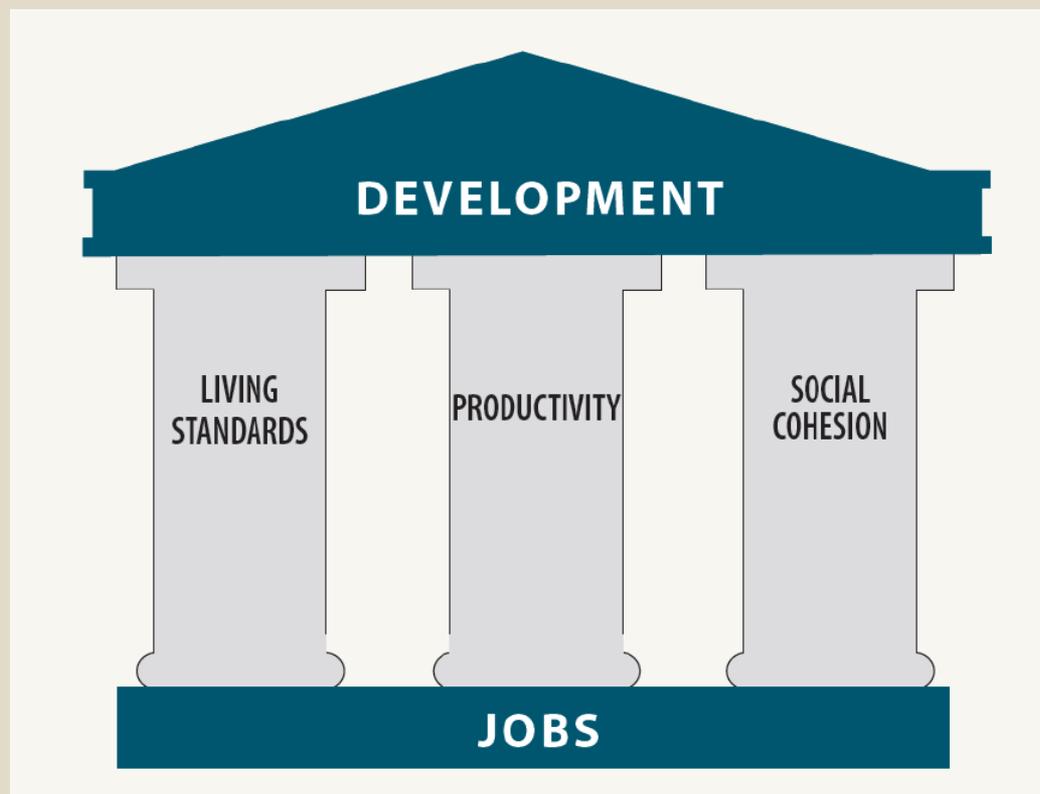


Employment matters for development.

Globally, employment is the largest source of household income, and employment-related changes drive most transitions out of poverty.



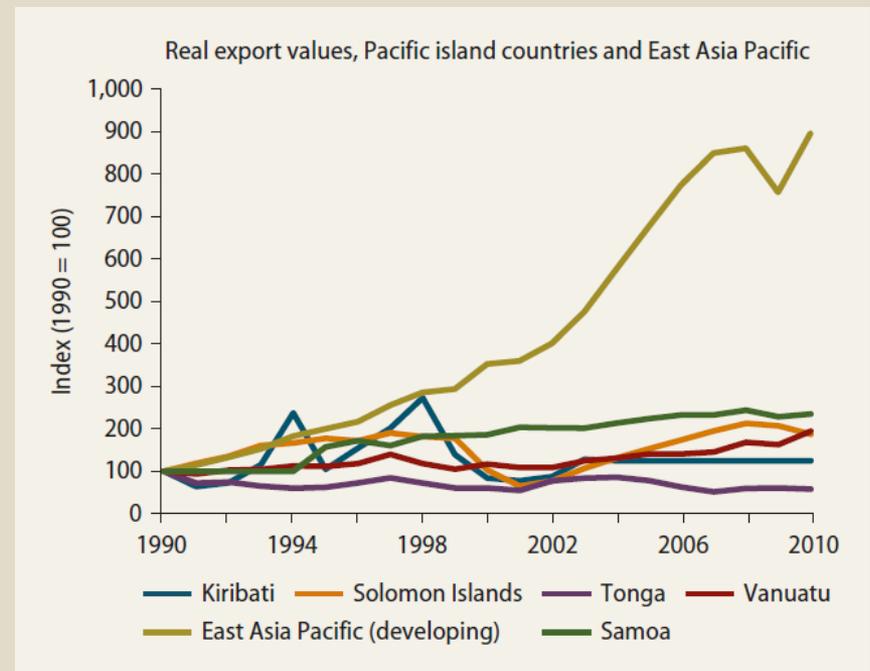
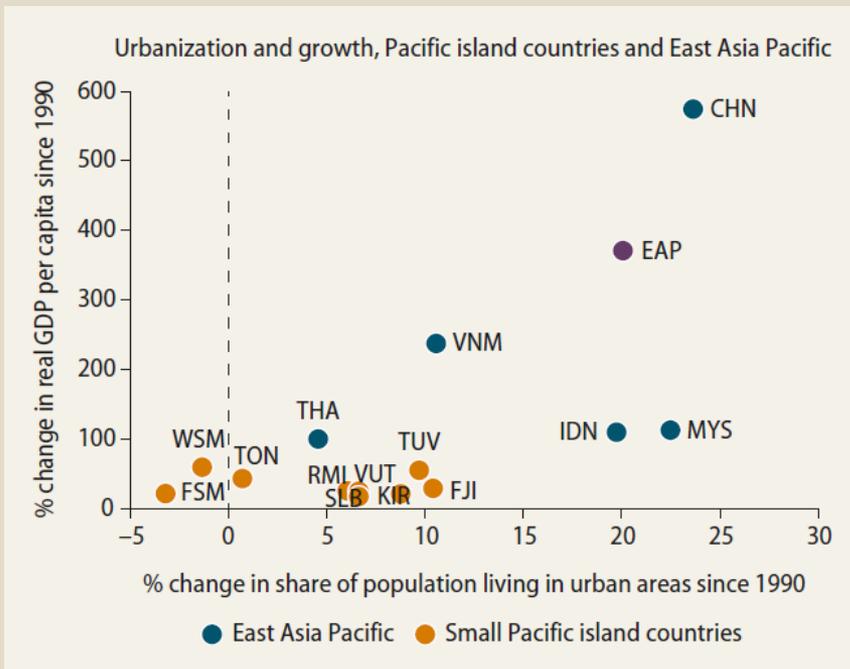
Not all jobs are as good as each other.



The best employment opportunities are those that contribute to higher living standards, deliver increased productivity, and build social cohesion.



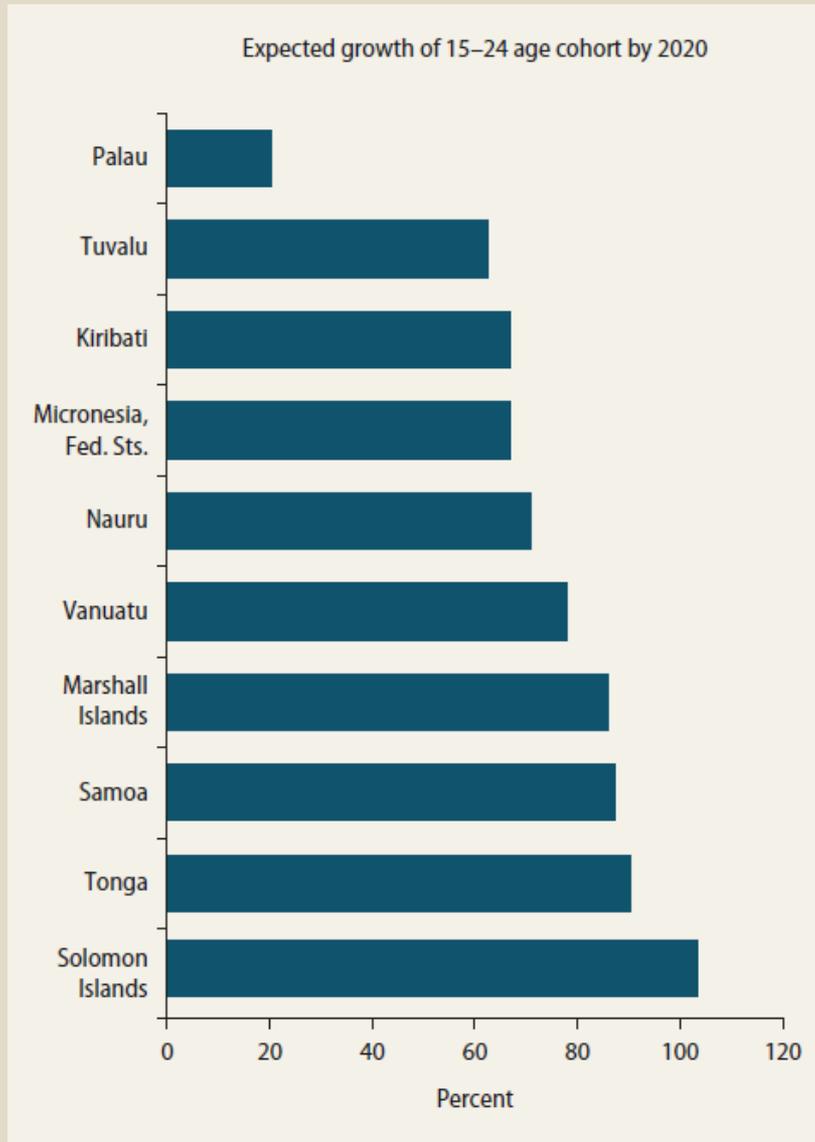
Pacific Island Countries are unique and require unique solutions.



There is little sign of the structural transformations that have generated better work in the East Asia region.



Employment pressures are mounting.



The working age population will grow rapidly in Pacific Island Countries over coming decades.



Five priorities for the Pacific

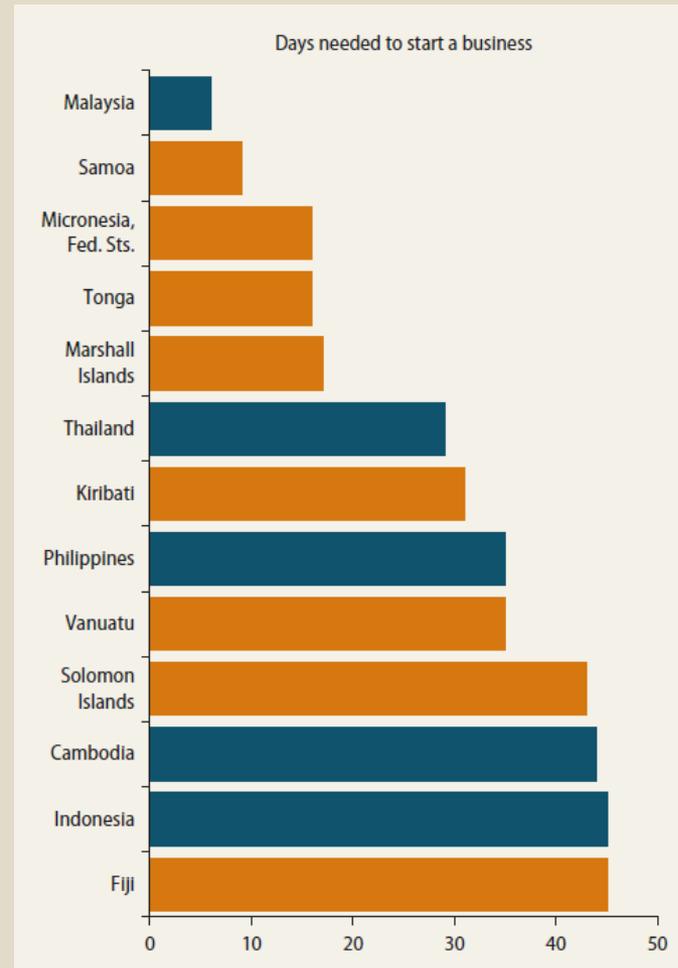
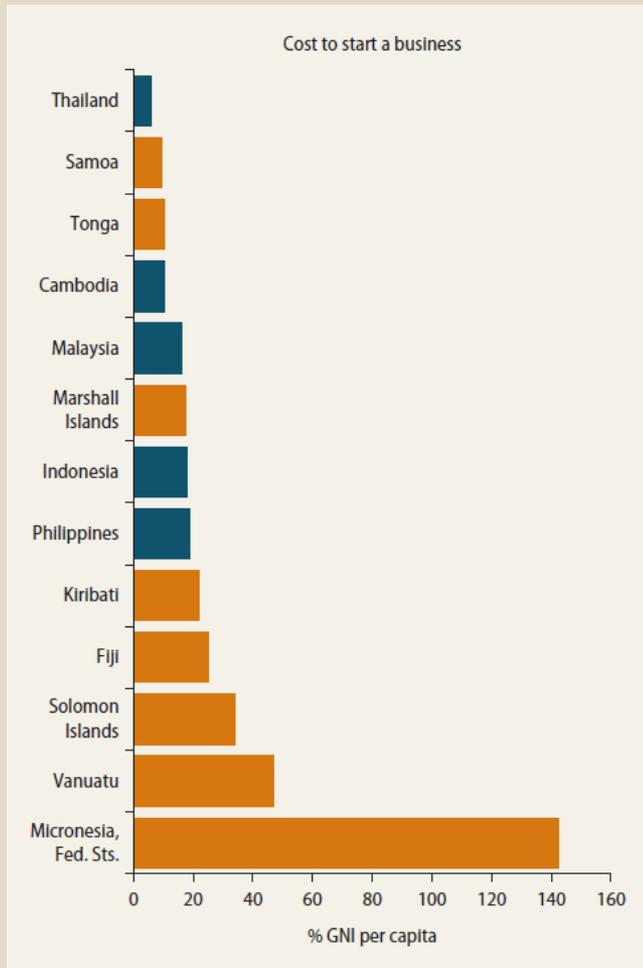
1. Realism regarding the likely trajectory of development
2. Improved labor mobility
3. Making the most of urbanization
4. Leveraging opportunities for employment from public spending
5. Sustainable employment from natural resource industries



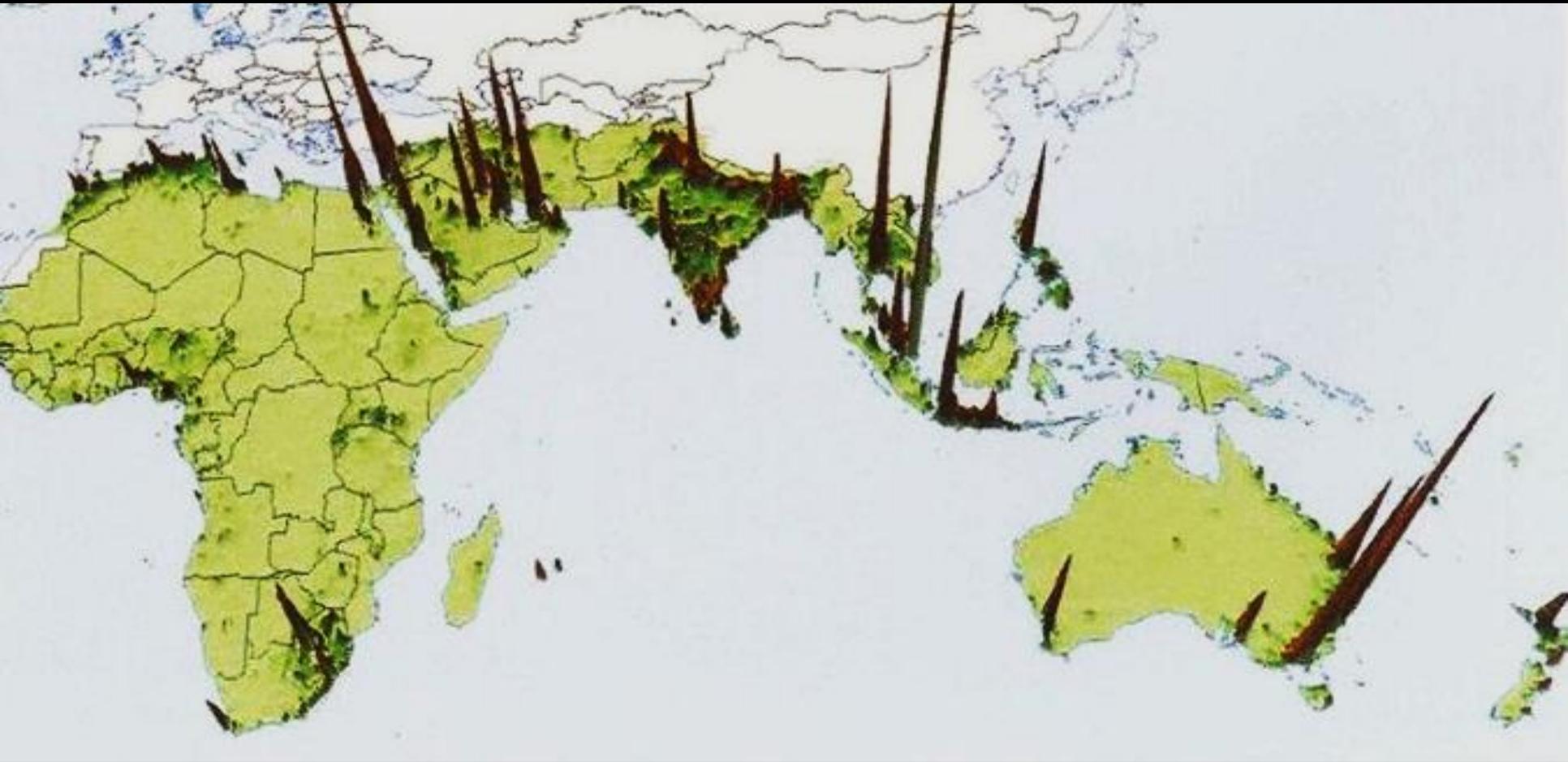
1. Realism regarding likely trajectories of development



Improving the business regulatory environment is important and relatively easy.

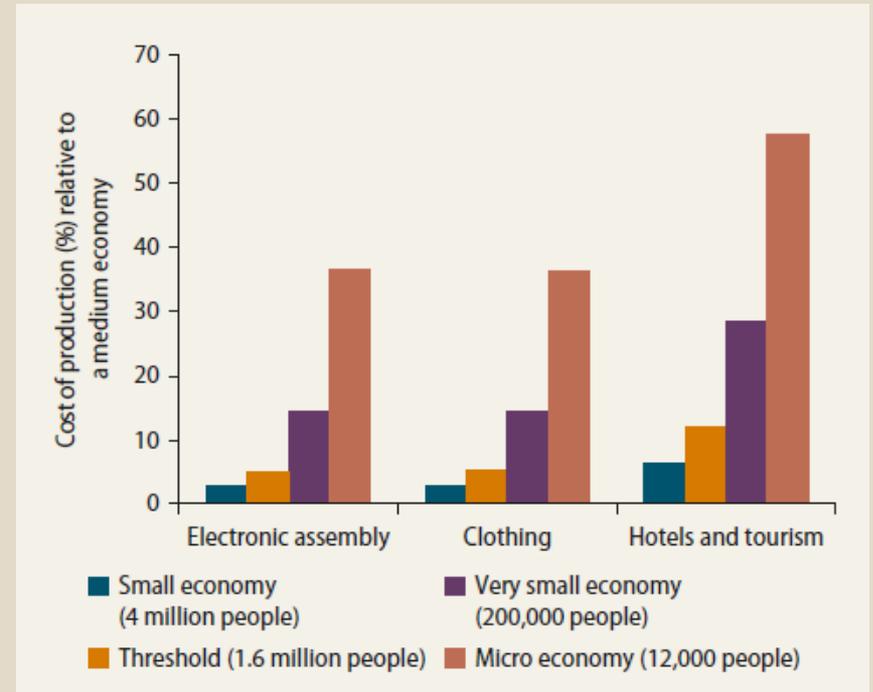
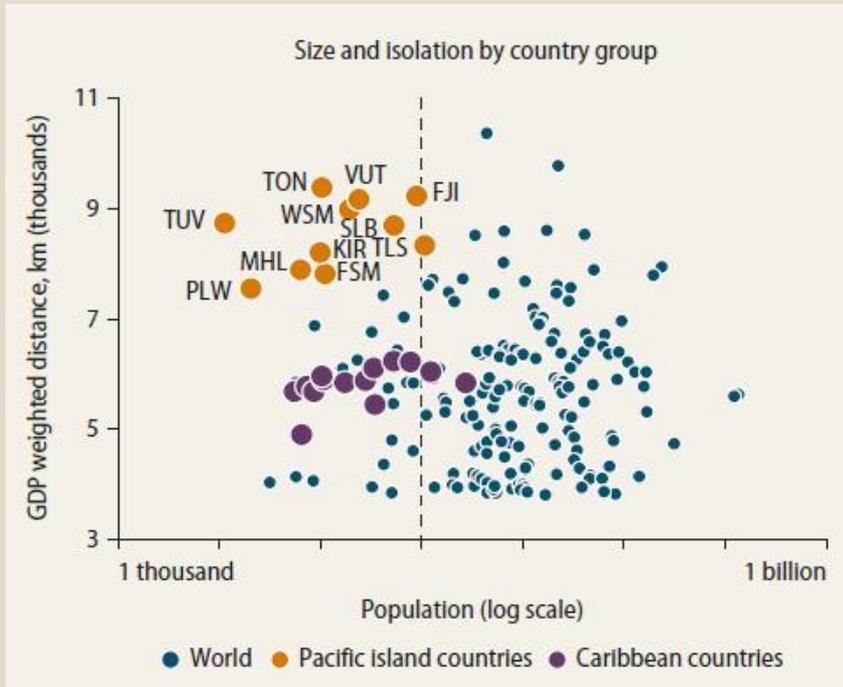


Production by square kilometer



50 percent of global production occurs on 1.5 percent of global land area. 80 percent of global production occurs in cities. 60 percent of global output is produced by the 600 largest urban centers. **More than ever, geography matters**

So an improved business environment is not enough.



Geographical realities fundamentally limit the ability of PICs to pursue the export-driven private sector development required for large-scale job creation.



2 & 3: Improved labor mobility and making the most of urbanization



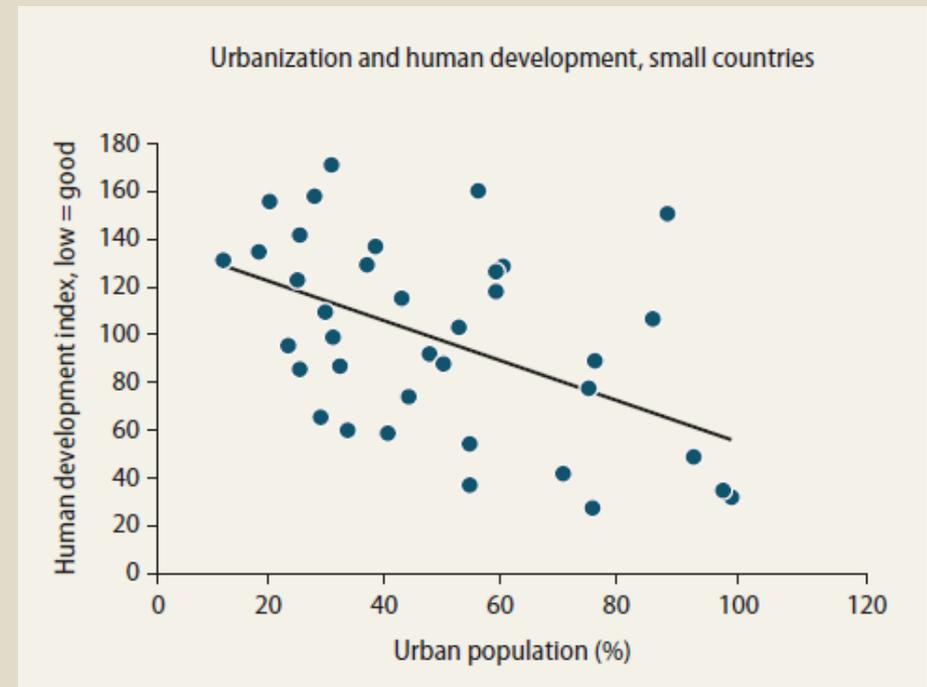
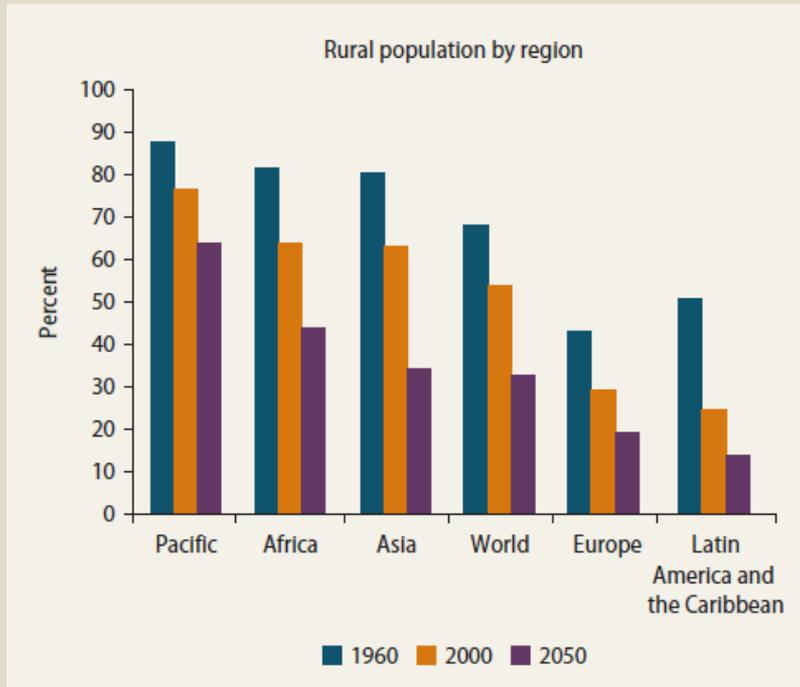
Migration within and between countries presents enormous opportunities for better employment.



Policies that allow people to move to where opportunities exist should be pursued as a priority.



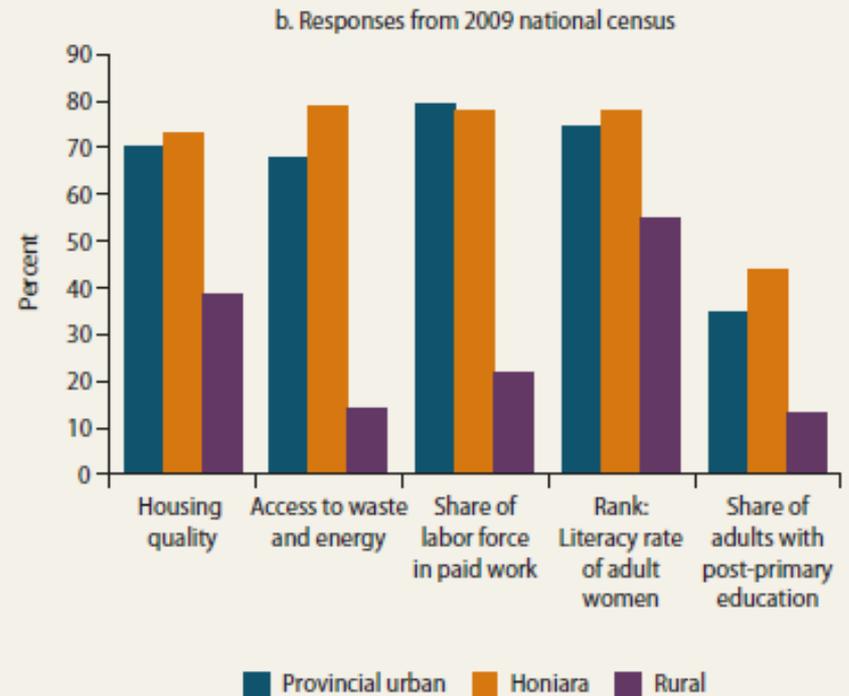
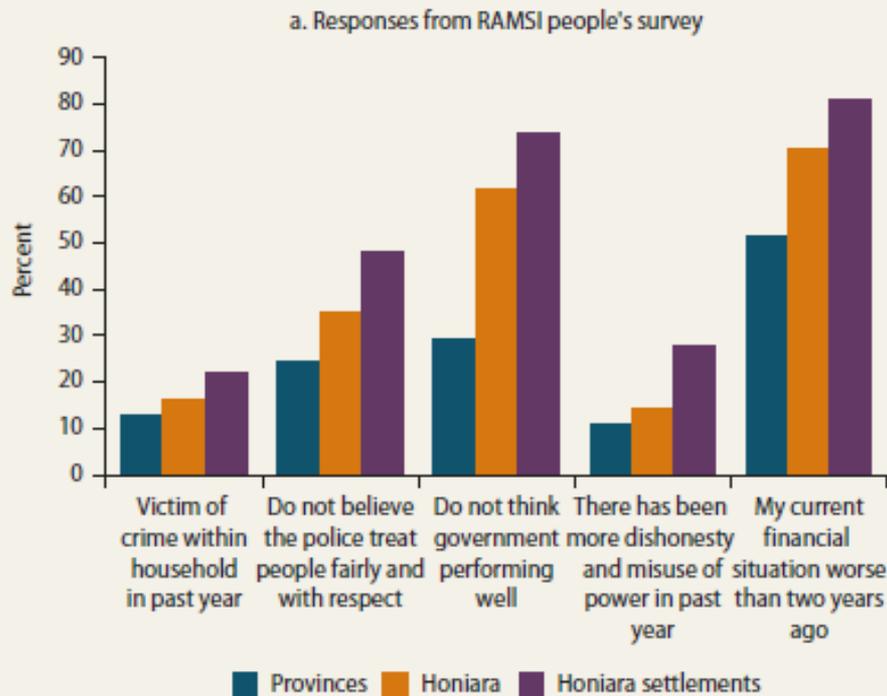
Urbanization is synonymous with development



Economies of scale in the private sector and in service delivery present important opportunities for improved employment outcomes.



But unmanaged urbanization presents threats to livelihoods and social cohesion.



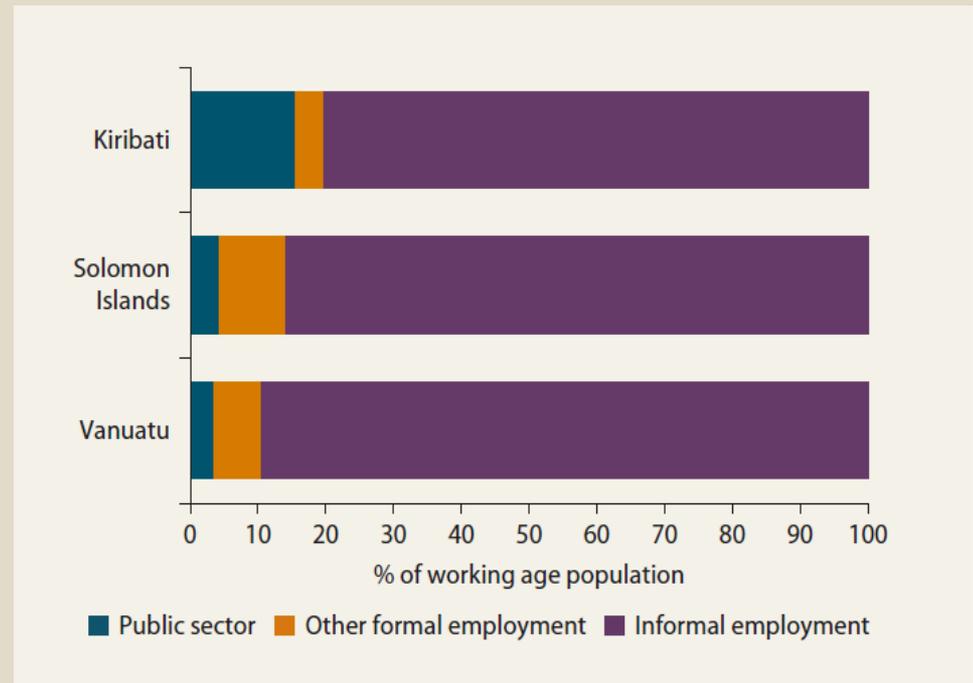
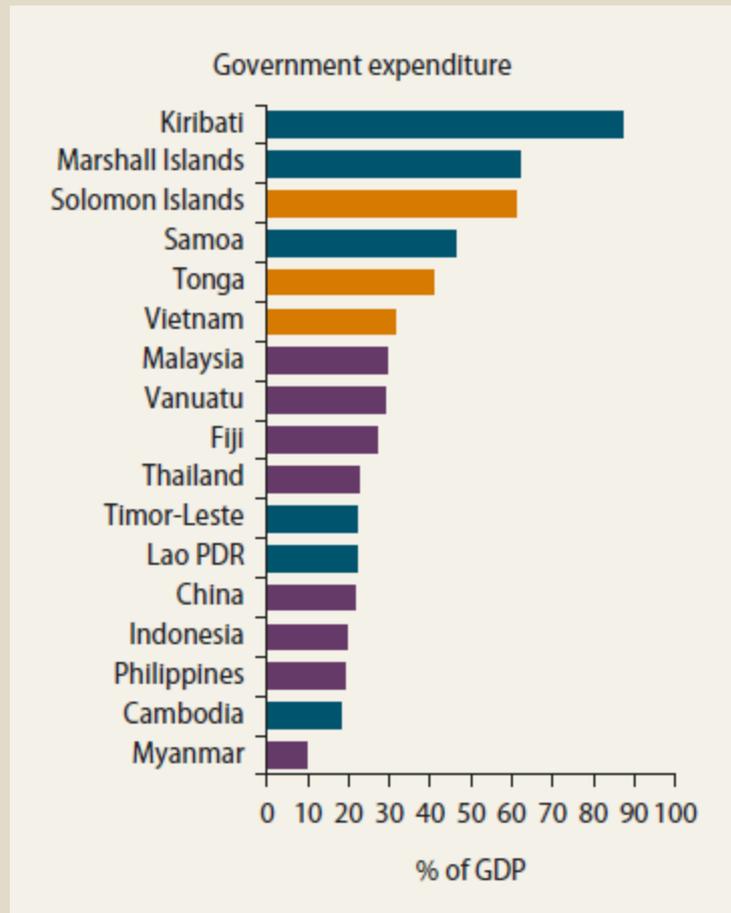
Focus on improved urban services, infrastructure, and administration. Ensure adequate services everywhere. Let people decide.



4: Leveraging opportunities for employment from public spending



Public sectors account for a large proportion of formal employment in PICs.



There is little evidence that reducing the size of public sectors would lead to growth of the private sector.



Claims of 'crowding out' may not stand scrutiny.

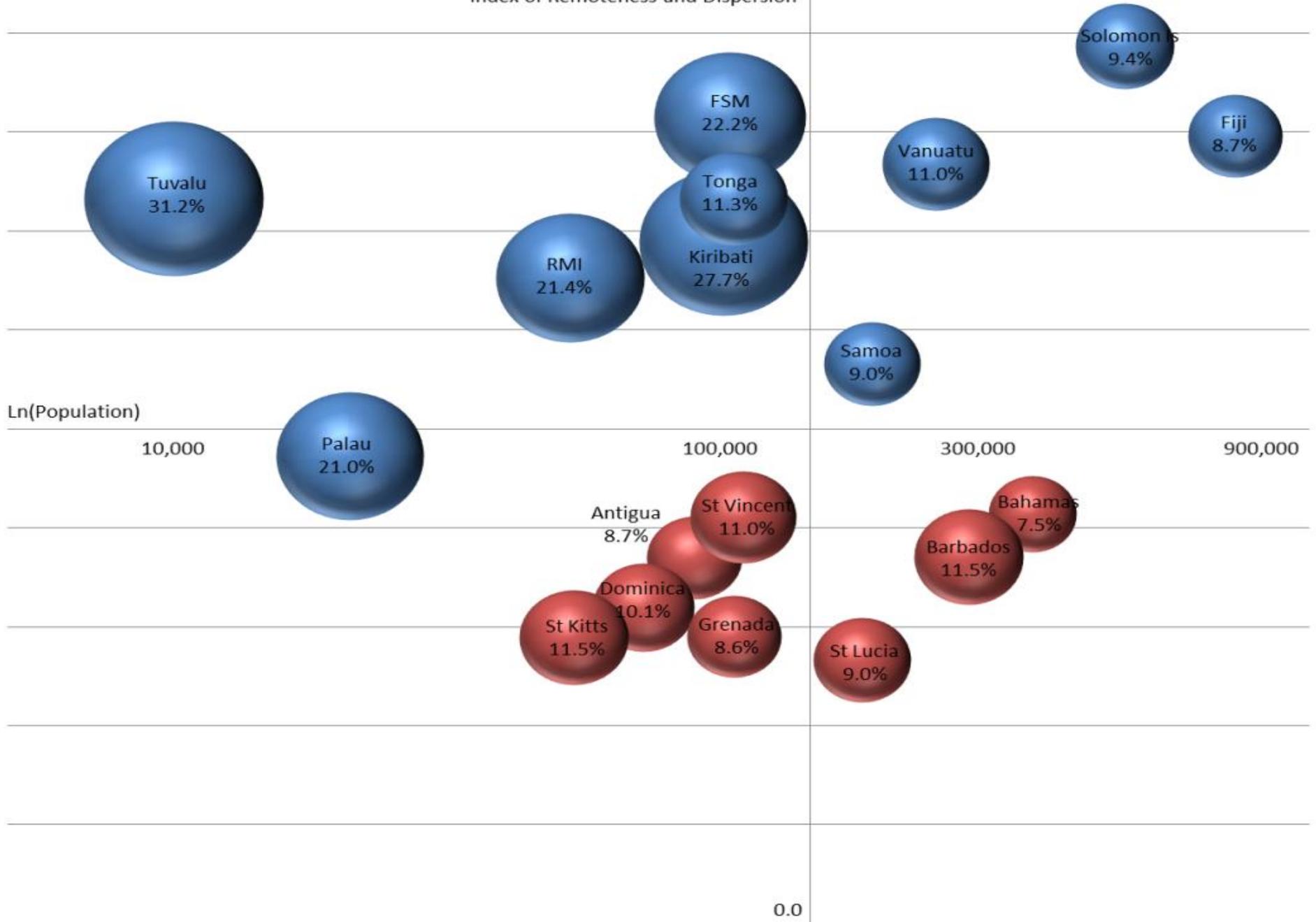
Large public sectors often financed by aid and natural resource rents, rather than taxes

Marginally higher tax and wage bills unlikely to represent the binding constraint to competitiveness for firms

Reducing the size of the public sector may impose more costs than benefits on the private sector - Public goods remain undersupplied



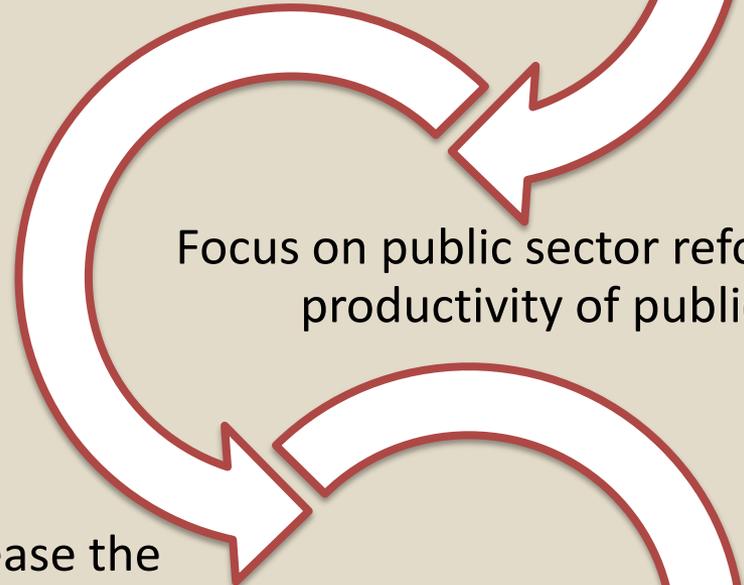
Index of Remoteness and Dispersion



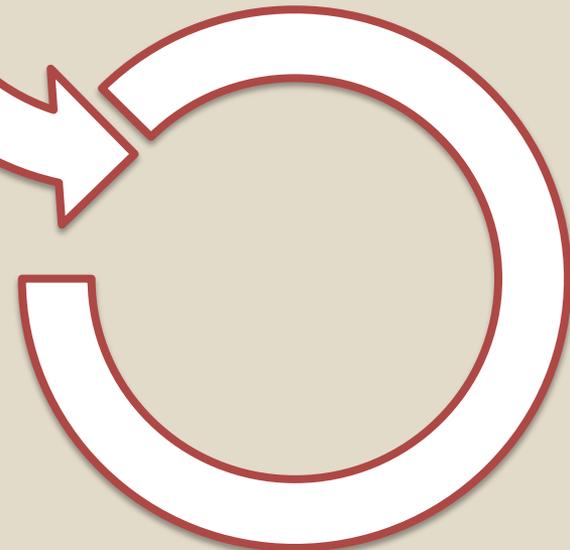
Approach downsizing and privatization carefully



Focus on public sector reforms to increase the productivity of public employment



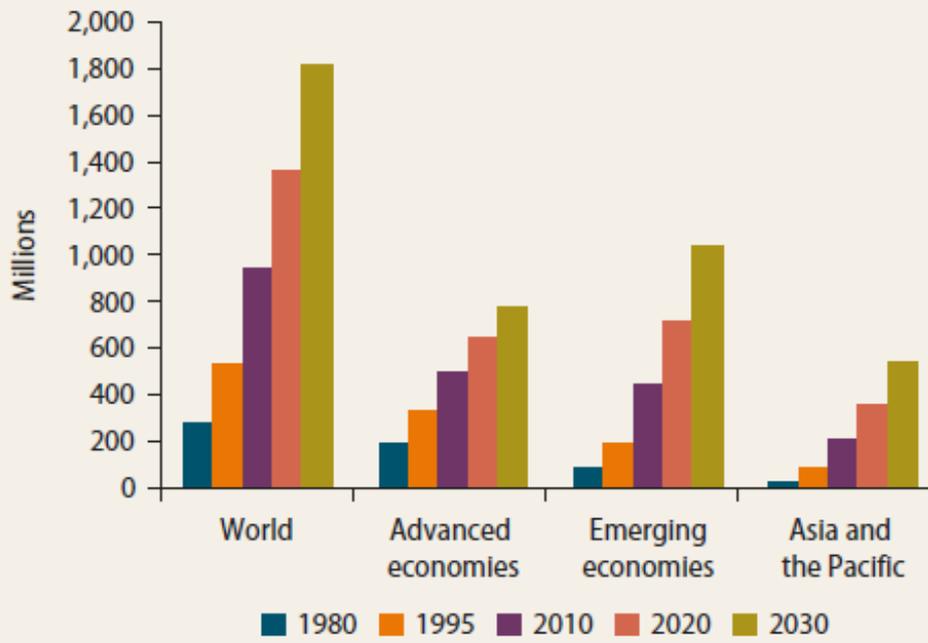
Where suitable, increase the employment-intensity of public expenditure (including in donor projects)



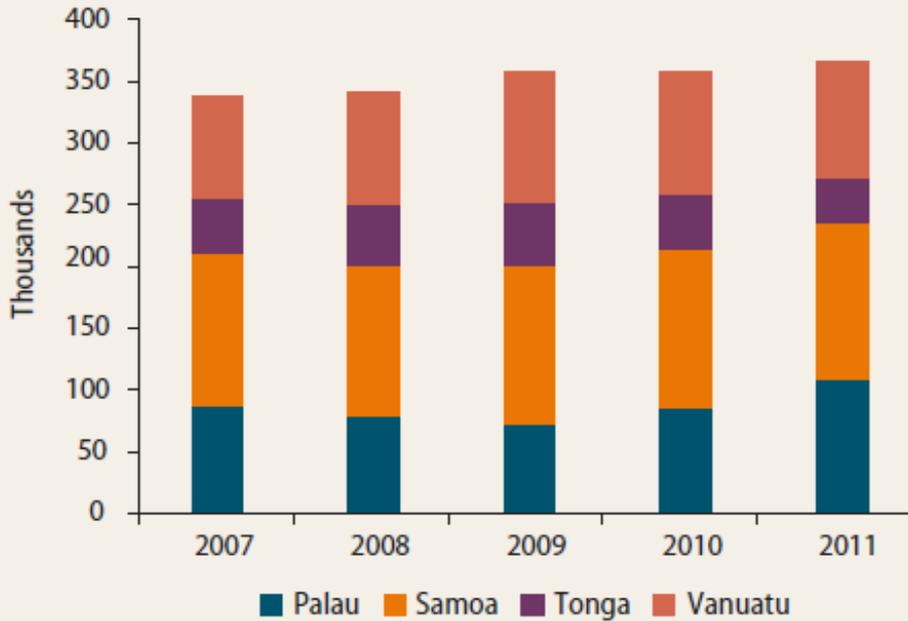
5: Sustainable employment from natural resource industries



a. Global tourism arrival projections



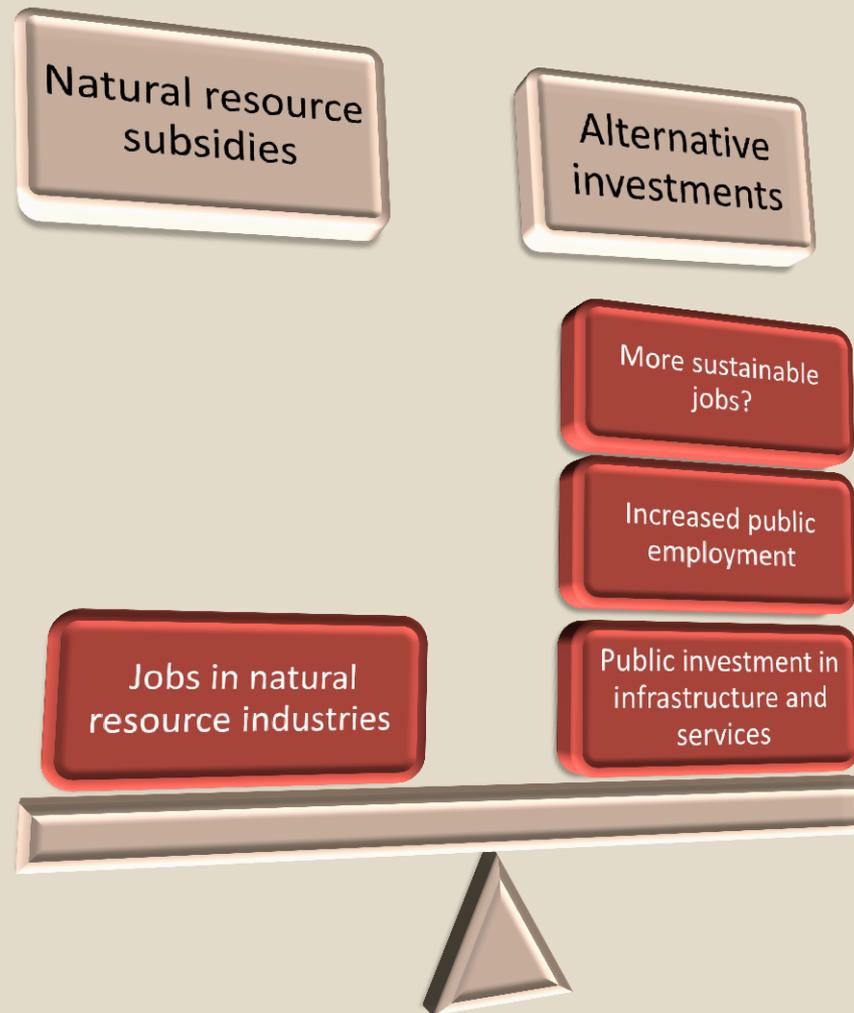
b. International tourism arrivals



Natural resource industries present particular opportunities for PICs (and other small states)



Subsidization of employment in natural resource industries should be approached carefully.



A concluding question -

Are Pacific employment priorities different to economic growth priorities?



It it well-measured by GDP?

- Increased offshore employment opportunities ✘
- Improved public sector productivity ✘
- Sustainability of natural resource industries ✘

New measures are needed that focus on people, rather than place.



“Nineteenth century imperialism erected boundaries that led to the contraction of Oceania, transforming a once boundless world into the Pacific islands states and territories that we know today. People were confined to their tiny spaces, isolated from each other. No longer could they travel freely to do what they had done for centuries. They were cut off from their relatives abroad, from their far-flung sources of wealth and cultural enrichment. This is the historical basis of the view that our countries are small, poor and isolated. It is true only in so far as people are still fenced in and quarantined.”

- Epeli Hau'ofa, Our Sea of Islands

MAP OF AUSTRALIA.

By A. von Steinwehr.



Handwritten text in the right margin: "A. von Steinwehr" and "1847".