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Skills for Solomon Islands

Opening new opportunities



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- National Human Resource Development and Training Plan 2011–2013 (May 2011)
- Pacific Labor Note (February 2011)
- ASPBAE/COESI Survey (July 2010)
- Second Chance Education and Training Desk Study (February 2011)
- Pacific Early Childhood Development Mapping (January–March 2012)
- Pacific Labour Migration advice (Ongoing)
- Rapid Employment Project (Ongoing)
- Sources of Growth analysis (November 2010).

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Currency

1USD = 7.28 SBD (Solomon Islands Dollars)

Exchange Rate effective 10 March 2013.

Acronyms and abbreviations

ADB	Asian Development Bank
ASPBAE	Asia South Pacific Association for Basic and Adult Education
ASRH	Adolescent Sexual and Reproductive Health
ARTTL	Assessment Resource Tools for Teaching and Learning
AusAID	Australian Agency for International Development
COESI	Coalition for Education Solomon Islands
ECD	Early Childhood Development
ECE	Early Childhood Education
ECED	Early Childhood Education and Development
EU	European Union
HIES	Household Income and Expenditure Survey
HRD	Human Resource Development
ICT	Information and Communication Technology
ILO	International Labour Organization
IPAM	Institute of Public Administration & Management
LASI	Literacy Association of Solomon Islands
MDPAC	Ministry of Development Planning and Aid Coordination
MEHRD	Ministry of Education and Human Resource Development
NABVET	National Advisory Board for Technical and Vocational Education and Training
NEAP	National Education Action Plan
NESU	National Examinations and Standards Unit
NHRDTC	National Human Resource Development & Training Council
NHRDTP	National Human Resource Development & Training Plan
NFE	Non-Formal Education
NGOs	Non-Government Organizations
NLP	National Literacy Project

NQF	National Qualifications Framework
NSTP	National Skills Training Plan
NZAID	New Zealand Agency for International Development
PET	Pre-Employment Training
PICs	Pacific Island Countries
PSWPS	Pacific Seasonal Worker Pilot Scheme
REP	Rapid Employment Project
RSE	Recognised Seasonal Employer
RTCs	Rural Training Centres
SCET	Second Chance Education and Training
SICCI	Solomon Islands Chamber of Commerce and Industry
SICHE	Solomon Islands College of Higher Education
SIEMIS	Solomon Islands Education Management Information System
SIG	Solomon Islands Government
SIPS	Solomon Islands Public Service
SIQF	Solomon Islands Qualifications Framework
SISTA	Solomon Islands Student Testing and Assessment
SPC	Secretariat of the Pacific Community
SPBEA	Secretariat of the Pacific Board for Educational Assessment
STEP	Skills Toward(s) Employment and Productivity
SWP	Seasonal Worker Program
TREE	Training for Rural Economic Empowerment
TVET	Technical and Vocational Education and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
USP	University of South Pacific
WB	World Bank

i. Executive summary and recommendations

Solomon Islands needs new sources of growth to open opportunities for its young and rapidly expanding population. Firms report that if they could find employees with the right skills they could add over 50 percent more jobs. Yet only about 20 percent of 15–24 year old Solomon Islanders are employed¹, while over 40 percent of youth are inactive.² Seven out of every ten Solomon Islanders are under 29.³ There is a serious skills deficit in Solomon Islands, constraining its people from taking advantage of the economic opportunities available to them. Functional literacy rates in major provinces are as low as 7 to 17 percent. A lack of basic cognitive skills is a major constraint to formal and informal sector work. The key message of this report is that loosening this constraint will require action in a number of areas, and not only Technical and Vocational Education and Training (TVET).

This report explores the demand for skills from current economic opportunities, the mismatch with skills available, constraints to forming skills demanded, and how to address this growth constraint through current initiatives and further action.

New economic opportunities are emerging at home in exploitation of natural resources and tourism, and for work overseas, including through seasonal employment schemes. But Solomon Islands faces a shortage of workers with the skills needed to take advantage of emerging opportunities. The result is that Solomon Islands imports labour to fill skills shortages, even while up to 80 percent of youth in Solomon Islands are unemployed.

Employers report a lack of key behavioural as well as technical skills, contributing to staff shortages which constrain growth. The basic literacy and numeracy needed to boost productivity is lacking. Formal and informal self-employment and enterprise is further constrained by a lack of entrepreneurial, financial management and livelihood skills.

The problem begins with the absence of basic cognitive skills. Available evidence suggests that the lack of functional literacy may be a major constraint on the life and livelihoods of many Solomon Islanders. Literacy and numeracy are widely perceived as important to daily life. Yet the Asia South Pacific Association for Basic and Adult Education/Coalition for Education Solomon Islands (ASPBAE/COESI) 2007 survey of Honiara and Malaita reported an average functional literacy rate of only 17 percent. This matches the rate recorded in the 2010 survey of Isabel province presented in this report. Solomon Islands has significantly improved access to education in recent years, raising its net primary enrolment rate to 91 percent.⁴ But too few primary students learn to read and write to a functional level: the survey of Isabel province showed that only 22 percent of those currently enrolled in primary school are functionally literate. Ministry of Education & Human Resource Development (MEHRD) data from its Solomon Islands Student Testing and Assessment (SISTA) survey show that 68 percent of Standard 4

students perform less than satisfactorily in literacy and numeracy. In Solomon Islands' National Literacy Proposal, the MEHRD identifies illiteracy as a major factor in limited socio-economic development and social problems including poor health and sanitation, lack of economic diversification, poor natural resource management, low employment, and low participation in community and governance.⁵

Addressing the challenge

Like other Pacific Island Countries, Solomon Islands faces multiple challenges to expanding economic growth, including remoteness and the small size of the private sector. Addressing the skills gap will not resolve all of these but will loosen a key constraint on growth identified by employers. Addressing the problem of the skills mismatch between employer demand and household supply in Solomon Islands is also of increasing importance as the number of labour force entrants grows rapidly. Estimates suggest the labour force could grow by 30 percent between 2010 and 2020.⁶ It is also important to address now as Solomon Islands prepares for expanding opportunities overseas in labour migration. Policymakers need an understanding of how the education system and the labour market interact in order to prepare Solomon Islanders for employment, and to turn the risk of a youth bulge into an opportunity for growth.

Several initiatives are underway in Solomon Islands to address the growth constraint caused by the skills mismatch. These include investments to expand early childhood education (ECE), improve basic education quality, strengthen the quality and relevance of technical and vocational training provision (through Rural Training Centres), expand youth employability, and to develop a Solomon Islands Qualifications Framework (SIQF).

Building on current initiatives, Solomon Islands needs a range of further coordinated actions addressing the transition from early childhood through school to work. Such an approach will help effectively address the human capital constraint to growth and better prepare Solomon Islanders for better life

¹ Based on the measure in the 2006 HIES including those 'Not working' AND 'actively looking for employment' (including subsistence activities). However, figures vary greatly as per discussion (page 10).

² 'Inactive in the labour market' is defined as those who are not in school, not working, and not looking for a job. This includes the truly inactive, those active in non-market activities, and other reasons.

³ Urban Youth in the Pacific report, Pacific Forum Secretariat, 2008.

⁴ MEHRD, 2012.

⁵ SIG, 2010.

⁶ Luthria, World Bank, 2006.

outcomes and new opportunities in enterprise, whether formal or informal, and increasingly, overseas. The approach needs to support development of cognitive, technical and behavioural skills to help provide skills needed for employment. Second and multiple chances to learn both basic and livelihoods skills are needed. The transition from school to work could also be better supported with broader access to secondary and post-secondary education and pre-employment services. Expenditure on education and training can be allocated and incentivised to ensure support for training relevant to economic opportunities available for more Solomon Islanders.

Recommendations

The report proposes priority areas for further action using a comprehensive conceptual framework developed by the World Bank: the five-part Skills Toward Employment and Productivity (STEP) framework. The findings of the Literacy and Educational Experience Survey presented in this report make a particularly strong case for developing basic reading and numeracy skills, as per Step 2 below. Second Chance Education programs are one of the options available for Solomon Islanders to address this widespread skills deficit. The further synthesis of existing reports and studies on the characteristics of the skills mismatch in Solomon Islands highlights the importance of understanding, planning and action in the remaining four STEP stages:

1. Starting early

Given the concerns with low literacy and numeracy and the limited access to ECE (34 percent net enrolment in 2010⁷), it is important to continue to grow ECE with a focus on core learning skills such as reading and maths. Furthermore, expanding integrated early childhood development (ECD) with nutrition and health would lead to better long term life outcomes.

2. Learning for all including second chance education

Of 2010 survey respondents without any schooling, none were functionally literate, and 65–75 percent of primary school completers were not functionally literate.⁸ Second chances are therefore important. To ensure learning for all, Second Chance Education & Training (SCET) opportunities could be expanded for those who haven't gained adequate skills from the education system. This includes rollout of the Open Schooling Initiative, and implementing the National Literacy Project (NLP) through civil society. It is important to develop flexible and lifelong learning pathways linking formal and non-formal education to enable people

to gain skills throughout their lives. Additionally, to achieve education goals, public expenditure needs to be rebalanced away from tertiary scholarships and towards basic, secondary and second-chance education, so that more Solomon Islanders benefit from the Government's investments in education.

3. Building a job-relevant skills supply to address the skills mismatch

The Cabinet Ministers of Solomon Islands met and endorsed the National Human Resources Development and Training Plan (NHRDTP), a national skills strategy to orient skills supply to demand. The priority now remains to implement the NHRDTP's five programme areas. Expanding access to secondary education will help make a bigger impact on employment, productivity and growth than primary education alone. Progressing the significant TVET reform agenda will help meet employer concerns about the quality and relevance of vocational training. Expanding access and livelihood-relevance of Rural Training Centres (RTCs) beyond the 2,000–3,000 places currently available will particularly benefit rural Solomon Islanders.⁹ Improving the relevance to employers of RTC training could be encouraged through incentive-based funding. Access to post-secondary education needs expanding, but with shorter, local, more incentive-based training and diversified financing sources. Youth Employment Approaches can be sustained and supported to benefit the urban and rural poor, youth and women, as well as comprehensive employment services programmes to support the transition to work. Expanded income generation opportunities are needed for Solomon Islands' 80 percent rural majority, and include mobile village skills training and community-based, income-generating, short courses in rural as well as urban areas.

4. Encouraging entrepreneurship and innovation by creating a favourable environment for self-employment, entrepreneurial and Information and Communication Technology (ICT) opportunities

Solomon Islands could reduce barriers to expansion of business by: increasing chances to upgrade entrepreneurial and livelihood skills; improving procedures for finance, land registration and immigration; and skills acquisition in activities that are frequently conducted informally (such as animal husbandry or sustainable local forestry management practices) through the SIQF. Given geographic challenges, expanding access to ICT is essential for economic development opportunities as well as opportunities to deliver skills training through distance delivery.

⁷ SIG, NEAP 2012–2015, 2012.

⁸ ASPBAE/COESI, 2010.

⁹ EU Labour Market Survey, 2012.

5. **Matching the skills supply with demand and facilitating labour mobility and job matching.**

Implementing the mechanisms identified in the NHRDTP will support the orientation of skills supply systems to demand through improved information flow from the labour market. Encouraging labour migration supported by skills development is a priority. In 2010 Solomon Islands derived only 0.3 percent of GDP from emigrant remittances, compared to 20–40 percent for some smaller island states.¹⁰ Expanding this opportunity for growth and welfare requires: removing barriers to Solomon Islanders accessing foreign labour markets; improving the match of skills provision and foreign market demands; expanding labour sending coordination capacity; and integrating market access arrangements within regional trade agreements. Increasing migration opportunities for Solomon Islanders are key contributions which Australian, New Zealand and other governments could make.

Across all the five steps above, there is a common priority to expanding opportunities and removing barriers for women. Labour force participation by women is consistently around 20 percent lower than men. Women are often restricted to domestic and non-employment-related subjects in vocational training centres. Priorities include: expanding and diversifying training access for women beyond traditional subjects; expanding second chance education and training and linking it to adolescent sexual and reproductive health services to improve life outcomes for young women; and reducing barriers to entrepreneurialism and self-employment for women.

Where to start – prioritising change to address the skills gap

While there are many recommendations across the five STEP stages, here is one scenario of what change could look like to prioritise addressing the skills gap to improve outcomes for Solomon Islands and for Solomon Islanders, in five actions for 2013:

1. **To action the Cabinet-approved national strategy on skills**, members of the National Human Resource Development and Training Council could update and prioritise tasks and responsibilities among the NHRDTP's key actions, identifying timing, resources and partnerships required.
2. **Consultations and budget development for 2014** could prioritise subsector budget allocations so that a greater proportion of government funding supports more Solomon Islanders to gain second and multiple chances to gain basic skills, including through existing non-government training services.
3. **Two specific programs that could be funded** with even a minor SIG commitment of budget and human resource capacity, include community-identified, mobile village-based livelihood skills; and second chance literacy training through Literacy Network partners.
4. **SIG and bilateral donor partners** could discuss how external funding could support SIG-identified priorities to close the skills gap. This could include creative ways to reduce barriers to overseas skills acquisition and labour mobility to expand opportunities for Solomon Islanders.
5. **MEHRD could progress priority initiatives** to increase student retention to secondary and improving the quality of learning gained from primary and secondary education; such as a comprehensive action plan to reduce teacher absenteeism and increase teacher competency; and expanding the open schools pilot so more Solomon Islands students could gain a 'second chance' equivalence education.
6. **SIG consultation with private sector representatives** such as SICCA and SIBIWA (such as through a working group) could identify and inform implementation of government actions to address the key bottlenecks to job-relevant training and entrepreneurial skills acquisition, particularly for women.

¹⁰ World Bank, Remittances Data, 2011.

ii. Introduction and objectives

This report explores the demand for skills from current economic opportunities, the mismatch with the skills supplied by the labour force in Solomon Islands, constraints to forming skills demanded, and how to loosen these constraints.

Aligned to national strategy objectives, the World Bank prepared this report with support from the Pacific Facility as programmatic education and skills advice to Solomon Islands. The Solomon Islands' Cabinet-endorsed National Human Resources Development & Training Plan (NHRDTP) states *"Sufficient Solomon Islanders with the required skills and attitudes are available to satisfy local and international labour market demand"* as a goal. The objective is *"To ensure that the education and training system supports economic and social development by systematically meeting the needs and requirements of the local and international labour markets"*. Responding to requests from the Solomon Islands Government (SIG) in 2009, an 18-month technical assistance programme supported:

- i) NHRDTP development by the Ministry of Development Planning and Aid Coordination (MDPAC), and
- ii) analysis of the national skills context by extending the baseline of literacy and educational experience by the Asia South Pacific Association for Basic and Adult Education (ASPBAE) and the Coalition for Education Solomon Islands (COESI).

Intended as a reference for Solomon Islands policymakers and development stakeholders, this report synthesises an evidence base, presents findings of recent studies, and identifies current initiatives and remaining policy options to address the skills mismatch. Chapter 1 explores the growth opportunities available to Solomon Islands in order to meet the needs of a rapidly growing and youthful population. Demand from employers is discussed across the public and private sectors, including informal economic activity which is most relevant to the majority of Solomon Islanders, and the key characteristics of the mismatch of skills. The opportunity and challenges of overseas labour migration is examined. In Chapter 2, a review of skills supply considers educational context, functional literacy, community views of education and livelihoods, and the characteristics and constraints of Solomon Islands' skills formation system. Chapter 3 discusses how to address the challenge of the human capital constraints to growth, identifying current measures and priority actions to start early to better prepare children for school, provide second chances for those missing key skills, provide inclusive opportunities for women and rural people, and orient training systems to better meet economic opportunities available. Options for policy and action are presented across a framework intended to assist policymakers to identify and sequence policies and actions to support improved life transitions for Solomon Islanders. Annexes present policy options in the short- and medium-term, detailed findings of literacy and educational experience surveying, discuss Information & Communication Technologies (ICT), and summarise a Skills Dialogue held in July 2012 between World Bank staff and sector stakeholders in Solomon Islands and in Australia.

The report focuses on youth, women, and rural Solomon Islanders. Sixty-nine percent of Solomon Islanders are under the age of 29. They face greater difficulties in the school-to-work transition. Opportunities affecting youth and young adults in their transition from learning to work are therefore a key focus of the report. Furthermore, opportunities for women are provided a particular focus, seeking to address a gap in some key existing studies and considering special constraints and lower labour force participation of women. Issues and opportunities for rural people are considered as 80 percent of Solomon Islanders are rural, and only 40–45 percent of inhabitants of two provinces surveyed have ever held a paid job.¹¹ Skills development for the informal sector is essential to expanding opportunities for the majority of Solomon Islanders.

¹¹ ASPBAE/COESI, 2010.

iii. Solomon Islands: key statistics

Population	
Population	552,267*
Average annual population growth	2.3%
Population density (people/km ²)	17
Percent urban	19.7%
Urban growth rate	4.7%
Number of children (<15 years)	218,234 (39.5%)
Youth population (15–24 years)	96,542

Education	
Literacy rate, 15+ (Census 2009):	84.1%**
– males	88.9%**
– females	79.2%**
School enrolment, 6–12:	83.3%
– males	82.8%
– females	83.9%
Net primary enrolment	91%
Net junior secondary enrolment	20%
Year 4 students performing less than satisfactorily in literacy	68%
Proportion of population aged 12 and older with:	
– no school completed	16.1%
– primary education	56.8%
– secondary education	18.9%
– vocational/professional: qualification	1.0%
– tertiary education	4.4%

* World Bank 2011.

** There are marked differences between self-reported literacy rates (as per census, HIES data) and tested/assessed literacy rates. Box 1 discusses this further.

Employment	
Employed population (Census 2009):	81,194
– males	54,536 (67.2%)
– females	26,658 (32.8%)
Employment to population, 15+ (Census 2009)	64.4%
Employment to population ratio (Census 2009):	23.7%
– males	31.4%
– females	15.8%
Employed population (15–64)(HIES 04/05)	60.23%
Subsistence workers (Census 2009):	87,913
– males	35,248
– females	52,665
Unpaid workers (Census 2009):	41,191
– males	17,861
– females	23,330
Labour force participation (WB, 2011)	67%
Labour force participation (Census, 2009):	62.7%
– males	63.3%
– females	62.1%
Labour force participation (HIES, 2004/05):	69%
– 15–24	48.5%
– 15–64	83.2%
Unemployed (Census 2009):	4,331 (2.0%)
– males	2,490 (2.3%)
– females	1,841 (1.8%)
Unemployment rate (HIES 2004/05)	39.8%
% in full-time or part-time wage-earning jobs, 2006 (WB)	23%
Labour force in private, non-farm employment (weighted average of 8 largest provinces, 2008)	16.3%
Labour force in paid work (weighted average of 8 largest provinces, 2008)	34.3%
Workers' remittances and compensation of employees, received (% of GDP, 2010)	4.3%

Note: Employment data in Solomon Islands includes significant data gaps and alternative definitions, in a context of high levels of informality and under-employment. See Chapter 1.

1. Sources of growth, demand for labour, and skills gaps

Solomon Islands needs new sources of growth to meet the needs of its rapidly growing population. The working age population will increase by 30 percent in the next decade, but youth face limited employment opportunities. The current youth bulge could prove a valuable resource for economic growth if the workforce supplied has the skills needed. New growth, enterprise and employment opportunities are available, but these opportunities are constrained by available skills. Firms surveyed indicate that they could fill 53 percent more positions if they could find qualified employees. Expanding informal opportunities and productivity will benefit the rural majority and women. Major growth opportunities and demand for labour also lie overseas: yet so far, while some Pacific Island Countries (PICs) regularly gain over 20 percent of GDP from emigrant remittances, limited migration means that contributions from Solomon Islanders abroad make up only 0.3–0.4 percent of GDP.¹²

- 1 **Understanding the valuable economic and employment opportunities available to Solomon Islanders requires identification of the nature of Solomon Islands' growth prospects and barriers to growth.** It also requires an understanding of labour demand from employers across the private and public sectors, including self-employment, and of the capacity available to meet that demand. World Bank advice in 2010 identified key growth priorities, prospects and specific constraints in Solomon Islands.
- 2 **Solomon Islands needs new sources of growth.** Since the end of conflict in 2003, rapid growth recovery has been driven by an influx of aid and a logging boom. However, economic growth has not been high enough to keep up with the very high population growth rate. New challenges include the exhaustion by 2014 of the logging stocks on which Solomon Islands has relied for government revenue, exports and employment, and uncertain aid flows constrained by management capacity. Considering the rapidly expanding, youthful population, formal public and private sector growth in Solomon Islands will not be sufficient to provide opportunities for the roughly 10,000 new entrants to the labour force each year, making informal sector opportunities and productivity vital.¹³ This presents an important social problem as low absorption of school leavers into formal employment was an important factor in civil unrest in 1999–2003 and 2006.¹⁴
- 3 **Natural resource industries, including tourism, are likely to be a key part of Solomon Islands' economic future, as they have in many strongly-performing small states.** Natural resource industries, well integrated into local supply chains, provide a vital source of demand for local businesses. Subsistence smallholder cash agriculture will remain for some time the primary source of livelihoods for the majority of Solomon Islanders, and a buffer against external economic shocks. However, growth in agricultural and informal sector productivity and diversification of non-farm services will be increasingly important as Solomon Islands seeks to meet the challenges of rapid population growth.¹⁵ Growth in production and population in urban areas or natural resource enclaves will provide new opportunities for rural people to meet expanding demand and help overcome economy of scale challenges. Melanesian farmers respond positively to market opportunities if able to access transport connections and finance. Policy actions to improve smallholder agricultural productivity are therefore a priority. The government has prioritised improvement of domestic and export marketing infrastructure, reviving agricultural and extension capacity, and promoting 'agricultural opportunity areas'.¹⁶

Growth prospects: a human capital constraint?

¹² World Bank, Remittances Data, 2011.

¹³ World Bank, Solomon Islands Growth Prospects, 2010.

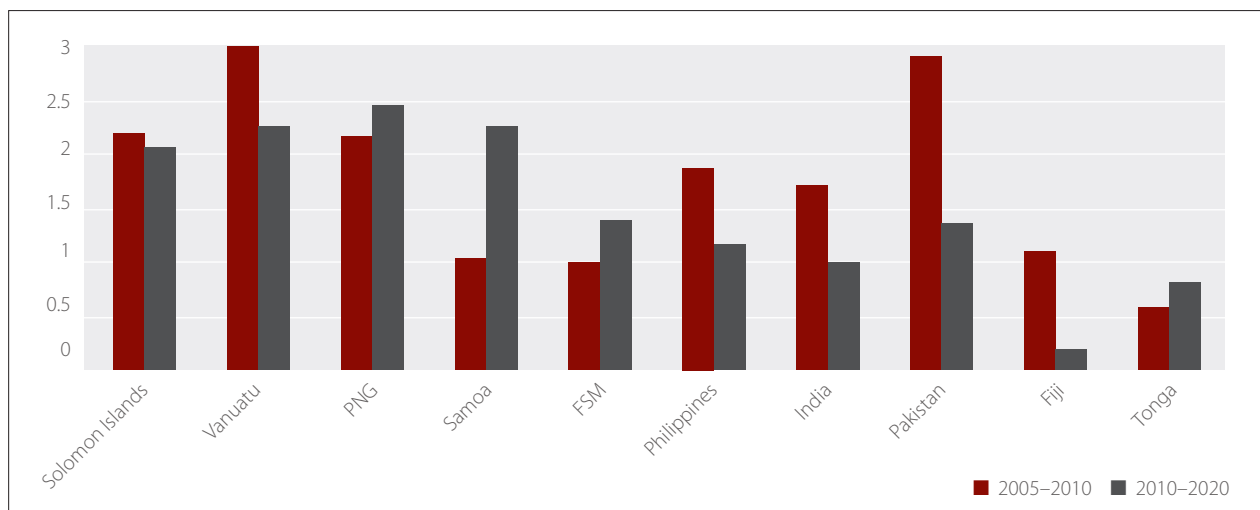
¹⁴ ILO Decent Work Country Programme, 2008.

¹⁵ Warner, 2007.

¹⁶ World Bank, Solomon Islands Growth Prospects, 2010.

4. **Growth is seriously constrained by several factors common to other PICs, requiring a different set of growth strategies. Geography and smallness are major constraints.** Solomon Islands is distant from markets, and has a small and scattered population. This increases costs of transport and production; limits economies of scale; and challenges national cohesion, communication, service-delivery and institution-building. Weak governance and uneven administrative capacity also reduce the competitiveness of the business environment.¹⁷ Prospects for international competitiveness in manufacturing and services are limited. Rather than export-led growth, development efforts could instead focus on reducing the economic costs of distance through policy reforms to improve the flow of people, goods, investment and ideas between PICs and nearby large markets. Maximising the benefit of natural resource flows and external assistance would have a significant benefit to Solomon Islands as it would to other PICs.¹⁸
5. **Human capital is also constraining growth. The shortage of particular specialised skills imposes high costs on business.** Absence of broader and basic skills also contributes to a general skills shortage. Relatively high total fertility results in a high dependent population, imposes costs on the working population (tax, caring responsibilities), and forces more intensive land use, reducing agricultural returns. Barriers to internal mobility of labour lead to mismatches between supply and demand in labour markets and preclude the benefits of economies of scale of labour concentration. Regulatory and institutional barriers to external labour migration reduce incomes and opportunities for Solomon Islanders while precluding new remittance income streams.

Figure 1: Projected growth of population aged 15–34 to 2020, East Asia Pacific



Solomon Islands in the Pacific context: the skills and employment challenge

6. **Solomon Islands is one of several PICs in which demographic trends are pressuring labour markets where there is a mismatch between supply and demand.** Combined, high fertility rates and low levels of emigration generate persistently high population growth in Melanesia. In 2006 the projected base-case population increase of Solomon Islands was 75.3 percent by 2029.¹⁹ The total fertility rate is high, at 4.6.²⁰ The growth of the population aged 15–34 was projected to be 2.2 percent between 2005 and 2010 and 2.1 percent from 2010 to 2020, among the highest in the East Asia Pacific (see Figure 1), and 2.3 percent in 2011.²¹ In its proportion of population under 14, Solomon Islands is higher than Vanuatu, Samoa, Tonga, Fiji, and 15 percent higher than the lower middle-income country average. With youth populations reaching 40 percent, Pacific labour markets are under pressure to generate more jobs. Nowhere is this more urgent than Solomon Islands, where 69 percent of the population is under 29. In Solomon Islands

¹⁷ World Bank, Solomons Islands Growth Prospects, 2010.

¹⁸ World Bank, Remittances Data, 2011.

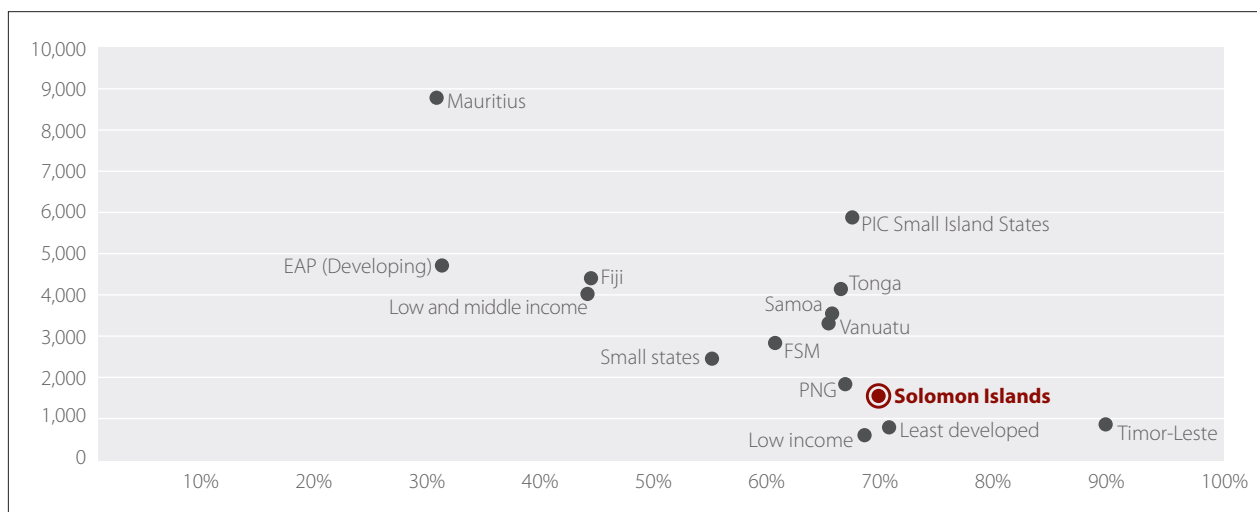
¹⁹ Luthria, World Bank, 2006.

²⁰ Bedford and Hugo, 2012.

²¹ Census, 2009.

and Vanuatu, where formal sector employment is already among the lowest in the region, the working-age population is expected to increase by 30 percent from 2010 to 2012.²² Different definitions of youth, unemployment and inactivity render cross-country comparison difficult. However the challenges are similar, and their relative magnitudes are clear. Figure 1 reflects higher population growth in PICs than in countries in the average of developing countries in East Asia and the Pacific. Figure 2 illustrates that Solomon Islands has the highest youth dependency ratio among several small island states.

Figure 2: GDP per capita and age dependency, young (% of working age population)



7. **There are substantial gaps and inconsistencies in data on employment and labour force participation in Solomon Islands, but key issues are identifiable: formal paid employment is limited in the overall population, and young people account for a larger share of unemployment and informal employment.**

The statistics in section iii above reflect the challenge of definition and data collection on employment and labour force participation in Solomon Islands, on which there has been no recent comprehensive study. Conventional definitions of 'employment' or 'unemployment' resist relevance or international comparability in an economy with limited formal-sector employment and a workforce flexibly engaged in informal and household activity. Solomon Islanders move

in and out of formal and informal employment through their lifetimes. Estimates of unemployment vary from two percent in the 2009 census, to 39.4 percent of the labour force (not in full-time education, engaged in domestic duties, or inactive where inactivity separable) that is unemployed, among other yet higher estimates.²³ Labour force participation rates are similarly ambiguously defined and variable at around 60–70 percent, and estimates of people in paid employment again vary significantly.²⁴ While estimates vary further, a common finding is that youth make up a significant share of the unemployed.²⁵ Youth focus groups in Tonga and Solomon Islands in 2010 reveal that much youth inactivity stems from frustration with the lack of labour market opportunities. Forgone productive potential is likely to be much higher than

²² Luthria, World Bank, 2006.

²³ The 2009 Census estimated the national unemployment rate at two percent, yet estimates the employment-to- population ratio as 23 percent. The 2009 census figures, which also estimated a two percent unemployment rate, counted 81,194 employed, 87,913 subsistence workers, 41,191 unpaid workers, and 4,331 unemployed (Census, 2009). In 2009 the UNDP Human Development Report estimated unemployment to be 10.8 percent. In general PICs adhere to the definition that 'an individual is classified as unemployed if they are not in employment but are actively seeking employment'. In Solomon Islands the measure used in the 2004/05 HIES included those 'Not working' AND 'actively looking for employment' (including subsistence activities) – as used in Kiribati, Vanuatu, Fiji, Niue, Papua New Guinea, Tokelau, and Tuvalu (Farchy, 2011). Selection of this definition is supported by the potential for comparability with other PICs, and by comparison with rates of those in other categories including paid employment. The HIES had no labour force component, thus unemployment again referred to those not working (and not in education or domestic duties) irrespective of whether they are actively seeking employment. Therefore, unemployment is higher. Another estimate of those currently seeking work is 48 percent (EU Labour Market Study, 2012).

²⁴ One source defines as few as 23 percent of the working-age population in full-time or part-time wage-earning jobs (World Bank, NSTP, 2007), one that 14 percent are in paid employment (ADB Skilling the Pacific, 2008, drawn from Secretariat of the Pacific Community (SPC) data); and another that 60.2 percent of the 15-64 year old population is employed (Farchy, 2011, using SPC data).

²⁵ One estimate suggests that youth make up approximately 23 percent of the labour force, but that their share in unemployment is over 34 percent (Farchy, 2011, from SPC data). While another estimate of youth 15-24 in employment is 46 percent (Census 2009), and another of 43.3 percent with 56.6 percent unemployed (Farchy/SPC), one more is that only around 20 percent of the youth population in Honiara are employed (The Island Sun: 'Honiara's Fast Growing Unemployed Population', 2012). Only 67 percent of urban 15-19 year olds, and 49 percent of their rural counterparts are in full time education, while the inactivity rate is estimated at over 40 percent (inactivity being defined as those who are not in school, not working, and not looking for a job, yet may not exclude some definitions of unemployment) (Farchy/SPC, 2011).

unemployment statistics alone suggest. Youths aged 15–24 are more than 30 percent less likely to participate in the labour force than those aged 24–64.²⁶ Despite data inconsistencies, common findings are of concern: that Solomon Islands has among the highest levels of unemployment in the Pacific.

Table 1: Labour force participation rates, Pacific Islands

	15–24	25–64	Total (15–64)
Tonga**	47.9%	72.4%	58.0%
Samoa	37.0%	61.1%	52.9%
Vanuatu*	52.3%	72.3%	65.6%
Kiribati*	24.5%	33.0%	30.3%
Solomon Islands*	48.5%	83.2%	69.3%

Source: Farchy, 2011, from HIES, Census data.

Note: Participation rate is defined as the ratio between the labour force and the working age population (ILO); separation of inactivity from the labour force in Solomon Islands and Samoa is not possible due to data issues.

* Estimates from Household survey.

** 15–30.

Table 2: Employment rate

	15–24	25–64	15–64
Samoa	96.2%	99.45%	98.68%
Vanuatu*	97.55%	99.32%	98.81%
Kiribati*	52.12%	87.84%	78.54%
Solomon Islands*	43.43%	66.76%	60.23%

Source: Farchy, 2011, from HIES, Census data.

Note: Employment rate is defined as the proportion of the labour force that is employed (ILO).

Table 3: Unemployment rate

	15–24	25–64	15–64
Tonga	1.7%	0.7%	1.1%
Samoa*	3.8%	0.6%	1.3%
Vanuatu	4.3%	1.6%	2.3%
Kiribati	47.9%	12.2%	22.4%
Solomon Islands*	56.6%	33.2%	39.8%

Source: Farchy, 2011, from Census, HIES data.

Notes: Unemployment rate is the proportion of the labour force (not in full-time education, engaged in domestic duties, or inactive where inactivity separable) that is unemployed. The * symbol indicates that the numbers do not separate those actively seeking employment from the inactive due to lack of data issues.

8. **While youth face limited employment opportunities in a small private sector in Solomon Islands, employers struggle to find appropriately skilled workers.**

In all PICs, small domestic markets, a narrow industrial base, and geographical remoteness hampering trade limit private sector employment opportunities. Pressure is likely to continue to reduce the heavily aid-dependent public sector which currently accounts for the majority of formal sector employment. Yet despite high unemployment, employers complain of difficulties recruiting appropriately skilled workers. Vacancies remain unfilled. Nearly two-thirds of Pacific employers report difficulties recruiting suitable staff; a third of these were for managers, professionals, technicians, and trades people. Pacific employers spend as little as one percent of total expenditure on training, but 30 percent of employers in the manufacturing and tourism sectors spend between two and four percent of expenditure on training. When qualified local staff are unavailable, expatriate staff are employed at higher wages. Traditional training approaches no longer fit changing economic structures requiring new skills such as tourism and other service industries. Differences between performance standards expected of modern enterprises and those provided by vocational training institutions means there are often skills shortages for the same trade areas in which there is an oversupply of unemployed graduates.²⁷

9. **Three critical factors explain employment and unemployment patterns in the Pacific generally and Solomon Islands specifically which result in the skills mismatch.**

Firstly, limited *demand for labour* in the underdeveloped private sectors of the small and remote Pacific Island economies. Secondly, limitations of the *labour supply*: the skills output of the education system, the unrealistic expectations engendered by a culture of qualification inflation, and the cultural norms of mutual support that can, in some instances, lessen the urgency of seeking work. Finally, poor *equilibrium* results from this mismatch of supply and demand and constraints to labour market flexibility, in addition to structural constraints to reform and greater disadvantages for women (see below).²⁸

10. **Plentiful human resources and the current youth bulge in the Pacific region could prove a valuable resource if the quality of the workforce can be improved.**

Improved labour market outcomes require countries to boost the quality of education at all levels so workers skills – both cognitive *and* behavioural – meet employer needs. Workers need motivation to work, and expectations for employment matching their skills. Addressing the skills mismatch in Solomon Islands also requires specific consideration of local characteristics.

²⁶ Conducted by World Bank staff in January 2010 in Solomon Islands and Tonga.

²⁷ ADB, Skilling the Pacific study, 2008.

²⁸ UNESCAP, 2007.

Characteristics of the skills mismatch

11. **There is evidence of a skills gap between supply and demand in Solomon Islands, presenting a human capital constraint to economic growth.** The mismatch is indicated by:
- high levels of unemployment and inactivity, and qualitative reports of the difficulty young people in particular have in finding employment;
 - employers' reports of shortages of suitable candidates to fill positions. Employers repeatedly express that recruitment of local staff is hampered by a difficulty in finding employees who have both the necessary technical and behavioural skills. Firms report difficulty in recruiting and keeping competent managers and staff;
 - employers' reports of the constraint on firm viability and productivity caused by shortages of suitable candidates. Large formal sector firms in Solomon Islands report significant levels of understaffing in key occupations as a major factor in the limited viability and productivity of firms;²⁹
 - employers' reports of lack of confidence in the quality of training provided by vocational training providers. This is indicated both in qualitative comments on employer perceptions of vocational training provision quality, and also that technical skills constraints are identified in some of the same areas focused on by providers;
 - labour market characteristic of a skills mismatch, including employment of expatriate workers at higher wages;
 - the identified lack of entrepreneurialism and financial management skills in the education and training supply system, constraining expansion of business activity of the self-employed; and
 - the unclear relationship of educational attainment to employment outcomes suggests that education provided does not always lead clearly to employment. This is discussed further in the next chapter. The skills mismatch is further indicated by low rates of functional literacy and the insufficient number of those graduating from basic education with even basic literacy and numeracy skills, despite these being recognised as important for daily life and work. The lack of these basic skills also limits the ability to engage in higher levels of education more closely linked to employment.
12. The remainder of this chapter will seek to better understand available demand and growth opportunities and the constraints faced in taking these opportunities.

Labour demand: formal employment

13. **Relative to the volume of labour supply, demand for labour is meagre and may be driven by who rather than what jobseekers know.** Private sector activity in Solomon Islands is limited and largely small-scale. Formal employment opportunities are limited, and a large number of job seekers pursue livelihoods in the informal sector. Employers make hiring decisions based on networks and personal relationships rather than on skills profiles. Having a household head in government increases one's chances of being employed in the public sector by more than secondary education does.³⁰ Having a household head working in the private sector increases one's chances of being employed in private enterprise.³¹
14. **Nonetheless, constraints in accessing staff with required skills means that the human capital constraints on private sector firms are significant.** In a 2006 survey, 46 firms surveyed reported that they had 3,110 staff in employment. They also identified 1,676 unfilled positions that the firms would have liked to fill if they could find suitable candidates, representing an additional 53 percent in positions. Of this understaffing, 31 percent of the shortage was for administrators, 10 percent for managers, 22 percent for various professionals, 35 percent for vocationally and technically skilled workers, and two percent for 'others'. Survey findings were updated in 2011 and showed consistent trends.
15. **The skills and qualities required by employers were not being delivered by training providers.** The 2011 survey identified that the most important skills and qualities sought from new recruits aged 15–30, in order of priority, were:
- work attitude
 - communication
 - experience
 - educational level
 - decision making
 - technical skills
 - computer and IT, and
 - analytical skills.
- Yet the skills and attributes that were most difficult for employers to find were:
- analytical skills, followed by
 - work attitude, and
 - decision making.

²⁹ World Bank, National Skills Training Plan (NSTP), 2007.

³⁰ Farchy, World Bank, 2011.

³¹ Furthermore, the converse is also true, that is having a household head in government decreases the probability of employment in the private sector, and vice versa.

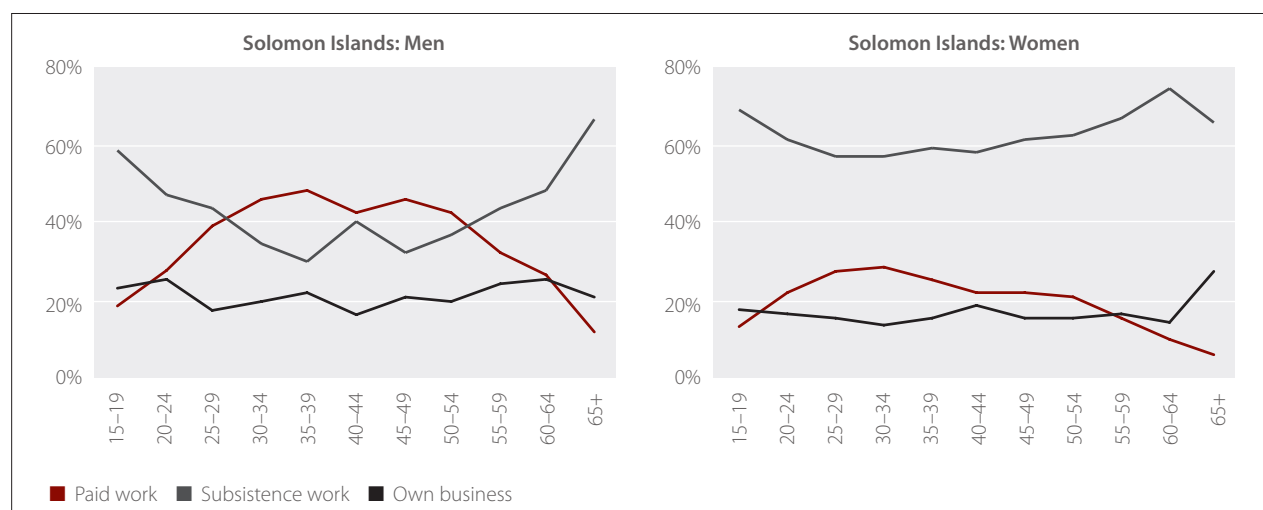
Employers recommended that the priority key factors for job prospects for youth were the right attitude, studying a course that was in demand, and gaining practical skills. Firms perceived most vocational and technical training providers as unable to provide the high-quality training required to satisfy their needs. RTCs appear to train students in several course areas valued by employers.³² Yet employers often preferred to employ candidates with less training, but with secondary completion, and to provide them with on-the-job and in-service training to improve their technical skills. What employers were seeking in young recruits, and what they were not able to find, was what the education system either did not adequately focus on or was not adequately able to provide. This suggests a training system driven by training supply but not by the demand for trained labour. It also suggests the value of integrating behavioural or 'life skills' into curricula to better prepare graduates with problem solving abilities and workplace-relevant experience.

16. **While public sector employment opportunities are limited relative to demand, skills constraints in the public sector are indicated in vacancies and capacity assessments.** In 2006, the Solomon Islands Public Service (SIPS) had a total of 11,340 budgeted positions, of which 1,972 (17 percent) were vacant. Three-quarters of vacancies were in critical skills areas (teachers, nurses, and public administrators). Research identified over 6,000 skills gaps among current public sector employees (including those with multiple skill deficiencies). Yet the Institute of Public Administration and Management (IPAM) at the time only had the capacity to train about 1,100 people a year. This capacity remains constrained. Solomon Islands College of Higher Education (SICHE) nursing and teaching graduates have among the highest rates of employment, indicating skills shortages and the priority of expanding training.

Subsistence activities, non-farm informal opportunities and entrepreneurship

17. **Given limited private and public sector wage-earning opportunities, particularly in rural areas and particularly for youth, agricultural, informal and self-employment will be important for the majority of Solomon Islanders.** Solomon Islands has one of the lowest rates of urbanisation in the world. Over 80 percent of Solomon Islanders live in rural areas.³³ ASPBAE/COESI survey figures from Renbel and Isabel found that 40 percent and 45.8 percent respectively of respondents had ever held a paid job.³⁴

Figure 3: Life cycle – proportion of workers by activity type



Source: 2004/05 HIES data in Farchy (2011).

³² RTCs and their key course offerings are further discussed in Chapter 2.

³³ World Bank, NSTP, 2007.

³⁴ ASPBAE, COESI, 2010.

As cash income-earning potential in rural villages is limited, the subsistence economy will be a major component of income locally for villages for some time. As with other data, conflicting estimates of the proportion of the labour force engaged in subsistence activities range from 75 percent of the potential labour force engaged in subsistence/non-wage earning activities,³⁵ such as agriculture and fishing, to 24 percent in subsistence activities in the 2004/05 Household Income and Expenditure Survey (HIES), and 27.2 percent of the labour force in the 2009 census. Despite problems of definition leading to varying estimates, the proportion of population engaged in non-wage earning and subsistence activities is large. This is confirmed in Isabel and Renbel provinces in the ASPBAE/COESI survey discussed in Chapter 3.

18. **Young people are particularly likely to be informally employed.** With a quarter of young people still studying, only one in ten young people aged 15–29 surveyed in Solomon Islands villages were employed in a steady, wage-earning position (working for the government or for a private firm in the formal sector), with a further eight percent self-employed, often in farming, fishing, or petty trade. A majority of young people surveyed (58 percent) fell into one of two categories that were about equal in size: *'not working'*, and *'employment status not recorded'*; a category made unclear by casual and informal employment.³⁵ Paid employment follows an inverted U shape across the life cycle; with engagement in subsistence activities high among young people, then declining starkly with age (see Figure 3). While agriculture is a significant source of livelihoods, it is an unpopular occupational choice for young people, viewed as a demeaning necessity while waiting for suitable employment.³⁶ If the choice of other professions is valued by youth, gaining skills is a key avenue to enable that choice.
19. **While rural opportunities are limited, village-level and informal demand for skills remains unmet.** Skills training is perceived to be most useful at the village level when provided to meet immediate needs. In many villages the skills needed will continue to be those that foster community development, informal- and self-employment, income generating skills, and which improve food security, including managing natural resources.³⁷ A 2006 review of Solomon Islands informal skills for the rural economy investigated the training areas villagers considered most needed to raise subsistence production and help them compete for jobs. The three skill areas accounting for 60 percent of responses were forestry/logging, farming (plant and animal production), and construction. Further areas identified reflected community development projects prioritised by villagers, including water and sanitation, finance and accounting, and teaching staff. Other priorities were personal services and trade. Many RTCs did not provide the kind of training services required to meet such identified village skills needs.^{38,39}
20. **Given the limited number of formal jobs, non-farm-based, informal- and self-employment offer opportunities to increase incomes and reduce poverty beyond subsistence agriculture.** Rural youth aspire to off-farm opportunities. To meet these aspirations, youth and migrants to urban areas often leave farming and enter petty trade and services with low barriers to entry.⁴⁰ Solomon Islanders move in and out of formal and informal work. They require skills building which supports these transitions. Recognising the importance of the informal sector and improving its productivity is essential for employment and income growth, and thus for broader economic growth. While average incomes in informal employment are lower than in formal employment, they can substantially exceed earnings in subsistence farming. This diversification is also increasingly important as traditional subsistence lifestyles will not be able to support rapid population growth.⁴¹ Policies promoting labour mobility off the farm can improve the incomes of migrants, and reduce poverty. Larger gains are possible if informal sector productivity increases and barriers to mobility are reduced.

³⁵ World Bank, NSTP, 2007, and EU Labour Market Survey, 2012.

³⁶ World Bank, Farchy, 2011.

³⁷ Curtain, 2011.

³⁸ World Bank, NSTP, 2007.

³⁹ EU Labour Market Survey, 2012.

⁴⁰ There is a similar experience in African countries with a transition from farm to non-farm informal participation. With the formal sector in Sub-Saharan Africa unable to absorb the movement of labour off farms and the surge in youth entering the labour force, the non-farm informal sector and self-employment have provided a safety net of employment for the African economy. The non-farm informal sector accounts for two-thirds to three-quarters of non-farm employment, and is present in rural areas, but concentrated in urban communities. For African countries in which formal sector employment is not sufficiently available for the surge of youth 15 years and over, youth find their first employment in the informal sector as helpers and apprentices. The pattern of youth entering the informal sector is mirrored in Solomon Islands (as per Figure 3). In Africa, expanding informal sector training and productivity also disproportionately benefits women, who have higher rates of informal sector employment (World Bank, 2012).

⁴¹ Warner, 2007.

Opportunities in entrepreneurship – with particular barriers for women

21. **Despite the importance of informal sector entrepreneurial activity to providing opportunities for most Solomon Islanders, there are particular challenges to entrepreneurship.** A lack of entrepreneurial and financial management skills impedes growth opportunities. RTC training is insufficient to support graduates taking up even informal entrepreneurial employment, as reported by half of RTC graduates engaged in self-employment. Research on livelihoods in Honiara identified the need for business skills, including pricing and costing, simple marketing, and financial literacy.⁴²
22. **In addition to the challenges to informal sector activity and self employment above, there are particular challenges for women to gain economic benefits from self employment.** Women entrepreneurs in Solomon Islands typically operate very small businesses providing a narrow range of goods and services. World Bank and IFC research in this area has identified new, untapped opportunities in information technology equipment, catering, gardening, landscaping, furniture-making, fresh and manufactured food, consultancy services, cleaning, drinking water and small scale construction. Five key areas were identified as constraints to women entrepreneurs in accessing these opportunities. Skills gaps are one of the constraints.⁴³ Others included security and stability concerns, information problems, barriers to accessing procurement processes and business environment issues.⁴⁴ To loosen these constraints and access these opportunities, high impact, immediately implementable actions presented by the research for action by donors and government are listed in Chapter 3.

International demand: the significant growth opportunity of labour migration

23. **Increasing integration of regional labour markets will bring substantial benefits for Solomon Islands.** Domestic and international labour markets are increasingly converging. Even if the needs of domestic employers are better met, the rapidly growing labour force also requires international employment opportunities. Labour migration is an important opportunity to deliver a demographic dividend to the youth bulge in Solomon Islands.⁴⁵ Labour market integration can allow Solomon Islands' workers to make the best use of their skills and partner countries to address growing labour shortages in key sectors. Sustainable development in Melanesian countries will increasingly rely on opportunities for young people to travel overseas for employment and training.⁴⁶
24. **Ageing in high-income countries is likely to ensure that demand for migrant workers will continue to rise.** In Australia and New Zealand in particular, demand for labour in the horticulture, construction, health, domestic services and hospitality sectors is expected to increase. Overseas demand exists in both more skilled sectors and for temporary employment of lesser-skilled workers. Through their temporary labour mobility programmes, both New Zealand and Australia provide labour market access to low- and un-skilled Pacific Island labour. New Zealand's 'Recognised Seasonal Employer' (RSE) scheme and Australia's 'Seasonal Worker Program' (SWP) aim to address domestic labour market shortages in horticulture.

⁴² EU Labour Market Study, 2012.

⁴³ World Bank, Increasing the Participation of Women Entrepreneurs in the Solomon Islands Aid Economy, 2011.

⁴⁴ Women entrepreneurs had security and stability concerns, particularly given social and cultural expectations of women as primary caregivers. Information problems include lack of predictability of government or donor-funded business opportunities, lack of knowledge of expatriate tastes, views that expatriates did not spend money locally, and business information constraints for entrepreneurs working at the micro level. Skills gaps included fragmented business support programmes and difficulties accessing business assistance, absence of scholarship schemes for women to study business or for care giving allowances, and possible reinforcement of perceptions of micro-business roles for women through existing support. Entrepreneurialism is also limited by a lack of technical skills and lack of options for gaining specific skills. There was a gender difference in perspectives on skills gaps to entrepreneurship. Basic financial literacy and business sense were mentioned as a constraining skills gap by women, whereas men considered the primary gap to be in access to training in more technical areas. Procurement processes preventing access included sole-sourcing by aid donors limiting competition and access, lack of skill in developing tenders, donors not making optimal use of social responsibility guidelines in procurement guidelines, barriers caused by liquidity requirements and international standards, and government procurement practices varying in transparency and appearing arbitrary. Business-environment issues included regulatory barriers, need for lobbying and personal connections, high rents and land registration processes, limited access to financial services for women wanting to start a business, and local immigration practices preventing participation of expatriates in developing new markets and businesses.

⁴⁵ World Bank, Solomon Islands Growth Prospects, 2010.

⁴⁶ Bedford and Hugo, 2012.

25. **Analysts in Australia and New Zealand are increasingly recognising the importance of opportunities to study and work overseas for sustainable development in Melanesian countries.** Historically Papua New Guinea, Solomon Islands and Fiji have been considered by Australian and New Zealand analysts as having sufficient resources for sustainable development with appropriate development policies, therefore not a priority for migration opportunities.⁴⁷ Migration access for vulnerable smaller island states has thus been given preference by New Zealand (for Polynesian countries) and by the US (for US Compact Countries in the North Pacific). Step-migration through New Zealand to Australia, has contributed to a significant Polynesian-born population in both countries. In New Zealand in the ten years to 2012, permanent migration from Samoa represented 32.1 percent of Pacific residence approvals, but the proportion from Solomon Islands was only 0.4 percent.⁴⁸ This is likely a factor in the Samoan-born population in Australia in 2006 being ten times the size of the Solomon-Islands-born population.⁴⁹ Experts in Australia and New Zealand are now recognising the demographic pressures and development challenges of Melanesian countries as expressed by local politicians, and that sustainable development in Papua New Guinea, Solomon Islands and Vanuatu will increasingly require opportunities for young people to travel abroad training and employment.⁵⁰
26. **Labour migration has important positive economic impacts in immigrants' countries of origin including in the Pacific Islands.** Migrants themselves experience significant income gains from labour migration.⁵¹ Importantly for national development, there is evidence of migrants contributing to economic growth in origin countries through remittances, investment, knowledge transfer, and their eventual return. Remittances are a steady and reliable source of income for consumption in households with migrant members. Research in Fiji and Tonga in 2005 indicated that remittances had an important equalising effect on wealth distribution by benefiting poor households.⁵² Remittances can help poverty alleviation, induce higher rates of saving, and stimulate business activity in origin communities. Receiving remittances is linked to higher levels of secondary education and of other household members continuing to higher education.⁵³ Short-term regional labour schemes can lead to remittances and skills acquisition that benefit the local economy, contribute to increased standard of living, and increase skills of participants. The repatriation of skills and work practices could benefit the local business environment and economy. A 2010 study showed that remittances from workers in New Zealand's RSE scheme had increased per capita income by 34–38 percent in participating Tongan households and by 35–43 percent in participating ni-Vanuatu households. Research in Tonga has indicated that expansion of international labour mobility through regional seasonal employment schemes had significantly benefited poor and rural Tongans with minimal economic opportunity cost of labour exported (although a similar study in Vanuatu indicated less of a pro-poor focus).⁵⁴ Outside the region, there is evidence that the children of remittance recipients have lower dropout rates, and their parents spend more on private education costs.⁵⁵ There are also costs to labour migration, such as loss of skilled workers from the local workforce, and there are constraints to Solomon Islands' expanding labour migration. These opportunities and challenges for Solomon Islands are further discussed in Chapter 3.

⁴⁷ Appleyard and Stahl, 1995 and 2007, in Hugo and Bedford ANU presentation, 2012.

⁴⁸ Ramasamy, Department of Labor, Wellington, 2012.

⁴⁹ Department of Immigration & Citizenship, Canberra, 2008.

⁵⁰ Bedford and Hugo, 2012.

⁵¹ Gibson, Waikato, 2012.

⁵² Luthria, World Bank, 2006.

⁵³ Bedford and Hugo, 2012.

⁵⁴ McKenzie, World Bank and Pacific Economic Bulletin, 2010.

⁵⁵ Wang, World Bank 2012.

2. The supply of skills in Solomon Islands

Context and constraints

Skills formation structures are themselves constrained. Literacy and schooling is highly valued by Solomon Islanders. Over 90 percent of survey respondents in Isabel and Rennell & Bellona (Renbel) had attended some formal schooling. The national primary net enrolment rate is 91 percent. Functional literacy is recognised as important for life opportunities beyond subsistence activities. Yet 68 percent of Standard 4 students perform less than satisfactorily in literacy. When assessed, only 17.5 percent of respondents in Isabel and 33.9 percent in Renbel were functionally literate. Skills formation in Solomon Islands will require substantial quality improvements to early and basic education; second chances for people who have left education to gain literacy and numeracy; expanded access to secondary- and post-secondary education and training; and non-formal education pathways.

27. **Like many developing countries, Solomon Islands faces the challenge of adequately skilling its large youth population to ensure the risks of a youth bulge become the opportunity of a workforce that supports growth.** If youth are not economically active, they risk producing an economic and social cost which can lead to political unrest, particularly concentrated in urban centres.⁵⁶ However, a youth bulge can also be an opportunity when cohorts entering the labour force are skilled, working, earning income, and paying taxes. As the total fertility rate declines in future, a larger proportion of citizens of working age would then be able to better meet the costs of rearing children and care for elderly people who are not working, reducing dependency ratios to enable increased growth.⁵⁷

The role of education in skills formation

28. **Education at all levels contributes to skills formation to meet labour market demands.** International research strongly suggests that early childhood is the most important developmental phase in life, and that investment in early childhood is the most powerful investment a country can make in skills development, improving learning outcomes in basic education in the short-term and behaviour in the medium-term.⁵⁸ Such powerful investments include in holistic and integrated early childhood development at ages 0–4. In developing children’s preparedness to learn in school, not only cognitive skills, but socio-emotional skills and physical and mental health are important.⁵⁹ Nutrition and health of young children have a large impact on their learning outcomes.⁶⁰ The role of basic education is to provide a solid foundation in key skills such as reading, writing and maths. Getting basic education

quality right for the majority of students is the most cost-effective intervention to improve the availability of skills needed to improve employment outcomes and economic opportunities over the long term. Secondary education and TVET can develop specific competencies, skills, behaviours and attitudes, such as cooperation and social responsibility, which enable young people to participate in the modern workplace, contribute to social cohesion, and be responsible citizens. Many countries have experienced a major jump in productivity and prosperity due to expanded education at the secondary and TVET levels. International evidence has indicated that expanding education only at the primary level is not sufficient to significantly raise incomes or reduce poverty.

29. **To benefit from the demographic transition, education systems need to build the skills that young people need in the new global marketplace.** While curriculum and teaching have changed little in many countries, employers are increasingly demanding strong thinking, communication and entrepreneurial skills. In labour markets subject to rapid change, both general and core competencies are needed. Responding to these new labour market demands will require early investment in developing cognitive and non-cognitive skills, recognised as increasingly important in effectiveness of investments in learning at all levels over the long term. Many countries are nearing universal primary enrolment, but the quality of learning is variable. Quality improvements at the primary level and expanding access to secondary education are also needed for countries to see significant growth in poverty reduction, economic growth, productivity, and a reduced gap between skills supplied and those required by employers.⁶¹

⁵⁶ Bedford and Hugo, 2012.

⁵⁷ World Bank, World Development Report, 2007.

⁵⁸ Irwin, WHO, 2007.

⁵⁹ Hair et al, 2006.

⁶⁰ Irwin, WHO, 2007.

⁶¹ Wang, World Bank, 2012.

30. **Education and training can improve the productivity and earnings of people who are informally and formally employed, and prepare workers for labour opportunities at home and abroad.**

Informal opportunities are important as the formal sector alone is not likely to provide employment opportunities for the majority of Solomon Islanders. Both formal and informal sectors require higher education levels than subsistence farming. Overall, the findings of research on skills formation for the informal sector in Africa confirm the importance of basic education for all which helps to establish a solid foundation for further skills development.⁶² Primary and lower secondary education provide the cognitive skills which form a foundation for the acquisition of technical skills and for further secondary and post-secondary education to prepare individuals for employment. This foundation is also important to subsequent re-skilling and upgrading of workers. In the recruitment process, employers look for signals of jobseekers having gained adequate skills, including by reviewing prior education and training where primary education is of adequate quality. Access to basic education and literacy opens the door to post-basic education and provides a signal to employers about the ability of the worker to acquire higher levels of skills and productivity through training from different sources. There is a strong positive link between education and training, and the probability of obtaining employment off the farm, whether in informal or formal work. In neighbouring Papua New Guinea, the importance of government support to education and training for growing opportunities in the informal sector has been recognised through development of a 'National Policy for the Informal Economy'. The policy notes that shortages of education, information and understanding constrain development, diversity and performance of microenterprises. For the informal economy to succeed, the policy recognises that training needed includes formal and informal education; adult and school-based education, technical and vocational training; general education (literacy, numeracy) and specific skill acquisition; agricultural extension; and financial literacy. Business development services also have a role.

31. **Considering how Solomon Islanders gain skills needed for successful life outcomes, employment and livelihoods, requires study of the supply of skills.**

The nation's major investment in supply of skills is the education and training system: the constraints of this system contribute to the skills mismatch.

The system for skills supply: key issues in education and training in Solomon Islands

32. **Solomon Islands' supply of labour is challenged by low overall levels of human development.**

Solomon Islands ranks 134th of the 180 countries covered by the United Nations' Human Development Index. This is one of the lowest among PICs. The quality of education is a major challenge to human development and to the supply of labour in Solomon Islands. Overall, the challenge is characterised by an expansion of access to primary education, but without sufficient improvement in quality.⁶³

33. **Formal education in Solomon Islands includes limited ECE, widespread access to primary basic education, increasing access to junior secondary education, and limited senior secondary and post-secondary education.**

Most schools are run by provincial or church-based education authorities, with government funding of school grants and teacher salaries. Post-secondary education includes tertiary education at SICHE and the University of the South Pacific (USP), and overseas scholarships at USP and in Papua New Guinea, Australia and New Zealand. RTCs and community-based training centres are intended to cater for post-secondary and livelihoods training relevant to rural youth, but formal equivalency or accelerated learning is limited to the 'Open Schooling' Pilot. Tables 4 and 5 illustrate the Solomon Islands' key education sector indicators in the Pacific context over time.

⁶² World Bank, 'Improving Skills Development in the Informal Sector: Strategies for Sub-Saharan Africa', July 2, 2012.

⁶³ SIG, Barriers to Education Study, 2011.

Table 4: Solomon Islands' key education indicators in the Pacific context*NB: Latest available data, varying by year.*

Indicator	Country						
	Fiji	Kiribati	Papua New Guinea	Samoa	Solomon Islands	Tonga	Vanuatu
Pre-primary/ECE enrolment							
– % gross ^a	17.8	70.5 ^b	99.8 ^c	37.8	49.4	20.7	58.7
– % net ^d	15.7		N/A	24.1	34	21.1 ^b	40.9
Primary enrolment							
– % gross	104.8	112.7	60.1	107.5	121	110.4	117.2
– % net	96.7	97.1 ^b	44.6	93.7	91	98.7	98.7
Secondary enrolment							
– % gross	86.5	85.6	26	84.7	50	101.3	54.7
– % net	83.5	68.6	N/A	77.8	30.9	73	47.4
Transition to secondary (%)	N/A	N/A	89	99.2	90	70.5	78.7
Youth literacy (15–24) (%)	N/A	N/A	68.4	99.5	89.5	99.4	94.3
Primary survival rate (%) ^e	90.9	78.9 ^b	69	90 ^b	83	90.4	71.5
Primary completion rate (%) ^f	105	112	60	101.3	83	104	83.4
Primary drop out rates (%)	9.1	21.1 ^b	N/A	10 ^b	11	9.6	28.5

^a *Gross enrolment ratio*: the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.

^b Latest data obtained earlier than 2005.

^c Elementary (G1–G3) as no ECE in Papua New Guinea.

^d *Net enrolment ratio*: the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age.

^e *Primary completion rate*: the total number of new entrants in the last grade of primary education, regardless of age, expressed as percentage of the total population of the theoretical entrance age to the last grade of primary.

^f *Primary survival rate*: otherwise known as 'Persistence to last grade of primary', is the percentage of children enrolled in the first grade of primary school who eventually reach the last grade of primary education.

Source: National Government (EMIS reports and other Ministries of Education data); WB Data; UNESCO; United Nations Statistics Division, Millennium Development Goals Indicators Database; Census data.

34. **Enrolment has increased.** As illustrated in Table 5, there has been significant improvement in primary enrolment, and in the transition to junior secondary, to meet the national objective of universal basic education, including establishment of Community High Schools to Form 9. There are greater challenges in increasing enrolment at the secondary level, with a major drop in junior secondary net enrolment between 2009 and 2010 despite the number of schools increasing. Over-age enrolment is a major problem, with 2011 figures estimating 81,361 primary enrolments from the 6–11 age group, and 32,431 primary students aged 12–14 years: i.e. 28.5 percent of primary students were overage.⁶⁴ Even worse, 69 percent of junior secondary students were

15–18 years old, rather than the 12–14 year old target cohort. There are still more boys enrolling in secondary education than girls. International experience indicates that raising secondary enrolment is typically associated with strong increases in GDP per head.⁶⁵ Given that the priority remains for increased enrolment in secondary education, this may offer some potential for increased returns to investment in education in Solomon Islands. Yet the lack of a clear-cut relationship between years in education and employment indicates that an even greater priority is to address the quality of basic education, in turn enabling basic and secondary education to make a bigger difference to wages and employment.

⁶⁴ SIG, NEAP 2013–2015, 2012.

⁶⁵ World Bank, Solomon Islands Sources of Growth, 2010.

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35. **Formation of critical behavioural skills is also limited by the insufficient availability of ECE** (see Table 5). Alarming, while trained ECE teachers increased to 2010, enrolments fell. ECE is not easily accessible for many Pacific Island children. However, the importance of early childhood development (ECD) in preparing children for better educational performance, improving future productivity, and other social outcomes is widely acknowledged. The cognitive and socio-emotional skills needed to succeed at school – readiness to learn – is a product of a child's early environment including health, nutrition, stimulation and interaction with others. ECE is also important to the long-term behavioural skills sought by employers (as discussed in Chapter 3). These are skills lacking among Pacific jobseekers.⁶⁶
36. **The quality of basic education is a major concern.** This is recognised by MEHRD, based on the alarmingly high rate of students in the formal education system who are unable to read and write. The SISTA in 2007, measured literacy and numeracy achievements for students completing Year 6 in 2005 and 2006. The results were updated in SISTA 2 in 2010, showing an improvement in literacy figures, but only a small improvement in numeracy. Still, in Year 4 in 2010, 68 percent of students were below satisfactory level. Language is cited as a key issue. While English is the national language of instruction in schools, not enough teachers know English well enough to teach in it, and so teach in Pijin. The need for students to learn English and Pijin as new languages beyond their mother tongue in order to participate in formal education, is cited as one key reason for the poor results.⁶⁶
37. **Despite improvements in the transition rate from primary to secondary education, secondary enrolment remains a major concern.** Drop outs remain high from junior secondary and above, as large numbers of youth are 'pushed out' of the system, facing a continuing shortage of places at higher levels. Difficult learning conditions, harsh school discipline and teacher absenteeism can also 'push out' students from secondary levels. There are challenges to equalising the attendance of girls and boys in secondary school, including poor dormitory accommodation and security for girls, and there is a significant overage student problem. In 2008, the 'push out' rate at junior secondary school level was 26 percent; i.e. more than 5,000 young people were effectively pushed out of the school system due to a shortage of places or poor facilities in junior secondary schools. With even fewer places available at senior secondary schools, the rate rises to 63 percent, resulting in more than 6,800 secondary school 'push outs'. In 2010 the Solomon Islands National Youth Policy 2010 – 2015 identified that some 60,000 young people, about 40 percent of the nation's youths, were 'youth push outs'. The concerning level of school drop outs and push outs (primarily at Standard 6, Form 3 and Form 5), urban drift and rising unemployment countrywide was acknowledged as leading to new social issues and problems.⁶⁷ Achieving 100 percent gross enrolment in junior secondary education would require a big net enrolment rate increase, from 23 percent in 2011 to 62 percent in 2015. In updated National Education Action Planning to 2015, MEHRD plans to continue increasing the number of places in junior secondary school to enable the phasing out of the Solomon Islands Secondary School examination by 2015, to be replaced by Learner's Assessment.⁶⁸

⁶⁶ Farchy, World Bank, 2011.

⁶⁷ SIG, National Youth Policy, 2010.

⁶⁸ SIG, NEAP 2013-2015, 2012.

Table 5: Solomon Islands' key education indicators, 2005–2010

Indicator	Values						Trend
	2005/earlier	2006	2007	2008	2009	2010	
Number of schools							
– ECE		555	568	526	512	522	↓
– Primary		531	524	517	505	525	→
– Community High Schools (to G9)		143	153	163	167	176	↑
– Provincial Secondary Schools, National Secondary Schools		25	25	25	26		→
Enrolment							
– ECE (gross)	43% ('03)	135%	152%	144%	152%		↑
– ECE (net)		35%	40%	39%	41%	34%	→
– Primary (gross)	103%	108%	109%	118%	121%		↑
– Primary (net)	77%	81%	82%	94%	96%	91%	↑
– Secondary (gross)	31%	35%	36%	43%	50%		↑
– Secondary (net)		34%					N/A
– Junior Secondary (gross)			60%	61%	72%		↑
– Junior Secondary (net)		57%	31%	32%	38%	20%	↓
– Senior Secondary (gross)		25%	27%	28%	32%		↑
– Senior Secondary (net)	25%	20%	20%	20%	23%		→
Transition/Progress to secondary	79% ('02)			89%	90%	90%	↑
Survival to Year 6		83%	81%	63%	51%	83%	→
Drop out rates							
– Primary		9%	8%	6%	11%		↑
– Junior Secondary		18%	-1%	-11%	4%		↓
– Senior Secondary		55%	52%	49%	51%		↓
Gender parity							
– ECE		97%	97%	96%	94%		↓
– Primary		88%	89%	91%	91%		↑
– Junior Secondary		81%	83%	85%	87%		↑
– Senior Secondary		59%	55%	60%	65%		↑
Y4 Literacy – satisfactory or higher		24%				32%	↑
Y6 Literacy – satisfactory or higher		29%				40%	↑
Y4 numeracy – satisfactory or higher		44%				46%	→
Y6 numeracy – satisfactory or higher		41%				41%	→
Proportion of trained teachers							
– ECE		16%	25%	38%	49%	47%	↑
– Primary		62%	55%	59%	65%	58%*	→
– Secondary		69%	73%	77%	86%	71%*	→

NB: There is substantial variation between figures. Variance in PAF reporting (2006–2009) may reflect late submitted data or significant SIEMIS data correction/accuracy improvement. MEHRD qualifies key potential errors: low return rate (61% of forms were entered in 2009) and over-estimation of school enrolments by schools for the purpose of obtaining larger school grants.

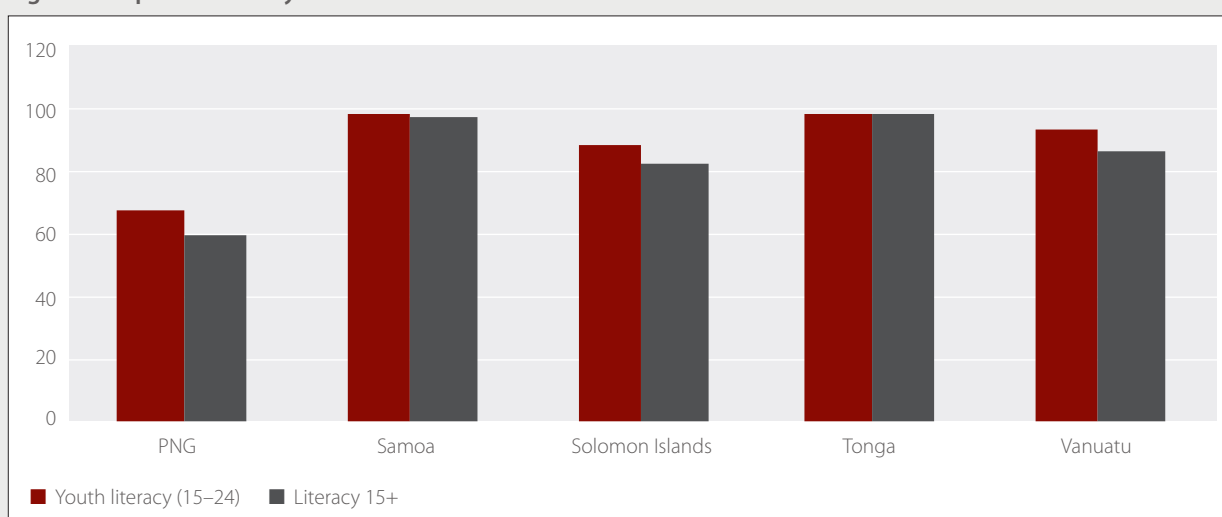
* Note 2010 figures of trained teachers are likely 'certified' only, not 'trained + certified'.

Sources: UNESCO Institute for Statistics Data; MEHRD PAF reports 2006–2008 and 2007–2009 (based on SIEMIS data); MEHRD NEAP 2010–2012 Assessment Report March 2012.

Box 1: Reported literacy versus functional literacy

Using data derived from self-reporting (such as that in census data) as a basis for calculating literacy rates is widely acknowledged as flawed. With answers given by the heads of households on behalf of other members of the family, it represents household opinion and is a very inaccurate proxy for true functional literacy. For example, while the Solomon Islands Census 2009 estimates a literacy rate of 84.1 percent, the results of survey work to test functional literacy in four provinces of the Solomon Islands (COESI/ASPBAE 2007 and 2010) indicate that functional literacy rates of respondents ranged from 7 to 33.9 percent of respondents in each of the four provinces. A similar report commissioned by AusAID in Vanuatu found a 33 percent literacy rate,⁶⁹ contrasting starkly with the rate of 87 percent derived from 2009 census data.

Figure 4: Reported literacy



Source: Census data, UNESCO and World Bank.

Globally, governments and international agencies are working together on new measures of skills. The World Bank, OECD, and UNESCO are developing monitorable indicators on skills to help move beyond educational attainment as a measure of skills. The World Bank's Human Development Network's STEP Skills Measurement Study is using comprehensive skills modules assessing adult levels of reading literacy by looking at performance in core literacy skills, reading components, and literacy exercises.

Table 6: Sub-sector shares of the Solomon Islands education budget (combined), %

Sub-sector shares have increased over time for ECE and Junior Secondary, and declined for TVET. Yet due to increased enrolment, expenditure per student has declined in all sub-sectors except tertiary.

Level	2007		2008		2009		2010	2011	2012	Trend	
	Original budget	Actual exp.	Original budget	Actual exp.	Original budget	Actual exp.	Budgeted exp.			Sub-sector share	Exp. per student
ECE	1.2	0.8	1.3	1.3	2.0	1.7	1.5	1.4	2.1	↑	↓
Primary	35.6	40.8	38.2	40.2	43.0	50	46.2	41	42.6	→	↓
Junior secondary	8.3	9.9	10.3	9.9	10.3	14.4	15	13.9	16.7	↑	↓
Senior secondary	9.8	11.9	11.7	11.6	12.5	8.5	9.6	9.4	11.7	→	↓
TVET	18.8	9.2	11.5	7.5	8.5	3.7	2.5	3.4	2.3	↓	↓
Tertiary	26.2	27.4	26.9	29.5	23.7	21.8	25.2	31	24.5	→	↑
Total	100	100	100	100	100	100	100	100	100		

Source: Solomon Islands Education Public Expenditure Review, World Bank, 2009; SIG Chart of Accounts data 2009–2012.

⁶⁹ Early and Tamtam, 2007.



Photo: Annette Leith, World Bank.

38. **Demand-responsive training capacity is limited.** In addition to challenges in the quality of basic education, in secondary education access, and in providing early cognitive and behavioural skills, Solomon Islands' capacity to provide quality, short-term training of relevance to employers is estimated at 2,000–3,000 students per year in RTCs for which youth demand well exceeds the supply of places.^{70,71} Solomon Islands' 37 RTCs are the responsibility of church authorities with limited government funding support. While existing short-term training programmes can realistically train about 14,000 students a year, most are from 80 rural community-based training centres, which generally offer only short instructional programmes of one week's duration. Tertiary or post-secondary education in Solomon Islands is provided by the USP Campus in Honiara, the Solomon Islands College of Higher Education (SICHE), and the open campus of the University of PNG. Tertiary education is strongly associated with employment, however, in 2011, only 1,720 students, or around one percent of total enrolments, were in tertiary education.⁷² To provide the skills required by employers, the training system supplying skills in Solomon Islands not only needs to increase the amount of training available to more Solomon Islanders, but the responsiveness of these programmes to employer needs.

39. **Education opportunities are more limited for the rural majority of Solomon Islanders.** In rural areas, 18 percent fewer 15–19 year old Solomon Islanders (i.e. 47 percent) are in education.⁷³ When available, education opportunities are a clear pathway for improved outcomes for rural Solomon Islanders, and are likely a key factor in the movement of young people to towns.

Investments to address the skills gap – and supply system constraints

40. **While Solomon Islands invests significant amounts in education, the outcomes of this investment are not meeting expectations.** Solomon Islands annually allocates up to 25 percent of the Government budget to Education, reflecting good international practice. This allocation is supplemented by significant donor flows. However, as illustrated by low functional literacy rates, below-satisfactory test results, and the skills shortage challenging employers, this investment does not lead to the outcomes expected for all Solomon Islanders.

41. **Firstly, the Government's allocative choices raise significant equity concerns.** MEHRD has acknowledged that the tertiary scholarships budget is regularly out of its control. As shown in Table 6, annual budget allocations to tertiary education are very high, and even these are regularly overspent. In 2008, allocation to the tertiary sector comprised 30 percent of the Education budget, benefiting 3.3 percent of total students. In 2012 it was 25 percent benefiting one percent. In 2011 the investment in tertiary education was a third larger than the investment in secondary education, even though there are 22 times more students in secondary education. This major investment also contrasts with a relatively negligible government allocation of 2.3 percent to vocational and livelihood programmes, and as little as SBD70,000 a year for community-based literacy programs for those lacking functional literacy, even though these are likely a far more widespread skills constraint to economic opportunities among Solomon Islanders (see Box 2). While expenditure is over-allocated to the tertiary sector, access is still limited, as annually only 1–3 percent of total students go to university. Small tertiary graduate numbers, and the stronger link of

⁷⁰ NSTP study 2007, EU Labour Market study 2012.

⁷¹ As noted in the World Bank's Second Chance Education desk review of 2011, RTCs are managed and funded by Church Education Authorities with biannual MEHRD grant funding. RTCs offer students quite formal full-time training curriculum, usually for a minimum two years. Nearly all RTCs offer agriculture, building/furniture making and life skills, and around half offer mechanics. Vocational subjects are complemented by English, maths and book-keeping or business studies. Most centres also include some form of religious instruction and cultural studies. Some RTCs run short courses on subjects such as bee-keeping, and water and sanitation. In some centres, students can learn the practical side of running a small business. Many RTCs students are encouraged to run small enterprises, such as poultry and piggery projects, small stores or petrol resale depots. In others, students participate in group projects, managing model farms, producing vegetables or rearing livestock. Vanga Teachers College opened in 2002 in Western Province and trains RTC graduates to become qualified RTC instructors. Figures suggest that overall only 30 percent of RTC students are female and in some centres the rate is as low as 10 percent.

⁷² MEHRD, 2011.

⁷³ Farchy, World Bank, 2011.

post-secondary and tertiary education to employment, also suggest a shortage of training at this level. In sum, at the tertiary level the Government currently allocates significant budget, with limited or no cost-recovery, benefiting too few students.⁷⁴

42. **Secondly, the efficiency of expenditure in producing good education outcomes is weakened by major system deficiencies which are already recognised.**

Despite a limited evidence base on learning outcomes relative to expenditure, functional literacy rates and SISTA test results suggest that significant education expenditure is not producing the desired results. The 2009 Public Expenditure Review found that greater expenditure per pupil by schools had no effect on learning achievement.⁷⁴ This indicates that additional investments might have greater impact if constraining key system efficiency problems can be addressed. These include teacher quality, student absenteeism, and management constraints, to name the most problematic.

43. **Teacher quality and absenteeism limit education quality.**

As indicated in Table 5, the proportion of trained teachers at primary level fell from 65 percent in 2009 to 58 percent in 2010. The 2012 National Education Action Plan (NEAP) Assessment report highlighted the Office of the Auditor-General's conservative estimate of an opportunity cost of lost teacher wages due to absenteeism exceeding SBD12.2 million per year, in addition to the long-term impact on student learning outcomes and motivation.⁷⁵ A survey of student absenteeism found that of reasons for absenteeism in the previous two weeks, the third highest response was teacher absence or teacher-related factors (10.6 percent). The same study identified that youth and students were vocal in identifying poor teaching practice as a key driver for student absenteeism and drop-outs. Further inefficiencies relate to teacher dissatisfaction with conditions of service, and problematic (though improved) teacher payroll management.⁷⁶

44. **Education quality may also be constrained by insufficient progress in curriculum development and preparation of learning materials.**

This particularly affects secondary and TVET levels. Availability of learning materials is reportedly limited. Curriculum reform has been influenced by donors and has not necessarily been accompanied with teacher training or explicit translation of what is taught in the classroom. There is no reporting on the quality or practicality of materials produced from the view of end-users, and no diagnostic on the extent to which learning material availability affects achievement.⁷⁷

45. **Multiple management constraints have been identified which inhibit system efficiency.**

These include thin capacity, staff underperformance and demotivation, unnecessarily complex organisational arrangements, and insufficient (although improving) evidenced-based policy and use of available planning tools. The Ministry recognises that its functions are hampered by excessive meetings and workshops. Provincial Education Authorities' insufficient school monitoring and support, partly due to challenges of remoteness, contribute to inadequate teacher performance.

46. **These major constraints to the quality of Solomon Islands' skills supply systems have been well identified in analysis of the Education sector in Solomon Islands.**

Current initiatives to address them, and further required actions, are discussed in Chapter 3.

Skills mismatched: the skills supply system and employment outcomes

47. **The results of the constraints to quality skills supply in Solomon Islands have a wide development impact on employment and broader life outcomes.**

Not all children attend ECE, meaning they miss out on foundations for long-term behavioural and cognitive skills. Enrolment in primary education is high, but not enough children gain basic literacy and numeracy skills in these crucial years. Limited quality of basic education creates a lag on the quality of secondary education, at which stage too many children still drop out before completion. Post-secondary education and training opportunities are too limited, particularly those that are responsive to employer needs. Whether people have accessed school or not, the challenge of illiteracy is widespread in Solomon Islands. In the National Literacy Proposal, MEHRD identifies illiteracy as a major factor limiting socio-economic development,^{77,78} contributing to social problems including poor health and sanitation, lack of economic diversification, poor natural resource management, low employment, and lack of educated participation in community and governance. MEHRD proposes that improving the literacy rate will positively affect these areas of development and improve the quality of life of Solomon Islanders. Important state-building and social capital outcomes may also be possible. Education is not solely for gaining a job, but also for creating broader skills including citizenship. Solomon Islanders expect education to lead to positive life outcomes and expanded options, of which gaining a living is very important to individuals and to the nation.

⁷⁴ MEHRD, 2011.

⁷⁵ The opportunity cost statement is interpreted in this research as indicating the value of teacher salaries wasted due to non-attendance.

⁷⁶ SIG, Barriers to Education Study, 2011, World Bank 2009.

⁷⁷ SIG, NEAP 2012-2015, 2012.

⁷⁸ MEHRD, National Literacy Proposal, 2010.

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48. **The relationship between education, employment and wage rates is not clear-cut.** Analysis based on HIES data identifies that the probability of paid employment increases with higher levels of educational qualifications at all levels, starting from secondary school. The relationship of primary education to employment indicates that years spent in basic education need to be complemented with higher levels of education gained (secondary, post-secondary and tertiary education) in order to provide a reliable signal to employers that basic skills needed for employment have been gained. This provides further evidence of perceived concern at the quality of basic education. The largest marginal impacts affecting likelihood of paid employment can be seen with certificates and tertiary education, which raise the expected probability of being in paid employment by about 15 percent in Solomon Islands. Therefore education at higher levels is valued by employers.
49. **The effect of educational attainment on unemployment and self-employment differs by education level from the effect on employment, and may be affected by maturity signals.** At the same time that secondary and higher levels of education increase the likelihood of paid employment, some estimates indicate that primary and secondary education is associated with increased probability of unemployment compared to those individuals with no education in Solomon Islands, perhaps reflecting problems of definition of unemployment in this context, or that people with some education search more selectively.⁷⁹ Tertiary education does not have a significant impact on unemployment status. Consistent with findings in other countries, education at lower levels appears to increase the likelihood of self-employment. In contrast, higher qualifications—including certificates and diplomas—have the tendency to decrease the likelihood of self-employment in Solomon Islands. This finding may result from status issues, from the fact that those in self-employment do not require higher education as a signal of their skills, and/or that education and training systems do not provide entrepreneurship skills adequately. In Solomon Islands, being a head of household has a substantial effect on the probability of unemployment – reducing the probability by 17 percent. Head of household status is a possible signal of maturity affecting employment either through employer preference or through stronger motivation for individuals with dependents to find employment.
50. **Tracer surveys reinforce statistical findings of relatively strong employment returns to post-secondary and tertiary education, but small contributions to private sector employment.** Compared to other levels of education, there is a relatively strong link between post-secondary education and paid employment. While 91 percent of overseas university graduates were currently employed in 2007, 64–68 percent worked for the public service. That only two percent of overseas tertiary graduates were self employed may reflect the smaller contribution of tertiary education to entrepreneurship or the scarcity value of a tertiary degree. Of SICHE graduates, nursing and teaching graduates had very high employment rates, and finance and business administration graduates had the highest representation in the private sector. That only one percent of SICHE graduates were originally from Honiara suggests that SICHE provides good opportunities for study for those from outside Honiara.⁸⁰
51. **There is a skills shortage of tertiary and post-secondary graduates felt by employers.** Even though there is considerable investment in tertiary scholarships, such a shortage is suggested by a relatively strong link of tertiary and post-secondary education to employment. The higher returns to higher levels of education provide evidence of the shortage of access to this level of education.⁸¹ As well as the importance of improving quality of tertiary and post-secondary training to further meet skills shortages felt by employers, expanding access to tertiary and post-secondary training emerges as a priority to meet skills shortages as well as to expand economic opportunities for more Solomon Islanders.
52. **While providing vocational training, the link with employment was lower for RTCs.** Although 87 percent of graduates from RTCs rated training as ‘good’ or ‘very good’, in the two years following graduation only 60 percent of graduates had found some kind of paid work each year, about a quarter of these for a company. Construction skills were considered the most in demand. This was followed by mechanical skills, although trainees in that area needed further on the job training. While self-employment was a highly likely outcome for graduates, nearly half of those self-employed identified that they needed more training in business skills after graduating. Agriculture, home economics and typing were not considered useful for finding paid work. Since these courses are heavily taken up by women, there is likely a greater disadvantage for women RTC graduates in the labour market.^{82,83}

⁷⁹ Farchy, World Bank, 2011.

⁸⁰ World Bank, NSTP, 2007.

⁸¹ World Bank, Improving Skills Development in the Informal Sector: Strategies for Sub-Saharan Africa, 2012.

⁸² World Bank, NSTP, 2007.

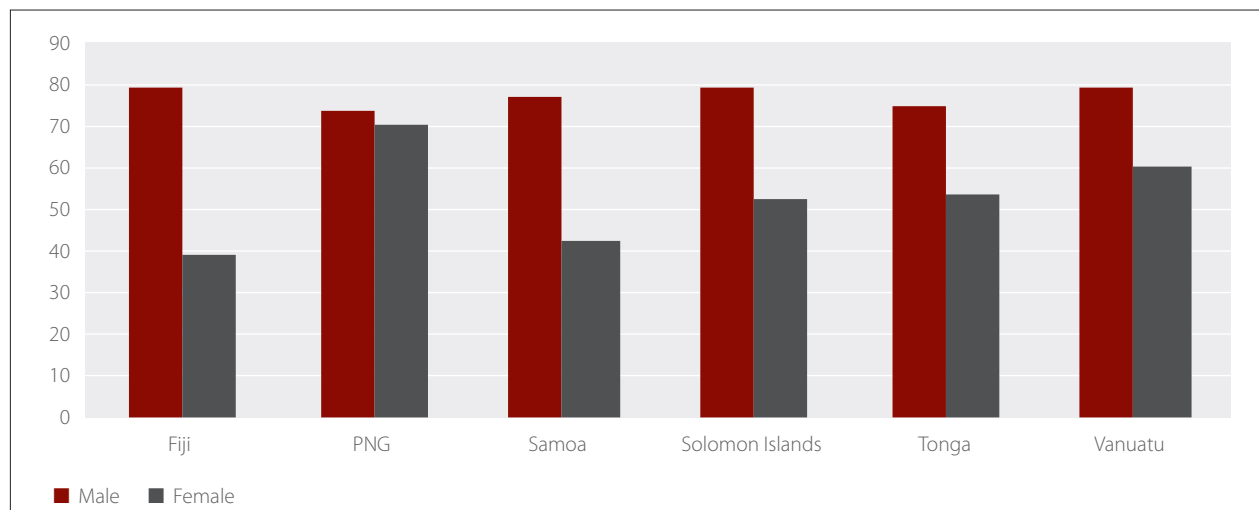
⁸³ EU Labour Market Survey, 2012.

53. **In Solomon Islands years of education attained – particularly if only to the end of primary level – do not necessarily ensure the provision of the skills demanded or remunerated by employers.** This characteristic is further explored in the ASPBAE/COESI survey findings below, which present the poor quality of basic education as a crisis, corroborated by low levels of functional literacy in the population and among primary school students.

A particular challenge for women in Solomon Islands?

54. **Globally, women face particular issues in the labour market, as shown in continuing disparity in outcomes between men and women.** Men and women are often strictly confined into gender roles, with women globally more likely to be employed in agriculture or services. Women make up 60 percent of the global working poor and are over-represented in informal work.⁸⁴ Women's labour market participation has increased around the world, and female labour force participation in East Asia Pacific Countries is high by international standards. There are particular challenges in the Pacific Islands. While it is difficult to measure labour force participation rates in the Pacific context, in several countries estimates of female labour force participation are significantly behind the rates for males (see Figure 5).

Figure 5: Labour force participation in Pacific Island countries



Source: World Development Indicators, World Bank, 2010.

55. **In Solomon Islands, estimates of women's employment and labour market participation rates differ according to definition.** Again, estimates vary for women's labour force participation, with one estimate from 2007 at 53 percent.⁸⁵ While 2009 census figures show labour force participation close to equal at 63.3 percent for men and 62.1 percent for women, comparison of HIES data across PICs indicates women's participation rate in Solomon Islands hovers at 10 percent lower than men across all age groups.⁸⁶ Census figures for employment for 2009 show a much greater disparity: 67.2 percent of those in employment were men, and only 32.8 percent were women. Demographic Health Survey data from 2007 shows a 34 percent employment rate for women aged 20–29, and 64 percent for men 20–24 and 74 percent for men 25–29⁸⁷ (see Figure 6, in which young women trail men in employment and education participation above age 15). According to 2004/05 HIES figures, the proportion of women in paid employment is around 20 percent lower than men in Solomon Islands. Around 20 percent more women are engaged in subsistence activities than men, even though employers state a preference for women employees for perceived enhanced behavioural skills.⁸⁸

⁸⁴ ILO, 2012.

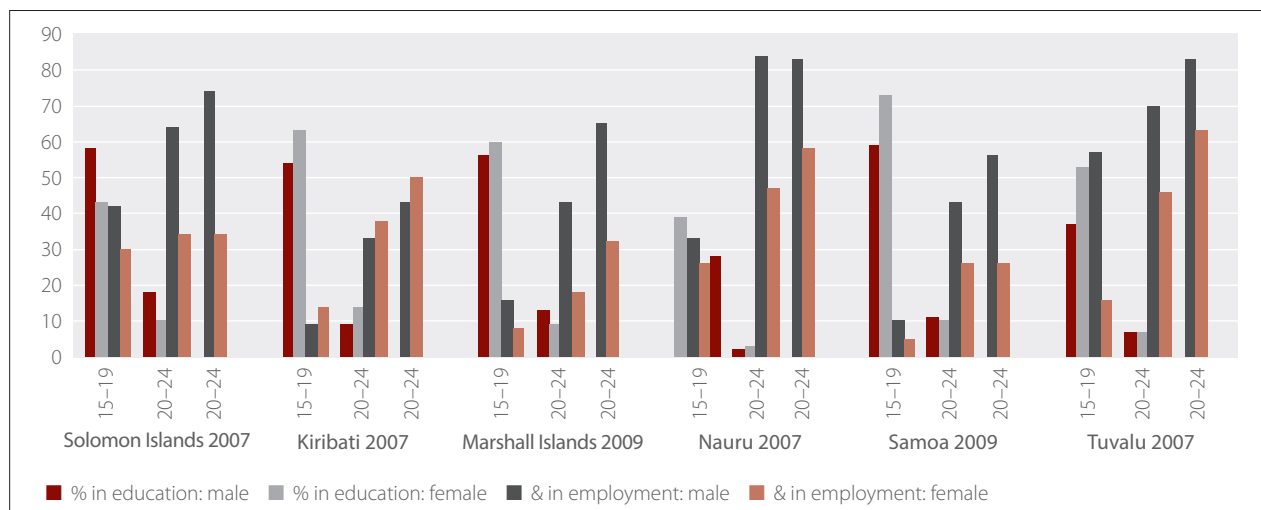
⁸⁵ WB Data, 2007.

⁸⁶ Farchy, World Bank, 2011.

⁸⁷ UNICEF, State of Pacific Youth Report, 2011.

⁸⁸ Farchy, World Bank, 2011.

Figure 6: Percent males and females in education (age 15–24) and employment (age 15–29)



Source: UNICEF, *State of Pacific Youth Report, 2011*, taken from SPC Demographic Health Survey Data 2007–2009.

56. **Women face particular disadvantage in the urban informal economy.** Rural Solomon Islander women who have moved to urban squatter settlements in Honiara in search of a better life also face particular challenges. Of the household members in urban squatter settlements in full time employment, only 18.2 percent were women. Many reported harsh working conditions with long hours, which drove them to informal income-generating activities such as selling betel-nuts and cigarettes, vegetables and root crops, and handicrafts.⁸⁹
57. **Pacific Island countries mostly have a good record for gender parity in access to education, but positive beginnings of gender parity in the classroom are not maintained throughout and beyond the education system.** Eight of the ten PICs for which data are available have a higher gross enrolment in ECE for girls than for boys.^{90,91} With some notable exceptions (Papua New Guinea), primary enrolment is close to parity with nearly all countries for which there is data (Fiji, Marshall Islands, Nauru, Solomon Islands, Vanuatu all have a gender parity index of 0.99 or higher). In addition to the high gender parity rates in the region, women tend to repeat grades at a lower rate. Disparities begin at primary school completion and in junior secondary, where limited dormitory facilities for girls presents a barrier to access.⁹² Gender parity is 0.65 at Senior Secondary level in 2009. At tertiary level, gender biases are more evident in access, award of scholarships and fields of study. While RTCs are

of particular relevance to providing training for employment and rural livelihoods, opportunities for women in RTCs are more limited. Women are generally limited to studying agriculture, home economics and typing, which have been noted by graduates as being less relevant to employment (see Chapter 3). Women often attend RTCs closer to home and are likely to be recalled for family obligations.⁹³

Context of the skills gap in Solomon Islands provinces: Isabel and Rennell and Bellona (Renbel)

58. **There is wide variation in human development indicators across provinces.** This is reflected in Figure 7 below presenting census figures of employment and education indicators for all provinces. The major difference is between Honiara and all other provinces, illustrating the depth of the rural/urban divide in Solomon Islands, and the need to consider the needs of rural areas differently. Beyond the concerning primary school-level assessment figures recorded in SISTA, investigation of the reality of the skills context in the lives of ordinary Solomon Islanders in two provinces provides an opportunity to consider how available skills constrain or benefit the employment and livelihoods of Solomon Islanders.

⁸⁹ Maebuta, H.E., and Maebuta, J, 2009.

⁹⁰ UNESCO, 2007.

⁹¹ The exceptions are Vanuatu and the Cook Islands.

⁹² SIG, *Barriers to Education Study*, 2011.

⁹³ EU Labour Market Study, 2012.

59. **As part of this programme of analytical and advisory work, the World Bank and partners supported extension of skills assessment.** The ASPBAE/COESI survey looked in detail at educational experience, functional literacy, and relationship with employment and wealth in two provinces. The specific provinces were selected because of comparability with other provinces, but also, for one, the highest national level of reported literacy. The survey follows a similar undertaking in Honiara and Malaita in 2007, extending the national baseline on literacy and educational experience. Addition of livelihood and wealth components enable the comparison of such outcomes with education.
60. **Isabel and Renbel both present relatively useful examples for identifying issues and trends relevant across the provinces of Solomon Islands.** Both present indicators close to the national average for population growth, proportion of subsistence workers who are women, and percentage of the population with only a primary education. Both present some strengths. Isabel has the second-highest level of secondary education after Honiara, and Renbel has the second-highest number of tertiary graduates. Isabel matches the national average for reported literacy, whilst Renbel's self-reported literacy rate is near-perfect at 99 percent of those over age 15. As per Box 1, analysis of assessed literacy rates compared to such high reported literacy can help accurately identify the scale of the literacy challenge nationally. As a small island province, Renbel presents quite a different cultural context which affects outcomes – the proportion of subsistence workers who are women is the lowest nationally, 20 percent lower than the national average. Other factors in the selection included logistics considerations such as available stakeholders and the small size of Renbel making it more easily added to the survey. The detailed findings of the survey are presented at Annex 2.

Survey findings: the context of skills supply

61. **The survey's findings in Renbel and Isabel are consistent with 2007 survey results in Malaita and Honiara – indicating a crisis in the quality of basic education in imparting literacy and numeracy skills.** While attendance at school is high in basic education, attendance is no guarantee of achieving literacy. The survey identified functional literacy rates (17.5 percent in Isabel and 33.9 percent in Renbel) which are very low in comparison with the high rates of people stating perceived importance of literacy to daily life (around 60 percent), with the nationally reported literacy rates (84 percent in Isabel and 99 percent in Renbel⁹⁴), and with the number of respondents with some school attendance (over 90 percent). The findings are similar to those for Honiara and Malaita in 2007. Despite a strong perceived value of literacy and numeracy in everyday life, too few Solomon Islanders gain these skills from basic education or even secondary education, or retain these skills beyond schooling.
62. **The survey also indicated the importance of student motivation to learn, and second chances to gain skills.** While literacy and schooling were both highly valued, a high proportion of youth found education 'not interesting'. This suggests student motivation to learn as a key constraint to the school-to-work transition. Of respondents who had not attended school, none (0.0 percent) were functionally literate. This indicates not only the importance of schooling to gaining literacy, but also the importance of effective second chance education in literacy, and flexible pathways of non-formal education for those who missed school or who did not gain basic literacy from schooling.
63. **The survey presented a stronger link to non-farming livelihoods from functional literacy than from educational attainment; and a gender gap.** While analysis of key household datasets in the Pacific had found a weak or uncertain effect of primary education on unemployment outcomes, the educational experience survey found that higher levels of educational experience are more strongly linked to wealth and likelihood of being paid for work. Functional literacy correlates more strongly with having choices other than subsistence agriculture. Enrolment in primary school isn't enough for better outcomes – what matters more is learning how, and continuing to know how, to read and write.^{95,96} A gender gap is notable in rates for primary school intake, transition, completion, literacy, and employment. The marked disadvantage of women in Isabel province also indicates the variance in cultural context and behaviours between provinces. Box 2 presents a perspective on literacy for Solomon Islands women.

⁹⁴ SIG Census, 2009.

⁹⁵ ASPBAE/COESI, 2010.

⁹⁶ Farchy, World Bank, 2011.

Figure 7: Solomon Islands employment and education indicators by province (Census, 2009)

NB: All figures other than population amounts are %. Literacy rates are self-reported.

Indicator	Solomon Islands	Honiara	Choiseul	Western	Isabel
Population	515,870	64,609	26,372	76,649	26,158
Average annual population growth	2.3	2.7	2.8	2.0	2.5
% Urban	19.7	100.0	3.1	12.7	3.7
Employment: population ratio	23.7	36.6	19.8	33.1	18.5
% of population subsistence workers:	17	0.5	23.0	38.2	27.5
– % of which are female	59.9	68.5	64.5	59.2	61
% population with:					
– no school completed	16.1	5.9	4.6	4.2	17.9
– primary	56.8	40.4	73.4	69.8	50.7
– secondary	18.9	34.8	16.6	18.8	25.0
– tertiary	4.4	12.8	2.9	4.2	3.0
– vocational/professional qualification	1.0	1.1	1.3	1.6	0.7
Literacy rate, 15+	84.1	94.5	95.9	96.3	84.0
Literacy rate, 15–24	89.5	96.1	95.8	96.2	89.3

Indicator	Central	Renbel	Guadal-canal	Malaita	Makira	Temotu
Population	26,051	3,041	93,613	137,596	40,419	21,362
Average annual population growth	1.9	2.5	4.4	1.2	2.6	1.2
% Urban	4.8	–	16.3	3.7	5.1	9.3
Employment: population ratio	24	20.1	25.7	16.0	14.4	14.7
% of population subsistence workers:	19.4	21.7	15.7	24.6	15.8	15.1
– % of which are female	61.3	41.6	59.5	60.2	59.0	52.5
% population with:						
– no school completed	19.3	5.1	20.0	26.9	13.4	24.0
– primary	60.2	68.2	55.2	55.0	60.7	56.5
– secondary	16.3	16.6	17.9	12.2	17.3	14.3
– tertiary	2.3	7.6	3.6	2.2	3.1	2.7
– vocational/professional qualification	0.5	1.7	0.8	0.5	1.7	0.6
Literacy rate, 15+	80.6	99.1	82.8	70.4	90.1	71.3
Literacy rate, 15–24	87.7	98.3	88.8	79.9	93.9	89.8

Box 2: 'Hem No Leit Tumas'

Are Literacy Classes A Women's Thing?



Holy Cross literacy school in Honiara, with a class of intermediate level English students. Photo: Stephen Close, World Bank.

In a highly Christian society, the first reason women in Solomon Islands often give for wanting to read and write is so that they can lead bible-reading in church. The next reason they commonly give is so that they can feel part of the community, and know what is going on around them.

Without basic literacy and numeracy, women often feel they are less able to stand up for themselves, stand up to their husbands, or take a leading role in meeting community needs, such as improving hygiene and access to water, or fulfil their traditional role as community peacemakers in a country still divided by social tension. In a country with a fertility rate of 4.6, they are unable to read family planning materials or count the cycle on their contraceptive pills. Perhaps perpetuating the problem, illiterate women are not able to actively support their children in their education.

Estimated literacy rates in Solomon Islands vary wildly (see Box 1: Reported Literacy vs Functional Literacy). The ASPBAE/COESI survey of four provinces identified rates of functional literacy between 7 percent and 33.4 percent in each province. Even less measured is functional numeracy. In a country with few formal employment opportunities, but an urbanising and monetising economy, the ability to make a profit from trading betel, vegetables or fish is a basic survival skill.

Most commonly it is women, of all ages, who seek a second chance at reading and writing. The reasons for this are uncertain. It may be that adult literacy has become 'a women's activity'.

The ways women organise at the village level may make them more likely to form and join literacy classes. While girls' primary education enrolment has equalised with that of boys across the country, many people say that girls were kept at home by their families much more commonly in the 1960's and 1970's. This may be the reason many grown women are illiterate. When schools charged fees (many still do today) parents would prioritise boys over girls. Suspension of basic service delivery during the 1999–2003 tensions also contributed to youth illiteracy. Even today, some communities, especially in provinces including Malaita and Isabel, are more likely to pull girls out of school to look after siblings or the garden.

Many classrooms in the Solomon Islands are dull and overcrowded. The lack of equipment, learning materials and stimulating materials reduces children's interest in education the first time around. While fortunately transition to Junior Secondary school is approaching 100 percent in some provinces, finding ways to retain children in better-quality education is better – and more cost-effective – than trying to catch them later.

NGOs such as ADRA, World Vision, Church of Melanesia and the South Seas Evangelical Church run literacy schools in all provinces to give those who have missed out a second chance. The schools are mostly run by unpaid volunteers trained in workshops by the Literacy Association of Solomon Islands (LASI). LASI provides learning materials in English, Pijin, and ten local languages. With no set entry or exit points, it takes about 6–12 months to learn basic literacy and numeracy, but many drop out early. A greater problem is that unpaid volunteer teachers stop and start classes, and students lack learning materials or stationery.

In the MEHRD's TVET & NFE Division, two officers are responsible for Community Education and Adult Literacy, managing a Literacy budget of SBD70,000 a year. The Non-Formal Education (NFE) unit regularly spends the budget within the first few months of the year, mostly on publishing learning materials.

Selina Berah of LASI said that women's strong demand for literacy is sometimes countered by neighbours who say there's no point. "Women say, 'Mifela leit pinis na' – [it's too late for me]. But we say 'Hem no leit tumas' [it's not too late]".

Sources of data: UNDP, ASPBAE/COESI 2007 and 2010; World Bank Human Development team discussion with Reuben Molli and visit to Fiu RTC, February 2009.

3. Closing the skills gap

Current initiatives, further opportunities and actions

While constraints on growth are broader than skills alone, new growth opportunities will be accessible for more Solomon Islanders if the skills needed to explore them are built in the growing youthful population. Solomon Islanders recognise the skills challenge and have initiated important policies and programmes to address this constraint on growth. Actions across the full range of life transitions from early childhood to labour force matching are needed to close the skills gap. The Solomon Islands Government (SIG) can build on current initiatives, turn concepts into implementation and action, and develop new partnerships across sectors, that create opportunities benefiting rural and women Solomon Islanders, and plan for further possibilities for its people overseas.

64. **Opportunities for employment and livelihoods in Solomon Islands are notably constrained by a shortage of the right skills to exploit them.** The private sector could grow if Solomon Islanders had the skills needed for such growth. Not enough people have the functional literacy skills that are important to choices beyond subsistence farming.

65. **Addressing the skills mismatch will require interventions which will improve the demand for labour by reducing barriers to economic growth opportunities, improve the quality of labour supplied, and better match labour supply and demand.** While barriers to economic growth are multiple in the Pacific context, this report focuses on the constraints to supplying the labour force with skills. Addressing the human capital constraint to growth and closing the skills gap will require Solomon Islands' skills supply system to:

- a) be flexible enough to provide learners with what they need in response to changing circumstances, imparting knowledge and skills when they need them, and delivering learning conveniently;
- b) develop and update the skills needed for active participation in available economic opportunities. Education opportunities need to be made more relevant to the needs of all young people as learners and future workers, and young people need to develop their capabilities so they can make the most of opportunities;
- c) increase the employability of labour force participants, linking the education system to employer needs.⁹⁷

66. **Relevant skills aren't the whole story.** General economic and social stability are fundamental. In the modern labour market, a person's employability is now dependent on multiple factors, including his or her educational qualifications, work experience, information about employment, and appropriate career guidance, as well as willingness to take a job.⁹⁷ In the Pacific, the skills gap is characterised by problems of expectations and motivation

to find work given the availability and expectations of family networks for support. For Solomon Islands to improve productivity and labour market outcomes by meeting the demand from available economic opportunities, labour force entrants must be equipped with the appropriate:

- a) **Skills:** To increase the employability and entrepreneurialism of young people, the education system must equip them with the skills demanded by the private sector. The 'portability of skills' is increasingly important; skills should be transferable between jobs and easily recognised by employers;⁹⁷ and
- b) **Expectations and motivation:** To match supply and demand in both the high- and low-skilled labour markets (e.g. avoiding excess supply of high-skilled tertiary educated workers), expectations must be aligned with opportunities. To reduce unemployment or inactivity engendered by familial dependency, young people must have the motivation to plan and seek productive career paths. The school-to-work link is partly dependent on individuals, as it relates to their decision-making, and readiness for lifelong learning opportunities, reskilling, employment-seeking and flexibility for employers.⁹⁸

67. **Addressing the skills mismatch requires improved skills, and second and multiple chances to gain them.** Labour market outcomes are unlikely to improve unless countries boost the quality of education at all levels to ensure that workers can meet employers' needs. Those students who don't gain or retain basic literacy and numeracy skills from their enrolment in formal basic education need 'second chances' to gain these skills.⁹⁹ Yet the educational outcomes affecting labour market outcomes are broader than reading, writing and arithmetic alone. They include both cognitive and technical skills; behavioural skills; general and specific knowledge; and values to help prepare individuals for healthy, productive and fulfilling lives. These are all important over the long term, in addition to degrees attained and grades completed being valuable to the school-to-work transition.⁹⁹

⁹⁷ Wang, World Bank, 2012.

⁹⁸ Farchy, World Bank, 2011; Wang, World Bank, 2012.

⁹⁹ World Bank, World Development Report, 2007.

68. **An integrated, multi-sector approach to education policy going beyond Ministries of Education and formal schooling is needed to address the mismatch between education supplied and skills demanded, supporting youth to make a successful transition from school to work.** As well as policies to improve the skills of the workforce, there is a need for policies which increase the demand for skills. For instance, in the absence of policies supporting investment and technological progress, subsidies for higher education will only lead to unemployed tertiary graduates, and/or increased skilled emigration. How governments and society influence or support the school-to-work transition decisions made by youth themselves affects their life outcomes. It also affects the effective matching of skills provided by education systems and demanded by external and internal labour markets.⁹⁹ In addressing this, many key strategic questions face Solomon Islands, drawn from global experience.

Skills toward employment and productivity (STEP): policies and actions for each life stage

69. **A simple conceptual framework, Skills Toward Employment and Productivity (STEP), was developed by the World Bank to help policy-makers, analysts, and researchers think through the design of systems to impart skills that enhance productivity and growth.** Pulling together what is known about the elements of a successful skills development strategy, the STEP framework can guide the preparation of further diagnostic work on skills, and subsequently the design of policies across sectors to create productive employment and promote economic growth. It supports a comprehensive approach and avoids overly simplistic solutions to closing skill gaps; such as a narrow focus on TVET or on university scholarships. The framework presents five interlinked steps.

70. **STEP 1: Getting children off to the right start**

Interventions at early childhood (0–4) have longer-lasting benefits over a lifetime. ‘Starting right’ requires ECD, emphasising nutrition and stimulation in the home at ages 0–3 to provide the foundation for development of cognitive and behavioural skills conducive to high productivity and flexibility in the work environment in the long term. Research shows that handicaps built early in life are difficult, if not impossible to remedy later, and that effective ECD programmes can have a very high payoff in future labour force productivity. Learning outcomes in basic education can be improved through expanded ECE programmes.

71. **STEP 2: Ensuring that all students learn**

It is important to ensure that all students learn by building stronger education systems with clear learning standards, good teachers, adequate resources, and a proper regulatory environment. Lessons from research and ground experience indicate that key decisions about education systems involve how much autonomy to allow and to whom, accountability from whom and for what, and how to assess performance and results. For those who have left basic education without gaining key basic skills, providing second and multiple chances to gain basic skills is important to support learning, employability and improved life outcomes for all.

72. **STEP 3: Building job-relevant skills that employers demand**

The right incentive framework needs to be developed for both pre-employment and on-the-job training programmes and institutions (including higher education). Training systems must be demand-oriented, both preparing youths for entry to work, and providing pathways for continual learning over a lifetime in response to changing technologies and global economic requirements. There is accumulating experience showing how public and private efforts can be combined to achieve more relevant and responsive training systems. Public provision alone is not sufficient – increasing the incentives for firms to train and to reform training systems is essential. China, Chile, Iran, South Korea, Malaysia, Mozambique and Singapore have recognised the fiscal limits of public training provision, and have opened up to public-private partnerships to diversify financing for training, promote sustainability, and improve access and relevance. Voucher systems, grants paid to provide providers, and variable course pricing, allow a market price signal to inform individuals’ choices.¹⁰⁰ Strengthened leadership and local business and employment partnerships are also important. National Qualifications Framework mechanisms can help orient training to demand. These frameworks also recognise non-formal training, self-employment and micro-enterprise, and help broaden opportunities for those without access to formal training or employment.

73. **STEP 4: Entrepreneurship and Innovation**

Countries can create an environment that encourages investments in knowledge and creativity. Emerging evidence shows this demands innovation-specific skills (which can be built starting early in life), investments to help connecting people with ideas (say, through collaboration between universities and private companies), and risk management tools that facilitate innovation.

⁹⁹ World Bank, World Development Report, 2007.

¹⁰⁰ World Bank, World Development Report, 2007.

74. **STEP 5: Matching the supply of skills with the demand, facilitating labour mobility, and job matching**

This includes moving toward more flexible, efficient, and secure labour markets. Even if individuals have the 'right' skills to be productive and innovative, productivity and employment can be limited if labour markets function poorly. Employers need flexibility to manage their human resources and to find the skills they need. Workers need the jobs that put their skills to best use, and to move freely between jobs and regions. When workers cannot move freely, both output and productivity growth are compromised.

Planning to address the skills mismatch: the NHRDTP

75. **The National Human Resources Development & Training Plan (NHRDTP) encompasses actions across the range of STEP stages, but particularly stages 3 to 5.**

The goal of the NHRDTP is that *"Sufficient Solomon Islanders with the required skills and attitudes are available to satisfy local and international labour market demand."* The objective is *"To ensure that the education and training system supports economic and social development by systematically meeting the needs and requirements of the local and international labour markets."*

76. **The NHRDTP approach is part of a transition from manpower planning to flexible skills strategising.**

Previously manpower planning was undertaken to prevent worker shortages and expand economic growth. However the approach assumes an inflexible labour market and stable economic and technological structures in which precise manpower numbers can be calculated. It also assumes Governments can 'pick winners' among industries. Few countries have done this successfully. Today's economy is one of rapid change. It is more difficult to predict the rapidly shifting needs of private sector demand.¹⁰¹ It is therefore important instead to complement broad skills planning with flexible, responsive, demand-led frameworks that quickly and accurately transmit market signals to people seeking to build their skills,¹⁰¹ such as the area, quality and configuration of technical competencies needed to gain employment.

77. **The NHRDTP is a strategic response to the mismatch between skills supplied by households in Solomon Islands and current demand from employers, and focuses on demand, private-sector participation, implementation-readiness, and use of existing resources.**¹⁰²

It provides policy directions to reconfigure the training supply system into a demand-responsive system, in which decisions on education and training, such as budget, policies, programmes, curricula, and training, are driven by medium- and long-term development priorities. The NHRDTP adds analysis and recommendations particularly for building job relevant skills, supporting entrepreneurship and innovation, and in particular to support the labour market to better match supply with demand. National planners need to address the broad system in which training takes place: in formal and non-formal training institutions and in work places. Accreditation and other systems need to be further developed and implemented to ensure the quality and relevance of education and training provided formally or informally (including on-the-job apprenticeships). The NHRDTP supports private sector involvement in planning, employer-based training, and preparation for international labour migration. Alternative pathways are a priority for employment and production skills for those outside formal education and training, including community-based, enterprise-based and 'second-chance' education. A priority is the reform of practices which reduce, restrict or disincentivise the demand for local labour, or the acquisition or application of skills. The NHRDTP maximises inputs and services from existing ministries, project groups, stakeholders and service organisations. The NHRDTP has the commitment and participation of a range of SIG agencies, and was approved by the Cabinet Ministers of Solomon Islands in February 2013. It still requires strong private sector participation, and full implementation by stakeholders to start turning the supply of labour to meet demand. In implementing the NHRDTP, the MDPAC has a central coordinating role, with multiple stakeholders and the need for strong private sector participation. The NHRDTP also needs to be coordinated with the 'National Advisory Board for Technical and Vocational Education and Training' (NABVET) concept proposed as part of EU support to TVET.¹⁰³

¹⁰¹ Wang, World Bank, 2012.

¹⁰² The NHRDTP was developed in response to a request from the Government of Solomon Islands. It built on the findings and recommendations of an earlier AusAID-, NZAID- and World Bank-supported 'Study for a National Skills Training Plan' advice to SIG. These recommendations were used as the basis for the establishment of a National Human Resource Development & Training Council and the commissioning of the plan development. The NHRDTP report was prepared in collaboration by a team of the Social Sector Division of the Ministry of Development Planning and Aid Coordination, facilitated by technical advisor Alan Male. Its findings were consulted on in two workshops held in Honiara, Solomon Islands, during 2010 and 2011, and among members of the interim NHRDTP working group. The final NHRDTP report was provided to the members of the working group in May 2011. The NHRDTP was endorsed by the Cabinet Ministers of the Solomon Islands Government in February 2013.

¹⁰³ Draft Concept Paper for NABVET, EU, 2012.

78. There are five key components of the NHRDTP

- (i) Firstly, strengthening cross-sector planning and coordination includes establishment of the National Human Resource Development and Training Council (NHRDTC) as the advisory body analysing demand and recommending human resource development priorities.
- (ii) Secondly, developing an evidence-based system to identify priority skill development areas that can be met through local education and training and scholarships. Development of information collection and analysis systems would include all economic sectors, public and private, international, national and provincial, to provide a coherent, reliable basis for the identification of priorities. Much of the data and information resources already exist in Solomon Islands agencies, and could be supported by specialist technical expertise and/or current ILO support for a Labour Market Information System.¹⁰⁴ Once the NHRDTC identifies priorities through a transparent process and they are endorsed by SIG, the NHRDTC would monitor responsiveness of training supplied by providers.
- (iii) Thirdly, key mechanisms and actions are proposed to make the education and training system more responsive to labour demand. This includes defining standards for training based on skills'outcomes achieved, not only length of training, with industry-led definition of outcome descriptors and alignment of assessment systems. A post-scholarship transition programme could facilitate scholarship holders into employment. Continued curriculum reform and development of a National Qualifications Framework (NQF) can help integrate the 'soft skills' that employers say they need. Supplementing training courses with practical demonstration or recognition of prior learning supports clear definition of outcome standards. Quality assurance systems for all government/donor-funded post-school trainings can ensure compliance with standards. A student loan scheme to finance study or targeted grants for poor students would help expand access and opportunities to those currently disadvantaged. Improved scholarship support and supervision systems would ensure that Solomon Islands' major investment in tertiary scholarships leads to better economic and employment outcomes. Locally-based tertiary training by USP and UPNG will also help widen access and reduce costs of training. Purchasing/competitive tendering arrangements by ministries and donors from public and private training providers would help shift from investment in fixed infrastructure and staff (input costs) toward increased supply efficiency, reduced cost, and

improved outcomes focus. Workplace-based training would support on-going skills acquisition even when workers are not able to return to institutional training, and at lower cost. Policy options would be considered to encourage or require employers to provide workplace training or pay a training levy as an alternative. Pathways for semi-formal and non-formal training would include more people in skills recognition, and motivate acquisition of relevant skills, including through mechanisms within the NQF for achievement to be recognised and progress scaffolded for non-formal and second chance education. Importantly, such programs would integrate substantive national efforts to increase functional literacy for those who have not gained it.

- (iv) Fourth is developing enterprise and skills to improve livelihoods in a context of limited formal job creation. This recognises the need for entrepreneurial workers, and the need for labour force participants to participate productively in self-employment and the informal sector. Enterprise skills could be included in education and training curricula and qualifications, and relevant work placements expanded with private sector consultation. Schools and TVET institutions could expand school-to-work transition preparation programmes to include attitudes and behaviours. Inclusion of non-formal competency-based qualifications would increase the pathways to gain skills. A National Skills Competition could promote occupational skills, choices and innovation. Development of the right funding system formula would incentivise learning opportunities for women. Rural area approaches including a feasibility study of livelihood skills programmes at village level, including community-identified training, mobile TVET delivery, and links to RTCs and community-based training centres, could expand education opportunities for the rural majority, enabling them to meet skills gaps at home or move to towns bringing job-relevant skills.
- (v) Fifth, identifying and developing labour opportunities overseas and ensuring that local labour has the skills needed, is discussed further at page 50.

79. **Finally, the NHRDTP prioritises actions to increase access and participation by women in education, training, and employment.** Many women are currently involved in traditional activities and the subsistence economy. The NHRDTP prioritises the participation of women in training in skills to increase productivity and enhance rural, subsistence and non-formal livelihoods. A way to achieve this is through the NHRDTP's proposed incentives for women to participate in higher levels of formal education and training, particularly in non-traditional occupations. A demand-oriented human resource development and training system would include

¹⁰⁴ ILO, Initiatives on Youth Employment in the Pacific, 2010.

a funding formula that incentivises learning opportunities, and that would aim to increase the numbers of women participating in literacy courses, TVET courses, and enterprise-related courses. This would increase and motivate providers to seek greater enrolment by women.^{105,106}

Step 1: Getting children off to the right start

80. **Solomon Islands has recognised the importance of early child development and education with a more refined policy framework, but decreasing enrolment numbers raises concern.** Solomon Islands has drafted national policies for ECD and ECE, formulated through a stakeholder engagement process. A decentralised model of service delivery includes centralised programme standards and financing.¹⁰⁷ Government grants are disbursed directly to early childhood centres. The implementation of grants is managed by teachers in centres with monitoring and supervision by MEHRD.¹⁰⁸ Approximately 70 percent of all children enrolled in ECE are aged 3 to 5 years. The curriculum is not structured and instead children are encouraged to 'interact in an environment where they can explore, learn and discover through play'. Delivery of ECE programmes is highly decentralised and consequently community involvement is fundamental to their implementation.¹⁰⁸ Whilst greater training for teachers in budget management is a noted area of need, the decentralised structure of ECE service delivery in Solomon Islands helps to mitigate the effects of remoteness and to remedy significant variance between provinces. Direct and recurrent government funding for ECE covering the cost of teachers' salaries also strengthens sustainability and capacity to ensure greater consistency in the provision of services. SIG contributes 88 percent of all funds that go towards ECE in the country, representing the government's strong commitment to ECE.¹⁰⁹ MEHRD has indicated its commitment to expanding ECE. Demand and availability of qualified ECE teachers, and concerted donor engagement and Ministry support, including action at the provincial level, are all positives for the further development of ECE. The NEAP 2013–2015 includes the goal of all ECE centres meeting minimum standards for teaching, learning and development, in line with vernacular language policy. The drop in ECE net enrolments in 2010 is a setback. Stronger demand for

ECE services also needs to be translated into better early learning environments for children. Ensuring the quality of ECE services as well as access is important.

81. **Future priorities will include sustaining these engagements and reforms and supporting broader early child development.** Considering the evidence base, it is increasingly important to look beyond ECE at ages 3 to 5 to broader ECD, including health, nutrition and learning through play in the home, in order to improve children's cognitive and socio-emotional skills, as a growing body of evidence shows how important this is to improving long-term employment and life outcomes. MEHRD intends to establish an integrated model of early education and health care services for children aged 3 to 5 years old, with areas of overlap including advocacy on the importance of nutritious meals for the development of the child, including during pregnancy.¹¹⁰ Community-level intervention could help families who cannot afford preschool and help resolve other local problems in ensuring children are ready for primary school. Evidence from elsewhere in the Pacific indicates that a key priority for sustaining demand and resources for community-managed early childhood services is to increase community dialogue on these services, particularly involving fathers.¹¹¹



St Augustine Kindergarten, Auki, Malaita.
Photo: Stephen Close, World Bank.

¹⁰⁵ SIG, NHRDTP, 2011.

¹⁰⁶ An AusAID study has recommended that the NHRDTC consider jointly commissioning a baseline gender study on labour market participation and post-secondary skills development opportunities, appraising the gender balance of curriculum in RTCs and SICHE, in consultation with the Ministry of Women.

¹⁰⁷ Chadwick, WB 2012, from ARNEC, 2010.

¹⁰⁸ Chadwick, WB 2012, from MEHRD, 2007.

¹⁰⁹ Chadwick, WB 2012, from ARNEC, 2010.

¹¹⁰ SIG, Barriers to Education Study, 2011.

¹¹¹ Macdonald, World Bank, 2012.

Step 2: Ensuring learning for all

Quality of basic and secondary education

82. **Solomon Islands is currently addressing the quality of basic and secondary education.** Chapter 2 identified the constraints to securing good education outcomes from Solomon Islands' significant investment in skills supply. Through the revised NEAP 2013–2015, and with substantial development partner support to the sector, MEHRD has emphasised improving the quality of service delivery. The NEAP 2013–2015 proposes to monitor the effectiveness of initiatives to improve basic education quality through sector results, including in student retention, dropout, SISTA literacy and numeracy rates.
83. **MEHRD has reiterated its ongoing commitment and activities to address the major education quality constraints of poor teacher quality and performance.** Teacher training has been a major area of focus, with steady increases in the number of trained and qualified teachers over recent years (per Table 5). Strengthened teacher training efforts include field-based training for pre-certification level, teacher training to certification level, and integration of national teacher professional standards into the School of Education training for new teachers. The NEAP 2013–2015 includes the goal of teachers meeting national professional teaching standards, and applying new professional development/school-based assessment skills to link student learning assessment to lesson planning and pedagogy. Addressing the problem of lack of peer support to teachers, school-based clusters will enable regular school-to-school support to create teacher support systems (peer-to-peer learning) and to improve teacher effectiveness.
84. **Further action to improve basic education quality will be taken on assessment, strengthening the Inspectorate function, and developing curriculum and materials.** All schools will be inspected at minimum once every two years. To provide a better bridge to improved learning outcomes and drawing on studies such as the United Nations Children's Fund (UNICEF) Barriers to Education report and ASPBAE/COESI studies, MEHRD is introducing vernacular language policy, curriculum development, and teacher training for grades 1–3. There is a significant workload of the National Examinations and Standards Unit (NESU) to assess student learning and performance and provide an evidence base for learning outcomes and policy action.
85. **Secondary education faces particular challenges.** Solomon Islands is in transition from a selective and limited secondary education system to one in which greater numbers can access secondary education. MEHRD currently intends to increase junior secondary level access with a view to replacing the secondary entrance examination with a learner's assessment. However, as can be seen in Table 5, improvements in transition to secondary have been marred by recent reductions in junior secondary enrolment. As illustrated in the ASPBAE/COESI report, lack of interest in school remains a strong factor in dropout from secondary school. The NEAP 2013–15 includes goals for all Junior Secondary Schools to meet minimum standards for facilities and learning environment, and be resourced with:
- a) new revised curriculum materials;
 - b) tools and equipment for at least four new practical subjects according to relevant curriculum standards; and
 - c) application of the Assessment Resource Tools for Teaching and Learning (ARTTLe).
- All senior secondary schools will have received subject syllabi.
86. **Tertiary scholarships reform could rebalance expenditure to promote better skills outcomes for more Solomon Islanders.** MEHRD has developed important policies designed to better target and manage scholarships and share the costs of tertiary education with students including through student loans. Previous studies have indicated many families are ready to help meet the cost of tertiary education.¹¹² The NEAP 2013–2015 sets goals for reform of tertiary education financing, including to improve the cost effectiveness of scholarships and transparency of awarding scholarships for overseas university studies, better linking tertiary intake to labour market demands and merit.¹¹³ The NHRDTP prioritises a shift of institutional responsibilities with eventual outsourcing of scholarship management to a private agency, which would also be charged with providing employment services to better support the school-to-work transition.¹¹⁴

¹¹² World Bank, Solomon Islands Education Public Expenditure Review, 2009.

¹¹³ SIG, NEAP 2013–2015, 2012.

¹¹⁴ SIG, NHRDTP, 2011.

87. **There are a range of recommendations for further action to reduce drop out from, and improve quality of education.** Informing the goals of the NEAP 2013–2015, the UNICEF ‘Barriers to Education’ study identified the importance of reducing teacher absence by improving salary payment systems, integrating classroom environment training into pre-service training, implementing a teacher appraisal system, and pilots including devolved teacher management and school grants for formal boarding. To better meet the needs of the modern labour market, the education system will further need to consider upgrading learning contents with updated curricula, recognising demand for new skills, transition from a highly selective education structure to one that is flexible and inclusive, and add to the ‘reading, writing and arithmetic’ lessons by teaching soft skills such as communication, behaviour and problem-solving.¹¹⁵ Secondary education ‘push out’ can be reduced through improvements in teacher attendance and support for motivation both of teachers and students, including management of disciplinary approaches.

Second chances

88. **More second chances are needed to supplement learning for all, including through non-formal learning.** An effective system of second chances through targeted programmes can give young people the hope and the incentive to catch up from bad luck or bad choices.¹¹⁶ This report has presented the particular challenges Solomon Islanders face in accessing quality education relevant to the economic and employment opportunities available, including in gaining functional literacy and numeracy from basic education. The ASPBAE/COESI survey results highlight the need for SIG and its development partners to provide second-chance learning opportunities for out-of-school youth and adults. SCET needs to be responsive even to cater for those who are older learners and may have experience of learning from the formal system as well as life experience. The ASPBAE/COESI report results suggest a SCET strategy should be focused on literacy skills, life and work skills, and targeted at those excluded from formal schooling, especially girls and youth in remote areas.¹¹⁷

89. **There are particular opportunities for improved life outcomes for women through second chance education.** Many stakeholders in the sector identify that literacy classes are mainly taken up by women (see ‘*Hem No Leit Tumas*’ at Box 2). Many literacy classes are attended (and taught on a volunteer basis) by women, and significantly as part of community faith groups. If it is true nationwide that non-government services are more attractive to women without functional literacy, women stand to benefit greatly from expansion of literacy classes through the NLP proposal. Combining SCET with Adolescent Sexual & Reproductive Health services would provide a further avenue to improve life outcomes for women, given the link between teenage pregnancy and school dropout.

90. **Government and civil society are essential partners for successful provision of second chances.** The role of Pacific Island Governments in second chance youth programmes and non-formal education is often limited. Many out-of-school youth live in rural areas where there is little quality school provision, especially at the secondary school level. SCET is generally provided by non-state providers. In Papua New Guinea and Solomon Islands, SCET aimed at youth is increasing as a government policy priority, but delivery is encouraged and reliant on the activities of communities or Non-Government Organisations (NGOs). The flexible approaches adopted by NGOs enable them to reach parts of the population beyond government reach. Part of their advantage is the ability to work locally, innovatively and on a small scale. However there may be potential for such provision to be scaled up and integrated with government provision.¹¹⁸ Civil society knowledge, expertise and capacity are therefore essential to support SCET. The Government could also increase resources for literacy training to address literacy needs of out-of-school youth, adults, girls and women, and people living in remote communities.¹¹⁹ Policy action by the government to improve partnerships with civil society can include national standards and policy for Community Learning Centres providing second chance education, and community livelihoods training, even if financed by civil society.

¹¹⁵ Wang, World Bank, 2012.

¹¹⁶ World Bank, World Development Report, 2007.

¹¹⁷ ASPBAE/COESI, 2010.

¹¹⁸ However, in many PICs, government is able to reach these populations indirectly by providing funding to churches and NGOs to deliver education services.

¹¹⁹ ASPBAE/COESI, 2007.

Box 3: Keeping the first chance, offering a second – three models explored

This report explores three models in Solomon Islands which target those who have dropped out or who are at risk of getting pushed out of secondary education:

- a) the 'Learn and Play' Project
- b) Open Schooling, and
- c) the National Literacy Project.

Activities seeking to maintain rural and disadvantaged children in school, or retrieving those who drop out, can include focus on behavioural skills and support to self-confidence and motivation to continue education. Initiated by the Solomon Islands Football Federation (SIFF), the 'Learn and Play Project' aims to educate disadvantaged rural children at risk of post-primary drop out. Building on the teamwork and behavioural skills gained from playing football, these concepts are used to motivate students to complete their secondary education. A study in 2011 found that students' confidence, self-esteem, academic performance, and enrolment improved through the project. The programme is an example of a focus on behavioural skills as well as academic learning.

Open schooling has been piloted. The University of the South Pacific has been undertaking a regional collaborative research and pilot study of Open Schooling Initiatives in PICs, with a formal equivalence education model. In Solomon Islands, the pilot provides adults (e.g. parents) with the chance to be certified with an education up to Form 5 level. This was piloted at two secondary schools in Honiara. Completing students will sit the same exam as Form 5 students, and if they pass, they can continue to Form 6 as part of regular classes. The approach uses school facilities in the afternoons from 2pm to 7pm, including the same subjects as regular students, with four core and two optional subjects. There is flexibility for students to take more subjects to complete their education faster. Regular school teachers deliver classes and are paid a supplement funded by piloted student fees of around SBD1,000 a year.

The development of a National Literacy Policy in Solomon Islands in 2012 is a major step forward in addressing the national challenge, and can be implemented through the National Literacy Project (NLP). The NLP is a key proposal for implementation through civil society and non-formal education approaches. A collaborative, structured partnership approach between MEHRD and the Literacy Network Solomon Islands, the NLP is intended to provide a framework for establishing, implementing and monitoring effective community literacy classes nationwide. The objective is for all out-of-school Solomon Islanders over 15 to be equipped with literacy skills needed to improve their lives and be empowered to contribute to Solomon Islands. The NLP defines literacy as literacy in Pijin or a mother tongue, to provide a bridge to subsequent English learning. Desired outcomes and outputs include national literacy survey and mapping; advocacy and awareness; literacy materials development and distribution; capacity and quality of literacy trainers; literacy class implementation; and monitoring of teachers and literacy classes. NLP design issues raised by stakeholders through discussions in 2010 and 2011 included cost efficiency; language choice (English, Pijin or local languages) and vernacular language policy; links to non-formal education capacity; methodologies; funding modalities; quality of teachers and delivery; material production; coordination arrangements; capacities of implementing literacy agencies; and definition of outcomes and risks.

Source: Maebuta, 2009; MEHRD, 2010; Discussions with MEHRD, July 2012.

91. **The Solomon Islands Government has made efforts to bring together representatives of the state and civil society to support second chance education.** Through the Solomon Islands Literacy Network, the MEHRD Adult Literacy unit helps fund and coordinate with NGOs and faith-based organisations operating literacy classes and community-based education (see Box 2). Adult literacy programmes are implemented by NGOs such as Union Aid Abroad-APHEDA, the Adventist Development and Relief Agency, World Vision, Church of Melanesia, and other faith-based groups. The Literacy Association of Solomon Islands (LASI) is a key organisation active in advising on policy standards for literacy classes, and preparing and publishing written materials in local languages. Currently, LASI provides some level of coordination and services to Non-Formal Education (NFE) initiatives, including training and resource production. In 2007, MEHRD contributed to 43 community-based projects under the TVET/NFE department.¹²⁰

¹²⁰ World Bank team discussions with MEHRD, 2009–2010.



Holy Cross literacy school in Honiara: a volunteer teacher with an intermediate level English class. Photo: Stephen Close, World Bank.

Step 3: Building job-relevant skills

94. **Beyond secondary education, building job-relevant skills in Solomon Islands encompasses formal TVET and post-secondary training, and non-formal training, including responding to village and urban skills needs.** As discussed in Chapter 2, expanded secondary education, built on core learning in basic education, is important to increase employment and productivity. Recommendations presented below focus on building job relevant skills for the rural majority of Solomon Islanders, and current and further reform of TVET to address the skills mismatch.

Job-relevant skills for rural Solomon Islanders

92. **Several recommendations emerge to grow SCET in Solomon Islands.** With a wide array of youth activities already occurring, these could be more effectively targeted to youth 'drop outs' or 'push outs'. Successfully supporting educationally disadvantaged youth to engage in productive activities requires comprehensive approaches and coordinated action between public and private sectors, across domains of activity, and across levels of decision making. Programmes should be evaluated on costs and benefits. Rigorous impact evaluation of programmes can secure political and financial commitment to give people second chances.
93. **Specific recommendations and ideas are available to turn current initiatives and concepts for SCET into upgraded skills and improved life outcomes for Solomon Islanders nationwide.** In its Annual Workplan 2012, MEHRD identified SCET as 'a priority for attention in 2013'.¹²¹ To significantly improve outcomes for youth, SCET services need to reach the most vulnerable populations. A desk study supported by the World Bank's Bank-Netherlands Partnership Programme (BNPP) identified a critical gap in empirical evidence about the most effective ways of delivering and monitoring SCET services to youth. Such evidence is needed to guide implementation and monitoring of the NLP.
95. **Expanding education and skills opportunities for the rural majority, particularly in recognising and upgrading skills for informal economic activity, can provide broad-based economic opportunities.** Despite high levels of youth engagement in subsistence activities, youth in rural areas express a preference for non-farm work. The ASPBAE/COESI survey found that where people have functional literacy, they choose more non-farm activities. Therefore, widespread literacy training, such as through the NLP, for those out of school will open up wider non-subsistence economic opportunities for rural Solomon Islanders. Integrating financial literacy into training will mean those entering enterprise and self-employment will have reduced barriers and greater skills to thrive in business. Improving young people's motivation to enter agriculture could stimulate agricultural entrepreneurialism, necessary to improve agricultural productivity, and in turn spur rural non-farm economic opportunities.¹²² The reduction of barriers to entrepreneurs, and adaption of the regulatory framework to favour expanded small business activity, would generate more opportunities for the rural majority of Solomon Islands, and assist diversification to non-subsistence livelihoods.
96. **The National Skills Training Plan (NSTP) and NHRDTP recommends policies and programmes relevant to rural Solomon Islanders, including non-formal learning pathways.** Addressing identified village-level skills shortages with mobile skills and livelihoods training provides an important opportunity for local, broad-based and participatory growth with benefit to the rural majority of Solomon Islanders. The programme could be piloted linked to ongoing or planned community projects and linked to community-based training centres and RTCs. Sustainability of such a programme could be achieved through cost-sharing at the local level by communities and government. Coordinated expansion of

¹²¹ MEHRD, Annual Work Plan, 2012.

¹²² Farthy, World Bank, 2011.

adult literacy and numeracy programmes would improve skills acquisition, livelihoods, and innovation. For those rural Solomon Islanders already living in urban areas, the Maebuta study¹²³ of squatter settlement dwellers recommended community-based short courses in income generating activities to address skills gaps to income generating activities.

97. **Reflecting the diversity and remoteness of Solomon Islands' provinces, skills matching at local and provincial levels is needed.** The marked differences between provinces revealed in the ASPBE/COESI survey is significant for planning and implementation of national initiatives like the NLP and the NHRDP. Provincial authorities and stakeholders need some autonomy to respond to unique local needs and capacities. To understand demand for employees and to orient training to demand, localised skills matching between RTCs and employers can include student placements and graduate tracer surveys. For provinces to benefit from development, Provincial Focus Point Groups are recommended as a communication, data and monitoring function between the NHRDTC, provincial governments and rural communities. Awareness-raising of the NHRDTP and its objectives at province level is needed to secure local champions; and NHRDTP initiatives could be guided by local context.
98. **Post-training services are also important in rural areas to support transition into employment and self-employment.**¹²⁴ One ILO methodology has had a demonstrated impact on identifying enterprise and employment opportunities for rural youth, and can be combined both with vocational training and overseas employment opportunities for rural youth to support their transition to better livelihoods. The "Training for Rural Economic Empowerment" (TREE) methodology is a community-based approach to generate income and employment opportunities using tools for community organising, community planning, enterprise identification and development, skills training, and community saving to fund enterprises. Effectiveness relies on matching local conditions and local enterprise opportunities.¹²⁵

99. **Skills policies and actions can also respond to the pressures of a rapidly urbanising population.** The rise of urbanisation and its accompanying social and economic pressures, including the expansion of squatter settlements in Honiara, means that the delivery of quality education and health services in rural areas is a priority to ensure that those people moving to towns bring skills with them.¹²⁶ Urbanisation has also led to the need for reduced barriers to livelihoods activities in urban areas.

Building job-relevant skills through TVET

100. **Solomon Islands can benefit from global learning on TVET policy.** How to finance TVET is a key question. Competitive funding to public and private institutions based on performance to national demand-led standards provides an opportunity to incentivise improved performance in training institutions. Stimulating employer involvement in training is key to improving relevance.¹²⁷
101. **International experience cautions against introducing vocational education too early.** The introduction of practical subjects at the junior secondary level, adequately resourced with tools and equipment, is among the NEAP 2013–2015 goals, and is intended to ensure job relevance and interest of secondary education for more students. Many countries have considered the choice of how early to integrate vocational education into secondary education. Finding the right balance involves considering the need to make curriculum comprehensive, practical and relevant, with the risk of premature specialisation which limits student choices later on. A recent study (Lauglo and Mclean, 2005) which reviewed 25 years of experience of integrating vocational secondary education in Botswana, Ghana and Kenya, found that light vocational education in general secondary schools does not give students an advantage in the labour market, as it provides neither occupational skills nor particular subject knowledge. Delaying specialisation in TVET until post-secondary level enables students to make key choices on career path when they are mature, equipping them with a wide, general secondary education flexible to changing labour market needs.¹²⁸

¹²³ Maebuta, H.E., and Maebuta, J., 2009.

¹²⁴ ADB, *Skilling the Pacific*, 2008.

¹²⁵ ILO, TREE evaluation.

¹²⁶ World Bank, *World Development Report*, 2009.

¹²⁷ ADB, *Good Practice in TVET*, 2009.

¹²⁸ Wang, World Bank, 2012.

102. **Solomon Islands has developed a significant TVET policy framework.** The 'Education for Living' TVET policy in 2005 and the '*Haus Blong* TVET' action plan 2010–2015, as well as the SIQF and the NHRDTP, integrate TVET and skills training into the nation's education system. Central to the non-formal aspect of the policy are the rural, vocational and community-based training centres which cater for individuals leaving school at Form 3, providing non-formal TVET education as an alternative to Form 4.

103. **Reforms of RTCs in particular will provide better skills for rural Solomon Islanders. In Solomon Islands, TVET is formally provided through RTCs in rural areas, although urban students also enrol.** Therefore, reforms to improve RTCs' effectiveness will have a greater benefit to rural Solomon Islanders. Of the 37 (mostly church-run) RTCs in Solomon Islands, 11 have been identified as 'better practice', featuring enterprise income generation, local employer links and placements, and better graduate employment. Some centres start students off with land and a bank account, to learn, generate income and save at the same time. Reform of curriculum and of teacher training in particular has raised the proportion of certified teachers in RTCs from 28 percent to 58 percent between 2007 and 2009.¹²⁹

104. **Community awareness and improvements in popular perception of vocational education are important.** To change perceptions of the vocational route being 'second-best' to academic education, it is important for RTCs to demonstrate livelihoods impacts by ensuring training is relevant to employment outcomes. This requires engagement with employers and communities.

105. **Priorities remain for reform that will strengthen and improve the demand-responsiveness of post-secondary and vocational training.** Services to support graduates into employment and tracer survey measurement of graduate outcomes can help. Addressing the need for second chance education through literacy and numeracy training for entrants, and integrating business skills into RTC training to better equip graduates for employment and livelihoods, are among curriculum priorities. Benefits of significant support to TVET from the European Union (EU) need time to be realised.¹³⁰ A local campus of the USP in Honiara will help expand access to post-secondary education and training.

The expansion of access to the Australia Pacific Technical College to train current employees to higher certification levels equivalent to qualifications in Australia and New Zealand will help expand overseas opportunities. The SIQF requires continued development. Teacher performance, infrastructure management, and standards need to continue to improve. The number of RTC places and instructors should continue to expand to help meet the largely unmet need for RTC training. Access can be expanded for women and adult learners. Broader employability skills and behavioural skills such as interpersonal and problem-solving skills also need to be integrated in the programmes of study at RTCs. More business skills training is required in RTC curricula, and more programmes are needed to assist graduates, particularly with start-up capital.¹³¹ RTCs can provide more formal, second-chance education services, which are anecdotally provided already. Community awareness and engagement is needed in RTCs to ensure relevance, responsiveness and positive perceptions. Supported by the EU, localised skills matching, including employer links and informal sector demand assessments, can inform improvements.

106. **Expanding access to short-courses, non-formal training, and mobile village skills training, would help expand opportunities for girls and women, as well as for those needing second chances and who cannot access more formal TVET.** Allocating RTC courses by gender, with a focus on home economics courses for women, prevents women developing skills to participate in the labour force and in informal sector economic activity. Rural parents are also reluctant to send girls to board at RTCs.¹³² Informal sector training can link better to workplaces, as informal sector training works best when based on existing economic and employment activities, thus increasing motivation and productivity.¹³³ Unemployed and lower-skilled workers, and those who have dropped out of education, need second chances through informal training. Internationally, 'Active Labour Market Programmes' (ALMPs) provide a further channel beyond formal TVET or on-the-job-training (which benefits those already employed). Good practice in such programmes is discussed in Box 4.¹³⁴

107. **Opportunities for rural Solomon Islanders also lie overseas.** Opportunities available through expanded labour mobility are further discussed on page 43.

¹²⁹ Performance Assessment Framework report 2007-2009, MEHRD, 2010.

¹³⁰ SIG, NEAP 2012–2015, 2012.

¹³¹ EU Labour Market study 2012.

¹³² ADB, *Skilling the Pacific*, 2008.

¹³³ ADB, *Skilling the Pacific*, 2008.

¹³⁴ World Bank, *The Right, Skills for the Job*, 2012.

Box 4: Youth employment – the Rapid Employment Project (REP)

Beyond training alone, comprehensive youth programmes are important.

Even when training is available to provide young people with basic skills and skills oriented to employers' needs, more than training alone is required to equip youth with skills and support the transition to employment, self-employment or broader choices of livelihood. The Solomon Islands National Youth Policy 2010–2015 identifies six priority outcomes for the next five years, including increased and equitable access to education, training, employment, decision-making, peace-building, and sustainable development. Other programs include the SPC and AusAID Youth at Work mentoring and training program; community volunteering programmes by Save the Children, Solomon Islands Red Cross and Solomon Islands Police; and Kastom Garden's agri-business self-employment training. Overseas experience indicates that successful active labour market programmes are flexibly tailored to the needs of participants and employers. Effective work skills need integration of life skills like employability and personal behaviours. Integrating key local social issues and community members is important. Training provision needs to be closely linked to practical experience and internships. Companion systems accompanying individuals beyond their very first employment are important.

The REP is a USD7.2 million emergency employment project targeting poor and vulnerable populations in and around Honiara.

In February 2012, after 18 months of implementation, the project generated 184,173 person-days of work, approximately 37 percent of the intended target of 500,000 person days. The REP includes urban works and services and road repair and maintenance. Women make up 56 percent of participants, and youth aged 16–29 make up

50 percent. To March 2012, a total of 2,507 graduates had been certified from the Pre-Employment Training (PET). The objective of the PET is to provide eligible beneficiaries with information and training that will support their effective participation in the REP and provide additional knowledge, skills and attitudinal changes related to health, safety and work skills, to enhance their value at their work place and in society at large. The five day training includes eight units of lifeskills training topics. An estimated 90 percent of the intake lack functional literacy skills.

Review of the PET in 2012 recommended organisation of training groups by education levels and age; increased use of visual learning aids; and pre-and post-enrolment surveys conducted by interview given low literacy rates. Focus on financial literacy training has reportedly been particularly beneficial to female entrepreneurs. An impact survey and evaluation has been designed to monitor the wage transfer, the impact of the project on household incomes, and targeting. Key results to be measured include:

- increased income from short-term employment;
- work created;
- percentage of youth, women and poor household participants; and
- average labour input of sub-projects.

An important intermediary major achievement of the project has been the number of labour-days created and the number of youth that have benefited from the PET. A challenge for the project will be sustainable strengthening of PET provision and employment creation benefiting poor households, women and youth, beyond the timeframe of the project.

Sources: Cooper, Daws, Gertler, Martinez: 'Expertise on Evidence of Good Practices of Life Skills and Employability'; World Bank project documentation; discussions with Maebuta, J, July 2012.

Step 4: Encouraging entrepreneurship and innovation

108. **The NHRDTP includes mechanisms and actions to grow entrepreneurship and innovation that are relevant and needed for Solomon Islands to address the skills mismatch.** As discussed above, enterprise skills could be included in education and training curricula and qualifications as a priority to equip job seekers with skills demanded by employers. In addition to these, this report recommends two particular areas of focus in the area of entrepreneurship and innovation:

- a) reducing barriers to micro-enterprise to grow their business; and
- b) information and communication technologies.

109. **Reducing barriers to entrepreneurship, particularly skills barriers, will benefit individuals and the economy.**

There is particular benefit to women and rural Solomon Islanders of reducing barriers to entrepreneurship, given the significance of small scale enterprise beyond subsistence farming. A recent World Bank Group report presents five high-impact, immediately-implementable actions for donors and government. Updated websites and communication materials can improve access to accurate information on donor and government procurement practices, and training suppliers in tendering. Funding for expanded business mentoring services through training institutions or business associations could support business. Business associations could establish an online publicly accessible database for accessing procurement information and contacts of available suppliers. With particular regard to the skills gap, a review of gender aspects of scholarships and business mentoring services could be undertaken. With regard to the medium-term, the report recommends expanding skills training relevant to women entrepreneurs, including in technical and vocational training, apprenticeships and scholarships to locations with similar contexts to Solomon Islands, business training, entrepreneurial skills, market analysis, and research and development. Further actions to support expansion of business by women entrepreneurs include increasing access to finance, removing time-consuming and costly processes for land registration, eliminating other obstacles to using customary land as collateral for accessing finance, and immigration barriers making it more difficult for expatriates in Solomon Islands to contribute to the growth of businesses (including facilitating overseas links and filling immediate skills gaps).¹³⁵

110. **ICT growth is important to education, skills building and growth.** While the education sector has grasped ICT opportunities such as distance learning, Solomon Islands faces challenges sustaining donor-initiated activities and benefiting from ICT due to issues such as low rates of urbanisation, management capacity and infrastructure. While size and remoteness will remain constraints on economies of scale in emulating the achievements of more populous neighbours including Papua New Guinea, increasing mobile teledensity and new infrastructure initiatives including undersea cabling are positioning Solomon Islands to better grasp economic benefits available through these technologies. Further suggestions on the youth employment potential from expanded ICT are at Annex 3.

Step 5: Matching the supply of skills with the demand: Facilitating labour mobility and job matching

111. **The NHRDTP serves as a national skills strategy framework supporting labour supply in Solomon Islands to better meet the demands of employers both at home and abroad.**

The NHRDTP introduces a range of mechanisms designed to better match the supply of skills with demand as discussed above. Crucially, it also presents a fifth component: Identifying and developing labour opportunities at home and overseas, and ensuring that local labour has the skills to be able to take advantage of these opportunities. Implementation of this component would help meet the objective of Solomon Islands labour increasing and securing market share of accessible international labour markets by identifying and developing international labour opportunities.

112. **Solomon Islanders are willing to move for employment but need to be ready with skills to gain it.**

Facing limited opportunities in home provinces, many Solomon Islanders already travel domestically for work and send remittances home.¹³⁶ As discussed in Chapter 2, they are also prepared to move for educational opportunities. To reduce the number of unskilled and inactive rural migrants facing hardship in towns, it is preferable to extend educational opportunities in rural areas so that those moving for work offer more skills demanded by employers.

¹³⁵ World Bank, Increasing the Participation of Women Entrepreneurs in the Solomon Islands Aid Economy, 2011.

¹³⁶ World Bank, Sources of Growth, 2010.

113. **Solomon Islands faces constraints and costs of labour migration which will need managing. Labour migration is not a panacea.** It is unlikely to provide opportunities and increased incomes for the majority of Solomon Islanders, particularly in the short term. In terms of migration rates, skills profile, and access to markets, Solomon Islands has a profile more similar to Papua New Guinea, Kiribati and Vanuatu than to Tonga or Samoa. Currently, both demand from, and supply of, employees to external markets is still limited. External migration and remittances do not yet play an important role in household welfare in Solomon Islands, in comparison with some smaller PICs. Solomon Islands, Vanuatu and Papua New Guinea share outmigration rates of 0.4–0.6 percent, Kiribati and Federated States of Micronesia (FSM) 2.6–3.3 percent, with Samoa and Tonga over 38 percent.¹³⁷ Solomon Islands lacks the overseas access for less-skilled workers that is enjoyed by countries such as Samoa, Tonga, and the U.S. Compact countries.¹³⁸
114. **Expanded access arrangements by developed countries such as Australia, New Zealand and the United States would expand opportunities for Solomon Islands workers and contribute to sustainable development in Solomon Islands.** As discussed in Chapter 1, analysts are increasingly recognising the importance of expanding overseas work opportunities for sustainable development in Melanesian countries in the 21st century. While immigration to Australia is based not on nationality but on selective criteria emphasising skills, English-speaking ability and family ties to Australia, Australia and New Zealand share arrangements allowing a free flow of citizens between the two countries to live and work. ‘Step migration’ of Pacific Islanders gaining NZ citizenship and then migrating to Australia has resulted. Solomon Islands is not extended the permanent residency quotas enjoyed by Fiji, Tonga, Kiribati and Tuvalu, the Treaty of Friendship with Samoa or arrangements with NZ-associated Cooks, Niue and Tokelau. There are greater barriers for Solomon Islanders to enter Australia and New Zealand.
115. **As of September 2012, Australia, New Zealand and Solomon Islands have recorded important steps forward in expanding labour migration for Solomon Islanders through regional seasonal employment schemes.** Solomon Islands is a full member of New Zealand’s RSE scheme and the SWP. In 2008–09, 220 Solomon Islanders participated in RSE, rising to 401 in 2011–12. Recruiting Agencies in Solomon Islands have been identified and have started recruiting large numbers of interested candidates for the SWP according to agreed criteria. The Labour Mobility Unit of the Ministry of Foreign Affairs and External Trade has stated its commitment to regularly respond to business enquiries and requests.¹³⁹
116. **Skills shortages in Solomon Islands provide both a constraint to, and a potential risk of, greater labour migration.** Country educational levels are associated with higher migration. Solomon Islands’ lower educational attainment and outcomes provide an impediment to migration.¹⁴⁰ As in Vanuatu, seasonal employment programs for the less-skilled will provide a key avenue for labour migration growth. At the same time, there is also a risk of the loss of the essential skills available domestically through ‘brain drain’. Emigration is one of the factors in skills shortages facing PICs, mostly the case in smaller island states where emigration is higher. As in many PICs, employer surveying in Solomon Islands indicates that international demand draws away technically skilled staff. There has been particular concern raised at the loss of Solomon Islander medical workers to other Pacific Island countries leaving shortages at home. Perhaps due to the currently-low numbers of out-migration, or indicating rationing in entry arrangements by developed countries such as Australia and New Zealand, a higher proportion (around 50 percent) of out migrants have a tertiary education in Papua New Guinea, Solomon Islands and Kiribati than in other PICs. Compared to Tonga, ni-Vanuatu seasonal employment scheme participants are more likely to have previous work experience. Their departure therefore brings a higher opportunity cost to the local economy.¹⁴¹ The large Solomon Islands applicant demand for regional seasonal employment suggests likely competition also favouring the more experienced and skilled. However, when emigration is for the short-term only, overall skills tend to remain in the country of origin.^{142,143,144} The balance of benefits and costs of labour migration will need to be managed by labour planners and training providers in Solomon Islands as in other PICs.

¹³⁷ Gibson, Waikato, 2012.

¹³⁸ Farchy, World Bank, 2011.

¹³⁹ SIG, MFAT, 2012.

¹⁴⁰ World Bank, Sources of Growth, 2010.

¹⁴¹ Gibson, Waikato, 2012.

¹⁴² ADB, Skilling the Pacific, 2008.

¹⁴³ In other PICs, training institutions routinely train larger numbers of graduates, knowing that many will go overseas. A ‘balancing effect’ on brain drain has been indicated in a study in Fiji. When one household member sends remittances from working overseas, there is a demonstrated increased likelihood of other household members continuing to tertiary education. Comparing net remittances and net fiscal cost, Pacific studies of high skilled migration show a greater gain from remittances of high skilled emigrants in Micronesia and Tonga. There is a lower gain than fiscal cost in Papua New Guinea (Gibson, Waikato).

¹⁴⁴ Gibson, Waikato, 2012.

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117. **Despite constraints and potential costs, Solomon Islands could still benefit much more from labour migration.** Willingness to travel internally for work indicates willingness and potential to expand remittances from international labour migration. Incomes offered abroad are much higher. Remittances have historically been an important source of growth and income in Samoa and Tonga, contributing to around 25 percent of GDP in 2010, but only a tiny 0.4 percent in Solomon Islands. Even modest expansion of labour emigration to the same per-capita rate as Kiribati or FSM would see migrants increase from under 3,000 to over 15,000 people, with the potential for a multiplier effect of remittance incomes for families and communities, as seen in other PICs.
118. **SIG can better manage the costs and realise the growth opportunity of labour migration, and do more to ensure Solomon Islanders have the skills to benefit from this opportunity.** So far Solomon Islands has yet to exploit this major opportunity to the extent that other PICs have, yet as discussed in Chapter 2, emigration is of major importance to turning the youth bulge from a risk into an opportunity for growth. The agenda needs careful stewardship to maximise the opportunities and to reduce risks: of the loss of skills to Solomon Islands' economy; to workers and their families; and to Solomon Islands' reputation as a sender of appropriately skilled and reliable workers. For more of these new participants to access employment opportunities, domestic training providers will need to consider international demand in their training. Supportive policy can maximise the positive impact on national development in the country of origin, increasing migrating labour and providing opportunities for Solomon Islanders, particularly the young. The NHRDTP recommends increasing the market share of existing international markets by developing marketing mechanisms, including a consultatively-developed and research-based marketing plan. It recommends management mechanisms including regulatory requirements for oversight of agents, agent accreditation, and strengthened capacity of the SIG Labour Migration Unit. The NHRDTP recommends matching domestic labour supply to international markets by establishing a 'National Strategic Direction' for labour migration, including policy and legislative frameworks, systems of data gathering on international opportunities, coordination mechanisms within Solomon Islands, and capacity for on-going production of labour market data. Required policy action for Solomon Islands in the short term includes strengthening institutional capacity in the Ministry of Foreign Affairs and Trade for facilitating selection, certification, and international transfer of migrant labour, as currently supported by the World Bank (see below).
119. **The Government and development partners could take further actions in the medium term.** SIG could continue advocacy for greater labour market integration in Pacific Government fora, and with all major regional neighbours. Developed countries could remove inefficient barriers to temporary and long-term migration that are restricting access of Solomon Islanders to foreign labour markets, and improve matching between skills provision and foreign market demands. Labour market access arrangements could be included in regional trade agreements to enable Solomon Islanders to access work opportunities abroad. Targeted actions and programmes to improve the education and skills of people in poorer provinces would improve prospects for urban job-seeking, and for participation in international labour schemes for those in most need of development opportunities.
120. **The World Bank provides technical assistance to Pacific Island Governments to strengthen institutional capacity in managing labour migration, including to Solomon Islands.** This assistance involves working hands-on with labour management units to strengthen and streamline their systems and procedures. National stakeholder consultations could be supported, as well as further fora to share regional good practice. Institutional strengthening support will help establish aligned organisation policy, planning, and monitoring systems, including common minimum datasets and database systems. Technical assistance also helps establish key service delivery systems informed by good practice, including standardised core curricula for pre-departure orientation and mechanisms to ensure quality, strengthened worker screening and selection, improved communication with employers in Australia and New Zealand, and feedback loops to enable improvement of systems to address issues that emerge.
121. **Further partnerships are important.** Importantly, collaborations with regional governments will support the transition of seasonal employment scheme participants, including New Zealand and Australian government training for PIC officials to support their awareness of receiving country needs. Partnership with ILO will support reintegration and post-return economic productivity through the TREE methodology and Start Your Own Business (SYOB) tools. This will seek to maximise the long-term benefits of seasonal labour scheme participation for Solomon Islanders in rural communities, and for those entering self-employment and the informal sector. Better matching between recruiters from Australia and New Zealand and job seekers will be a further development priority to expand this agenda.

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Skills for Solomon Islands: Annexes and Background notes

Annex 1: STEP options for Solomon Islands

The table below presents a menu of activities and options to strengthen skills and economic outcomes in Solomon Islands. It is by no means comprehensive – there are further policies and options beyond those listed below. However it illustrates how the ‘STEPS’ approach of viewing interventions across life stages, and in current, short-term and medium-term perspectives, can assist planning to address the skills mismatch between supply and demand for labour.

Planned/In progress	Short-term steps/Options	Medium-term/Goals
STEP 1: Starting early		
<ul style="list-style-type: none"> ECE National Policy, working group, and coordination among agencies MEHRD and World Vision ECE & Literacy Collaboration on Guadalcanal Weather Coast 	<ul style="list-style-type: none"> MEHRD establishment of an integrated model of early education and health care services for children aged 3–5 SABER-ECD tools to be used in Solomon Islands (UNICEF, AusAID and WB support); advice for ECE benchmarking and policy ECE centres meeting NEAP standards for teaching, learning and development, applying vernacular language policy Increase community dialogue on ECED (Early Childhood Education and Development), including fathers 	<ul style="list-style-type: none"> An integrated multi-sector ECD program rollout – community/parents’ engagement Children gaining greater, behavioural and cognitive skills and improving readiness to learn in basic education
STEP 2: Ensuring learning for all		
<ul style="list-style-type: none"> MEHRD – More emphasis on improving quality of service delivery (e.g. including Inspectorate support, curriculum) Promote Learners’ Assessment through implementation of ARTLLe, EGRA (and maybe EGRA-language pilot) Teacher Training and Performance – workshops; certificate in primary teaching; distance learning initiative; integration of teacher professional standards Open Schooling Pilot National Literacy Policy 	<ul style="list-style-type: none"> Need to develop comprehensive action plan to decrease teacher absenteeism and improve teacher competency Assist the PEA’s of Isabel and Renbel provinces with an action plan to improve the literacy and numeracy results in their schools, and support these with funding and technical assistance TA where needed – seeking support from PABER and SPBEA Basic Education budget – adequate, equitable distribution of budget across sub-sectors, and effectively and efficiently managed/spent through school grants and school development plans Second Chance Education for dropouts included in MEHRD Annual Workplan 2013 Expansion of the Open Schooling Programme Finalisation and implementation of the NLP Coordinated expansion of adult literacy and numeracy programmes 	<ul style="list-style-type: none"> NEAP – Significant improvement in learning outcomes in basic education: children learning; transitioning to secondary/post-secondary; graduates of primary and secondary levels gaining and retaining literacy and numeracy skills; improvement in functional literacy rates in the broader population and in particular in functional literacy rates for those who have not attended any formal schooling Progress in expanding national delivery of second-chance education programmes and achieving improved functional literacy for those out of school Significant expansion of access and completion of secondary level including reduction of drop-out and push-out from secondary level

Planned/In progress	Short-term steps/Options	Medium-term/Goals
STEP 3: Building job relevant skills		
<ul style="list-style-type: none"> National Literacy and Community Education Implementation of EU –TVET Programme Australia-Pacific Technical College 	<ul style="list-style-type: none"> Feasibility studies for responsiveness to community-identified and livelihood skills programmes at village level, including mobile skills programmes Funding formula to incentivise learning opportunities for women Employment guidance information to schools National occupational skills competition Training support services unit established to manage all sponsored/ scholarship candidates to complete training successfully Scholarship and sponsored training aligns with priorities Rigorous monitoring and evaluation for youth- and SCET- programs 	<ul style="list-style-type: none"> As above regarding secondary education expansion Realise return to Solomon Islands of improved scholarships performance NHRDTP Result 3: Human resource development systems meet demand
STEP 4: Entrepreneurship and innovation		
<ul style="list-style-type: none"> Activities of Solomon Islands Chamber of Commerce and Industry (e.g. advocacy, surveying, identifying training and regulatory priorities) Ministry of Commerce, Industry, Labour and Immigration program of micro enterprise support WB research on Constraints and Opportunities for Women Entrepreneurs Accessing the Aid Economy 	<ul style="list-style-type: none"> Private sector participation in the NHRDTP and NABVET; private sector skills strategy including incentives for enterprise-based training using the NQF Enterprise skills included in education and training curricula Increased livelihoods training in urban and rural areas Integration of employability, self-employment and business skills in RTC curriculum Integration of behavioural skills including problem-solving in formal curriculum New infrastructure initiatives, including those supported by WB and SPC, and an undersea fibre optic cable supported by ADB, provide new opportunities for ICT expansion 	<ul style="list-style-type: none"> Private sector economic opportunity and jobs Increased self-employment opportunities and productivity of informal sector activity

Planned/In progress	Short-term steps/Options	Medium-term/Goals
STEP 5: Labour supply matches demand		
<ul style="list-style-type: none"> • Confirmation and refinement of the NHRDP • Labour Migration agenda and advice • ILO Decent Work Country Program supporting Labour Market Information System development 	<ul style="list-style-type: none"> • A network of one-stop shops for youth employment and training programs as a youth-specific information and service facility – such as the Solomon Islands Small Business Enterprise Centre in Honiara • NHRDTP: Labour Migration Management and Marketing Mechanisms developed • NHRDTP: Systems for domestic supply response to international labour demand – legislative and policy framework, labour market analysis, negotiating access to foreign markets • Purchase/tendering increases responsiveness and lowers cost of education and training suppliers • Systems to accurately and consistently identify demand for trained labour are effective and timely • Remove inefficient legal barriers to temporary and long-term migration that are restricting access of Solomon Islanders to foreign labour markets, and improve match between skills provision and foreign market demands • Consider options for integrating labour market access arrangements within regional trade agreements, allowing Solomon Islands to access greater benefits • Improve education and skills of people in poorer provinces in order to improve prospects for participation in international labour schemes • ILO Decent Work Country Program supporting Labour Market Information System development and further Youth Employment Program support • Support for transition-to-employment by graduates of training programs 	<ul style="list-style-type: none"> • NHRDTP Result 1: NHRDTC planning, coordination and management capacity is sufficient to produce, implement, monitor and regularly update NHRDTP, which results in continuous improvement of the human resource development systems • NHRDTP Result 2: Systems to accurately and consistently identify demand for trained labour are effective and timely • NHRDTP Result 3: Human resource development systems meet demand • NHRDTP Result 4: Work force is enterprise adaptive • NHRDTP Result 5: Solomon Islands labour has increasing and secured market share of accessible international labour markets, and has matched the domestic labour supply to international markets pro-growth labour and business regulation • Significantly expanded enterprise-based training • Private sector increasingly accesses Solomon Islands labour supply it needs for growth, and no longer views skills supply as a significant constraint to business viability and growth

Annex 2: The ASPBAE/COESI education experience survey and literacy assessment

122. The original Education Experience Survey and Literacy Assessment was undertaken in Honiara and Malaita provinces in 2007 in a collaboration between the Coalition for Education of Solomon Islands (COESI) and the Asia South Pacific Association of Basic and Adult Education (ASPBAE). Key findings of the survey included:

- (i) high perceived priority of primary education enrolment;
- (ii) high perceived priority of reading, writing and counting skills to everyday life;
- (iii) a decline in primary enrolment and insufficient engagement by youth aged 15–19 in education (45.9 percent not in education); and
- (iv) measured functional literacy levels of 7 percent in Malaita and 28 percent in Honiara, averaging 17 percent.

123. The World Bank supported the extension of the Educational Experience survey to Isabel and Rennell & Bellona ('Renbel') provinces in 2010. The survey helped expand the national baseline understanding of educational experience, views on literacy and education and levels of self-identified and assessed functional literacy. Particularly given the variation between provinces, the survey findings cannot be fully representative of Solomon Islands. Still, that the trends identified in the extended survey mirrored those identified in the original survey, builds a stronger case for the survey findings in guiding education and skills policy-making in Solomon Islands. Importantly, the 2010 survey added components assessing the employment experience of respondents and their standard of living, comparing this with educational experience and literacy levels to identify the role that literacy plays in the school to work transition.

Educational experience and perspectives

124. The 2007 survey found that respondents placed a high value on education, had improving rates of school attendance, and a large majority rated themselves as literate. The 2010 survey found again that the vast majority of people consider school important and literacy skills useful. In Renbel 59 percent of respondents found literacy skills very useful in everyday life; in Isabel, 61.2 percent. There was a near-universal view that going to school was 'very important for all' (98.6 percent in Renbel, 97.3 percent in Isabel). Around 59 percent of respondents in both provinces found writing very useful in everyday life; for counting, around 70 percent.

125. Considering reasons why it was important that children go to school, around 90 percent of respondents in both provinces considered school important for learning how to read, write and think. Next most important was in school providing skills for work (82 percent in Renbel, 77.2 percent in Isabel). Imparting of 'Traditional Culture and Values' was regarded as important by 73 percent in Renbel and 58.8 percent in Isabel. The survey thus found that the majority of respondents found school important for reading, writing and thinking, and that another sizeable majority considered it important in providing skills for work.

126. Amongst the 15–19 year old cohort in Renbel and Isabel, 74.0 and 59.5 percent respectively declared that they were currently attending schooling. This compares favourably with the HIES average reported in the Pacific Labour Market Note of 49 percent in the rural population and 67 percent in the urban population, and to the 2007 ASPBAE survey findings of 45.9 percent across Honiara and Malaita.

127. In both provinces, the vast majority of respondents had attained primary or secondary education. Around 38 percent had completed primary only, and 45.7 percent (Isabel) and 48.5 percent (Renbel) had attended at secondary level. However, while over 90 percent have attended some formal schooling, 29 percent of adults had not completed primary school, and only 12 percent of adults in Renbel and 16 percent in Isabel had completed secondary school. Less than 10 percent of the respondents had attended university. The main reason for not attending or completing primary school was lack of interest (almost 38 percent for females and over 40 percent for males); however, recall to home duties was a reason for 43 percent of female respondents in Isabel. Lack of interest suggests the continued priority of increased curriculum relevance and improving teaching skills; and recall to home duties in Isabel, the effect of cultural context on female attendance.

128. Around half of the respondents in Renbel, and a third in Isabel, had participated in some form of community education, defined as a training or education programme run by a community organisation, in the past three years. However, in Renbel province, participation in community education programmes was substantially lower amongst out-of-school youth (15–19 year olds) and males aged 20–24 years of age, perhaps suggesting a particular gap for second-chance opportunities for youth in Renbel. While only a third of youth in Isabel had participated in some form of community education, the rate of 15–19 year olds was similar, at 23 percent, to other age ranges.

129. In both provinces youth were more confident than other age groups in their ability to read and write: 94.3 and 85.5 percent of 15 to 19 year olds in Renbel and Isabel respectively declared that they could read and write a simple letter.
130. Provincial variation in context is reflected in the stark difference between those believing their 'Langus' (mother tongue) has a written form in Isabel, 12.3 percent, compared to Renbel, 96.6 percent. It is possible that the ability to record a mother tongue in written form is one of the various factors in the higher literacy rate in Renbel.

Literacy assessment

131. Assessment of literacy skills of respondents found much lower levels of functional literacy than was self-reported, including among school completers. From the administration of the literacy test in the survey, which was considered by ASPBAE/COESI to be not difficult, the survey revealed that only 17.5 percent of adults in Isabel and 33.9 percent of adults in Renbel were functionally literate. This is in significant contrast with the much higher internationally reported literacy rate of 84.1 percent, and the survey's finding that 71.5 percent of adult respondents had completed primary school. Over 50 percent of adults who had completed primary school were classified as semi-literate, and only 34.2 percent in Renbel and 24.4 percent in Isabel classified as literate. The level of illiteracy is also concerning, at 24 percent in Renbel and 37 percent in Isabel. More respondents were semi-literate than literate; 42 percent were semi-literate in Renbel and 45.5 percent in Isabel.
132. With each school level completed, the literacy rates increased, indicating a positive correlation between school and literacy. Furthermore, younger cohorts were typically more literate. This could indicate improvements in the education system. Still, the results indicate a major problem of basic education quality in Solomon Islands, as well as in secondary education. In Renbel, 65.2 percent of secondary school completers were literate, and in Isabel only 45.2 percent.
133. That 71.5 percent of adults had completed primary school, yet 17.5 percent and 33.9 percent of respondents in Renbel and Isabel respectively were functionally literate, indicates that their basic education was not sufficient to become, or at least remain, functionally literate. While it is possible that people lose literacy skills through non-use or lack of ongoing access to literacy materials after school, the number of those currently attending primary school with functional literacy was also concerning: 57.1 percent in Renbel and 22.6 percent in Isabel.
134. Strikingly, in both provinces 0.0 percent of those who never attended school were functionally literate. While there was a high level of participation in community education programmes, there is a clear gap for effective second chance literacy programmes for those who never attended school.

Educational experience for women: Renbel and Isabel

135. Differing results in the ASPBAE survey between Isabel and Renbel indicated the impact on women's education and employment of difference in cultural practices and perspectives between provinces. In both provinces, the vast majority of respondents had attained primary or primary and secondary education. However 43.3 percent of females in Isabel commented that their domestic responsibilities prevented them from completing or enrolling in primary school. In Renbel, a greater proportion of females than males were attending school, while in Isabel female attendance was lower than that of males in the same province for this youngest age cohort. Primary and secondary school completion rates for adults across most age groups are higher for males than females in both provinces.
136. A slightly lower rate of women found literacy and counting ability very useful in everyday life (5–10 percent). The impact of gender in perception of usefulness of literacy skills could be related to the traditional gender roles that exist in Renbel and Isabel provinces where women take on domestic and childcare roles.
137. The greatest difference between genders in the literacy assessment in the ASPBAE report was again in Isabel, where there was 8.1 percent higher illiteracy among females than males.

Employment

138. The results also indicate the difficult employment context for youth in Solomon Islands. In the age group 24–29, only half of respondents had held a job paid in money. Between 20 and 30 percent more men reported having held a paid job than women (51.4 percent to 28.3 percent in Renbel; 61.3 percent to 32.7 percent in Isabel), indicating a major gender disparity in paid employment. Of all age groups, only 40 percent in Renbel had ever held a job paid in money, and 45.8 percent in Isabel.
139. The most common reason given by respondents who had never had paid employment to explain their status was that they lacked the required qualification (in Renbel 61.7 percent and in Isabel 59.3 percent).
140. Labour force participation was indicated by asking respondents who were not currently, or had never been employed for money, of their job-seeking intentions. In both provinces 36.5 percent said they were currently looking for work.
141. Among the significantly rural population of Solomon Islands, informal sector participation is substantial. However, the survey showed a major provincial variation in participation in trade: in Renbel, 30.8 percent of respondents aged 25–40 were farmers keeping all their produce; in Isabel, only 1.3 percent. In Renbel, only 5.5 percent of respondents of this age were selling all their produce; in Isabel, 48.9 percent were.
142. Family networks are perceived as important in finding a job, possibly more important than education. In Renbel 58.3 percent of respondents thought that whether a business was run by a family member was an important factor, while in Isabel it was 34.3 percent. There was a dramatic variation in the view on the importance of education in finding paid work: 87.6 percent noted it was 'very important' in Renbel, while only 4.1 percent did so in Isabel, where 64.8 percent noted that it was 'somewhat important'. While different provincial contexts may explain variations, it is interesting that the higher value of education to find paid work in Renbel reflects the higher educational performance there.
143. The survey identified a link between literacy and working for money more clearly than with paid employment in a 'job'. While there was a link between literacy and paid employment in Isabel, there wasn't in Renbel. In Isabel, as literacy levels increase, so does experience of paid employment. Surprisingly, in Renbel the majority of literate respondents had not held a job paid in money (61.3 percent). However, 48.5 percent of those who were literate in Renbel were currently working for money (perhaps many not in a formally defined 'job?'), significantly more than those who were non-literate (28.6 percent). The difference is even greater in Isabel (68.6 percent for literates, 51.8 percent for semi-literates, and 28.6 percent for non-literates). The survey therefore identified a more consistent link between literacy and likelihood of working for money than paid employment in a 'job' per se. The importance of networks and family connections in gaining paid employment, and the shortage of opportunities for paid employment, perhaps explain the challenges to linking literacy and paid employment in Renbel.
144. Considering types of work, those engaged in farming reduced as literacy levels increased. This was most evident in Isabel, declining from 61.9 percent of non-literate respondents being farmers selling most or all of their produce to 29.3 percent of literate respondents being farmers selling most or all of their produce. Few respondents in Isabel were engaged in professions other than producing and selling own crafts, or farmers selling most or all of their goods. However, those who were literate are more likely to be engaged in the former, and non-literates in the latter. In Isabel, 2.9 percent of non-literates, and 3.4 percent of semi-literates, were professionals such as teachers or lawyers, perhaps indicating that reasons other than skills were important in gaining employment. House work or raising children was indicated by no more than 2.2 percent of any of the three groups in Isabel as a main type of work, perhaps indicating the multiple roles expected of women. Trades were much better represented in Renbel than in Isabel, with the largest group (7.9 percent) semi-literate. Government officials were also much better represented in Renbel, who formed 6 percent of literate respondents and 0.8 percent of non-literate respondents.

Wealth and standard of living

145. Both provinces displayed a correlation between educational experience and wealth; however, it was again more consistent and observable in Isabel. Measuring wealth in the Pacific from a western perspective of individual wealth accumulation can be difficult given the high frequency of remittances from relatives overseas. In Solomon Islands, gifts and donations from micro-credit schemes and parliamentary member funds are also common. Wealth analysis was done based on SPC's common usage of wealth quintiles.
146. In Isabel there was a clear connection between wealth and literacy, with 43 percent of respondents in the lowest wealth quintile non-literate, and 26.5 percent of those in the highest wealth quintile literate, compared with the provincial literacy rate of 17.5 percent.
147. In Renbel, literacy was not a consistent predictor of wealth, with similar levels of non-literates (between 22.3 and 30.5 percent) across all five wealth quintiles.
148. In both provinces 43 percent of those in the lowest quintile had only reached primary level. Of those in the fourth and fifth quintile, the largest numbers in both provinces had completed secondary education, although higher education was also better represented in the highest quintile, indicating a strong direct correlation between reaching university and wealth.
149. Analysing the relationship between employment experience and wealth again indicated that there was a clearer relationship between having had a paid job and wealth in Isabel than in Renbel. In the highest wealth quintile in Isabel, a majority of respondents had held a paid job (51.9 percent) and in the lowest, the majority had not (61.8 percent). That many respondents who had held a paid job were in the lowest two wealth quintiles, and many who had not were in the highest, may be explained by wealth accumulated through alternative sources such as remittances, gifts, or paid employment of another household member.

150. Analysis indicates little correlation between wealth and work-seeking intentions among those not currently employed, except that in fact those in the lowest quintile are less likely to be looking for work. No greater than 49 percent of those out of work were looking for work – respondents were most likely looking for work in the second (49.4) and third (43.2 percent) quintile in Renbel, and the third (44.7 percent) and highest (46.2 percent) quintile in Isabel.

Women's employment experience in Renbel and Isabel

151. With an already difficult employment context for youth, in both provinces, 20–30 percent more men reported having held a paid job than women (51.4 to 28.3 percent in Renbel; 61.3 to 32.7 percent in Isabel). This is at odds with the 2009 census findings, in which female participation was one percent lower than male in Isabel (69.9 to 68.9 percent) and 3.8 percent lower in Renbel (64.7 to 60.9 percent).¹⁴⁵
152. Within the 15–19 year old cohort, a greater proportion of females in Isabel reported having held a job paid in money (10.3 to 6.3 percent). This could be partly explained at least by the parents wanting their daughters to work, which is noted in the report as a common barrier to participation in secondary school for girls in Isabel. However 41.7 percent of female respondents in Isabel, including 37.7 percent in the 25–40 age group, cite responsibility for house care as a reason for not holding a job paid in money.
153. The ASPBAE Literacy and Educational Experience Survey indicates the lower representation of respondents in Isabel and Renbel provinces in government, professional and trades occupations, and the greater representation in crafts, farming and housework.

¹⁴⁵ SIG Census, 2009.

Annex 3: Opportunities in Information and Communication Technology (ICT)

154. ICT growth is important to education, skills building and growth.

Global research demonstrates that investment in information and communication technologies is associated with higher productivity, lower costs, new economic opportunities, job creation, innovation, increased trade, improved education and health service delivery, and social cohesion. Benefiting from the opportunities of a changing global labour market requires skills in use of ICTs. Conversely, exclusion from ICT risks missing opportunities for growth in the global economy. Box 5 below discusses how one country facing similar employment challenges to Solomon Islands has engaged ICTs to expand youth opportunities.

155. The Education sector has grasped ICT opportunities.

MEHRD's Distance and Flexible Learning Policy 2010 demonstrates MEHRD's policy commitment to integrating distance technologies to meet the challenges of upgrading skills for teachers and students and overcoming geographic challenges. Increased mobile access also offers the potential to consider reducing concerning levels of teacher absenteeism, including through mobile banking to ensure teachers travel less to collect their salary. One Laptop Per Child (OLPC) in Marovo Lagoon is an initiative supported by Solomon Islands policymakers to improve basic cognitive skills learning as well as ICT skills.¹⁴⁶

156. Challenges remain. Solomon Islands faces particular challenges benefiting from ICTs given challenges such as low rates of urbanisation and infrastructure.

Broadband internet subscriptions are 0.3 per 100 people compared to a lower-middle income country average of 1.04; five percent of individuals are using the internet, compared to 13.5 percent in lower-middle income countries.¹⁴⁷ High-level government engagement to support ICT is needed for initiatives to be sustained and successful. The Distance Learning Centres Project (DLCP) was supported by the European Union, MEHRD, and the People First Network (PFnet) of the Rural Development Volunteers Association (RDVA). The project established a Solomon Islands SchoolNet, equipping nine distance learning centres located in rural community high schools in each province with broadband internet through the VSAT network, run as multipurpose community telecentres, with expected wide impacts in rural development. By 2010 the PFnet had reportedly not been sustained, with challenges including financing, and the lack of strategic inter-department coordination and high-level ICT strategy and capacity.¹⁴⁸ Such challenges will need to be overcome for future such approaches to be successful.

157. New opportunities for access are emerging.

Despite challenges, mobile teledensity has increased from 20 percent as of end-2010 to 56 percent as of October 2011, with 57.5 percent of the population now within range of mobile networks.¹⁴⁹ This positions Solomon Islands to achieve similar economic benefits as Papua New Guinea from greater mobile access. New infrastructure initiatives including those supported by the World Bank, SPC, and an undersea fibre optic cable supported by ADB, provide new opportunities for ICT expansion.

¹⁴⁶ Discussion with Michael Hutak, OLPC, Sydney, July 2012.

¹⁴⁷ The Little Data Book on Information and Communication Technology, World Bank, 2012.

¹⁴⁸ Leeming, D, Letter to Solomon Star, 3 May 2010.

¹⁴⁹ WB Data, 2012.

Box 5: Silicon Islands?

Online opportunities for youth employment

Like Solomon Islands, Jamaica is a country with a youthful, English-speaking population facing challenging youth employment statistics. Over 34 percent of Jamaicans are under 35, with 25 percent of them neither at school nor gainfully employed, mostly because traditional sectors are not able to generate sufficient jobs.

The internet makes it possible for Jamaican youth to work for clients worldwide, particularly accessible for those with English language skills and with satisfactory internet access. In June 2012, the World Bank supported a job creation initiative in Jamaica titled 'Digital Jam 2.0: the Future of Work is Online'. Support included linking high-tech industry leaders and start-up financiers in the high-tech ICT innovation centre of Silicon Valley, California, with Jamaican stakeholders. Investors, overseas Jamaicans, private sector, and civil society were all part of the approach. Starting on the path to Jamaica perhaps becoming a 'Silicon Island', online employment opportunities identified include:

- micro-work – where people perform simple paid tasks online;
- e-lancing – where people offer professional services online;
- mobile app development – developing smart phone applications; and
- software development.

Some of the immediate results of the workshop included: a commitment of JM\$20 million by the Development Bank of Jamaica to support start-ups in the app economy; offers of internships to telecommunications companies in the Caribbean and US, and fellowships for graduate studies; investor interest in commercializing apps; and 500 Jamaican workers joining the Microworkers online platform in the week following the event.

'Can Jamaica become the 'Silicon Island'? Youth at Digital Jam 2.0 sure think so; www.worldbank.org, July 2012.

Annex 4: Summary of Solomon Islands' Skills Dialogue on 16th July 2012

Summary note of discussion held at World Bank offices in Honiara, Solomon Islands and Sydney, Australia

Introduction: After the Praxis online discussion of 'Education in a Changing World', further discussion linking Sydney and Honiara focused on Solomon Islands as a country case study of skills mismatch in the Pacific Islands. The Bank shared key findings on labour supply, demand and mismatch in Solomon Islands. While employers are not finding the skills needed in employees, young jobseekers find it difficult to gain employment or to gain opportunities outside of subsistence activities. Discussion invited views on these issues and the potential of policy and programme options such as improving education quality and demand-responsiveness of post-secondary training, early child development, second-chance education, removing barriers to entrepreneurialism, and labour mobility, to improving outcomes for young Pacific Islanders.

Topics and discussion summary

Key themes discussed included:

- (i) Second chances for those who have dropped out or not gained a full education.
- (ii) Flexibility of education systems so people can upgrade skills or follow pathways from non-formal back to formal education.
- (iii) Secondary education is very important for providing general skills for students to make wider life choices including employment. Moving from selective access to inclusive access to secondary education has been proven to have major benefits for productivity growth for many countries worldwide. While it can be costly, reducing the number of subjects taught can make access expansion more affordable.
- (iv) The changing modern labour market requires behavioural, problem-solving and 'learning to learn' skills, key for consideration during curriculum reform processes. Curriculum reform which engages employers will be more successful in supporting students in the transition from school to work.

1. Education for what future for Solomon Islands?

The future vision for Solomon Islands is in the hands of Solomon Islanders. The dialogue sought to share ideas on the decisions facing policy makers and share international experience on how policy makers shape different outcomes, discussing the issues and context of Solomon Islands. Discussants asked what future was in the minds of Solomon Islands' parents for their children. Key points raised included:

- (i) Community participation in vocational education delivery is important, and a key activity should be community awareness raising on roles and opportunities in vocational education.
- (ii) Views on education – Survey results show that Solomon Islanders place a high value on education. However, there are concerns that vocational education is seen as 'second best', with parents valuing an academic education over a vocational education training students for rural lifestyles. Parents' engagement and valuing of vocational education can be improved by demonstrated results in supporting employment and livelihoods after graduation.
- (iii) Education is not solely for gaining a job – formal employment opportunities are constrained in Solomon Islands, and education is expected to create broader skills including citizenship. Still, education should lead to positive life outcomes and expanded options; of these, gaining a living is very important to both individuals and the nation.
- (iv) Training does not always equip Solomon Islanders for jobs, so more on-the-job-training is needed. On-the-job-training, where employers take responsibility for training employees, is one way to address the skills mismatch and increase employment. Discussion included policies to encourage this, such as those seen in France and Fiji with training levies on employers. Often, on-the-job-training relies on cultural approaches (some countries may support it, some may not). Government can help by reinforcing on-the-job-training.

2. **How can the secondary education level be more flexible and manage students with adequate discipline, to better retain students in education and better manage expulsions?**

Several answers were shared:

- (i) Considering the importance of secondary education, Solomon Islands' education system was recognised as being in transition from one which was selective, where students were pushed out at Standard 6 because of a lack of places at higher levels in secondary, to an inclusive one with greater access through to secondary completion. Maintaining student motivation and engagement in learning was noted as important, considering findings on the number of students dropping out due to lack of interest (COESI and Barriers to Access studies). This required well-skilled teachers and supportive learning environments. Further ideas suggested after the discussion, to support the retention of students through behavioural problems or challenges, included common disciplinary standards and offering of counselling and support services to students.
- (ii) The expansion of secondary education poses resourcing problems and a challenge to ensure simultaneous quality improvement. A balance of education quality together with expanded access was recognised. Ongoing curriculum reform to strengthen practical skills in secondary education was recognised. Many developed countries have focused on fewer secondary subjects, while some developing countries have too many subjects, bringing higher cost overheads. An appropriate balance in the number of subjects recognises the need for a broad range of topics. This can be addressed by having fewer but broader topics.

3. **Where will employment come from with the decline in logging?**

Why is TVET training people to Australian Level 1 and 2 certification? Is this training people for Australia's labour market and not Solomon Islands'? Increasingly in many countries, training systems are training people for opportunities at home and overseas. With the logging industry's decline, other opportunities in natural resources will remain important to employment and growth in Solomon Islands, and for the majority of the population, informal sector livelihoods (including self-employment) in micro- and small business, agriculture and fishing will remain important. While formal employment opportunities in Solomon Islands are limited, opportunities for Solomon Islands and many Solomon Islanders may lie overseas. Both labour sending and receiving countries can benefit from labour mobility. Evidence from PICs (Vanuatu, Tonga, Fiji) demonstrates that the remittances sent home by labour migrants is pro-poor, creates opportunities for those in rural areas, and helps fund remaining family members to reach higher levels of education. When migrants return they bring back skills and savings they can use to start businesses. Labour migration needs to respect human rights and labour laws.

4. **Does a high youth population mean high youth unemployment?**

Not necessarily. A youth bulge can be an opportunity when there is a greater working-age population available to meet the demand for labour. More people working means older people and children are better supported by their working relatives. However, if large numbers of youth are unemployed, this places costs on those who are working to support them, and also poses the risk of social unrest. Closing the skills gap between labour supply and demand is an opportunity for Solomon Islands to turn the risk of a youth bulge into an opportunity for growth.

5. **Update on current initiatives from MEHRD**

This helpful update from Patrick Daudau, Director Curriculum Development Division, MEHRD, included:

- (i) **Open schooling pilot:** The open schooling pilot intends to provide adults (e.g. parents) with the chance to be certified with a Form 5 education. The pilot is commencing at two schools in Honiara (Honiara High School NSS and St Nicholas Anglican secondary school). USP has shared the idea. Completing students will sit the same exam as Form 5 students and if they pass, can continue to Form 6. The approach uses school facilities in the afternoons from 2pm to 7pm, including the same subjects as regular students, with four core subjects and two optional. There is flexibility for students to take more subjects to complete faster. The approach relies on the same teachers who are paid a supplement, funded by student fees of around SBD1,000 a year (USD137), depending on the school. MEHRD had considered ways of making the program free, but the pilot is trialling a fee-based approach first, which can be evaluated later. Making a payment reflects the students' commitment to learning.
- (ii) **Curriculum Review and Reform program** is a key aspect of reform to equip Solomon Islands' students with needed skills. This includes updating the national curriculum framework for formal education and increasing the practical and employer-linked content of TVET education.
- (iii) **Financial Literacy training:** Building on outcomes of the Forum Education Ministers Meeting, MEHRD is working with the Central Bank of Solomon Islands (CBSI) to integrate Financial Literacy training into early primary education. Providing this training, including to remote areas, is one way of expanding understanding of banking services with a view to long-term expansion of banking access (addressing a constraint to growth).

6. **Working with donors**

Comments raised concern that international technical assistance can be brought in for those who are not adequately skilled, e.g. in rural livelihoods. The Ministry presented the importance of donors aligning their support to the three areas of the NEAP – access, quality, and management – and using frameworks/strategies which are responsive to the context.

7. **Pre-employability training is valuable**

One element of the mismatch is how training programs are preparing trainers for work. Graduates may be fully qualified but if they regularly turn up late for work, they are missing the behavioural skills needed by their employers. Employers want the right people with right ethics and behaviours in the workplace. These demands from employers are the case in Solomon Islands (SICCI Enterprise Survey) and match experience worldwide.

8. **Learn & Play programme.**

Initiated by the Solomon Islands Football Federation (SIFF), the program aims to educate disadvantaged rural children who would otherwise drop out at the end of their primary schooling. Training in football, and building on the teamwork and behavioural skills gained from playing football, is used to motivate students to complete their secondary education. A study in 2011 found that students' confidence, self-esteem and academic performance improved as well as their enrolment. The program is an example of focusing on behavioural skills as well as academic learning.

9. **ICT growth is important to education and skills building**

Preparing for a changing global labour market also requires skills in use of ICT. OLPC in Marovo Lagoon is an initiative supported by Solomon Islands policymakers to improve basic cognitive skills learning as well as ICT skills. Expansion of ICT networks in the Pacific Islands holds great opportunities (e.g. the mobile phone deregulation and expansion) and could assist in addressing teacher absenteeism through mobile banking for remote areas. Excluding Solomon Islands from ICT growth also presents the risk of reducing opportunities for growth.

