



THE WORLD BANK

Skills for Solomon Islands

Opening new opportunities



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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 employed,¹ 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 seven 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

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 further explored in the full report, 'Skills for Solomon Islands: Opening New Opportunities', World Bank, Sydney, 2013).

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 UNDP and Pacific Island Forum Secretariat: Urban Youth in the Pacific: Increasing resilience and reducing risk for involvement in crime and violence, 2011.

⁴ Solomon Islands Government, Ministry of Education and Human Resource Development, 2012.

⁵ Solomon Islands Government Ministry of Education and Human Resource Development: Performance Assessment Framework Report 2007–2009, Solomon Islands, 2010.

Addressing the challenge



Holy Cross literacy school, Honiara: a volunteer teacher and intermediate English class.



Children at St Augustine Kindergarten, Auki, Malaita.

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 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.

⁶ World Bank, Luthria, M., *Home and Away: Expanding Job Opportunities for Pacific Islanders Through Labour Mobility*, Washington, 2006.

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 Solomon Islands Government Ministry of Education and Human Resource Development: *National Education Action Plan 2013–2015*, Solomon Islands, 2010.

⁸ ASPBAE/COESI, 2010.

⁹ EU, *Labour Market and Community Skills Needs Analysis, Integration of Vocational Education and Training into the Formal and Non-Formal Education System in Solomon Islands*. Project Number SI/01/20010, 2012.



Rapid Employment Project (REP) Income Generation Project group work, Honiara.



Primary school children, Malaita.

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.

Note: The full ‘Skills for Solomon Islands’ report was supported by a programme of analytic and advisory work over 18 months from 2009 to 2011. As well as integrating information and reports by SIG and other partners, this advisory report serves to draw together the advice of several key recent pieces of work supported by the World Bank and AusAID:

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

¹⁰ World Bank, Remittances Data, Development Prospects Group, Washington, 2010 and 2011.

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.

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 of the full report.

