



**TECHNICAL-VOCATIONAL SKILLS
DEVELOPMENT
IN**

FIJI

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**Technical Assistance for Implementation of
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Development
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Table of Contents

Acronyms	iii
Definitions.....	iv
Currency.....	iv
EXECUTIVE SUMMARY	v
I. INTRODUCTION	1
II. COUNTRY CONTEXT	3
Overview of the Fiji Economy and Labour Force	3
Overview of the Fiji Economy	4
Overview of the Fiji Labour Market.....	9
III. THE FIJI TVET SYSTEM	17
A. Overview	17
B. Formal TVET	17
C. Non-Formal TVET	32
D. Informal Sector Training.....	37
E. Enterprise-based Training	51
F. Private Training Institutions	52
G. Costs, Financing and Internal Efficiency.....	54
IV. PLANS AND PROGRAMS FOR TVET	61
A. Recent developments	61
B. Plans	61
C. Donor Assistance.....	63
V. ANALYSIS OF KEY ISSUES	64
Overview of Strengths and Weaknesses	64
1. External Efficiency or Economic Relevance of TVET.....	66
2. Equity in Access to TVET	69
3. Organizational & Management Effectiveness of TVET.....	71
4. Quality of skills provision.....	73
5. Financing & internal efficiency of TVET resources.....	75
VI. RECOMMENDATIONS.....	77
A. Priorities	77
B. Policies and strategies	78
C. Programs and Investments	79
Sources.....	83
Annex 1	87
Terms of Reference.....	87
Annex 2	88
List of Persons Met and Places Visited.....	88
Annex 3	92
Data on School Enrolments	92
Annex 4.....	93
Key Economic Data	93
Annex 5.....	94
TVET Plans.....	94
Annex 6.....	99
Overview of Strengths and Weaknesses	99

Acronyms

ADB	Asian Development Bank
AERT	Automotive Engineering Road Transport
AusAID	Australian Agency for International Development
AVT	Advanced Vocational Training
BCE	Building Civil Engineering
CBT	Competency Based Training
COM	Commerce
EFTS	Equivalent Full Time Students
ELE	Electronic Engineering
EU	European Union
FBEAP	Forum Basic Education Action Plan
FCA	Fiji College of Agriculture
FCOSS	Fiji Council of Social Service
FIBOS	Fiji Islands Bureau of Statistics
FIT	Fiji Institute of Technology
FJC	Fiji Junior Certificate
FSF	Fiji School of Forestry
FSFE	Fiji Seventh Form Examination
FSLC	Fiji School Leaving Certificate
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GOF	Government of Fiji
HRD	Human Resource Development
HTS	Hospitality Tourism Studies
IACs	Industry Advisory Committees
ICT	Information and Communication Technology
IGA	Income-generating activity
IGAs	Income Generating Activities
IHRDPEP	Integrated Human Resource Development Programme for Employment Promotion
ILO	International Labour Organization
ITAC	Industry-Training Advisory Committee (TPAF)
KPIs	Key Performance Indicators
LAPI	Labour Administration and Productivity Improvement
LTC	Lautoka Teachers College
MDG	Millennium Development Goal
MEC	Mechanical Engineering
MOE	Ministry of Education
MOFNP	Ministry of Finance and National Planning
MOW	Ministry of Women
MSME	Micro, small and medium sized enterprises
NCSMED	National Centre for Small and Micro Enterprises Development
NFSD	Non Formal Skill Development
NGO	Non-governmental organisation
NGOs	Non-Governmental Organizations
NQF	National Qualifications Framework
NSAC	National Standards and Accreditation Council
NSS	National Service Scheme
NTPC	National Training and Productivity Council
NZAID	New Zealand International Aid & Development Agency
PDMCs	Pacific Developing Member Countries

PIANGO	Pacific Islands Association of Non-Government Organization
PIFS	Pacific Islands Forum Secretariat
SME	Small and Medium-Size Enterprise
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
STFE	Skills Training for Employment
TORs	Terms of Reference
TPAF	Training and Productivity Authority of Fiji
TVET	Technical-vocational education and training
UNESCO	United Nations Educational Scientific and Cultural Organisation
USP	University of the South Pacific
WOSED	Women's Social and Economic Development
WTO	World Trade Organization

Definitions

Competency	Skill
Education	Acquiring knowledge about something
Formal training	Organized training as part of the formal system of education and training
Informal sector	Non-wage (or non-registered, non-tax paying enterprises)
Informal training	Acquisition of skills through ad hoc means, such as from parents, elders, or by observing and practicing on the job
Modern sector	Registered enterprises, wage-paying
Non-formal training	Organized training outside the education and training System
Pre-vocational	The provision of basic skill oriented subjects as part of a general secondary curriculum
Skills Development	The acquisition of the practical competencies, know-how and attitudes necessary to perform a trade or occupation in the labor market
Training	Preparation for an occupation
Training Provider	Those who deliver training
TVET	Technical-vocational education and training, i.e. training supply

Currency

Unless otherwise mentioned all references to currency in the text pertain to the Fiji Dollar (FJD, or F\$).

EXECUTIVE SUMMARY

Chapter 1 - Introduction

1. This technical-vocational education and training (TVET) review, conducted in May and August of 2006, is one in a series of 13 country studies in a regional review of TVET financed by the Asian Development Bank (ADB) and carried out by Pacific Islands Forum Secretariat (PIFS). The study analyses the economy and country situation for implications on skill requirements, describes the TVET system, identifies plans and programmes for TVET improvement, analyses the strengths and weaknesses of the TVET system, suggests policies and strategies for improvements and recommends possible investments.

Chapter 2 - Socio-Economic Background

2. Fiji's population, about 850,000 people in 2005, has been growing at a low rate of about 0.8% because of substantial emigration. The gross school enrolment rates were 109% at primary and about 60% at secondary level. The economy has been growing at around 1.5% -2.5% a year. The economy is dominated by sugarcane, which employs a quarter of the workforce, and tourism, which uses about 10% of the workforce. Declines in sugar and garments exports have worsened the imbalance in merchandise trade. Earnings from the growing tourism sector and remittances from the increasing Fijians working overseas have become the two most important foreign exchange earners. The need for more hotels to cater to tourism fuelled a significant rise in construction activity in the past few years.

3. A gradual cut in preferential prices for sugar is likely to make sugarcane less attractive as an export crop. There is a need to explore diversification in agricultural activity. Supply of food to the tourism industry has important potential.

4. More Fiji citizens are emigrating which raised remittances. In 2003, 5,800 migrated of whom 800 were classified as professional, technical and related workers. However, in 2003, 1,350 work permits were issued to expatriates.

5. Skill gaps in Fiji are caused by the following factors: emigration of individuals with skills; a demand for skills that are not easily gained in Fiji; a lack of incentives to entice émigrés back to Fiji; and, some enterprises being reluctant to provide practical experience to TVET students. The construction industry lacks carpenters, plumbers and electricians. Also, standards demanded for tourist hotel construction in finishing skills such as painting, tiling and plastering were much higher than the ability of local workers. There are also shortages in technician levels for the construction industry, including: architectural, quantity surveying, civil, electrical, electronic and mechanical engineering technicians. The expanding tourism sector lacks middle level managers and chefs, both of which need high quality on job training and experience. The growth in the tourism sector has also resulted in shortages in bar attendants, waiters and housekeepers. Migration also results in vacancies in many jobs. A March 2006 survey of advertisements showed an annual 18% rise in vacant positions mostly in the finance, insurance, real estate and business sections. Identified technician shortages are information technology (IT) and automotive engineering supervisors. Other skilled worker shortages

identified are air conditioning and refrigeration tradespersons and automotive mechanics.

6. The Fiji labour market also suffers a significant imbalance between the supply and the demand of labour. There is an excess supply of labour market entrants with meagre skills and experience who do not satisfy the important demand for skilled personnel. Each year over 17,000 new entrants join the labour market in Fiji, including about 14,000 school leavers. The prospect of these young school leavers getting paid work in the formal economic sector is limited. In 2004, an estimated 4,000 new jobs were generated by the economy and 5,000 vacancies were created from emigration and natural attrition in the labour force. Wage jobs were available for only about half of those entering the labour market. Most of the rest need to find work in the informal sector. The government needs to expand and improve significantly the current level and quality of non formal skills training.

Chapter 3- The TVET System in Fiji

7. The structure of TVET in Fiji comprises three main organizations: school-based TVET under the Ministry of Education (MOE), the Fiji Institute of Technology (FIT), and non-formal training provided by the Training and Productivity Authority of Fiji (TPAF).

8. *School-based TVET under the MOE.* Almost 80,000 students take pre-vocational courses in secondary schools for about 10% of the available time, including compulsory courses in Forms 3 and 4. Also, 62 Vocational Centres are attached to secondary schools, enrolling about 2,400 students. The Centres take students in after Form 4 for two years or Form 6 for one year. The Centres provide specialization in automotive engineering, carpentry & joinery, catering, tailoring and office technology.

9. *The Fiji Institute of Technology (FIT).* FIT has been a semi-autonomous organization under the Minister of Education since 1986 and is governed by a 12 person Council of whom 80% represent private enterprises. Most of the 7,600 full-time equivalent students concentrate at the certificate and diploma levels. Enrolments doubled from 1999 to 2005 while teaching staff was kept constant, resulting in sharply more students for each teacher, on average from 20.5 in 2001 to 30.2 in 2005. Perhaps the most innovative aspect of the FIT program is the “franchising” it offers. Students can start their studies toward a FIT trade certificate at secondary schools. FIT has 48 franchise centres in two fields – auto mechanics and carpentry/joinery. Some 740 students were enrolled in 2005. Also, FIT offers a diploma in business by distance learning, and courses on engineering, mathematics and applied sciences. It has also begun to give practical training in carpentry/joinery, plant maintenance and plumbing through satellite centres. FIT faces three main constraints: (1) Financial constraints imposed on it by the lack of public financing and the rising reliance on student fees. This makes it difficult to keep equipment up to date. (2) Upskilling is needed for its teaching staff. A new Bachelor of Education program helps, as does access to updating through the internet. (3) Meagre capital funds and space limitations.

10. *The Training and Productivity Authority of Fiji (TPAF).* The mandate of TPAF is to provide training on industrial and enterprise needs for those outside the school system, and to promote improved productivity in enterprises. TPAF maintains close links with employers through its Board and sector focus groups. Training is provided to two types of students –

unemployed school leavers, and workers in enterprises (in the late afternoon and evenings.) TPAF provides training through nine Industry Training Departments. TPAF serves 20,000 trainees annually in six centres, almost all male, one third of whom are evening trainees. TPAF also manages apprenticeship training. Sixty-six employers employ 580 apprentices in four-five year training programs in 23 trades. About 120 apprentices finish the program annually. The National Trade Testing Scheme tests about 1,800 applicants annually in 23 trades. One of the most important tasks assigned to TPAF is the establishment of a national qualifications framework for technical and vocational skills. TPAF faces two main constraints: (1) lack of physical space, and (2) high rates of instructor turnover. The demand for TPAF graduates is strong in the labour market, but it cannot expand its output because of insufficient physical space.

11. *TVET Financing.* The MOE allocates only about 4% of its budget annually to secondary-level TVET and FIT, but the TVET sector generates substantial revenues from user fees. About half of FIT's income comes from students and only 45% from government grant. TPAF gets no government subventions at all, financing its activities from a 1% levy on enterprises and from student fees for its training programs.

Chapter 4- Plans and Programs

12. No combined plan exists for the TVET sector in Fiji. The *Education Commission Report of 2000* and its follow up *Action Plan* recommended creating an independent accreditation board for TVET, diversifying TVET curricula at tertiary level and integrating TVET into mainstream secondary schooling. The *Strategic Development Plan 2003-2005* underscored the importance of investment in TVET to reduce skill shortages that retard economic growth. To cut skill shortages the Strategy recommended expansion of intake at tertiary and vocational institutions to meet skills needs; to encourage tertiary level distance education; and to promote a wage system that rewards skills. FIT is updating its five year development plan. TPAF has conducted a self assessment and has prepared a series of plans – a long term plan for ten years, a strategic plan for three years and a one year corporate plan. In terms of physical expansion, TPAF has developed a master plan that would triple its training outputs. However, no combined sectoral planning exists for TVET in Fiji, and plans tend not to be costs or budgeted. There has been a lack of self-assessment for the MOE and FIT.

Chapter 5- Analysis of Strengths and Weaknesses

13. *Strengths.* The chief strengths of TVET in Fiji are:
- A post-secondary technical institute, FIT, which is a leader in the country and the Pacific Region.
 - An exceptionally strong organisation for non-formal training that is well linked to industry in TPAF. Industry involvement is most pronounced in the industry advisory committees of TPAF that advise on training and the standards that need to apply for skill tests.
 - The FIT franchise programs that permit students at selected secondary schools to take FIT courses at a distance, cutting the costs to the students and enabling sizeable numbers of students access to post-secondary training.
 - The wide geographical coverage of pre-vocational and vocational courses in secondary schools and attached vocational centres.

Vocational centres in high schools permit many students to acquire skills training.

- Ubiquitous work attachments as integral parts of training programs.
- Well organised apprenticeship training and trades testing under TPAF.
- Sizeable non-public resource mobilization for TVET by FIT and TPAF.

14. *Weaknesses.* The main weaknesses of the TVET system are:

- A supply rather than demand orientation. The same programs are offered year after year regardless of how they relate to labour market demands.
- Lack of labour market information and tracer studies on the labour market outcomes of graduate trainees.
- TPAF is assigned many of the functions, but Fiji lacks an apex training authority to set training standards in conjunction with enterprises, develop training policies and accredit training providers. Fiji lacks a body to help training provision meet the standards developed by employers.
- Inadequate quality assurance procedures for FIT, franchise courses and secondary vocational programs.
- Insufficient practical training provided by FIT.
- Many poorly equipped secondary vocational programs.
- Unclear effectiveness of secondary vocational training.
- Excessive dependence on long-term, institution-based training.

Chapter 6- Recommendations

15. **Priorities.** This Review identifies four top priorities for TVET in Fiji: (1) institutional reforms at the centre, (2) improving the quality of skills delivery, (3) expansion of outputs to meet skill needs in the economy, and (4) strengthening the provision of non-formal training in rural areas.

16. *Institutional reform* entails several key elements: (i) creating capability to collect and analyse labour market information, and to carry out regular tracer studies on the labour market outcomes of graduates, (ii) creating an independent agency for TVET coordination, quality assurance (standards and accreditation of institutions/programs), and funding; (iii) developing combined, costed national plans for skills development.

17. *Quality enhancement* -- Improving the quality of TVET in Fiji calls for several actions: (i) establishment of a Fiji qualifications framework rooted in employer standards; (ii) a comprehensive review of vocational courses and programs in secondary schools against common standards, and preparation of a costed strategy for quality improvement based on the results; (iii) improving quality assurance under the FIT franchise program; and (iv) undertaking a quality audit at FIT against international benchmarks and using external expertise.

18. *Expansion of training outputs.* The issue is how to expand the outputs of the TVET system cost-effectively. The alternatives are: set up more MOE vocational centres; expand TPAF; create a training fund to stimulate a training market. TPAF expansion would also be justified by its effectiveness and strong reputation among employers. FIT expansion could also be justified in high priority areas. A training fund could be the most cost-effective alternative because it would tend to allocate funds to institutions based on performance and would help to stimulate a competitive training market. Also, attention

needs to be given to rural and unemployed youth – to provide them with skills for income generation. Once coordination is solved the government could consider financing national non-formal skills development for rural and unemployed youth.

19. *Strengthening non-formal training in rural areas.* Fiji needs to raise the provision of non-formal skills training in rural areas if growing school leavers are to find productive work. Traditionally, NGOs have been in the forefront of non-formal education provision in Fiji, but the Government also recognizes the need to promote short cycle skills development as part of a wider life-long learning system. The main needs are capacity building, effective training methods and linking rural skills development to work and income generation in the local economy.

Investment Proposals

20. *Project 1- Establishment of National Training Council (NTC)*—help to design the scope, functions, organisational structures, criteria and procedures for a NTC. The NTC would be an independent agency for TVET coordination, quality assurance (qualifications, standards and accreditation of institutions/programs), and funding the development of TVET on a competitive basis. It would build on functions of this type already assigned to TPAF.

21. *Project 2- Quality Audits of MOE, FIT*— help in planning (for example, creating standards, criteria and procedures) for and implementation of in-depth reviews of quality in MOE TVET programs and in FIT programs.

22. *Project 3- Expansion of Outputs through TPAF, FIT and a Training Fund* - help for TPAF's expansion plan, for distance and mobile training by FIT, and for a fund to stimulate training provision by private providers.

23. *Project 4- Strengthening TVET in rural areas-* adaptation of International Labour Organization (ILO) community based training methodologies to apply them to Pacific Island Countries, develop trainers to use the methodologies, pilot test and evaluate the methodologies.

I. INTRODUCTION

1.1 This report sets out the findings of a technical-vocational education and training (TVET) mission¹ that visited Fiji from August 1 to 15, 2006. The purpose of the visit was to conduct an “in-depth” review of skills development in the country. This study forms an integral part of the Regional Review of TVET in the Pacific Region, a 13 country study financed by a Japan Special Fund grant through the Asian Development Bank (ADB). The Review is being implemented by the Pacific Islands Forum Secretariat (PIFS).

1.2 The impetus for the Regional Study stems from several factors, including a growing realisation of the importance of skills development for equitable national growth. Skills are important to the individual for income generation and productivity in employment. Workforce skills are important to enterprises as they seek to compete in a global competitive environment. Skills are important to national economies for productivity and growth. In short, skills support not only greater efficiency in production and income growth for enterprises and the country as a whole, but are also seen as important conditions for raising people’s income and moving them out of poverty.

1.3 In 2001, the Pacific Islands Forum Education Ministers’ developed the Forum Basic Education Action Plan (FBEAP) which covered a broad range of areas in formal and informal education including skills development. In April 2004, the leaders of the Pacific Islands Forum in their Auckland Declaration endorsed the development of a Pacific Plan which emphasizes the importance of strengthening vocational and technical training and its links with the labour market.² Similarly, one of the strategic objectives of ADB’s education and training sector strategy³ is to formulate education and training strategies that are relevant and responsive to national development objectives and client needs. Under this objective, ADB identified the need for implementing a regional technical assistance for the Pacific Developing Member Countries (PDMCs) in collaboration with PIFS. This Regional Review was endorsed by Ministers of Education of the Pacific Islands Forum during a meeting from 23-24 May, 2005 in Apia, Samoa.

1.4 The objective of the Regional Review is to establish more effective public and private investment in skills development. The Review is designed to do three things: (i) analyse issues of supply and demand for vocational skills, (ii) develop responsive and effective country and regional strategies for skills development, and (iii) identify investments necessary to implement the strategies.

1 Comprised of Paul Brady, economist; Alex Gorham, non-formal training, Richard Johanson, team leader and formal TVET, and Eci Naisele, domestic consultant.

2 Pacific Islands Forum. 2004. Auckland Declaration.

3 Kowsar P. Chowdhury. 2005. Better Learning, Better Future: Education and Training Sector Strategy for the Pacific. ADB. Manila.

1.5 The Regional TVET Review consists of six “in-depth” studies⁴, including Vanuatu, conducted by domestic and international consultants and seven country reports prepared by domestic experts. In addition to the country reports, an overall literature review is being prepared and a survey will be conducted in all 13 countries of employers to determine skill gaps and human resource requirements, as well as a “reverse tracer study” of employees. The main findings and recommendations in these studies will be formed into a synthesis report for distribution and discussion by stakeholders in May 2007.

1.6 The task of the mission was to analyse the economy and country situation for implications on skills requirements, describe the TVET system, identify plans and programs for TVET improvement, analyse the system of skills development and make recommendations on policies, strategies and investments. The terms of reference (TORs) for the study appear in Annex 1. The analytical framework for the Review looks at the TVET system in terms of five key criteria: (i) external efficiency (the relationship between objectives/outputs and economic requirements); (ii) equity (the relationship between objectives/outputs and social requirements); (iii) organisational and management effectiveness; (iv) training effectiveness, or quality (the relationship between training objectives and outputs); and (v) finance and internal efficiency (the relationship between inputs and outputs.)

1.7 The TVET review in Fiji was conducted through the following means: (a) review of available literature on the economy and TVET system, (b) a background paper prepared by the domestic consultant, (c) interviews by team members with stakeholders in and around the TVET system, and (d) visits to training institutions. Given the short time available, data limitations and the inability to travel widely in the country, the team recognises that it only barely scratched the surface. The background paper prepared by the domestic consultant helped, it is almost inevitable that gaps and perhaps even inaccuracies exist in the text. The team takes full responsibility for these. The views expressed in this report are those of the Review team and do not necessarily reflect the opinions of ADB or PIFS.

1.8 The list of persons met and places visited appears in Annex 2. The team would like to thank the persons met for giving willingly of their time and experiences.

⁴ In-depth countries are Vanuatu, Fiji, Papua New Guinea in Melanesia; the Marshall Islands and Kiribati in Micronesia; and Tuvalu in Polynesia. Other countries in the study are Palau, Federated States of Micronesia, Nauru, Solomon Islands, Samoa, Tonga and Cook Islands.

II. COUNTRY CONTEXT

Overview of the Fiji Economy and Labour Force

Population

2.1 Fiji's population at the end of 2005 was 846,000 people (FIBOS, 2006) constituting a population density of about 47 per square kilometre. Urban dwellers comprise about 47% of the population in 1996 compared to 38% in 1986. Thus an increasing percentage of Fiji's population is likely to be in urban areas. Population growth in 1996 is around 0.8% which represents a decline since the previous census in 1986. Other socio-economic indicators are provided below in table 1 below.

Table 1: Selected Socio-Economic Indicators for Fiji

Indicator	Value	Date of Data
Population in poverty (%)	22.4%	1990
Proportion of Population below \$US1 per day (%)	25.0%	1990
Human Development Index	0.758	2002
Prevalence of underweight children (% children under age of 6)	6%	1990
Life expectancy at birth (years for female and male)	71 years (female) 66 years (male)	2003
Infant mortality (per 1,000 live births)	16	2003
Adult literacy rate (% male and female)	91% (female) 95% (male)	2004
Net Enrolment Ratio in primary (female, male and total)	100.2 (female) 99.9 (male) 100.0 (total)	2001/2002
Primary Completion Rate (at last Grade of ISCED) for female, male and total.	104.7 (female) 100.7 (male) 102.6 (total)	2001/2002
Survival rate from grade 1 to grade 5 (female, male and total)	100.4 (female) 100.3 (male) 100.3 (total)	2001/2002
Ratio of boys to girls in primary and secondary schooling	1.00 (primary) 1.07 (secondary)	2001/2002
Gross Primary School enrolment ratios (% male and female)	109 (female) 109 (male)	2001
Gross Secondary School enrolments	63 (female) 58 (male)	2001

Source: The data are from *Key indicators of developing Asian and Pacific countries* (n.d.) by ADB retrieved http://www.adb.org/statistics/regional_tables on 21/09/2006, *MDG Millennium Development Goals. Net enrolment primary (2004)* by UNESCO retrieved <http://www.uis.unecso.org> on 21/09/2006, *MDG Millennium Development Goals. Primary completion rate (2004)* by UNESCO retrieved <http://www.uis.unecso.org> on 21/09/2006, *MDG Millennium Development Goals. Survival rate to grade 5 (2004)* by UNESCO retrieved <http://www.uis.unecso.org> on 21/09/2006, *MDG Millennium Development Goals. Ratio of girls to boys in primary, secondary and tertiary education (2004)* by UNESCO retrieved <http://www.uis.unecso.org> on 21/09/2006

2.2 Table 2 particularly demonstrates Fiji's success in attainment of the second Millennium Development Goal (MDG), achievement of universal primary school education. Fiji has been successful in meeting this MDG. However, there has been a decline in completion of primary school since 2000 from 91% to 88% (MOFNP, 2006). Similarly Fiji demonstrates comparative equality for male and females in both primary and secondary schooling participation rates. Fiji has fared less well with the human development index where it declined from 61st. place in 1997 to 92nd. place in 2005 (MOFNP, 2006). Table 2 below provides further data on participation in education.

Table 2: Level of Educational Attainment

Proportion of the total population	All Fiji Islands		Urban		Rural	
	Males	Females	Males	Females	Males	Females
With no education	3%	5%	3%	5%	4%	6%
With primary education only	30%	30%	24%	24%	36%	35%
With secondary education	59%	59%	60%	61%	57%	57%
With tertiary education	8%	6%	13%	10%	3%	3%

Source: From Bureau of Statistics (1996a) cited in *Country gender assessments-Republic of the Fiji Islands* (2006) by ADB. Manilla: ADB

2.3 See also Annex 3 for data on school enrolments.

2.4 An estimated 14,000 school leavers are expected to enter the labour market each year (National Planning Office, 2004).

Overview of the Fiji Economy

2.5 The Fiji Strategic Development Plan 2003-2005 (GoF, 2002) details economic and other national goals, objectives and performance indicators to the end of 2006. A key priority is macroeconomic stability, with specific targets of: keeping inflation below 3%; maintaining a stable currency with reserves to cover between four and five months of imports; offering market based interest rates; and, maintaining a medium term net deficit of 3%.

2.6 In general terms, macroeconomic stability has been maintained. Inflation in January 2006 was 2.3% while in August 2005, the average commercial interest rates were comparatively low at around 7% (MOFNP, 2005). Key problems in the Fiji economy are poor growth, an increasing imbalance in merchandise trade and government deficit. Fiji's economic growth is estimated to be about 1.5% for 2005 (Reserve Bank, 2006). For 2006, growth is expected to be around 2.3% which is expected to increase to around 3% in 2008. The cause of this lower growth since 2004 is increasing difficulties for market access of Fiji products especially garments which previously had preferential treatment in a number of markets. Low growth is also due to insufficient investment which is estimated to be between 12% and 17% of Gross Domestic Product (GDP) in 2006 which is below the 25% recommended for significant growth (Duncan, 2004). This has an impact on employment resulting in fewer jobs being available than entrants to the workforce.

2.7 A key concern about Fiji's economy is an increasing trade imbalance which has grown annually from a deficit of F\$ 670 million in 2000 to F\$ 1.5 billion in 2005. A major factor is a decline in the value of merchandise exports particularly sugar and garments. Sugar exports declined from F\$ 222 million in 2003 to F\$ 218 million in 2005. Garment exports declined over the same period from F\$ 243 million to F\$ 120 million. Annex 4 demonstrates the imbalance that is occurring between merchandise imports and exports.

2.8 With significant trade imbalances, earnings from the growing tourism sector and remittances from the increasing numbers of Fijians working overseas have become the two most important foreign exchange earners (Mohanty, 2005). Remittances now account for almost 7% of foreign earnings (MOFNP 2005).

2.9 Government deficit, while in the planned range of the strategic plan, is increasing. According to Reddy, the government deficit is bordering on unsustainable limits (Reddy 2006 cited in Reserve Bank 2006). The deficit of F\$ 307 million in 2004 is 6.8% of GDP (Reserve Bank 2006). The overall debt level of F\$2280 million in 2004 as a percentage of GDP was 58.3%.

2.10 Table 3 below shows the importance of each sector in the economy.

Table 3: Gross Domestic Product by Activity at Constant Prices at Factor Cost (F\$000) - 2003/2005

Activity	2003	2004	2005	2005 % of total Activity	Average % change 2003 - 2005
Agriculture, Forestry, Fishing & Subsistence	438,163	460,427	470,914	15%	4%
Mining & Quarrying	37,833	43,384	30,045	1%	-10%
Manufacturing	448,857	506,482	430,634	14%	-2%
Electricity & Water	108,696	112,905	114,385	4%	3%
Construction	135,888	141,595	178,239	6%	16%
Wholesale & Retail Trade, Hotels and Restaurants	474,579	537,797	533,989	17%	-1%
Transport & Communication	401,056	394,313	422,277	14%	3%
Finance, Insurance, Real Estate, & Business Services	325,814	333,288	367,437	12%	6%
Community, social & personnel services	518,645	515,089	538,934	17%	2%
TOTAL	3,232,035	3,047,284	3,088,859	100%	

Source: Key Statistics June 2006 (p.11), by Fiji Islands Bureau of Statistics, 2006. Suva.

2.11 An overview is provided below of major economic sectors.

Agriculture, Forestry, Fishing and Subsistence

2.12 Sugarcane has been a significant part of the Fiji economy. The industry has substantially benefited since 1975 from prices above the world price in sales to the European Union under the LOME agreement (Lal & Reddy 2003). In 2004 the GDP from sugarcane growing amounted to F\$ 134 million (FIBOS 2006). The industry however has suffered from issues related to the leasing of land and increasing competition from other countries. Production has fallen from about 4 million tonnes in 1990 to an estimated 3 million tonnes in 2005 (FIBOS 2006). Efficiency in production has also not risen. From 1975 to 1978, production was around 50 tonnes per hectare. In 2004 and 2005 production was about 47 tonnes per hectare. Using Brazil the world's most efficient producer as a benchmark, efficiency is poor. Fiji's costs for producing a pound of sugar are US\$ 0.14 compared to US\$ 0.04 for Brazil. Fiji obtains 42 ton/hectare compared to Brazil's 80 tons/hectare (MOFNP 2006). The government has initiated industry reform especially as there is a potential for a reduction or elimination of preferential prices at the renegotiation of the Cotonou agreement at the end of 2007. However, the reform process is complex as it involves land leasing arrangements and productivity of sugar mills.

2.13 All other market crops in total constituted F\$ 87 million in 2004. In addition, livestock contributes an additional F\$ 27 million. Thus apart from subsistence agriculture with a GDP of F\$ 161 million, the agricultural sector is largely dominated by sugarcane. A gradual reduction in preferential prices for sugar is likely to make sugarcane less attractive as an export crop over time. In the face of increased fuel prices, the potential of making ethanol from sugarcane is being explored. While this could result in more sugarcane being used for domestic markets, there is a need to explore further diversification in agricultural activity. In particular there is a significant potential for supply of food to the tourism industry. This however will require a level of research to introduce varieties that are suitable for the tourist trade. Crops that have further potential especially for processing purposes include papaya, ginger, tapioca, cassava, and coconuts. In 2005 fruit and vegetable exports were worth 3% of the value of exported products.

2.14 Fishing in 2005 constituted about 10% of all exports (FIBOS 2006). While there is further potential for greater gains from industry, sustainability limits significant expansion. The activities of existing organisation such as the Forum Fisheries Agency and PIFS along with the formation of the Western and Central Pacific Fisheries Commission are facilitating sustainable policies. Aquaculture also offers new possibilities especially in prawn and crab production

2.15 GDP from forestry is expected to increase in the medium term. There are one thousand hectares of forests constituting 54.7% of Fiji's land mass (AusAID 2006). Timber and timber manufactured products in 2005 were worth about 5% of all exports. Increased income has come from the harvesting of the high value timber, mahogany which commenced in 1999. There is significant potential for Fiji to increase production of mahogany, through sustainable practices. Being labour intensive, sustainable production of mahogany and other high value timbers such as teak, sandalwood and sandalwood hybrids is feasible within existing resources. The chief

determinants however will be adequate prices and individuals and communities being prepared to invest in long term developments.

Manufacturing

2.16 While manufacturing contributes about 14% of GDP, many products are also export earners. These include sugar, coconut oil and timber. Sugar in 2005 was worth about 26% of exports. Molasses (a sugar by-product) was worth a further 1% of exports. In the discussion above about sugarcane production, the reduction or elimination of preferential prices poses challenges to the dominant role of sugar in the Fiji economy. Should there be a subsequent lack of incentive to produce sugar, there will be further erosion in the balance of payments. Moreover there will be a major impact on employment as the sugar industry employs about 25% of the workforce (Kumar & Prasad 2002).

2.17 Fiji government incentives and preferential access to the Australian, New Zealand and United States markets under the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) led to an expansion of the garment and footwear industries. However, the loss of preferential access because of World Trade Organisation (WTO) requirements, has led to a subsequent decline in these industries. In 2000, textile and textile articles exports were worth F\$ 353 million while footwear and headgear were worth F \$23 million. By 2005 the value of domestic exports of these products had dropped respectively to F\$ 133 and F\$ 8 million. Success in the global marketplace will be largely dependent upon the overall competitiveness of the products. Fiji clearly does not hold cost advantages in terms of transport or labour over other world suppliers such as China. Thus this sector is likely to decline to meet domestic market requirements rather than expand. Nonetheless, there is the potential to gain niche export markets where low volume production is involved.

2.18 Potential economic returns can arise from an expansion in furniture making using timber from Fiji forests. A number of companies are already exporting furniture products to Australia, New Zealand, the United States and the Middle East earning an export income of around F\$ 11.5 million (Luzius 2004). The expansion in the industry has resulted in Fiji shifting from being a net importer to a net exporter of furniture. Overall production from 2000 to 2005 has increased 32% (FIBOS 2006). On the other hand, over the same period, there were declines respectively for other timber products such as sawmilling and veneer products of 47% and 11% respectively (FIBOS 2006). The industry employs in excess of 1,300 full time employees. While there is strong competition from countries such as China and Vietnam especially in terms of labour cost, the industry has some advantages in terms of its access to timber in general as well as speciality woods and the ability to differentiate its products.

2.19 Just as there is an expansion of Fiji's furniture industry using its own timber resources, there is also potential to significantly expand the manufacture of processed food using Fiji grown produce. Fiji already produces a range of food products. In 2004, GDP at current prices for beverages and tobacco was F\$ 115 million and displayed growth with a percentage change from 2004/2006 at constant prices of 28.6%. Other food products added F\$ 50 million but with a percentage growth of minus 3.2%. Exported coconut oil earned Fiji F\$3.5 million in 2005. Exported tobacco and

beverages products earned Fiji F\$87.4 million which included F\$68 million earned from mineral water.

Tourism

2.20 Tourism has become the most important foreign exchange earner with the decline of the sugar industry. It represents 12.8% of GDP and employs 9.5% of the workforce (Allcock 2006). It also has substantial multiplier effects especially in creating an expansion of construction activity in building new hotels. It creates a market for local manufactured products and handicrafts. Sales to hotels and restaurants were about 22% of total sales of a survey sample of Fiji furniture makers (Luzius 2004). It has also created a market for the supply of agricultural products which has yet to be fully realised. Tourism activity is still expanding in Fiji with the potential to provide substantial employment opportunities because of its labour intensive nature.

2.21 Total visitor arrivals in 2002 were 397,839 (of whom 306,304 arrived for holiday reasons). Estimates of total visitors for 2005, 2006, 2007 and 2008 are respectively 550,000, 576,000, 610,000 and 658,000 (Reserve Bank 2006). Table 4 below provides data on the increasing demand for hotel accommodation from different countries.

Table 4: Guest Nights by Country of origin

Year	Australia	NZ	USA	UK	Others	Total
2002	808,546	393,318	201,888	134,392	376,302	1,914,446
2003	884,376	379,327	213,413	158,702	376,364	2,012,182
2004	1,091,982	546,650	243,572	203,984	402,582	2,488,770
2005	1,227,201	667,329	242,502	199,195	424,003	2,760,230

Source: Key Statistics June 2006 (p.11), Fiji Islands Bureau of Statistics, 2006. Suva Fiji

Construction

2.22 A significant increase in construction activity has taken place in the past few years fuelled by the need for more hotels to cater for tourism. There was a 70% increase in construction activity in 2005 over 2004 levels. However, growth is expected to be about 2% in 2006 (Reserve Bank 2006). One major construction company reported a reduction in the number of projects coming with the expectation of reduced activity.

Mining and Quarrying

2.23 While only 1% of GDP at constant prices in 2005, a key export product is gold which earned FJD \$59 million constituting 7% of all domestic exports. Production of gold however is expected to decline (Filer 2006). Production in 2005 is estimated at 2,793 kilograms which is below the production levels of previous years.

Information Technology

2.24 A small but growing sector is services associated with information technology. A call centre was set up in 2003 and has been followed by other operations. There have been animation services undertaken for a number of films. A FIT course is being delivered that engages students in animation for film companies. While this sector is expected to grow, employment is low with about 1,000 employees in call centres and about 500 in animation and other software services.

Personal Services

2.25 There is a small but growing demand by foreigners to fully or partly reside in Fiji. Some construction activity has taken place to cater for this demand. Should this become a trend, then it will lead to an increased demand for a range of personal services.

Overview of the Fiji Labour Market

2.26 There is limited information available on the Fiji labour market and a lot of that information is dated. For example, a labour market website developed with the assistance of the International Labor Organization (ILO) called the Fiji Computerised Human Resource Information System has no references later than 2002 (National Planning Office, 2006). Data are occasionally collected for government decision purposes but are not collated and presented in reports. Some data are also not reliable. Data on emigration for example are collected from embarkation cards which in turn depend on the person accurately indicating their intentions. Little data exists about émigrés apart from their ethnicity. For example, do émigrés with construction skills actually gain experience overseas in the construction industry of the destination country?

2.27 About one third of the labour force amounting to 120,000 is employed in the formal sector (MOFNP. 2006). Table 5 provides the distribution of wage and salary earners for each economic activity area in 2000.

Table 5: Number of Wage and Salary Earners in each Economic Activity

Economic Activity	No of Wage & Salary Earners (2000)	% of wage earners by Economic Activity
Agriculture, Forestry & Fishing	1,776	1%
Mining & Quarrying	1,724	1%
Manufacturing	28,536	25%
Electricity & Water	2,603	2%
Construction	2,749	2%
Wholesale and Retail Trade & Restaurants & Hotels	22,097	20%
Transport Storage & Communication	11,318	10%
Finance, Insurance Real estate & Business Services	5,709	5%
Community, Social & Personal Services	39,294	34%
Total all activities	115,806	100%

Source: Key Statistics June 2006 (p.73), Fiji Islands Bureau of Statistics. Suva, Fiji:

2.28 The balance between men and women in economic activities for 1999 is provided in Table 6.

Table 6: Number of Wage and Salary Earners in each Economic Activity by Sex (1999)

Economic Activity	Men	Women
Agriculture, Forestry & Fishing	1,461	186
Mining & Quarrying	1,577	84
Manufacturing	15,570	13,632
Electricity & Water	2,505	160
Construction	4,074	159
Wholesale and Retail Trade & Restaurants & Hotels	13,068	7,269
Transport Storage & Communication	7,532	1,714
Finance, Insurance Real estate & Business Services	4,272	2,490
Community, Social & Personal Services	22,655	12,725
Total all activities	72,714	38,419

Source: Key Statistics June 2006 (p.77), Fiji Islands Bureau of Statistics, 2006. Suva.

2.29 The numbers of employees in different occupational areas by sex is provided in Table 7.

Table 7: Number of Wage and Salary Earners in Each Occupational Area by Sex (2000)

Occupational Area	Total	%	Men	% of Occupation	Women	% of Occupation
Legislators, Senior Officials and Managers	4,211	4%	3,497	83%	714	17%
Professionals	15,579	14%	7,591	49%	7,988	51%
Technicians and Associate Professionals	9,340	8%	6,606	71%	2,734	29%
Clerks	14,907	13%	6,790		8,117	
Service Workers and Shop and Market Sales Workers	14,675	13%	9,730	66%	4,945	34%
Skilled Agricultural and Fishery Workers	913	1%	890	98%	23	2%
Craft and related workers	12,503	11%	10,914	87%	1,589	13%
Plant and Machinery Operators and Assemblers	18,007	16%	9,942	55%	8,065	45%
Elementary Occupations	17,835	16%	13,623	76%	4,212	24%
Armed Forces	3,163	3%	3,131	99%	32	1%
TOTAL	111,133	100%	72,714	65%	38,419	35%

Source: Key Statistics June 2006 (p.76), Fiji Islands Bureau of Statistics, 2006. Suva.

2.30 The labour market is growing steadily but this growth is insufficient to absorb entrants to the labour market which is estimated to be around 17,000 (including about 14,000 school leavers) each year (National Planning Office, 2004). The Fiji labour market also suffers a significant imbalance between the supply and the demand of labour. There is an excess supply of labour market

entrants with limited skills and experience who do not satisfy the significant demand for skilled personnel.

2.31 Increasing numbers of Fiji citizens are migrating as evidenced by increasing levels of remittances. In 2003, 5,771 migrated of whom 795 are classified as professional, technical and related workers (National Planning Office, 2004). On the other hand, in 2003, 1,347 work permits were issued to expatriates.

Skill Gaps

2.32 Skill gaps in Fiji are primarily due to the following; (i) migration of individuals who have significant skills; (ii) a demand for skills that are not easily attained in Fiji; (iii) a lack of incentives to entice émigrés back to Fiji; and, (iv) some enterprises being reluctant to provide practical experience to TVET students. While migration is supported under the government's strategic plan, particularly because of the importance of remittances, it results in a diminution of the number of people who have acquired a significant level of skill. Employers are left with no alternative but to recruit people with lower levels of skill into many positions and attempt to train them on the job. The migration of skilled workers in turn significantly reduces the number of individuals who might proceed to middle level management positions. To overcome the labour demand, expatriates have been employed to provide the necessary expertise in middle level positions.

2.33 Some skills are not easily obtained in Fiji. Middle level management and senior management skills were cited most by interviewees in the survey. Largely this is because of the limited pool of local people who have sufficient experience to fill the positions. Migration of those with skills continually reduces the pool from which to draw personnel. Some work also requires technical abilities beyond the standard generally achieved locally. For example, hotel construction for the tourist market requires high level finishing skills such as plastering, tiling and painting. Restaurants catering for the tourist market also require advanced skills in cooking. Interviewees in the survey commented that generally the local standard was insufficient and that expatriates were generally employed.

2.34 Fiji émigrés who have taken up citizenship elsewhere are treated as foreigners. According to the Fiji Employer's Federation, there should be encouragement for former Fiji citizens to return with the skills gained elsewhere through providing them with a special status such as *permanent resident*. While emigration has the disadvantage of a loss of trained labour, there are two major benefits, one of which is remittances which are helpful in relieving poverty. The second advantage is that individuals can exit Fiji with limited skills but through work experience and further training in the destination country, bring back advanced skills to Fiji at no cost to Fiji society.

2.35 Emerging TVET pedagogy (for example, Billett, 2001 and Wenger, 1998) strongly supports training having a strong component of workplace learning rather than training being primarily institution based. However, a significant level of training in Fiji is primarily institution based. From information received from interviewees, there are currently barriers to industry increasing the level of workplace experience. One is a requirement by firms to provide occupational health and safety insurance for students. The other is a demand in some workplaces that students receive a wage.

2.36 Skill shortages are primarily occurring in the construction sector for three key reasons. First, there has been a substantial increase in construction activity since 2002 which has resulted in increased demand for skilled workers possibly equal to or exceeding the supply of TVET graduates. Second, existing skilled workers have been lured overseas because of a demand for skilled construction workers in other countries. Third, the construction industry is largely looking for experienced and highly skilled labour which cannot be achieved by the TVET sector alone. The creation of a highly skilled employee cannot be achieved without the industry playing a major role in training on the job. There has been a lack of apprenticeships or other forms of associated workplace learning in the construction industry.

2.37 Interviewees indicated that the construction industry lacked sufficient numbers of carpenters, plumbers and electricians. In addition, the standards demanded for tourist hotel construction in finishing skills such as painting, tiling and plastering were much higher than the capability of local workers. Moreover the Fiji Hotel Association is also concerned about the gap between what is needed for high quality finishing and the current skills of plumbers and electricians. Gaps in training indicated that the needs of particular sectors had not been adequately addressed by the TVET system. An example is a plumber employed by a hotel who was unable to fix a blown fuse. Similarly, the Public Works Department requires higher skilled civil construction staff for its operations.

2.38 There are also shortages in technician levels for the construction industry. Shortages identified by the Workforce Planning & Scholarship Office were: architectural, quantity surveying and civil, electrical, electronic and mechanical engineering technicians. These gaps however will be overcome through training at Fiji Institute of Technology (FIT).

2.39 The expanding tourism sector primarily lacks middle level managers and chefs, both of which require high quality on the job training and experience. The growth in the tourism sector has also resulted in shortages in bar attendants, waiters and housekeepers.

2.40 Other sectors in the economy either because of their smaller scale or limited growth do not face significant skill shortages as is the case with construction and tourism. Nonetheless, the migration factor is also resulting in increased vacancies in many jobs. The March 2006 Reserve Bank of Fiji survey of advertisements showed an annual 18% rise in the number of vacant positions mostly in the finance, insurance, real estate and business sections. Other technician shortages identified are Information and Communication Technology (ICT) and automotive engineering supervisors⁵. Other skilled worker shortages identified are air conditioning and refrigeration tradespersons and automotive mechanics (Voigt-Graf 2006).

The Informal Sector

2.41 **Introduction.** Each year over 17,000 new entrants join the labour market in Fiji. About 4,000 of these are graduates of tertiary level technical and academic institutions, including the University of the South Pacific (USP). An additional 2,400 are laid-off workers seeking new jobs while an estimated 800 are adults who either never attended school or who delayed entering the job market because of domestic commitments i.e. mostly women. The

⁵ Workforce Planning & Scholarship Unit (2006). Unpublished list of scholarships.

remainder, approximately 10,000, are mainly secondary school leavers who – for either financial or scholastic reasons – are unable to continue their education.

2.42 The prospects of these young school leavers obtaining paid employment in the formal economic sector is limited and appears to be decreasing. In 2004, an estimated 4,000 new jobs were generated by the economy and an additional 5,000 vacancies were created as a result of out-migration and natural attrition in the labour force. Thus, jobs were available for only about half of those entering the labour market. With growth rates forecast to remain well below 3% in the next few years the ratio of jobs to job-seekers in Fiji will probably continue to decline and unemployment, particularly among youth, will increase. Recent figures indicate that unemployment in the age-group 15-24 is twice Fiji's national average, estimated at 7%.⁶

Table 8: Labour Supply and Demand in Fiji 2002-2007

	Labour Supply and Demand	Category	Average Annual 2002-2007	
			2002	2002-2007
S U P P L Y	New Entrants	School leavers	14,500	72,500
		Belated entrants	600	3,000
		Laid-off workers	2,400	12,000
		Never attended school	200	1,000
		Total Supply	17,700	88,500
D E M A N D	Employment Opportunities (formal sector)	Replacements for emigrants	2,070	11,350
		Replacements for attrition	2,900	14,500
		New Jobs Created (@2.6% GDP per annum)	4,000	20,000
		Total Demand	8,970	44,950
	Employment Requirements (informal sector)	Total Required	8,730	43,650

Source: Fiji Ministry of Education

2.43 The situation in Fiji is not unlike that applying in many Asian/Pacific countries where a combination of demographic and economic factors has resulted in a steadily increasing number of unemployed youth. What makes the problem in Fiji different and particularly difficult are the inherent restrictions associated with small island developing economies and their impact on employment promotion. The development of the export sector is constrained by the country's remoteness from external markets, high transportation and insurance costs and relatively undiversified range of export products. Domestic employment opportunities are limited by a narrow industrial base, a weak private sector and a small internal market which restricts the kinds of technology that can be introduced and the extent to which economies of scale can be realized.

⁶ The Fiji Islands Bureau of Statistics, 2006 Suva.

2.44 In the face of these constraints and in expectation of a further decline in wage employment in the sugar and garment industries as WTO and European Union (EU) preferences erode, the government has adopted a two-fold employment strategy:

2.45 First, to target those sectors of the domestic wage economy which appear to have both rapid and sustained employment potential, such as tourism and construction. Here, a key requirement will be to increase the output and retention of skilled manpower from the country's TVET system – something which is presently affected by the low status (and poor quality) of vocational training at the secondary level and the large numbers of graduates from tertiary institutions who migrate to external labour markets.

2.46 The second part of the strategy is to develop employment and income generating opportunities in the informal sector, through the promotion of entrepreneurship, self-employment and micro enterprises. Here it is recognized that conventional TVET programs are unlikely to be effective in addressing the training needs of the informal economy and that new methodologies, content and delivery systems will be required. Government providers of training services in Fiji are, therefore, looking to establish new partnerships with community-based organizations, chambers of commerce and rural lending institutions in an effort to exploit the employment and income-generating potential of the informal economy in both urban and rural areas. In this regard it is interesting to note that, according to Ministry of Education (MOE) data there has been a 4-fold increase in the number of non-formal education providers in Fiji in the past 25 years.⁷

Informal Economic Activities

2.47 Unlike much of Africa and Asia, the informal sector in Fiji is not particularly visible because much of it is home-based and consists of tailored products, handicrafts and the processing of agricultural produce. In urban areas it tends to be dominated by a range of street vendors, most of whom buy their products from rural producers for re-sale in public markets. The informal service sector is largely confined to local transport providers, food stalls and shoe shine work and there is little of the infrastructure associated with artisan-based activities in the urban areas of Asia, Africa and Latin American.

2.48 The tendency to operate out of the home is also prevalent in rural areas where basic mechanical, electrical and automotive services are offered, most often by graduates of local technical or vocational training institutes who are either unable to find permanent wage employment or establish a formal business. The definition of the informal sector in Fiji appears to be mainly a function of the activity's legal status i.e. registered or unregistered, rather than its size or the source of its skills. Indeed, there appears to be no organized system of skill transfer in the sector, (such as the traditional apprenticeship system in Africa) and little evidence of the kind of supply-chain linkages between the formal and informal economies, which are often found in other countries.

⁷ Ministry of Education, 2005

2.49 Nevertheless, in a situation where rural-urban migration is accelerating and job opportunities in the wage sector declining, the informal sector appears to play an important role in absorbing surplus labour, contributing to GDP and augmenting household income. Estimates from the Bureau of Statistics indicate that in 2004 informal sector workers comprised 36% of Fiji's economically active labour force and just under 50% of all those working in the monetary economy⁸. In the late 1990s it was estimated that the informal sector accounted for 17.2% of Fiji's total GDP⁹ and in a recent survey of informal sector workers in 3 urban areas of Fiji it was found that, on average, informal sector operators had been able to increase their monthly income by 55% within 18 months of taking up the informal sector activity.¹⁰

Strategic Plans for the Economy

2.50 Strategic plans for the period 2007 to 2011 are currently in draft form and follow the mid-term review of the strategic plan 2003-2005. The medium term strategy for 2003 to 2005 was maintaining stability and sustaining growth. The new medium term strategy is enhancing stability and achieving a higher level of sustainable growth (MOFNP, 2006). It has been concluded for the period 2003-2005: exports have grown but not fast enough; employment has grown but not enough to absorb all school leavers; and, the economy is in equilibrium but not realising its full potential. Hence the new medium term plan aims at striving for much higher levels of growth.

2.51 The new strategic plan aims to achieve higher economic growth through a restructuring of the economy. A key component will be a restructuring of the public sector to include an overall downsizing of the public service (with the exception of education and health) and reform of public enterprises. Reform of public enterprises will be undertaken in a three phase process of: reorganise, commercialise and corporatise private enterprises; enhance competition in the markets where public enterprises operate; and privatize the public enterprises. Progress towards this is already underway with the introduction of the senior executive service and performance based contracts. Key performance indicators include: reduction of civil servants from 25,000 to 20,000 by 2011; aggregate rates of return from public enterprises increased for 3% to 10%; and 10 state owned enterprises sold.

2.52 The key component of the restructuring of the economy is the enhancement of the private sector and especially increasing the level of investment in the economy to 25% of GDP including raising private sector investment from 7% to 15%. The sugar industry is to be restructured to enhance investment and create cost efficiencies in all facets from production and transportation through to processing. Agriculture and livestock production is to be expanded substantially to increase exports and reduce imports especially to supply the thriving tourism industry. Increased production is to be achieved through: building the capacity of rural communities to diversify their activities; establishing commodity protocols with Australia, New Zealand and China; strengthening agricultural training institutions; improving access to credit; enhance linkages between growers and tourism operations; and,

⁸ Household Survey Division, Fiji Islands Bureau of Statistics, 2004

⁹ Prasad N. and S. Raj The potential of small-scale informal sector businesses in small developing countries: Fiji's kava industry 2006.

¹⁰ Reddy, M. et al. The Urban Informal Sector in Fiji: Results from a Survey, Fijian Studies Vol. 1 No. 1 © Fiji Institute of Applied Studies. 2002

enhancing infrastructure. In respect of forestry the plan seeks to increase the contribution to GDP but at the same time ensure sustainability and maximum returns to the resource owners. A slight increase in GDP is expected from marine resources.

2.53 The number of tourist visitors is targeted at 700,000 by 2011. Main government intervention here will be: promoting human resource development and introducing accreditation schemes for quality of services, training and productivity; development of infrastructure; and generally developing niche and new markets.

2.54 Manufacturing is to be expanded with increased competition to imports and increased exports. Government intervention is overall to improve the institutional environment which will include legislation about labelling to protect local firms, implementation of private sector development policies and cheaper business inputs. One major concern is the cost of telecommunications. The strategic plan is to reduce costs in telecommunications and transportation.

2.55 For micro, small and medium sized enterprises (MSME), the strategic plan includes the following: allocating greater government resources; mainstreaming MSMEs; improving support services to MSMEs including micro finance; develop marketing for MSMEs and, promoting and facilitating access to on-line technology information and methods supporting MSMEs.

2.56 Overall, the goals for economic expansion will require a substantial increase in skilled workers in construction and tourism

III. THE FIJI TVET SYSTEM

A. Overview

3.1 The structure of TVET in Fiji includes three principal organizations: The Fiji Institute of Technology (FIT), school-based TVET under the Ministry of Education and non-formal training provided by the Training and Productivity Authority of Fiji (TPAF). Each is discussed below. In addition, private training institutions constitute an important, although yet unsurveyed, part of training provision with over 130 registered and approved institutions.

3.2 Main distinguishing characteristics:

- Strong institutions – FIT and TPAF;
- Extensive pre-vocational training in secondary schools and widespread vocational training in vocational centres attached to secondary schools;
- Relatively low status for TVET compared to academic studies; and
- Fair amount of non-public financial support in FIT and TPAF.

B. Formal TVET

3.3 Two main organizations provide formal TVET in Fiji: The MOE at secondary level and FIT at post-secondary level. The following two tables show the general system of education and the formal TVET system, respectively.

Table 9: Structure of General Education

Level	Duration	Year	Examination	Comment
Primary	8 years	Class 1-8	8 th Year Exam.	End of compulsory education
Lower Secondary	2 years	Form 1-2		
Upper secondary	2 years	Forms 3-4	Fiji Junior Certificate	FJC
	2 years	Forms 5-6	Fiji School Leaving Certificate	FSLC
Form 7	1 year		Fiji Seventh Form Examination	FSFE
Post Secondary	1-2 years		Certificate	
	3 years		Diploma	
	3-4 years		Degree	

Table 10: Structure of Formal Technical-Vocational Education & Training

Level	Number of Institutions	Entry	Duration	Certification
Secondary Level				
Pre-vocational	165		Form 3-4	Compulsory
Pre-vocational	165		Form 5-6,7	Optional
Vocational Centres	62	Form 4, 5 & Form 6	2 years 1 year	MOE Vocational Certificate
Post-Secondary				
Certificate	FIT, FCA, FSF	Form 6	2 years (5 stages + work experience)	Trade Certificate
Diploma	FIT, FCA, FSF	Form 7	3 years	
Degree	FIT, USP	Form 7	3-4 years	

FIT = Fiji Institute of Technology; FCA = Fiji College of Agriculture; FSF = Fiji School of Forestry; USP = University of the South Pacific

Secondary Level TVET -- Ministry of Education

3.4 **Pre-vocational** – All students take pre-vocational courses in Forms 3 and 4 for about 5 periods out of 40-45 periods per week. The balance between theory and practice is 60:40. Subjects include home economics, industrial arts, agricultural science and office technology. Students in Forms 5 and 6 may opt for one or more vocational courses. Virtually all of the 165 secondary schools provide pre-vocational courses.

Table 11: Students Enrolment in TVET Subjects in Secondary Education, 2000 to 2004¹¹

Forms	2000	2001	2002	2003	2004
3	22,747	21,099	22,852	23,180	23,383
4	21,409	20,899	21,507	21,816	22,007
5	14,050	13,846	14,114	14,317	14,442
6	10,708	10,549	10,753	10,908	11,003
7	7,359	7,252	7,393	7,499	7,565

Source: MOE Annual Reports

¹¹ The calculations for the students intake into TVET programs for the years 2000 to 2004 was done on an approximate basis based on the average annual intake for the past four years for students that take up TVET subjects in secondary schools. The percentage ratings were calculated using the annual intake for the total roll of students entering secondary schools between these years.

Table 12: Pre-Vocational Courses and Examination Levels¹²
(Students enrolled in vocational programs as a percentage of total secondary students enrolled, by subject and level)

Level	Agriculture	Computer Education	Office Technology	Home Economics		Industrial Arts
FJC	73%	N/A	22%	86%		89%
FSLC	62%	59%	14%	C&T 15%	FN 55%	69%
FSFE	23%	40%	-	A&D 2.5%	FT 22%	25%

Source: TVET section of MOE 2004; C&T = clothing and textiles; FN = food and nutrition; A&D = Apparel and Design; and FT = Food and Technology.

3.5 Vocational Centres. Students with lower academic abilities (i.e. dropouts and pushouts) are encouraged to attend Vocational Centres attached to secondary schools designed to prepare them for wage or self-employment. In 2006 the Ministry operated 62¹³ such centres that provide skill training for one (Form 6 entry) or two years (Form 4 entry) leading to an MOE Vocational Certificate. About 75% of the time is spent on practical activities and 25% on theory. Five subjects are offered to approximately 2,300 students – agriculture, office technology, carpentry and joinery, automotive engineering, catering and tailoring. The 62 Vocational Centres average about 38 students each. At the end of two years students must pass internal practical and theoretical examinations set by teachers at the Centres to receive a Fiji Vocational Certificate in their field of specialization. Some of the Centres also have “franchising” arrangements with TPAF for the lowest trade test, class 3.

3.6 The following two tables show the number of Vocational Centres by specialization and the total vocational students by specialization respectively.

Table 13: Percentage of the 62 Vocational Centres Offering Courses

Courses	Schools
1. Agriculture	16%
2. Automotive Engineering	44%
3. Carpentry & Joinery	49%
4. Catering	45%
5. Tailoring	41%
6. Beauty & Therapy	8%
7. Welding & Fabrication	5%
8. Office Technology	26%

Source: MOE /TVET Vocational

¹² Sixteen TVET subjects are offered in secondary schools: agricultural science, computer education, office technology, home economics, clothing and textile, food and nutrition, apparel and design, food and technology, technical drawing, graphic arts, woodwork, food technology, engineering technology, metalwork, technical drawing and design and introduction to technology.

¹³ Three of the centres are stand-alone.

Table 14: Total vocational students by program, 1999-2005

Program	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE	133	105	85	60	62	162	121
AUTOMOTIVE ENGINEERING	693	360	425	535	800	716	710
CARPENTRY AND JOINERY	523	352	410	505	483	414	413
CATERING AND TAILORING	678	475	491	760	699	557	956
OFFICE TECHNOLOGY	189	189	190	155	105	73	127
TOTAL	2,216	1,481	1,601	2,015	2,149	1,922	2,327

Source: MOE Vocational, TVET section

3.7 Total enrolments are fairly evenly distributed by sex with males making up 54% of the total. However, 95% of female enrolments are concentrated in catering and tailoring and office technology.

Table 15: Vocational students in the 62 Centres by sex 1999-2005 alternate years

Program	1999		2001		2003		2005	
	M	F	M	F	M	F	M	F
AGRICULTURE	123	10	74	11	52	10	107	14
AUTOMOTIVE ENGINEERING	676	17	402	23	772	28	672	38
CARPENTRY AND JOINERY	523	-	410	-	480	2	413	-
CATERING AND TAILORING	20	658	2	489	41	658	54	902
OFFICE TECHNOLOGY	-	189	-	190	2	103	-	127
Total by sex	1,342	874	888	713	1,347	801	1,246	1081
TOTAL	2,216		1,601		2,148		2,327	

Source: MOE Vocational TVET section

Table 16: Vocational Teachers by Subject and Qualification

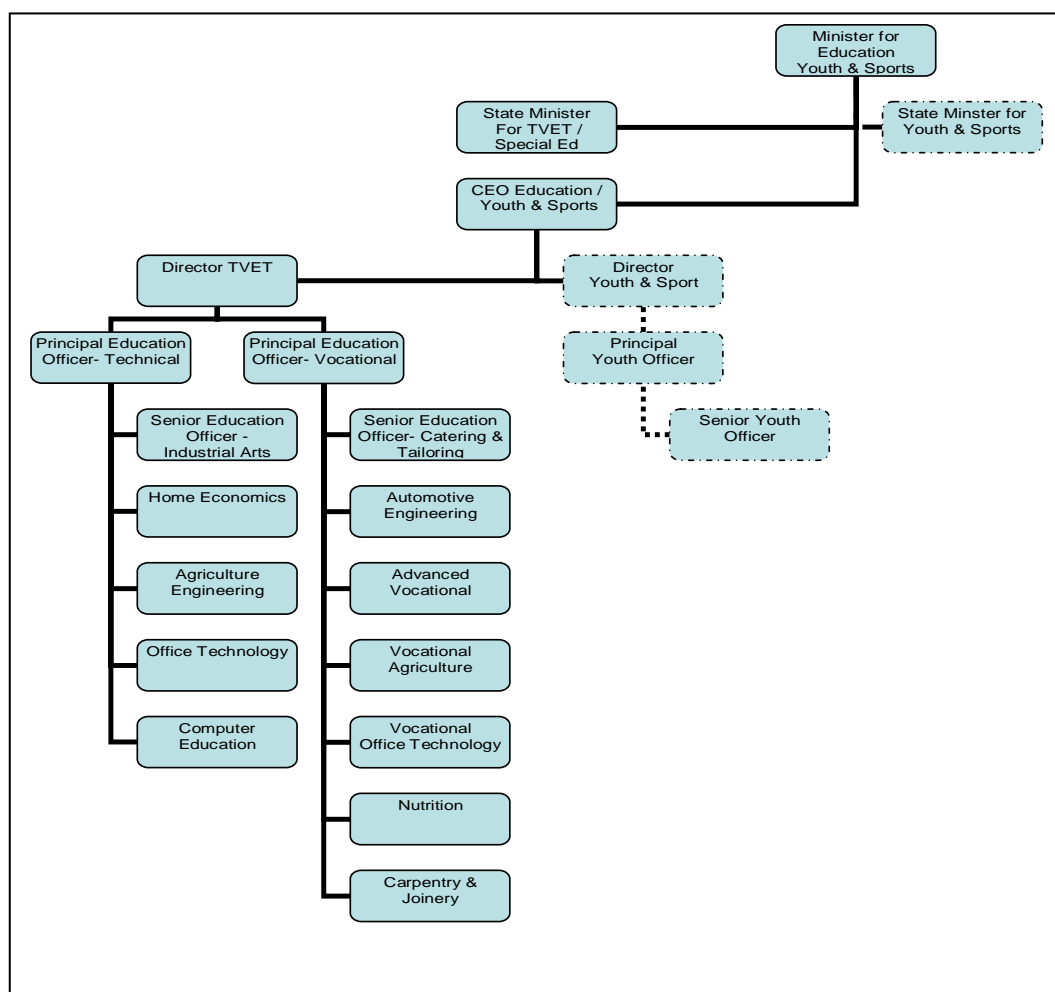
Subject	Total Teachers	Total Trained	Total Untrained	% Untrained
1. Agriculture Science	227	204	23	10.1%
2. Computer Education	104	76	28	26.9%
3. Home Economics	244	216	28	11.5%
4. Industrial Arts	343	313	30	8.7%
5. Office Technology	62	36	26	41.9%
6. Automotive Engineering	46	26	20	43.5%
7. Catering & Tailoring	48	21	27	56.3%
8. Carpentry and Joinery	51	21	30	58.8%
Total	1,125	913	212	18.8%

Source: MOE Annual Report 2005

3.8 Most of the teachers of TVET subjects received their qualifications at the Fiji School of Advanced Education (certificate or diploma), or at FIT for the International Diploma in Tertiary Teaching. Instructors at the Vocational Centres also need to attain a Trade Certificate qualification from FIT to teach subjects.

3.9 The Ministry of Education is organized as shown in Figure 1 for TVET.

Figure 1- Organizational Structure of TVET in the MOE



Source: TVET Department ¹⁴

Formal Post-Secondary TVET

3.10 **Fiji Institute of Technology.** FIT offers four levels of qualifications – certificate, diploma, advanced diploma and degree. Most of the students concentrate at the certificate level (about 58% of the total) and diploma level (about 48%) with only about 2% at the degree level. FIT's enrolment has doubled from 3,800 equivalent full-time students in 1999 to over 7,600 in 2005. The distribution of its current enrolment is shown in Table 17 as Equivalent Full Time Students (EFTS)¹⁵. The number of EFTS as compared

¹⁴ Interestingly, the TVET Department presented the above structure in an inverted form, with the Director at the lower end.

¹⁵ The term Full Time Equivalent (FTE) is used interchangeably with Equivalent Full Time Students (EFTS).

to student intake and graduation are shown in Table 18. The total number of students enrolled, full time and part time is shown in Table 19.

Table 17: Enrolment in FIT by Field, 2002-2005 (Equivalent Full Time Students)

School/Year	2002	2003	2004	2005
Automotive Engineering and Road Transport	573	445	481	489
Civil Engineering	521	349	541	684
Commerce	2,800	1,907	2,361	3,501
Art Culture and Design	330	525	551	413
Electrical and Electronics Engineering	593	496	746	757
General Studies	570	583	466	525
Hospitality and Tourism	235	239	297	385
Mechanical Engineering	587	372	523	624
Maritime Studies	212	196	178	244
Total	6,421	5,112	6,144	7,623

Source: FIT Management

Table 18: EFTS numbers as compared to student intake and graduation

YEAR	1997	1999	2001	2003	2005
EFTS	3,300	3,746	5,032	5,112	7,623
Intake	600	246	301	741	1230
graduates	917	1137	1484	1459	1938

Source: FIT Management

Table 19: Enrolment of total number of students by sex & school (2005)

SCHOOL	FEMALE	% TOTAL	MALE	% TOTAL
Art Culture & Design	262	1.3%	427	2.1%
Automotive Engineering and Road Transport	23	0.1%	1,995	9.7%
Building and Civil Engineering	84	0.4%	1,663	8.1%
Commerce	4,660	22.6%	2,749	13.4%
Electrical and Electronics Engineering	174	0.8%	2,121	10.3%
General Studies	680	3.3%	497	2.4%
Hotel and Tourism	792	3.8%	315	1.5%
ITC	136	0.7%	225	1.1%
LC	396	1.9%	979	4.8%
Maritime Studies	33	0.2%	625	3.0%
Mechanical Engineering	91	0.4%	1,653	8.0%
Total	7,331	35.6%	13,249	64.4%

Source: FIT Management

3.11 The teaching staff has remained fairly constant at FIT despite the increase in number of FTE students, as shown in Table 20. The number of students per teacher has increased from 20.5 in 2001 to 30.2 in 2005.

Table 20: Number of Staff and Teacher-student Ratios

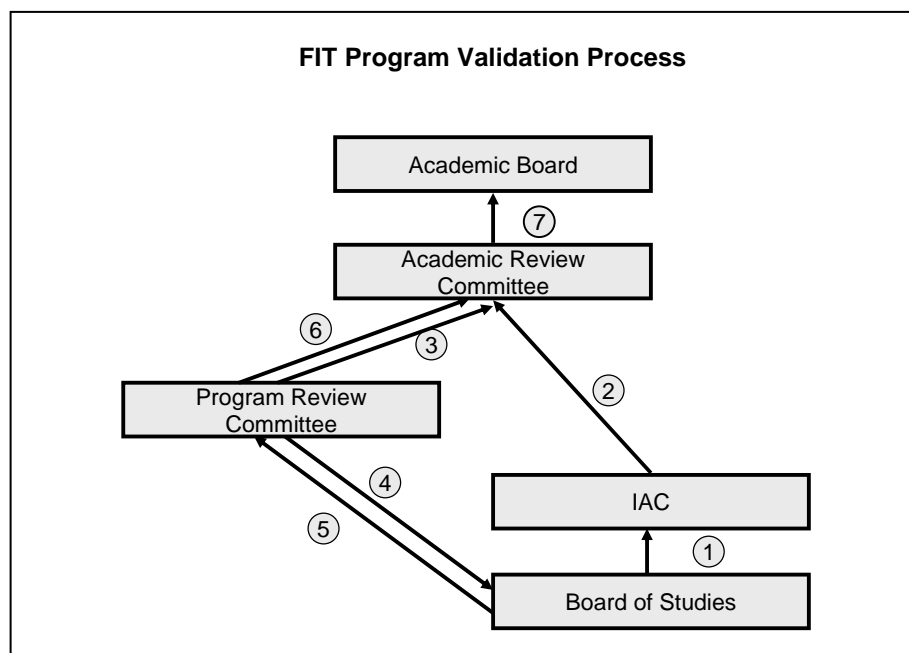
	2001	2002	2003	2004	2005	2006
Academic Staff	246	260	257	268	267	268
EFTS	5,032	6,241	5,500	6,393	7,922	8,100
Students/Teacher	20.5	24.0	21.4	23.9	29.7	30.2

Source: FIT

3.12 In addition auxiliary staff were reduced from 124 in 2001 to 95 in 2006 while non-academic staff increased from 139 to 170 over the same period.

3.13 Graduates of FIT have high rates of employability. Many FIT students are already employed while studying. The FIT has not conducted tracer studies on its graduates, but is attempting to do so now. FIT management estimates that 75%-80% of graduates find employment upon graduation.

3.14 **FIT Validation Process.** Any new teaching program is subjected to a multiple-stage review. The Board of Studies in each school makes a proposal to the Industrial Advisory Committees (IACs) which reviews the syllabus. (Previously there was a problem in getting employers to participate in IACs, but that has been solved by minimising the number of physical meetings through use of internet and email for comments, introducing a sitting allowance, and by making the proper functioning of the IACs a key item in the appraisal of heads of schools.) The proposal then goes to the Academic Review Committee, which refers it to the Program Review Committee. If approved it goes back to the Board of Studies and IACs for detailed preparation, thence to the Program and Academic Review Committees and eventually the Academic Board for final approval. The following diagram shows the sequencing.

Figure 2: Fiji Institute of Technology Program Validation Process

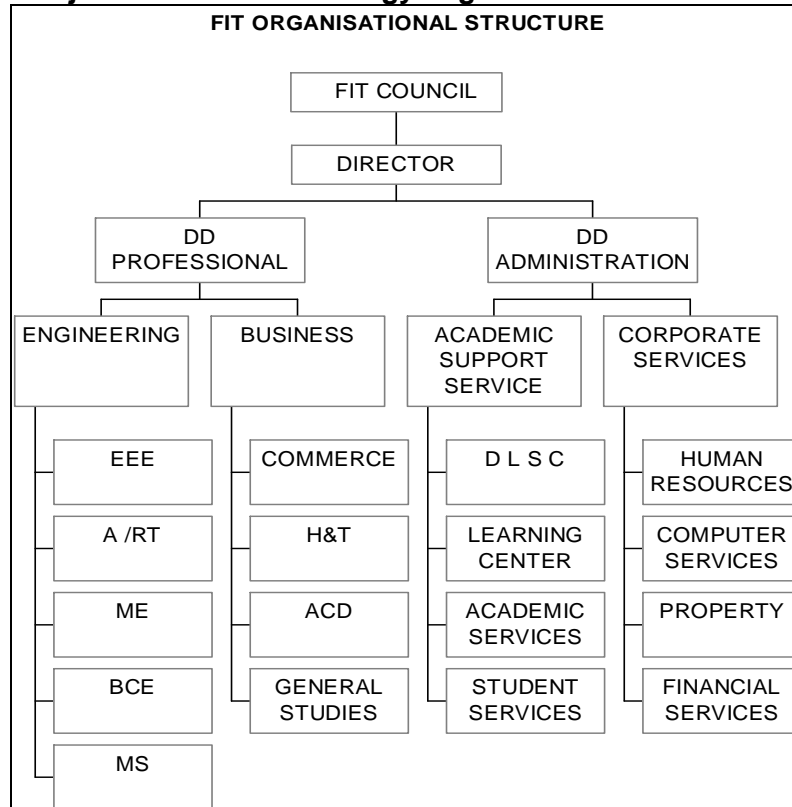
Source: FIT Management

3.15 Closing of courses is based mainly on student demand. Shipbuilding was closed for lack of students. Panel beating is currently near closure. So far FIT does not have a means to independently identify skills in demand. It relies on the national planning office to do labour market surveys. However, it has opened a Research and Development Unit which, *inter alia*, will analyse job requirements.

3.16 Some of the FIT programs are delivered on the basis of competency based training (CBT), including Maritime and ICT. Practical activities are delivered and evaluated on the basis of CBT. FIT reportedly has several articulation arrangements with overseas institutions. Some of its courses are benchmarked to NZQA and AQF standards. Some of its programs are recognized by international professional bodies, such as the International Maritime Organisation (IMO-STCW95), Civil Aviation Standard Authority of Australia (CASA), Institute of Engineering and Technology (IET, formerly IEE/IME).

3.17 Students are required to take 6-12 months of work attachment as an integral part of their program before they graduate.

3.18 **Administration.** FIT has been a semi-autonomous organization under the Minister of Education since 1986. It is governed by a 12 person Council of whom reportedly 80% represent private enterprises (with the Chairman from private enterprise). This represents a fundamental change. At the start the Council had 90% of its members from the public sector (virtually all of them permanent secretaries).

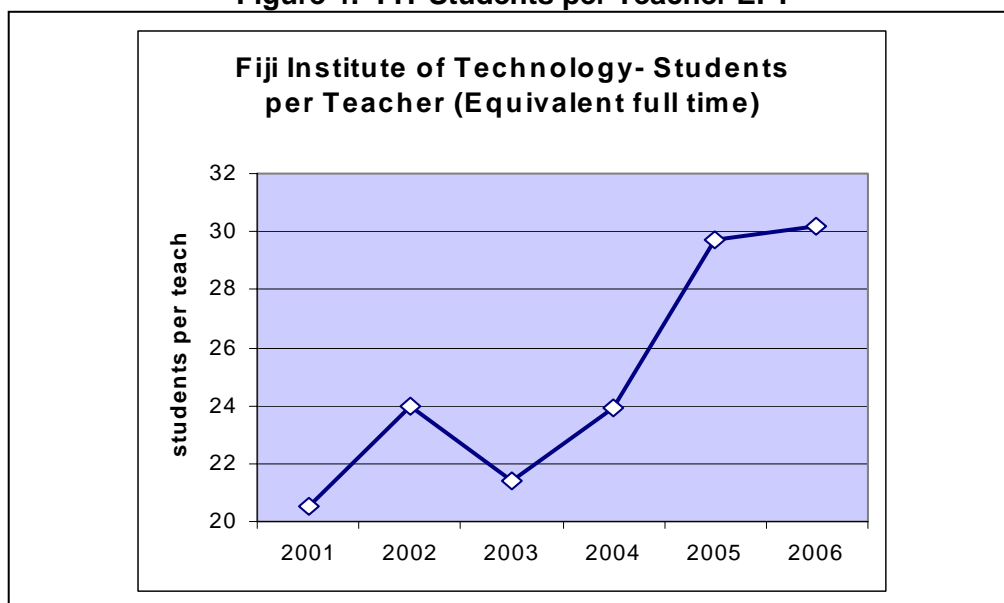
Figure 3: Fiji Institute of Technology Organization

A/RT=Automotive and road transport;
 BCE=building and civil engineering;
 EEE=electronic & electrical engineering;
 ME=mechanical engineering; and

ACD=arts, culture and design;
 DLSC=distance learning studies centre
 H&T=hotel and tourism;
 MS=maritime studies.

Source: FIT Management

3.19 Financing – previously (late 1990s) FIT received two thirds of its support from government and one third from student fees. Now the proportions are reversed, in part because of limits placed on the government's contributions. As a result, FIT has had to (a) increase its fees and has introduced a “dual system” where students can attend evening classes for full cost; and (b) increase the number of EFT students per EFT teacher from 20 to 30 between 2001 and 2006 (Figure 4).

Figure 4: FIT Students per Teacher EFT

Source: FIT Management

3.20 Ratios of this order can have negative consequences on the quality of instruction for a post-secondary technical institution.

3.21 Demand is so strong for these classes that FIT management has had to limit the number of participants. In addition, it engages increasingly in “entrepreneurial activities”, such as provision of ICT training (e.g. Oracle) and short courses for industry.

3.22 All programs require an industrial or work attachment of 6-12 months after coursework is completed before the qualification is awarded. FIT has about 300 students in the workplace at any one time.

3.23 FIT has just introduced a Bachelor of Education program in TVET together with the University of Newcastle. Most of the initial 20 students are FIT staff members.

3.24 **Franchise Courses.** Perhaps the most innovative aspects of the FIT program is the “franchising” it offers to secondary schools. In effect, FIT has decentralised trade courses to the secondary level. The purpose is to allow students who have finished their secondary education (at Forms 4-6) to get qualifications and continue their education at the tertiary level. In effect it is a “bridging program” with instruction provided off the FIT campus. It allows students to pursue training for a trade certificate with set quality standards in their locality without having to attend the FIT campus for the first part of the training. Forty-eight franchise centres exist at present in two fields – auto mechanics and carpentry/joinery. If a school is interested in establishing a FIT franchise centre, FIT sends out inspectors who evaluate the premises, equipment and qualifications of the instructors. They identify any shortcomings which must be rectified before an agreement is signed. FIT does not at the moment provide instructor upgrading, although it may consider short upgrading courses every two years for franchise instructors as needed.

3.25 Trainees at the sites become official students registered at FIT. Trainees pay FJD 150¹⁶ for one stage (which is equivalent to 12 weeks in residence at FIT, but takes one year at the franchise centre). The 2006 fee is almost double that of the 2005 fee, FJD 80/student. Still, the cost to a franchise student is considerably less than that of a residential student at FIT, where the tuition and fees total FJD 350-400 before room and board. In return for the fees, FIT provides the curriculum and syllabus and sets and administers the final examination, which is uniform throughout the country. At present students can take one to three stages of the five-stage preparation for a trade certificate. FIT gives successful trainees a “results slip” at the end of each stage. The trainee must take the stages beyond those provided at the franchise centre at FIT. FIT monitors results by centre and if overall trainee marks deteriorate it can remove recognition until the centre improves. It has removed recognition in at least one case so far. FIT designates one of its staff as “franchise officer” in each specialisation and gives them a separate allowance. The franchise officer visits each franchise centre delivering that specialisation at least twice a year and gives a report to the head of school. FIT sets the theoretical examination, sends it to the franchise centres, receives the tests back and marks them in Suva. FIT also specifies what has to be assessed in practicals, but teachers at the centre do the assessment.

3.26 The increased demand of secondary school having this arrangement has shown some recognition on the type of courses offered at FIT and their marketability. The six units that have franchise provisions are: AERT- Automotive Engineering Road Transport; BCE- Building Civil Engineering; COM- Commerce; ELE- Electronic Engineering; HTS- Hospitality Tourism Studies; and MEC- Mechanical Engineering.

Table 21: Enrolment in FIT franchise courses (2001 to 2006)

Course	2001	2002	2003	2004	2005	2006	Total
AERT	216	334	338	418	594	260	2,160
BCE		8	160	145	215	220	748
COM				32	114	88	234
ELE				13	14		27
HTS				165	152	125	442
MEC	37	46	98	76	103	44	404
TOTAL	253	388	596	849	1,192	737	4,015

Source: FIT Management

3.27 Automotive engineering and mechanical engineering have been franchised since 2001. The other courses with increased popularity began to franchise their programs from 2004 through 2006. AERT tops the enrolment list with 53% average intake; BCE has 19%; ME take up to 10%; HTS accounts for 11% with Commerce at 6% and EEE has a 1% average enrolment intake. However, in 2006 the total number enrolled dropped because of an increase in student fees.

3.28 The students who take initial stages of the franchise courses and then enrol in FIT to complete the program are often not up to the level achieved by

¹⁶ Schools may add on their own tuition on top of this – in some cases making the total tuition FJD 350 or 400. This adds to confusion by parents/students who then think the franchise cost is excessive. The school only pays FIT for the tuition of the fifteen students. If more enrol, the school keeps the tuition. This is intended to give schools the incentive to enrol more students in the franchise programs.

students who start at FIT. This is because some of the franchise courses lack the necessary equipment, e.g. calibration equipment in automotive.

3.29 Learning Centre. The Learning Centre at FIT is also building up technical training via distance teaching. USP has been delivering university education via distance learning since the 1980s, but for theory courses. Distance teaching in technical subjects is new. FIT has started offering a diploma in business via distance, as well as courses on engineering mathematics and applied sciences. It has also begun to provide practical training in three fields – carpentry/joinery, plant maintenance and plumbing. This requires the identification of partners where the trainees can do workshop practice, e.g. the franchise centres. The means of delivery is via learning packages provided by FIT to the trainees, including printed material and video/compact disc. This is combined with face-to-face tutoring at satellite centres, of which three exist in Western Fiji. FIT satellites started with 30 students in 2004 and increased enrolments in its distance programs to 100 trainees in 2005 and 200 trainees in 2006. The ambitious target is to reach 5,000 trainees by 2009. Pass rates thus far average around 60%, higher than in traditional distance learning programs. In effect, the distance learning program is a variant of the franchise program. It provides bridging to full-time FIT enrolment by allowing the student to take the first stages of trade training in his/her locale without full time residence. Problems in developing distance learning are predictable: difficulties of communications (uncertainty of the regular mail, which causes the use of more expensive couriers); lack of design specialists in FIT to convert standard coursework to distance formats. Learning Centre management is convinced that a strong market exists for such programs beyond Fiji in the Pacific, including Solomon Islands, Marshall Islands, Vanuatu, Tonga and Tuvalu.

3.30 FIT's future plans include establishment of a school for aviation maintenance and hospitality in Nadi and establishment of a new campus near Suva. It hopes also to add hospitality and tourism to its franchise opportunities. It will begin preparing its next five year plan (2008-2012) with a staff retreat early in 2007.

3.31 FIT Constraints. FIT faces three main constraints: (1) Financial constraints imposed on it by the lack of public financing and the increasing reliance on student fees. This makes it difficult to keep equipment up to date. For example, each school receives only FJD 100,000 per year for all equipment and supplies. (2) Upskilling is required for its teaching staff. The new Bachelor of Education program helps, as does access to updating through the internet. (3) Related to lack of financing is limited capital funds and limited space. Student demand is strong. Previously FIT decided to cap enrolments at 5,000 EFTS but could not maintain the ceiling in view of overwhelming social (and political) demands for expansion. It then decided to implement the "dual" enrolment – day students and evening students paying closer to full price.

Other Post-Secondary and Tertiary Level Training

3.32 In addition, other technical and vocational oriented institutions at the post secondary level include the College of Agriculture (enrolling 126 students and graduating 36 in 2005) and the Forestry Training Centre. In addition, the University of the South Pacific (USP) gives some certificate and diploma qualifications in business fields.

Fiji College of Agriculture (FCA)

3.33 FCA is the only college in Fiji that offers agriculture based courses at diploma level that prepare students to be skilful in any farm related operations, whether it is working as agriculture science teachers, research officers, government administrators or commercial farmers. The diploma program at Koronivia Campus has an articulation program with USP and the students have the opportunity to complete the agriculture degree program at the Alafua campus in Samoa.

3.34 Because of limited facilities available and with one diploma program offered, the institution has limited student intake each year. The course is for three years and successful student's graduate with a Diploma in Tropical Agriculture.

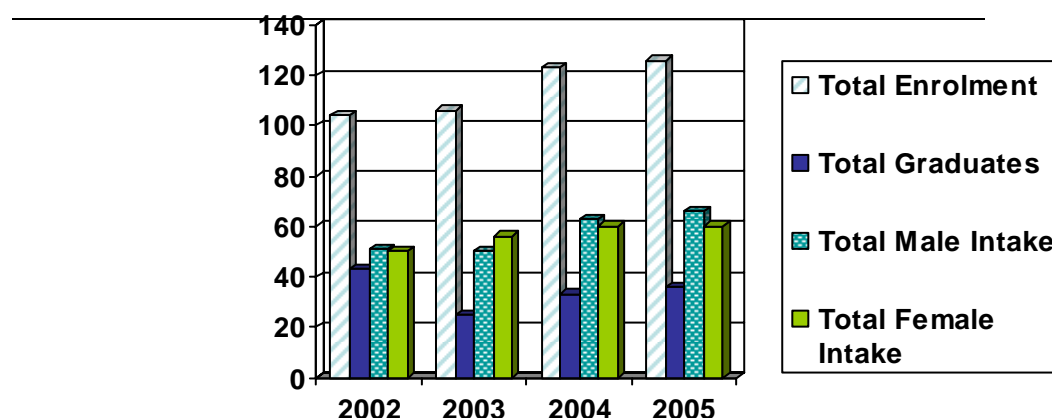
3.35 The enrolment for the years 2003 to 2005 has been gradually increasing. There were 104 students in 2002, 106 in 2003, 123 in 2004 and 126 in 2005.

Table 22: Fiji College of Agriculture Graduates for 2002 to 2005

Year	2002		2003		2004		2005	
Graduates	43		25		33		36	
Sex	M.	F.	M.	F.	M.	F.	M.	F.
	24	19	11	14	18	15	17	19

Source: FCA Management

Figure 5: FCA Total Enrolment by Sex & Graduates



Source: FCA Management

3.36 Between the years 2002 and 2005, 110 FCA graduates found employment in government while 19 were employed by the private sector and a further 3 emigrated.

Forestry Training Centre

3.37 The forestry training centre has the objective of developing and implementing a human resource development program, focusing on the current and future manpower training needs of the forestry department. The

centre also ensures that proper development takes place in timber industry through the resumption of forest technicians' courses and the continuation of specific logging industry training programs. The Landowners' awareness Training program on the other hand is an essential component of the objective that encompass a sustainable forest management as well as training programs in other related forest activities.

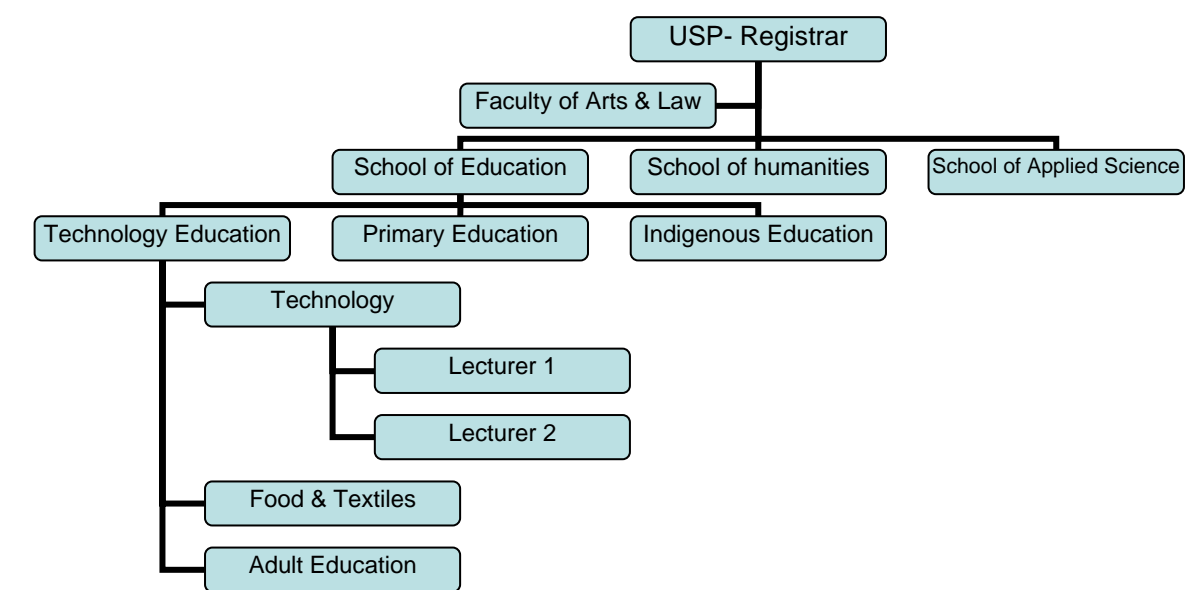
3.38 The role of the centre is to provide appropriate training to the forest industry and resource owners, monitor field performance through skills tests, and evaluate and conduct refresher courses for serving forestry staff. The school offers the following competency certificates to participants that have successfully fulfilled the course and demonstrate competence in all forestry skills areas required. The courses are; Basic/Intermediate & Advanced Harvest Tree Manually, Cross Cutting, Bulldozer, Loader Operations 2 & 3 and Skidder.

3.39 From the reports submitted, it was noted that 751 participants received competency certificates for the different forestry courses they enrolled in, during 2001; 282 in 2003 and 156 in 2005. Fifteen participants graduated as Forestry Technicians in 2002.

University of the South Pacific (USP)

3.40 USP's technology department looks after TVET for the provision of skills in the field of technology and education for the South Pacific region. The department mostly prepares skilled tradesmen to be technical teachers in the areas of industrial arts, home economics and vocational education. The technology education department offers a total of 20 degree units that lead to the award of a Bachelor Degree in Education [Technology] over a period of three years. The requirements include 8 technology units, 8 education units and 4 electives. The course is theoretical with little industry exposure and is aimed at providing the skills required for teaching technical subjects.

Figure 6: USP Technology Education Organisation Chart



3.41 Approximately 85% of the students doing this program are on the in-service scheme where they have acquired their trade certificate or diploma from FIT or TPAF and have been teaching for a number of years prior to pursuing a degree in education and technology at USP. These students are acquiring their degree via the alternative pathway. Pre-service students are also given the opportunity to complete this program but with pre-requisites in technical subjects, mathematics and sciences. Students are expected to have passed seventh form examinations before entry to do a degree program in education and technology. The numbers of students increased over successive years. For first semester of 2006 47 students enrolled to do seven units while second semester saw 57 enrolled to do 8 units. The units include Design Fundamentals & CADD, Introduction to Wood Technology, Workshop Practice, General Techniques, Drawing & Architectural Projects, Construction Technology, Technology & Society, Technology Design and Curriculum Studies. In 2005 there were 149 students from Fiji, 12 students from Tonga; 10 students from Kiribati and 16 from the Solomon Islands (USP Technology Dept).

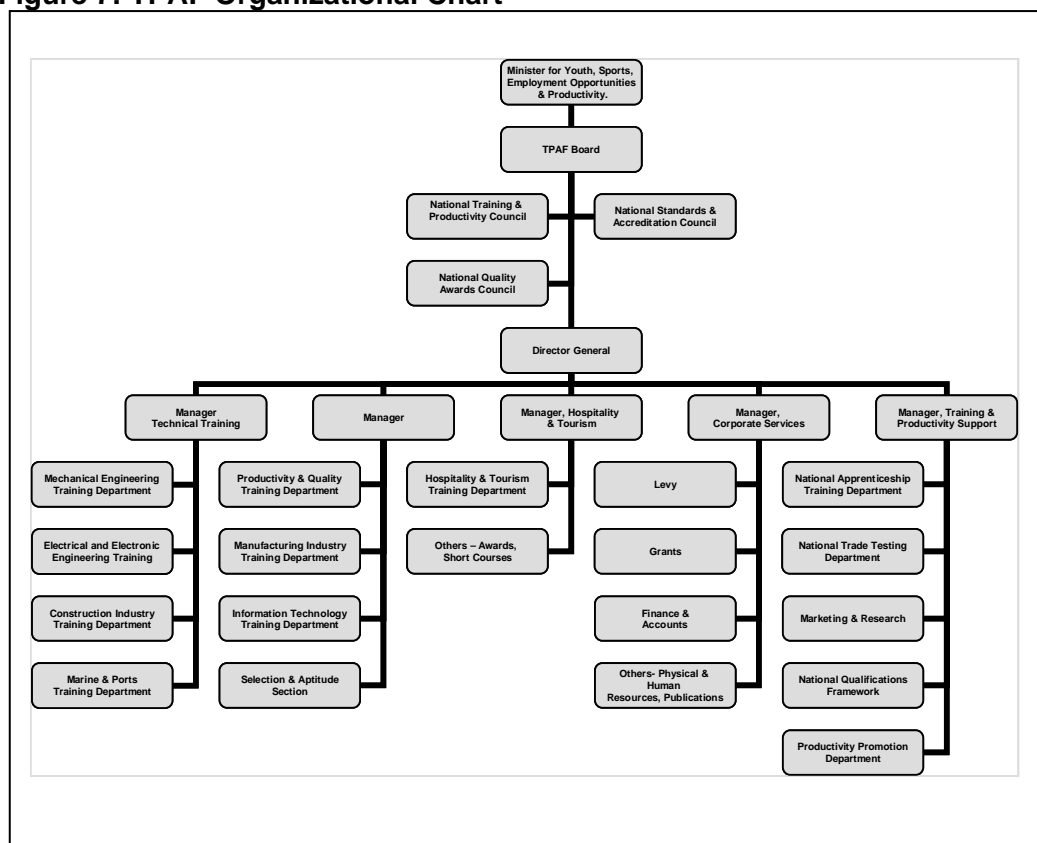
C. Non-Formal TVET

Training and Productivity Authority of Fiji (TPAF)

3.42 Mandate. According to the Training and Productivity Act of 2002, TPAF, inter alia, shall be “the national organisation for technical and vocational training in the Fiji Islands” (para. 5, d, 2). Its job is to provide training closely related to industrial and enterprise needs for those outside the school system, and to promote improved productivity within enterprises. More specifically, TPAF is legally empowered to (a) provide, arrange for or regulate appropriate training of people for employment; (b) cooperate in, approve or advise any employment training by other bodies including the state; (c) advise on and to disseminate information about training; (d) investigate and recommend on matters pertaining to training for employment; (e) make grants or loans to persons or institutions providing employment training; (f) assist or contribute towards the cost of training and the promotion of training for individuals or groups of people; (g) develop the national qualification framework and register and approval of training courses and providers; and (h) to award certificates to apprentices. (Section 9 of the TPAF Act, selected parts.)

3.43 Organisation. TPAF is governed by an overall Board consisting of 14 members, including 4 from government and 5 each from employees and employers. The Chairman is Chief Executive Officer (CEO) for the Ministry of Labour, Industrial Relations and Productivity. A Director General manages TPAF assisted by 5 general managers and 191 staff. The organization chart appears below.

Figure 7: TPAF Organizational Chart



3.44 TPAF has three councils, two of which are relevant here, namely: the National Training and Productivity Council (NTPC) and the National Standards and Accreditation Council (NSAC). The NTPC's functions are to provide and arrange appropriate vocational education and training in connection with employment; to advise and disseminate information on training; and to provide training to persons outside the scope of the levy order..."(B, a-c). The NSAC is to "develop a National Qualifications Framework (NQF) that complies with international standards; develop, apply and carry out regular review of vocational competency standards relating to qualifications specified in the NQF; arrange for the accreditation and registration of training providers and trainers; ... to administer and conduct national examinations and tests for trades and other vocational skills pertaining to qualifications specified in the NQF; manage national apprenticeship and traineeship programs; and coordinate accessible and flexible qualification systems, the standards of which are recognized internationally, to meet national need." (9f, a-f). The Councils are tripartite, i.e. two representatives each from employers, workers and government, with two additional representatives of training providers. .

3.45 The nine training departments are allocated among three general managers, four under the General Manager, Technical Training; three under another general manager and two under a third. The General Manager, Corporate Services handles, *inter alia*, levies and grants, and the General Manager, Productivity and Standards handles, *inter alia*, apprenticeship training, trade testing, marketing and research and national qualifications framework.

3.46 **Linkages with employers.** Each of the training departments conducts meetings with industry focus groups, comprised of employers, supplemented by staff visits to the respective industries. In addition, Industry Training Advisory Committees (ITACs) are established in areas covering the whole range of TPAF courses. More ITACs exist than training departments. No training is introduced without the prior approval of these focus groups. The ITACs vet and scrutinize all training programs before they are offered. They also identify new areas of training that need attention. The groups reportedly function effectively. In addition, TPAF staff undertake industry visits to meet with industry personnel and discuss training needs. In 2006, more than 600 such visits were made. In short, TPAF takes its linkages with employers seriously.

3.47 **Training activities.** Training is provided to two types of students – unemployed school leavers, and workers in enterprises (in the late afternoon and evenings.) The training consists on average of 70% practical and 30% theory. TPAF provides training from five centres in Viti Levu. In total TPAF has seven Industry Training Departments. The Technical Training Division has four departments – (1) electrical engineering, (2) mechanical engineering, (3) construction industry, and (4) marine and port training. In addition, TPAF has (5) hospitality and tourism training; (6) productivity and quality training and (7) textile, clothing and footwear industry training. Reportedly TPAF serves 19,000 trainees annually in six centres, one third of which are evening trainees.

Table 23: TPAF enrolment and training, 2002-2005

	2002	2003	2004	2005
Non-Award				
1. Courses	945	970	1,150	1,507
2. Participants	15,260	14,150	16,997	20,297
Award				
1. Courses	15	23		36
2. Participants	1,600	1,900		1,980

Award courses = courses that confer a qualification (mainly those developed in partnership with institutions in Australia and New Zealand.)

3.48 TPAF is overwhelmingly a training institution for males. It does not even tabulate statistics on the sex of participants. Management estimated that about 98% of those enrolled in trade courses were male, except in cooking. In accounting and IT the female-male ratio is about 50:50.

Qualifications and quality assurance

3.49 **Trade testing.** The National Trade Testing Scheme of TPAF provides an avenue for workers without formal qualifications to acquire recognition of their skills and knowledge acquired on the job in 23 trades. TPAF advertises quarterly. Testing candidates come from two sources: those with work experience and students in training. The students can apply for and be assessed for a Level Three Trade test in their skill area. Examiners are appointed by TPAF from industry and must have completed apprenticeships. The tests are administered by TPAF through three trade testing officers. TPAF trade tests are practically orientated skills tests. The examination contains both theory and practice. Questions, both theoretical and practical, come from a moderated test bank. Each examination is different. The practical examination is graded through a standardised skills checklist.

3.50 TPAF provides qualifications at three classes.

- Class Three: Junior Trades Person.
- Class Two: Qualified Trades person.
- Class One: A supervisor within the skill areas.

3.51 Class Three Certification requires a candidate to have two years practical experience or a Vocational Certificate with proof of industrial attachment within the area of expertise. Class Two certification requires a Class Three certificate and four years industrial experience. Those who have just completed an apprenticeship program are also eligible. Class One certification requires a Class Two Certificate and six years of industrial experience, or the completion of an apprenticeship and two years of experience.

Table 24: Total Number of Candidates Tested

Year	1999	2000	2001	2002	2003	2004	2005
# of Candidates	1,416	1,770	1,953	1,945	1,710	1,692	1,786

Source: TPAF

Table 25: Class 1 Candidates Test Results

Year	1999	2000	2001	2002	2003	2004	2005
# of Candidates	148	205	198	122	135	81	84

Source: TPAF

3.52 The demand for trade testing has been substantial, but fluctuating, for the last five years. The increase in test fees in 1998 reduced the number of candidates in that and subsequent years. The demand for high level test [Class 1] also declined in 2004-05.

Table 26: TPAF: Number Tested by the Five Most Popular Occupations at each Class

Level	Occupation	2003	2004	2005
Class III	Motor Mechanic	306	259	311
	Carpenter General	163	173	61
	Plumber General	50	47	60
	Cabinet Maker	39		58
	Welding	37		71
Pass Rate		66%	75%	67%
Class II	Motor Mechanic	93	85	131
	Plumber General	30	28	25
	Panel Beating	30		
	Carpenter General	16		27
	Fitter Machinist	16	24	
Pass Rate		58%	66%	50%
Class I	Motor Mechanic	21	11	23
	Panel Beating	10	3	
	Lithographic Offset Machinist	6		
	Carpenter General	5		4
	Plumber General	4		
Pass Rate		41%	65%	40%

Source: TPAF.

3.53 If a candidate fails, he must repeat the entire test. TPAF trade testing may evolve into assessment of competencies, where candidates would only have to repeat the modules failed.

3.54 TPAF charges \$60, \$90 and \$115, respectively, for taking the test at the three levels. These charges only cover about half the costs of trade testing. The training levy finances the balance.

3.55 TPAF licenses some secondary schools to prepare trainees for trade test class three. Trade testing officers visit secondary vocational centres for inspection. They check the syllabus (either TPAF or MOE is acceptable), the qualifications of trainers (at least trade certificate 2) and whether the minimum equipment standard is met. If approved, the centre is licensed for two years. So far 29 vocational training centres have been licensed. Trainees are tested at their own facilities, and a 75% pass rate is the norm.

3.56 Trade tests reportedly are a close second to apprenticeship certification. TPAF has skills standards for each trade which are reviewed and updated at least every five years. These are benchmarked against qualifications in New Zealand and Australia.

National qualifications framework.

3.57 One of the most important tasks assigned to TPAF is the establishment of a national qualifications framework for technical and vocational skills. TPAF held a seminar on this subject in 2004, at which presentations were made by the New Zealand National Qualifications Authority and the Australian Qualifications Authority. The outcome of the meeting was a set of decisions to go forward with development of a national qualifications framework in Fiji. Initial activities focused on an awareness campaign. Reportedly the idea is warmly supported by industry. A draft model has been prepared for a Fiji NQF based on the New Zealand system. The qualifications framework will be started initially in five trades, including auto mechanics, construction, hospitality/tourism, panel beating, fitting and machining. A consulting firm from New Zealand has been contracted to help in the process¹⁷.

3.58 **Constraints.** TPAF faces two main constraints: lack of physical space, and high rates of instructor turnover. The demand for TPAF graduates is strong in the labour market, but it cannot expand its output at present because of limited space. It has a Masterplan which calls for construction at a 4 acre site it owns in Suva, plus an 18 acre site in Nadi. Second, TPAF is losing its trainers at the rate of 15% per year in some departments. TPAF trainers are highly qualified and are able to attract better salaries in industry or abroad. The management takes an enlightened view of this, recognising that it will never be able to compete with wages in the private sector.

3.59 TPAF's long range plan includes a SWOT analysis¹⁸. According to this self-assessment, TPAF's strengths and weaknesses are, among others:

Strengths

- Legislation provides the legal basis for its activities;
- The levy scheme provides an assured source of funding;
- Industry based and backed training, and the close relationship that TPAF has established with industry bodies and personnel;
- Flexibility in providing different modes of training and quick turnaround in offering programs;
- Location of TPAF main centres promotes access; and
- TPAF is becoming a strong, recognised brand in technical and middle management training. (10)

Weaknesses

- Inability to provide training for all industrial sectors;
- Lack of targeted marketing of courses and of TPAF generally;
- Lack of physical resources such as workshops;
- Need to strengthen the customer service culture;
- Dependence on levy;
- Weak research and development – 99% of the training is reactive rather than based on labour market forecasting; and
- Staff turnover in PQTD, ITTD and PPD.

¹⁷ At the time of preparing this report the consultants' reports was not available.

¹⁸ TPAF, 10 Year Plan; Strategic Plan 2006-2009; Corporate Plan 2006. no date.

Opportunities

- The need for skilled workers in critical industries such as tourism, construction and ICT;
- The pressing need to develop the managerial cadre in Fiji;
- Expand apprenticeship training into tourism and other sectors; and
- Possibilities to generate revenue through extension services.

Threats

- Increase in competition in training industry offering similar programs, e.g. FIT short courses;
- Slowing of economic growth (sugar industry, garments);
- Perception among some in industry that they do not get value for money paid into levy – risk of withdrawal of levy; and
- High migration of skilled workers and professionals (10-11).

D. Informal Sector Training

3.60 Training and Work in the Informal Sector. Much has been written in the past decade on the relationship between training and work in the informal sector. The ILO, during the late 1990s and early 2000's, produced a series of documents and case studies on the role of training in supporting informal sector development in Africa, Asia and Eastern Europe¹⁹ The results of this work have been widely used to inform practitioners and policy makers alike on the salient features of designing and implementing training strategies for the informal sector. Some of the key findings from this work are summarized below:

1. The heterogeneity of the informal sector requires the formulation of *flexible training responses* in order to effectively meet the range of training needs and training target groups within the sector.
2. The initial success of informal sector training programs as well as the subsequent upgrading of technical or business skills, is dependent on the possession of *good basic education skills*.
3. Gender discrimination in training provision is a major barrier to the development of women's employment and income-generating capacity.
4. Reorienting training systems for the informal sector requires action at both the *micro or program level and the macro or policy level*.
5. One method to make training more affordable and attractive to the informal sector is to use the "*training-cum-production*" method. Trainees earn while they learn; and part of the training cost is offset by income from the sale of products or services.
6. Community-based training requires *participatory instruments and methodologies* to assess training needs and opportunities. Training content, curricula and training materials need to be trainee-centred,

¹⁹ See in particular the Report and related working papers of the Committee on the Informal Economy, presented at the 90th International Labour Conference in Geneva, 2000.

and hence not standardized, requiring instructors to design and adapt training content on an ad hoc basis.

7. Facilitating *partnerships between government, NGO and private sector interests* in the provision of training for the informal sector can lower costs and improve the sustainability of such programs.
8. It is crucial to ensure that training for the informal sector is not delivered in *isolation from other inputs* - such as access to credit, business development services and market information - necessary for the successful utilization of the acquired skills,.

3.61 The ILO's Integrated Human Resource Development Programme for Employment Promotion In 1999 the ILO Suva office launched the Integrated Human Resource Development Programme for Employment Promotion (IHRDPEP), an ambitious attempt to address employment generation in the informal sector in a holistic and co-ordinated manner. The project brought together some 17 government ministries and departments including the Ministries of Education, Labour, Youth and Sports, Tourism, Cooperatives and Commerce. Its objectives were to identify potential income generating activities (IGAs) in various small business sectors, to provide the necessary technical and business training through the relevant ministry and to facilitate initial credit requirements by establishing a national centre for small enterprise development with a micro-credit component. The project was located in the Ministry of Finance and National Planning, which provided an annual budget of \$1.5 million.²⁰

3.62 By the end of April 2005, the project had initiated 20 IGAs of which 17 (85%) were deemed successful. A total of 3,800 jobs were generated and average profit margins varied between 20% - 100%²¹. Being an ILO supported project it was able to draw on the expertise and previous experience of the organization in promoting small business development (SIYB) and community based training, for which detailed methodologies and materials to support training and small business development had already been developed.

3.63 Still, by its own admission the ILO considered the project to be only partly successful and it never gained the kind of momentum to carry it past the pilot stage. The reasons are listed below and, as we shall see, reflect weaknesses common to many training programs for the informal sector:

1. Lack of support from central ministries;
2. Not regarded as part of the Ministry official's normal work;
3. Not part of the government's Key Results Areas (KRA);
4. No officially approved coordination mechanism;
5. Restrictive local regulations; and
6. No support from local technical officials

3.64 Although as a project the IHRPEP never achieved the coverage or impact that was intended, individual components of the project survived and continue to operate in their respective ministries or as stand alone institutions.

²⁰ Integrated Human Resource Development Programme for Employment Promotion: Executive Summary. ILO Suva 1999.

²¹ IHRDPEP Progress Report, ILO Suva, 2005.

Thus the Ministry of Education's Advanced Vocational Training Programs (AVT) (see below) and the Ministry of Youth and Sports' Labour Administration and Productivity Improvement Program (LAPI) were both born in the IHRPEP project and continue to receive funding from the Ministry of Finance and National Planning. Similarly, the Ministry of Commerce's National Centre for Small and Micro Enterprises Development (NCSMED), which was originally set up to provide micro-credit to IHRDPEP income generating activities continues to fulfil this role although it now has been expanded and provides these services to a much wider range of business development programs.

3.65 Advanced Vocational Training – AVT (Ministry of Education).

The only program which the Ministry of Education (MOE) operates specifically for the informal sector is the so-called Advanced Vocational Training (AVT) Program – which began in August 2000 as part of the IHRDPEP. AVT courses are short cycle skill development and/or business training programs which are delivered in both rural and urban areas. Typically programs are of one week's duration and cover a broad range of income generation and life skill topics, such as local resource utilization, organic farming, floriculture, tailoring and agriculture. The courses are organized by MOE but delivered by local resource persons who are hired on an ad hoc basis for the purpose.

3.66 From its inception in August 2000 until the end of 2002 the AVT program provided vocational and business skills training to 4,500 unemployed people in rural and urban areas. The training model used combined training with production and agreement was reached with local authorities to designate 47 vocational schools as Vocational Business Training cum Production Centres. Forty villages were designated as Community-based Training Centres and each is reported to have established an Education, Training and Economic Development Committee to systematically identify and develop the community's human resources. According to the MOE's Report, a total 1,200 jobs were created as a result of these programs and 200 small businesses were established and registered. Income generating activities were created in agro-tourism, catering, poultry farming, tie and dye, baking and sugarcane farming.²²

3.67 More recently AVT programs have concentrated on eco-tourism including training programs to upgrade the services at tourist hotels, develop tour guiding skills and train local tour operators specializing in back packing trips. In 2005 a special AVT training centre was established at Yasawa to cater to these training needs and a proposal was submitted to the European Union for support to expand the number of Community Skill Training Cum Production Centres which AVT had been operating in 69 vocational schools.

3.68 Interestingly, the AVT program, while it includes specific income generation training activities, appears to view these not as stand-alone activities for people who have left the formal education system, but rather as part of the Ministry's expanding mandate covering both formal and non-formal education. Indeed, within the MOE it is the AVT Director who was responsible for developing a policy paper entitled "Skills Training for Employment" (STFE) which puts forward a number of proposals aimed at integrating and coordinating institutional, private and non-formal vocational training. The

²²Advanced Vocational Training Annual Report, Ministry of Education, 2004, Suva.

implication appears to be that through the Ministry training for the informal sector will be mainstreamed as part of the over all integration of employment-related training programs under the new TVET authority.

3.69 E-Learning for the Informal Sector. AVT plans to tap into the MOE's 21 e-Learning Centres which were established in 2005. Utilizing the internet and accessing computer based training and information materials AVT would create e-community training centres and e-training cum production centres. In partnership with traditional resource owners AVT also plans to develop learning modules on the management of local resources and how to add value to them. Finally, AVT plans to develop a partnership with the Ministry of Agriculture to facilitate the export of produce from its agricultural training cum production programs.

Table 27: Advanced Vocational Training proposed budget (2005-2009)

Year	Capital Cost	Operational Cost	Non-Operational Cost	Total Per Year
2005	\$5,920,00	\$1,787,600	\$968,000	\$8,675,600
2006	-	\$1,787,600	\$968,000	\$2,755,600
2007	-	\$1,787,600	\$968,000	\$2,755,600
2008	-	\$1,787,600	\$968,000	\$2,755,600
2009	-	\$1,787,600	\$968,000	\$2,755,600
Total	\$5,920,000	\$ 8,938,000	\$4,840,000	\$19,698,000

Source: Ministry of Education

3.70 Labour Administration and Productivity Improvement (LAPI) Training Program (Ministry of Youth and Sports). This training program was originally located in the Ministry of Labour and Industrial Relations until 2003 when it was moved to the Ministry of Youth and Sports and focused training activities on school leavers.

3.71 As with the AVT programs, funding for LAPI activities was provided from the Ministry of Finance and National Planning. In 2004 the total approved budget was just over \$290,000 of which \$250,000 was spent. According to statistics in the 2004 Annual Report a total of 123 youth were trained in LAPI programs in such fields as Cooking, Handicrafts, Farming, Carpentry, Computing and Business skills. From this total only 50 were either in paid employment (29) or were operating their own business (21) by the end of the year. In an effort to improve on this placement rate and extend the program to additional provinces in 2005 unemployment surveys and employers surveys were carried out in 11 provinces²³.

3.72 In discussions with the Ministry several weaknesses in the LAPI program were pointed out. The first of these was the lack of adequate time and procedures for planning programs. The Ministry's target of 10 small and medium enterprise (SME) projects initiated per province per year was too ambitious given the available time and resources. Secondly, there were no funds for monitoring and following up trainees to determine how they were progressing or what kind of post-training assistance they required. This was felt to be one of the chief causes of the relatively low placement rate (41%).

²³ Ministry of Youth, Employment Opportunities and Sports, Annual Report 2004, Suva.

3.73 Finally, it was pointed out that there was little information available to either trainers or trainees on good practices in micro enterprise development. Learning from others was seen to be a key missing element in the program.

3.74 Women's Social and Economic Development Program (WOSED) Ministry of Women (MOW). The Women's Social Economic Development (WOSED) Project began in 1993 and is considered to be one of the most successful income generation projects for women in Fiji's history. It assists underprivileged women, especially in the rural areas, in improving the standard of living by creating employment and facilitating credit for them. Recently the management of the WOSED credit component was transferred to the Fiji Council of Social Services (FCOSS), which collaborates with and extensive network of community based organizations.

3.75 The WOSED model is a group-based savings and loan scheme, similar to that operating in a number of countries in Asia. Groups comprising a maximum of 5 women apply to join the project and their application is examined at field level by MOW officials. Once the application is approved, training officers conduct a 2-week training course for applicants on managing small businesses and financial management to prepare them for running their business. The amount of funds allocated to the groups depends on the type of business they are going into. An important factor that is examined is the market for the proposed product or service. Each project must have a clearly identified market and field officers discourage similar businesses operating in the same area.

3.76 Individuals in a group pay a monthly fee to the Ministry which is placed in the group's loan account, part goes to a central fund and part goes to individuals' savings account. WOSED monitors group activities on a monthly basis. The WOSED project was a very popular program and its proven success resulted in a substantial backlog of applicants wishing to join. Its main constraint is insufficient funds.²⁴

3.77 Facilitating Micro-Finance for the Informal Sector. Skills training alone is insufficient to guarantee employment in the informal sector. Where job opportunities lie mainly in the field of self employment, accessing and learning how to effectively use credit is a crucial requirement. Since 2004 when the National Micro-Finance Unit of the government was transferred from the Ministry of Commerce to the National Centre for Small and Micro Enterprises Development (NCSMED) the latter became the main source of micro-credit for the informal sector.

3.78 NCSMED is a statutory body whose mandate is to promote and service the small and micro enterprise sector in Fiji'. It has seven main functions among which the funding of informal sector start-ups is perhaps the most important for our purposes. NCSMED reaches its beneficiaries by working through their respective support agencies. Thus, for example, it provides funding to school leavers and women through the Ministries dealing

²⁴ Reviews of the WOSED program by UNDP in the early 2000s suggested that the program continued to be strong on mobilizing women's savings but less effective in promoting entrepreneurship activities. Ministry support for the program was also weakened due to budgetary constraints. Consequently, discussions were initiated with the view to transforming WOSED into an independent program with capitalization from the then National Finance Unit (now NCSMED). This was not approved by the interim government when it came to power in 2000 and WOSED has remained under the Ministry of Women.

with these groups i.e. the Ministry of Youth and Sports and the Ministry of Women. When it comes to programs not directly under one of these Institutions it relies on organizations such as FCOSS and its network of Community-based organizations.

3.79 Micro-credit from NCSMED is available to individuals whose household income in a family of five is less than \$100 per week. Initial loans range from \$50 to \$250 to be repaid over four to twelve months. Subsequent lending is dependent on the repayment of the first loan, a minimum level of accumulated savings and an ongoing business. The loan process is quite straightforward: clients attend an initial orientation meeting, then they begin saving (at least 3 months), attend a one-week NCSMED organized business training course after which the loan application is appraised and the funds disbursed.

3.80 NCSMED's funds are replenished annually by the government but it also generates income by charging end users for its services. While it claims that these fees are small, in fact the cost of the training and services which they provide to lenders ranges from 15% - 25% of the loan amount²⁵.

3.81 Among the planned activities which NCSMED is expecting to develop or implement is a national business mentoring program, an alternative livelihood project and a project for rural and outer islands.

Table 28: NCSMED Microfinance Performance: 2000-2006

Particulars	Jan – March 2006	Cumulative Total 2000-06
Total number of savers	1,805	21,335
Total amount of savings	\$71,145	\$1,622,292
No. of loans disbursed	852	11,392
Value of loans disbursed	\$252,420	\$3,372,016
New enterprises est.	387	5,726
New livelihoods created	858	10,000

Source: NCSMED Brochure

3.82 NCSMED is an important player in the informal sector in Fiji and is likely to remain so until commercial banks adapt their lending policies to small borrowers. It also appears to be a highly professional institution committed to private sector development. In this regard it could be a useful development partner in any future project to support the informal sector.

3.83 **Tutu Vocational Training Centre [Taveuni].** Tutu Vocational Training Centre started in 1972 with an agriculture based course but diversified into other vocational related programs in the early 1980s. The centre was located 300 kilometres from Suva, on Fiji's garden island of Taveuni, east of Fiji's second largest island Vanua Levu. The island is well known for its rich soil and vegetation. Tutu vocational training centre was initially established to prepare young school leavers from Cakaudrove province with new innovative training methods that would result in them changing their priorities and thus by the end of the course, being motivated primarily towards developing their own village land as self-employed farmers or self employed semi-skilled village tradesmen.

²⁵ National Centre for Small and Micro Enterprises Development, (NCSMED) Statistics, 2005, Suva.

3.84 The following objectives set the platform for the actual running of the program at Tutu:

- To increase agricultural knowledge and skills required to intensify both subsistence and commercial production;
- To provide basic carpentry skills needed to maintain tools for furniture making and house construction;
- To provide basic mechanical skills needed to maintain small-engines equipment, vehicle and simple machinery;
- To provide other agriculture related courses like Poultry, Fish, Pig farming to supplement their prior knowledge of agriculture;
- To prepare students with enterprise and business skills to operate, maintain and sustain small businesses in their locality; and
- To provide young adults with proper moral family training in family care courses.

3.85 The criteria for selection to be given a place at Tutu includes: (1) Must be aged 17 years and over; (2) Must be a resident in one of the villages in the Cakaudrove province; (3) Must produce written evidence from the provincial office of village land being available for their future farm development and (4) demonstrate their willingness to use such land by planting 500 yaqona [kava] plants or equivalent before entering the course. Final selection will be done after short listing the names and a visit to the applicant's farm followed by a three week familiarisation program at the centre.

3.86 The duration of the course is three years and covers all aspects of agriculture courses and all its related units. The yearly program encompasses 6 months on-campus practical training and 6 months home-based training for the full three years duration. Each participant is given at least 0.8 hectare of land in Tutu during the course in which they can plant yaqona, short term root crops and vegetables. However, the number of plantings cannot exceed those in the home project. The weekly itinerary is closely supervised by instructors, most of whom are volunteers and members of the Society of Mary of the Roman Catholic Church. During their home based periods, trainees are expected to allocate like the centre does with weekly work schedules. This itinerary will be closely checked and monitored by parents, village headmen, and agricultural officers with final checks by the instructors from the centre.

3.87 Regular visits to home projects are made by the centre staff during training and more so after the completion of the course whereby further follow up will be continued by the centre in order to provide moral support and technical assistance to the graduates. This will articulate into a gradual handing over of the supervisory roles to the extension officers of Department of Agriculture in Cakaudrove province.

3.88 Because of Tutu's success in this non-formal vocational training some features need mentioning:

- Restriction of intake to an age group and from within the provincial boundaries with close supervision and monitoring;
- The support of the parents, villagers and department of agriculture within the province; and
- The quality and dedication of the staff and instructors at the centre most of whom are volunteers working in the spirit of dedication and good service. Being a non-government organisation, there is a continuity of service which is lacking in many rural training programs.

3.89 It is of interest to note that in spite of the centres dissatisfaction with past achievements, a cross survey conducted in the villages showed that 90% of former trainees are now farming efficiently in their villages using semi-commercial farming techniques. Many initially sought paid employment in urban areas, but Tutu provided them with skills and also influenced their attitudes and lives in many ways that have now resulted in them seeing rural living sufficiently positive to return to villages rather than joining the growing number of unskilled urban youth.

Non-Government Organizations (NGOs)

3.90 A large number of NGOs are involved in training for the rural and informal sector in Fiji. Typically these offer a combination of practical life skills for improving aspects of village or family life; frequently targeting rural women. Many focus on health and hygiene-related topics in connection with food preparation, basic cookery, agriculture and animal husbandry. Relatively few deal specifically with skills development at the local or village level except in connection with rural infrastructure projects. This suggests that the main source of income generation in these areas in the future will come from agro business, including forestry and fisheries related production. Technical skills will continue to be offered by organizations with access to the required institutional facilities, equipment and trained personnel.

3.91 As indicated earlier certain NGOs have become important because of the role that they play in facilitating contacts with other community-based organisations working at the village or grass roots level. Organizations such as the Fiji Council of Social Services and the regional NGO Foundation of the Peoples of the South Pacific are able to facilitate the delivery of financial services (such as micro-credit) or aid agency inputs through appropriate NGOs working with end users at the grass roots level. Where the donor is not able to reach down to the community level or where the local NGO is geared up to manage the administrative or bureaucratic requirements of donors or microfinance institution. This middleman function has become increasingly important when working with the informal sector.

3.92 A second and equally important function that regional or umbrella NGO organizations are carrying out is capacity building for their members or network NGOs, thereby strengthening the latter's capacity to implement programs more effectively. Of particular importance here is training to improve aspects of governance among NGOs which has been a cause for concern among many donors.

3.93 **The Proposed National Service Scheme.** The newly constituted Ministry of Employment Opportunities and Productivity is about to launch a national program aimed specifically at the 9,000 school leavers and other unemployed individuals who come onto the labour market each year and for whom there are no jobs in the formal sector.

3.94 Known as the National Service Scheme (NSS) it targets both men and women in the working age population and is, essentially, an employment promotion scheme with a strong environmental bias (what it calls "green" employment opportunities). The proposed program will build on the previous Integrated HRD Program initiated almost a decade ago by the ILO and will work closely with the National Centre for Micro Enterprise Development but beyond that it says little about how programs will be organized and delivered,

What structures and facilities will be used or who will run the program. It does say, however, that all staff employed under the NSS will be on a contract basis so this suggests that it will be a separate program and not integrated into the TPAF system. The Ministry is requesting \$700,000, a rather modest sum, to cover the first year's operating costs. Activities are scheduled to begin in 2007.

3.95 The Ministry has outlined the content in the proposed program: all courses will consist of 4 components: a 2 week life skills component (compulsory), a 4-week segment on employable skills. A compulsory 4-6 month attachment followed by employment in the formal or informal sector. How it will deliver the training activities remains unclear.

3.96 While it is difficult to evaluate this proposed program with so little information, it would appear that it is very much an ILO-inspired initiative and largely an effort to bring into the new Ministry all of the activities across various other ministries related to employment promotion. As such, and bearing in mind the shortcomings of the Integrated HRD project, the NSS is unlikely to receive an enthusiastic reception from either the Ministry of Education or the two semi-autonomous bodies TPAF and FIT. As indicated above, the Ministry also lacks a credible delivery system.

Towards A Strategy for Non Formal Skills Development in Fiji

3.97 The promotion of increased incomes and employment in rural areas should be the main objective of non-formal skills development in Fiji. At the same time, using skills training to exploit income generating opportunities in both the agricultural and non-farm sectors can also lead to subsequent improvements in prevailing health, sanitation, and resource utilization practices in these areas resulting in both an economic and social impact on rural populations and communities.

Common Problems and Challenges

3.98 In common with other Pacific island countries Fiji faces some fundamental problems and challenges with regard to the promotion of the informal sector. These can be grouped into three main categories:

a) lack of an enabling informal sector environment which provides incentives and eliminates disincentives to informal sector economic activities. In addition to the absence of specific policy measures to support the informal sector, the latter can take many forms including the promulgation of local bylaws which forbid the setting up of un-registered businesses, discriminatory practices regarding the provision of public utilities and services, harassment by local law enforcement officials and exorbitant local taxes or licensing fees. Incentives – which are routinely made available to larger concerns, could include access to productivity enhancing training, development loans to finance investment in new technology, financial or other rewards for additional local jobs created and, most importantly, a measure of legitimacy and policy protection for informal sector operators.

b) weak institutional capacity to design, deliver and follow up on non formal skill development programs in rural areas. This is a logical result of the fact that, historically, most of the responsibility for these types of programs has rested with Non Governmental Organizations, while the public sector has concentrated on the formal education and

training system. Consequently, there is a substantial in-service capacity building requirement associated with the promotion of government sponsored non-formal training programs, and this includes, in particular, the need to train people in a range of essentially new approaches to planning, implementing and following-up short cycle skill development programs.

c) sustainability of skill development initiatives. Fiji relies on a combination of user fees and community-based contributions to fund more than 80% of its non-staff education costs. An expanded non-formal skill development programme would also need to recover a large portion of its costs if it was to remain sustainable. Here non-formal skills programs may have some inherent advantages: closely linked, as they are, to local labour markets and emphasizing practical skills, production of marketable goods can often be integrated into the training process in so-called training-cum-production Centres. This approach can be an effective way of recovering a portion of training costs at the individual training centre level. Other mechanisms are being tried in other countries based on various types of training or social funds which generate an annual investment income to finance skills training. Results from these initiatives are mixed but they point to a broad-based desire in many (but not all) Pacific countries to replace exclusively government funding for skills development with one in which the private sector and the local community have a larger responsibility.

Elements in a strategy

3.99 The main elements of a non-formal skills development strategy in Fiji, in terms of objectives, priority target groups, main providers, methodologies and funding mechanisms are emerging but in a largely un-coordinated manner and without the necessary policy guidelines to prioritize resource allocation. The result is that many ministries organize and deliver similar short cycle skill development programmes for similar target groups but there is virtually no inter-ministry cooperation in the development of training curricula and materials or the training of trainers for the informal sector. Most government providers are able to design and deliver individual programs but they lack the resources and field personnel to follow up on training or facilitate the provision of post training support services.

3.100 Women are an important target group for non-formal skills development in Fiji but most programs continue to offer traditional gender biased subjects such as sewing and domestic science, thereby effectively cutting women off from wider labour market opportunities.

i) Designing and Delivering Effective Programmes

3.101 Experience from within and outside the region suggest that if non-formal approaches to skills development are to be effective in rural areas, there are a several principles or methodological “rules of thumb” which training providers need to apply in the design stage. The first of these is that training must focus on imparting skills and knowledge which are directly linked to pre-defined income generating opportunities in the informal sector. This means that information on potential employment and income generating activities needs to be collected and evaluated before the decision to provide a training program is made. Local participation in this process is essential to the design of effective programs as the resulting skill requirements are likely to be quite different from those associated with standard occupational categories.

3.102 Secondly, since most new employment opportunities will be in the form of self employment or micro businesses – rather than conventional wage employment – certain basic business skills will be needed by practitioners if activities are to be successfully launched and sustained. Much of this has to do with internal financial management but information on potential new markets and on where small businesses can turn for assistance i.e. banks, chambers of commerce, trade organizations etc. will also be essential.

3.103 In Fiji a common deficiency in most micro enterprise development programs is the lack of information to trainers and trainees alike on good practices from other countries. Learning from others - especially other small island states which have created successful SME programs e.g., Mauritius, Barbados, is regarded as a key missing element in enterprise development training programs in Fiji.

3.104 Third, delivery systems and the scheduling of non-formal skill development activities needs to be flexible if programs are to attract local support. This is because, despite popular notions, very few people in rural areas are unemployed. On the contrary, most people are engaged in multiple activities all of which are intended to contribute to individual or household income. In Fiji as elsewhere, training for the rural informal sector should not be expected to lead to full time employment. Part time work is the norm and the range of gainful activities is typically broad depending on the season and the nature of the local agricultural economy. Training delivery therefore, needs to take account of these factors while at the same time balancing convenience to the clientele with cost effectiveness. Evening and weekend programs, mobile rather than fixed facilities and, increasingly, the use of technology to deliver training content are some of the factors that will condition non-formal skill development strategies.

3.105 It is now widely accepted that training alone – whether in technical or business skills - is not enough to ensure successful labour market outcomes, even where economic feasibility has been verified. Because many of the recipients of such programs are already disadvantaged, rural skill development programs need to incorporate a range of post training support services into the design and implementation of activities if they are to be successful. While training remains the core activity in the process, both pre- and post training measures are needed if self employment and micro businesses in rural areas are to survive. Who is to provide these services and who is to pay for them are key issues which, while not training issues, will directly affect the external efficiency of training programs.

ii) Mainstreaming Non Formal Skills Development in Lifelong Learning

3.106 Any strategy for promoting non-formal skill development in Fiji should avoid isolating it from the overall education and training system. This has been the fate of non formal education and training programs in the past and it has served only to stigmatize it and endow it with a second class status. Fortunately, the concept of lifelong learning is subscribed to in Fiji and it is along this continuing education spectrum that non formal skill development should be located.

3.107 It is, therefore, not inappropriate that the main non formal program operating currently in the country the Advanced Vocational Training (AVT) Programme is under the Ministry of Education. Not only does this facilitate access to the 62 existing vocational centres in the country for training cum production activities but it also means that one ministry is responsible for administering both the outputs from the formal school system and the inputs to future AVT programs. In order to optimize the benefits of this situation for AVT planning purposes an immediate priority should be the setting up of a data base to provide detailed information on the needs and characteristics of school leaver target groups.

iii) Improving Coordination and Information Exchange

3.108 Improving coordination and information exchange among ministries and between ministries and non-governmental organizations which provide non formal skill development programs is a strategic priority. In part this will facilitate a more rational and cost effective approach to the use of scarce resources for such things as curriculum development, materials design and instructor training. Ultimately, common curricula and training methodologies could provide the basis for a standardized assessment of training quality. In addition, however, cooperation at the central level should facilitate cooperation at the local or grass roots level, especially with those line ministries with technical skills related to course content or small business development e.g. Ministry of Agriculture, Ministry of Commerce and Industry. Finally, improved coordination and communication would improve the ability of training providers to respond to the special needs of disadvantaged groups, such as women, the rural poor and the rural disabled. The needs of these target groups are addressed by many different ministries and organizations. It stands to reason that collaboration in the development of effective programs and approaches would benefit all concerned.

iv) Establishment of a National NFSD Coordinating Body

3.109 Just as NGOs have combined into associations of like minded interest groups in order to support each other and strengthen their combined impact, a national coordinating body for non formal skill development – comprised of representatives from Government, NGOs, the Private sector, Youth, Women and traditional authority - would serve to focus and give direction to the many individual skill development initiatives now under way in Fiji. It could also act as a clearing house for proposed Non Formal Skill Development (NFSD) initiatives and develop time bound and specific NFSD master plans to guide investment in non formal skills training and evaluate results. Such a body would lift the status of non formal education in Fiji and enhance its credibility as an integral part of the country's emerging lifelong learning system.

v) Training as a Community Resource

3.110 In this context, the strategy for non formal skill development should give greater attention to integrating skills training into the normal life of the rural community. Employment and income-generation activities are normally focussed on promoting the economic interests of individuals or small collective groups. There needs to be more attention given to the role of skills development in contributing to improvements in community infrastructure and services. Such a component is not inconsistent with training's main role. Rather it provides opportunities for programs such as the AVT's training cum-production-centres to respond to specific community needs, such as training individuals to carry out small public works projects which improve local infrastructure, thereby strengthening the relationship in the community's eyes between training and improvements in the local environment. Similar linkages could be established between skills training and improved management of local resources. The important thing is that training be regarded as a community resource.

vi) Promoting Financial Sustainability

3.111 If conventional TVET in the Pacific suffers from low status among parents and low funding priority from governments, non-formal skill development has traditionally been totally outside the purvey of public policy and regular education budgets. As indicated, NGOs and donor agencies have been the main promoters and financial supporters of non formal training in Fiji and it is only recently that efforts have been made to include non-formal programs into the regular offerings and budget of the Ministry of Education.

3.112 Public sector departments involved in non-formal skills development agree that there is not enough consistent financial support from the government. However, as is the case with formal TVET, the long term viability of non formal training will require and depend on the development of a private training market in which a variety of public and private financing mechanisms – including user fees and community-based funding - are used to finance skills training. As indicated in the ADB's current education policy government provision of skills can be justified in the absence of a private sector alternative, but even then the strategy should be to help create a facilitating climate and a concrete strategy for the devolution of skills training to private sector institutions over the long term.

3.113 One financing mechanism which has received increased attention recently in the Pacific is the donor-assisted training fund in which the interest generated by the funds invested capital is used to provide a self-sustaining source of income for financing training. Training funds – such as that currently operating under an ADB skills training project in Papua New Guinea – provide an opportunity for interested parties to provide direct support for training without having to channel funds through government bureaucracies. Properly designed and managed training funds can provide a self-sustaining source of financial support for training and, in the process, contribute to the development of a training market in which public and private sector providers compete for available funds.

Conclusions

3.114 Training strategies for rural skill development in Fiji will, of necessity, continue to focus on employment and income generation objectives but the contribution of the latter to the wider socio-economic goals of rural development should not be underestimated. Investments in employment-

oriented non formal training can have significant knock-on effects in terms of improved health, sanitation and natural resource utilization practices.

3.115 Employment oriented skill development programs must be designed around and relate to specific income generating opportunities in the local economy. Participation of the local community in the planning process should be encouraged and provision made for access to post training support services, such as credit, marketing assistance and technical advisory services. These are part of the wider business development services which are now recognized as essential elements in the successful application of both formal and non-formal skills development.

3.116 Non-Formal Skills Development should be promoted as an integral part of Fiji's emerging lifelong learning system, in which a wide range of rural target groups can participate on a continuing basis. This will give it increased legitimacy as part of a broad based and flexible education and training system.

3.117 In order to bring increased coherence and cost effectiveness to existing non formal skill development, a national coordinating body should be established to promote collaboration and cooperation among public and private sector training providers.

3.118 The initiative for future training for the rural and informal sector in Fiji would appear to lie with the Ministry of Education's AVT program, supported by the National Centre for Small and Micro-enterprise Development (NCSMED). Together they have the pedagogical expertise, the infrastructure and the financial resources to provide the necessary program support and sustainability. Equally important the MOE has a clear idea of where it wants to go with the AVT program and has put forward some innovative proposals regarding the use of technology in informal sector training. The development of Community-based training centres and Production-cum-training centres in existing vocational centres is also a positive development. However, the AVT Programme should be strengthened through the introduction of community-based training methodologies and the Ministry's existing network of vocational centres expanded to provide a broader range of skill training activities at the village level.

3.119 NGOs will continue to be an important training provider in the rural sector where programs will focus mainly on improving rural livelihoods and utilizing local resources for small scale income generation activities. In this context training programs linked to eco-tourism and the processing of agricultural products for village markets will probably become the main source of rural non-farm incomes.

3.120 The setting up of a donor-supported training fund to support non formal skill development in rural areas should be examined as a means of providing long term financial sustainability and if found to be relevant, pilot tested.

Summary of Strategic Priorities:

- Priority 1** Creation of an enabling environment for promoting informal sector training and economic activities.
- Priority 2** Development of institutional capacities for designing, delivering and supporting community-based training programs for self-employment and income generation.
- Priority 3** Establishment of a national coordinating and information exchange body for non formal skills development consisting of representatives from the government, private sector, NGOs Youth, Women and Traditional authority holders.
- Priority 4** Establishment, testing and validation of NFSD quality assurance criteria and evaluation procedures.
- Priority 5** Raising of awareness and popular support for non-formal skills training in villages and local communities by linking training more closely to village needs and improvements.
- Priority 6** Establishment and pilot testing of a donor-supported NFSD Training Fund for sustainable co-financing of NGO and Private sector-provided skills training programs and for promoting a NFSD training market

E. Enterprise-based Training

3.121 Apprenticeship training. Trade apprenticeship is a systematic program of on-the-job practical and related theoretical training designed to produce a fully skilled tradesman or technician. At present 66 employers participate, employing 580 apprentices in four to five year training programs in 23 trades. About 120 apprentices complete apprenticeships annually. Cumulatively, over 5,000 apprentices have completed their training since the program was introduced in 1963. The employer enters into a contract with the apprentice and TPAF with a six month probationary period to allow the employer and apprentice to decide whether to continue. The employer pays minimum wages set by the Apprenticeship Order, as amended from time to time, and finances off-the-job training at FIT. Coursework is either eight weeks of block release or 18 weeks per semester, depending on the trade. The number of apprentices is increasing and the target for 2006 is 650. However, many employers do not re-enlist in the apprenticeship scheme, preferring to take FIT graduates who already have trade certification, thus saving expenditures on FIT training. TPAF sends inspectors to the job sites three times a year to check on the duties assigned to the apprentices, the ratio of skilled workers to apprentices, and their performance and to peruse the trainee's record book. Successful apprentices receive a craft or technician certificate of apprenticeship. Employers can receive a modest reimbursement from the grant system for daily or residential training of apprentices.

F. Private Training Institutions

Non-government Training Providers (Private Training Institutions)

3.122 MOE registered 49 vocation private centres operating in Fiji by 2005. The influx of private training providers for the past 5 years shows the need to offer other skills training services that may not be available in formal institutions. A total of 28 new centres were registered between the years 2000 to 2005. The two major providers FIT and TPAF have limitations that allowed these private schools to conduct and introduce courses that are in demand in the country which are market driven. Computer Education courses heads the list with 39 centres from 20 different registered owners located across the country (MOE/R&D Statistics). Apparently, another 10 centres are on the waiting list for approval with approximately 20 more centres operating with unregistered approval.

3.123 In order to be registered and recognized by MOE the schools have to follow an application process, with a timeline of between 1 and 3 months. The registration approval can take time if all the necessary documents are not submitted by the applicants. The fee is affordable and parents may access their Fiji National Provident Fund saving to pay school fees for approved training organisations.

Table 29: Classification of Private Vocational Schools

School Type	Description	Approx Enrolled	Registration Date	Total Number
1) Computer Schools- Steven Computer, South Pacific Education Centre, etc	Personal Computer skills	10-15	5 in 2002 3 in 2003 5 in 2004 2 in 2005	21
NIIT, APTECH, NZPTTC	Medium	16-25	5 in 2002 3 in 2003 5 in 2004	18
Total Computer Schools				39
2) Korean Language Schools	Language skills	5-12	2004	1
3) Secretarial Studies Institute	Typing & Business skills	10-15	2001	2
4) Care Giver Service School	Care giving skills	10-16	2002	1
5) Flight Schools Pacific Flying School & Advanced Aviation Training	Piloting skills	15-25	1996	2
6) Hair Dressing, Health & Beauty Therapy School and Style Gallery Institute	Beauty Therapy skills	18-26	2000	1
7) Message & Therapy School		13-19	2003	1
8) Hospitality School	Hospitality industry service skill	22-26	2003	1
9) Universities; Central Queensland University and University of Southern Queensland	General education & degree /masters programs	180-350+	2002-2003	1
Total Registered Centres				49

Source: MOE/R&D Statistics

3.124 The MOE registers and approves all private training providers. The process involves the following main steps:

- (1) Application for Establishment - training institution submits documentation regarding the proposed training, the resources to be provided and the fee structure.
- (2) A Private Vocational Processing Committee within the MOE reviews this application and either recommends establishment, identifies corrective steps to be made, or the application is rejected with reasons specified. The processing of the application takes one month.
- (3) After approval for establishment the school management sets up its infrastructure, advertises for qualified teachers, applies for a license to operate a business, obtains approval for occupancy from the local authority, applies for an Occupational Health and Safety Certificate

from the Ministry of Labour and, if it involves an overseas investor, applies to the Fiji Trade and Investment Bureau.

- (4) Application for Recognition - When all facilities are in place the training institution then applies to the MOE for "recognition." This requires complete data on teacher qualifications, operating license, occupancy and OHS certificate and a site inspection report by the Development Section, TVET.
- (5) The Private Vocation Processing Committee approves the application, asks for improvements or denies the application.
- (6) Once recognition status is granted, training commences.
- (7) The MOE conducts inspection visits to ensure the institution is being run according to plan. It also receives annual reports and graduation reports from the institution. The MOE, in sum, ensures that minimum safety and training standards are met (e.g. adequate space, equipment and qualified instructors), but do not regulate the fees charged. Reportedly more than 130 private training institutions have been registered.

G. Costs, Financing and Internal Efficiency

Sources of Finance

3.125 Vocational Centres and FIT operate primarily on MOE funds and student fees. Table 30 provides details about the level of funding received by the MOE and the TVET sector.

Table 30: Allocation of Funding for MOE and the TVET Sector

Year	MOE Allocation FJD \$ millions (& % of Budget)	School Annex Allocation FJD \$ millions	FIT Allocation FJD \$ millions	Total TVET Allocation as % of MOE Allocation
2002	217 (20%)	1.5	7.6	4.2%
2003	221 (20%)	1.4	7.4	4.0%
2004	240 (21%)	1.7	8.7	4.3%
2005	260 (18%)	1.7	8.0	3.7%
2006	301 (19%)	1.7	10.0	3.9%

Sources: *Ministry of Education Annual Report 2004 (2005)* Suva, Fiji. MOE, *Economic and fiscal update: supplement to the 2006 budget address (2005)* by MOFNP. Suva, Fiji. MOFNP, *Economic and fiscal update: supplement to the 2005 budget address (2004)* Suva, Fiji.

Ministry of Education Institutions

3.126 Secondary colleges which have vocational centres can be either managed by the MOE or a community group. In the former case, the college is allocated a range of budgets while teacher salaries are paid directly to the teachers by the Ministry. The college also charges a range of student fees comprising tuition (some grades only), boarding, trust fund and examination fees. In the case of community managed colleges, teachers who are classified as civil servants and those that are classified as temporary are paid directly by the MOE. Teachers who are classified as Grant-in Aid have 80% of their salary paid by the Ministry.

3.127 Colleges also receive a vocational centre per capita fee and a building grant from the MOE. Other finance is obtained from: student fees, canteen earnings, community fund raising activities, hire of facilities, sale of student products and commercial activities. At Tailevu North College for example

vocational students make products from scrap metal for sale in the market and carry out building and maintenance activities around the college.

3.128 Because vocational centres are attached to high schools, they are not distinct revenue and cost centres. Table 31 provides the direct revenue of Lami High School Vocational Centre for a total of 26 students. The revenue also includes the MOE direct payment of salary to teaching staff and associated National Provident Fund contribution. The vocational centres appear to draw on the resources of the college while at the same time vocational students are used for maintenance functions around the school.

Table 31: Estimate of Funding Sources, Lami High Vocational Centre

Revenue	Amount per head (FJD \$)	Number of students	Total (FJD \$)	Share of revenue (%)
Vocational MOE funds	45	26	5,445	
Teacher salary- auto	16,480	1	16,480	
Teacher salary- C & J Grant in Aid Teacher -80% of salary	7,031	1	7,031	
National Provident Fund	1,769	n/a	1,769	
Sub -total of revenue from MOE			30,725	71%
Student fees-automotive	120	11	6,240	
Student fees-C&J	120	15	1,440	
FIT and TPAF fees-automotive only	365	11	4,015	
Vocational student fees - total		26	11,695	27%
Share of other High School income			514	1%
grant for teaching aids			595	1%
Total Revenue	25,930		43,529	100%

Source: Lami High School Statement of income and expenditure for the year ended 31st December, 2005 (accessed 13th August, 2006) by Lami High School

Fiji Institute of Technology

3.129 FIT receives an overall grant from the MOE. To cover costs it charges student fees and gains additional income from commercial activities including fees from students from other Pacific countries and the franchise program. Fees vary between courses. A mechanical trade program costs FJD \$1,852 per annum, the electrical trade costs FJD 1,948 per annum while a Diploma in mechanical engineering costs FJD 1,628.

3.130 Table 32 provides a breakdown of FIT's sources of finance for 2005.

Table 32: Fiji Institute of Technology Sources of Finance (2005)

Item	Actual Revenue Obtained (FJD \$)	Share of total revenue (%)
Student charges		
Student Tuition fees	7,100,036	40%
Student Enrolment fees	261,067	1%
Student Material charges	1,067,267	6%
Student library fines	4,320	<1%
Student hostel fees	554,250	3%
Student Revenue Sub-total	8,986,940	50%
Government grant	8,000,000	45%
Other Revenue		
Sale of student products	15,689	<1%
Interest	73,938	<1%
Short courses fees	70,402	<1%
Entrepreneurial activities	339,327	2%
Franchise program charges	112,877	1%
Capital enhancement charge	97,124	<1%
Miscellaneous income	199,358	<1%
Sub-total	709,357	5%
Total revenue	17,895,655	

Source: Statement of revenue and expenditure for the month of December, 2005 (accessed 14th August, 2006) from FIT.

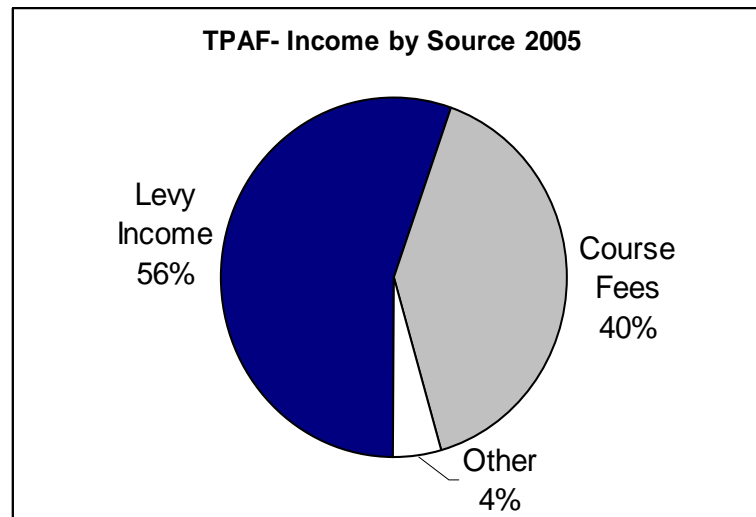
Training and Productivity Authority of Fiji.

3.131 TPAF mobilises virtually all of its resources independently of the government. The majority of TPAF's revenue comes from a 1% levy paid by employers on their gross payroll. In addition, TPAF also raises revenue from training fees – which have increased substantially -- consultancy services, and trade testing. Government grants occasionally are also given to TPAF when there is a need to subsidise training to meet critical skill shortages, e.g. for construction trades in 2006. Table 33 shows the principal sources of income:

Table 33 - TPAF Revenue by Source (F\$ millions)

Source	2003	2004	2005
Levy Income	8.8	9.5	10.0
Course Fees	5.0	7.8	7.2
Other Operating Income	0.7	0.8	0.8
Total	14.5	18.1	18.0

Source: TPAF Annual Reports, 2003, 2004 and estimates 2005.

Figure 8: TPAF Revenue by Source (% total)

Source: TPAF Annual Report, 2005.

3.132 Levy-grant system. TPAF levies a 1% fee on the gross salaries of all employees in registered firms in Fiji, regardless of size of the enterprise. The public service is included, but certain categories of workers are excluded, e.g. teachers, nurses, military, and others. The purpose of the levy is to stimulate training within the enterprises. TPAF collects the levy itself by requiring employers to submit documentation and payment semi-annually, and by contacting delinquent employers through four Levy Enforcement Officers. At present about 5,200 employers pay the levy and an estimated 600 do not. The proceeds amounted to FJD \$8.8 million in 2003 and FJD 9.5 million in 2004. Employers can recoup up to 90% of the amount they pay into the levy each year.

3.133 Two methods are used for grants: Method A is for larger employers (about 50 in total) and involves TPAF approval of a training plan for the enterprise and payments based on a detailed set of criteria. Under this method the employer can do its own training, and may be reimbursed for part of all training costs, including training abroad. Method B is ad-hoc reimbursement for training approved in advance, either within the enterprise or off-site. The training courses must also be approved in advance, and TPAF maintains a list of approved programs (but surprisingly does not publish it). No blanket approvals are given for training providers. Reimbursement is made according to a schedule of reimbursement based on the wages of the trainees, lower levels receiving less, and the length of training. No reimbursement is provided for course fees.

3.134 Some employers interviewed expressed frustration at the limited chances of getting reimbursement. Perhaps they have a point. In 2005, 5,200 enterprises contributed the levy, but only 240 enterprises received any kind of reimbursement for training (through 1,800 – 2,000 individual claims). Under Method A, 50 employers got from 60% - 68% of the levies back. TPAF does not limit access to the levy and has promoted the grants scheme widely. However, many companies have not taken advantage of the scheme, perhaps because of the paper-work involved. The training levy makes a sizeable net contribution to TPAF's operating funds. This is important because many of TPAF's mandated activities do not earn revenue and need to be subsidised (e.g. apprenticeship training, productivity promotion, awards

for business excellence). In 2003 TPAF paid out only about 30% of the levy revenue it received, and 38% in 2004. The balance, plus income from course fees (which cover most training costs), means that TPAF does not need to receive or depend on public funds to finance its training operations. This makes it unique among the developing Pacific countries.

Uses of Finance

Ministry of Education Institutions Expenditure

3.135 Lami High School Vocational Centre has 26 students and 2 teachers. Students from FIT also come to the school as volunteer teachers to satisfy the requirements for industry attachments. Although not paid an income, the school provides transport and food when they come. Teaching salaries vary between \$8,769 and \$21,641 (July, 2006) depending upon qualifications and experience.

3.136 The school has recently been the recipient of aid to upgrade it as a facility. In estimating costs, a share of the overall costs of the school has also been included. Not only do the vocational classes use the overall infrastructure of the high school but also draw on school resources to a greater degree than academic studies. These costs include: depreciation (\$378), cleaning (\$1,368), printing, stationery and books (\$7,284), salaries and wages (\$17,502 minus salary share to grant-in-aid vocational teachers), sports (\$4,696), repairs and maintenance (\$3,550), travel (\$3,435), land lease payments (\$752) and electricity (\$1,115). Expenditure is for 2005 but using 2006 salary rates and school fees.

Table 34: Uses of Funding –Lami College (2005)

Employee Expenditure	amount	number	total	%
teacher salary - auto	16,480	1	16,480	
teacher salary - C & J	8,789	1	8,789	
national provident fund payment			1,769	
bus fares/lunch for volunteer staff			651	
sub-total employee expenditure			27,689	69%
Examination fees to other organisations			0	
FIT			4,500	
TPAF & associated fees			590	
sub-total examination fees			5,090	13%
Resource Materials			631	
Consumables			216	
Electricity			250	
Bank fees and costs			61	
Stationery			69	
Advertisements			67	
social costs			205	
Share of general school costs	50,158	26/226	5,770	14%
Sub-total other costs			7,269	
Total	75,427		40,048	100%
Cost per EFTS			1,540	

Source: Lami High School Statement of income and expenditure for the year ended 31st December, 2005 (accessed 13th August, 2006) by Lami High School

3.137 A significant expenditure for schools is the FIT franchise fee. While of benefit to students for progression to FIT, schools perceive they receive little value for the fees paid to FIT in terms of improving their performance.

Fiji Institute of Technology Expenditure

3.138 The use of funding by FIT is provided in Table 35. Teaching staff are classified as lecturers with a salary between \$19,000 and \$25,000. Tutorial assistants however receive \$13,000 to \$18,000.

Table 35: Uses of Funding – Fiji Institute of Technology (2005)

Salaries and Wages	Amount (F\$)	% of total
Salaried Staff (teacher) payments	11,365,625	
Non salaried staff costs	808,405	
Staff related costs	307,910	
Professional development support	27,745	
sub- total salaries and wages	12,509,685	68%
Consumables		
Stationery	243,222	
teaching materials	302,689	
Fuel	35,582	
general stores and materials	184,386	
Small workshop tools	44,235	
Minor office equipment	7,608	
sub-total consumables	817,722	4%
travel and communications	487,556	3%
general services		
Electricity	464,426	
Water	25,050	
urgent building maintenance	190,977	
security services	143,893	
Rent	142,128	
general insurances	114,178	
licenses and maintenance	160,088	
hostel food	122,242	
other general services	635,032	
general services	1,998,014	11%
miscellaneous		
Depreciation	2,090,803	
other miscellaneous	479,921	
sub-total miscellaneous	2,570,724	15%
Total	18,383,701	
Expenditure per EFTS	2,412	

Source: Statement of revenue and expenditure for the month of December, 2005 (accessed 14th August, 2006) by FIT

Training and Productivity Authority of Fiji Expenditure.

3.139 TPAF expenditures vary considerably from year to year. In 2003 TPAF spent slightly more than its income, FJD \$14.7 million compared with FJD \$14.5 million. In 2004 TPAF had an operating surplus of about FJD\$1 million on income of FJD \$18.1 million and expenditures of FJD \$17.1 million. In 2005 the budget surplus widened to FJD \$1.5 million on income of FJD \$18 million and expenditures of FJD \$16.5 million. In 2005 TPAF had accumulated reserves of F\$ 6 million.

3.140 TPAF expenditures were made on the following functions:

Table 36: TPAF Expenditures by Function (FJD \$)

Expenditure	2003	2004	2005
Refund of Grants	3,895,986	4,374,851	2,883,455
Personnel Expenses	4,702,782	4,981,417	5,867,557
Franchise Course Fees	962,059	1,090,405	1,053,131
Course Related Expenses	1,686,067	1,736,886	2,389,909
Other Expenditure	3,479,905	4,960,684	4,310,209
Total Expenditure	14,726,799	17,144,242	16,504,261

Source: TPAF Annual Reports, 2003, 2004 and estimates 2005.

3.141 Surprisingly, TPAF does not collect statistics on the number of people trained annually by type in the levy grant system.

3.142 **Costs per TPAF trainee.** An example of a TPAF training program is integrated automotive engineering. This comprises three stages of 280 hours each with a break of about two weeks between one stage and the next. The cost is FJD \$1,800²⁶ for the 840 hours. In comparison each year of instruction in a vocational centre is 1,435 hours. Assuming course fees cover costs expenditure for each equivalent full time student is FJD \$3,075.²⁷

3.143 Table 37 provides sample costs for running a course at TPAF. Salaries for training officers vary between FJD \$26,000 to FJD \$31,000. Technical assistants are paid almost F\$14,000.

Table 37: Use of Funds-TPAF- Sample Costs for Automotive Program

Item	Amount (FJD \$)	% of Total Costs
Training officer-salary	88,665	43%
Technical assistant salary	27,598	13%
Training materials	15,000	7%
OHS	1,352	1%
Internet	3,000	1%
Telephone	1,100	1%
Travel expenses	360	<1%
Capex for automotive	42,123	20%
Advertising	5,000	2%
Printing	3,000	1%
Reprography	15,000	7%
Hire of facilities	4,500	2%
Total	206,698	100%

Source: From Budget for Automotive Programs (2006) by TPAF. Unpublished.

²⁶ Training & Productivity Authority of Fiji (2006), Training Handbook 2006. Suva: TPAF.

²⁷ Estimated by converting the total fees for a student into the equivalent hours of a vocational centre. This figure could in fact be higher if funds in TPAF are used to fund the training.

IV. PLANS AND PROGRAMS FOR TVET

A. Recent developments

- An Education Summit in 2005 identifying TVET as an essential component in education development in Fiji.
- Appointment of Minister of State for TVET in 2006.
- Increasing number of schools seeking franchise programmes from FIT and TPAF.
- Introduction of a new franchised programme at Nadi College in 2006 called 'The Alternative Pathway', intended for students who passed the Fiji Junior Certificate (FJC) and want to do skills training in Hospitality rather than undertaking the Form 5 academic course.
- Introduction of Technology/TVET as one of the 7 compulsory subjects in Fiji's secondary education system.
- The prioritising of in-service scholarships for TVET teachers in 2006.
- Cabinet approval in November 2004 of the need for Industry linkages to TVET institutions. Substantial work has been now commenced to develop these linkages.
- Review of National TVET curriculum framework for Forms 3 to 7.
- Formation of FITVET in 2004, as technical association for all TVET teachers in Fiji.
- Establishment of a FIT Tourism Training Centre in Nadi in 2005.

B. Plans

4.1 The *Education Commission Report* of 2000²⁸ made three central recommendations concerning TVET: (1) school-based TVET programs should be integrated within mainstream schooling; (2) separate Institutes of Technical and Vocational Education and Training (ITVET) for early school leavers should be established in each of the four divisions of Fiji's education system; and (3) an independent accreditation board for TVET should be established (See Annex 5 for details.)

4.2 The follow up *Action Plan*²⁹ went into more detail in recommending specific strategies and key performance indicators. It made the following recommendations:

1. **Relevant and Responsive Curriculum.**

- Establish formal links with industrial sector and relevant tertiary institutions to facilitate employment of school leavers and to ensure that school programs and curriculum are relevant and responsive to the needs of individual, community and industry (55).
- Increase the number of TVET subjects in modular form in compulsory and post-compulsory years of schooling to allow for more flexibility in the teaching and learning of TVET subjects.

²⁸ Government of Fiji. November 2002. Rebuilding Confidence for stability and Growth for a Peaceful, Prosperous Fiji. Strategic Development Plan 2003-2005. Parliamentary paper No. 72 of 2002, pages 143-145.

²⁹ Ministry of Education. (No date) Action Plan for the Implementation of the Recommendations of the Education Commission/Panel Report 2000. Objective 18: Strengthening Technical and Vocational Education

2. **Special Interest Schools.** Establish special interest schools in areas of information technology, fisheries, mari-culture and aqua-culture, arts/media, and sports/recreation.
3. **Establish TVET Centre in each of four divisions,** to coordinate all TVET programs in the division, find employment or further training for TVET graduates and initiate schemes for self-employment.
4. **Diversify TVET at Tertiary Level.** Extend TVET curriculum in response to the identified national HRD plan in advanced vocational training, service sector, agriculture and marine, tourism and hospitality, textiles clothing and footwear 56).
5. **Integration of TVET in Mainstream Schooling.** Diversify school system; make structural changes to facilitate effective integration of TVET in mainstream schooling, including introduction of work study programs, including introduction of TVET subjects at primary level.
6. **TVET Awareness Programs.** Introduce career education for all secondary students to give greater understanding and value of TVET and increase enrolments in TVET courses.
7. **TVET Accreditation Board.** Establish an autonomous TVET accreditation Board to oversee TVET programs and set benchmarks for quality education and training, and standards of performance as required by employers.

4.3 More recently, the *Strategic Development Plan 2003-2005*³⁰ underscored the importance of investment in TVET to reduce skill shortages that retard economic growth. It stated, “A major factor impeding faster economic growth has been the persistent shortage of professional, skilled and semi-skilled workers, a problem exacerbated by further out-migration. Such shortages retard economic growth and further intensify the gap between the number of new job openings and additional job seekers. When skilled workers are replaced by those more recently trained, there is usually a reduction in productivity”(42). To reduce skill shortages the Strategy recommended expansion of intake at tertiary and vocational institutions to meet skills needs; to encourage tertiary level distance education; and to promote a wage system that rewards skills (43).

4.4 The Strategy notes that there is a relatively well developed vocational training and technical education program covering secondary and post-secondary pre-service and in-service training for industry. Technical and vocational courses in secondary education need to be made accessible to more schools. A national qualification also needs to be developed to standardize the courses offered by the various technical and vocational institutions. The assessment system needs also to be reviewed (59).

4.5 **TPAF Plans.** TPAF adopted three sets of plans – a long term plan for ten years, a strategic plan for three years and one year corporate plan³¹. The plans envisage TPAF as a “centre of excellence in training and productivity” whose mission is to “raise productivity by encouraging organisational excellence and managing training standards” (6). The objectives related to training include:

30 Government of Fiji. November 2002. Rebuilding Confidence for stability and Growth for a Peaceful, Prosperous Fiji. Strategic Development Plan 2003-2005. Parliamentary paper No. 72 of 2002.

31 TPAF, 10 Year Plan; Strategic Plan 2006-2009; Corporate Plan 2006. no date.

- To be the number one choice in providing and arranging training in selected areas. Means include (a) identification of training needs through industry focus groups, industry visits and training needs surveys, (b) adoption of appropriate training modes that meet customer needs, and (c) extensive evaluation of training carried out.
- To be the number one provider of human resource and training related data and information.
- To establish a national qualifications authority covering “all aspects of training and education” in Fiji.
- To be a key player in ensuring that the country’s needs for tradesmen and technicians are met.
- Utilise the levy appropriately to ensure that incentives are in place that encourage greater training in Fiji (15-17).

4.6 In terms of physical expansion, TPAF has developed a Masterplan that would allow a tripling of its training outputs per year. It would cost FJD \$39 million for the facilities alone (excluding furniture) and would build training facilities on a 4 acre lot in Suva and 18 acre lot in Nadi. It is prepared to take a bank loan to finance the expansion, which is urgently needed, and repay it out of returns on investment (training fees and levy proceeds). In addition, TPAF plans to convert the existing apprenticeship program to one that is competency based. It is also considering to develop a “traineeship” system that would allow participants to complete part of a full apprenticeship.

4.7 Comments:

- lack of integrated sectoral planning for TVET.
- Existing plans are not costed or budgeted.
- Lack of self-assessment for MOE and FIT

C. Donor Assistance

4.8 The following projects have provided some assistance for TVET in the school system:

- European Union – Fiji Education Sector Programme (FESP) assistance in equipping schools, technical assistance on competency-based assessment.
- AusAID - Fiji Education Sector Programme (FESP) – equipping of 9 TVET centres, plus technical assistance for entrepreneurship education and industry-school compacts.
- Japanese International Cooperation Agency (JICA) – assistance in equipping schools.
- Pacific Regional Initiatives for the Delivery of basic Education (PRIDE) assistance in curriculum development for vocational subjects in secondary education.

V. ANALYSIS OF KEY ISSUES

Overview of Strengths and Weaknesses

Strengths

5.1 The principal strengths of TVET in Fiji are:

- The existence of a post-secondary technical institute, FIT, that is a leader in the country as well as the Pacific Region.
- The existence of a practical training organisation, TPAF, well linked to industry.
- The FIT franchise programs that permit students at selected secondary schools to take FIT courses at a distance, reducing the costs to the students and enabling sizeable numbers of students to have access to post-secondary training.
- The wide geographical coverage of pre-vocational and vocational courses in secondary schools and attached vocational centres.
- The ubiquitous integration of work attachments as integral parts of training programs.
- Sizeable non-public resource mobilization for TVET – FIT raises half its revenue from students; TPAF gets no public subsidy for its training and finances it from the training levy and trainee fees.

5.2 The key strengths of the Fiji system are: the existence of a range of TVET institutions and linkages between those institutions; widespread access to TVET training; industry participation; and, recognition of the value of workplace learning. There are three key TVET institutions, FIT, TPAF and vocational centres in high schools. The vocational centres in high schools can enter into a franchise arrangement with FIT for a fee which is intended to provide vocational centres with teaching/learning resources and advice to enable them to meet a standard. This also enables graduates from the high schools to continue their training at FIT. FIT acts as a lead institution, providing its expertise in vocational training to assist other institutions to meet a standard. FIT and vocational centres also link to TPAF for trade tests that provide a level of objective recognition of students. TPAF also provides training in a wide range of areas focusing on skill testing standards.

5.3 Industry involvement is most pronounced in the industry advisory committees of TPAF that advise on the amount of training and the standards that need to apply for skill tests. The skill testing standards provide a benchmark thus potentially linking the requirements of industry and the delivery undertaken by a number of providers. All programs also recognise the need for on job experience.

5.4 The major TVET institutions TPAF and FIT are not accessible by most people. However, vocational centres in high schools provide a means through which a large proportion of the population can acquire skills training.

Weaknesses

5.5 The main weaknesses of the TVET system are:

- A supply rather than demand orientation.
- Lack of labour market information and tracer studies on the labour market outcomes of graduates.
- Lack of an overall training authority to set training standards in conjunction with enterprises, develop training policies and accredit training providers.
- Inadequate quality assurance procedures for FIT, franchise courses and secondary vocational programs.
- Insufficient practical training provided by FIT (in comparison to TPAF).
- Many poorly equipped secondary vocational programs.
- Unclear effectiveness of secondary vocational training.
- Excessive dependence on long-term, institution-based training.

5.6 The key weaknesses are: the TVET system is primarily supply rather than demand driven; there is a lack of an overarching policy and quality standards organisation; the system does not fully address standards necessary for emigration; limitations of the franchise arrangements of FIT; and, the TVET system is excessively institution based.

5.7 The TVET system in Fiji is largely supply driven because decisions about what courses to run are not based on an overall plan of allocation of resources and hence training in areas where there are critical shortages. The same programs are offered year after year regardless of how they relate to labour market demands.

5.8 Fiji lacks a body which facilitates training provision meeting the standards developed by employers³². TPAF partially fulfils this role through its advisory committees and standards for testing. However, the focus is solely on the conduct of skill tests and not on a provider registration system based on adhering to quality standards. Similarly FIT has a franchise system that is designed to raise the standards of providers. However, interviewees on the survey commented that few services were received and that fees were onerous. In addition MOE accredits training organisations. Hence three training bodies are involved in the facilitation of quality provision with separate and largely uncoordinated roles. Lacking is an organisation that focuses solely on facilitating quality provision by all providers based on industry training standards.

5.9 TPAF has developed standards, but these have not necessarily reflected standards expected in other countries, as demonstrated in the standards expected for finishing hotels. The NQF under development will provide national training standards in the trade and technical areas. These standards, developed by local committees, have been referred and benchmarked against Australian and New Zealand standards.

5.10 With the notable exception of TPAF, the TVET system is excessively institution based. Students attend vocational centres for two years before undertaking an additional two years at FIT. Opportunities for work placements are limited and generally provide limited exposure to a community of practice.

³² Work is currently underway under TPAF to establish a national qualifications framework (NQF). When complete it will provide provisions for registration of providers based on specified standards.

At the same time, there is substantial cost in providing training of this nature. Wide variations exist in producing skilled workers to a given level. Four years of institution based studies³³ for a trade such as automotive engineering is about FJD \$7,000 given some exemptions. In contrast, the total cost of TPAF training for automotive engineering is about FJD \$ 2,000 which will include undertaking work between stages of training.

5.11 The TVET system is evaluated more specifically below in terms of five criteria: (1) external efficiency, (2) access and equity, (3) organisational and management effectiveness, (4) quality of training and (5) finance and internal efficiency.

1. External Efficiency or Economic Relevance of TVET

Criterion	Strengths	Weaknesses
1. External Efficiency	<ol style="list-style-type: none"> 1. TPAF – training in place that meets industry needs with industry involvement. 2. Recognition of the importance of industrial experience – work attachments - many vocational centres are able to facilitate placement in local businesses/enterprises. 3. Increasing attention being devoted to non-formal skill development by government and NGOs informal sector – MOE commitment to addressing the informal sector through Advanced Vocational Training. 4. Good linkages between providers of training for self employment and providers of micro-credit and micro finance services. 	<ol style="list-style-type: none"> 1. The TVET system in Fiji has largely failed to meet the demand for skilled labour. 2. Lack of mechanisms to reconcile supply and demand of skills. Training is essentially supply-driven which means that resources can go to areas not in shortage. 3. Lack of a functioning labour market information system to provide input to the training system on the nature and extent of skill shortages/surpluses in the economy. 4. No tracer studies on destination of trainees and employment. 5. Secondary vocational – lack of industry involvements.

5.12 **Lack of mechanisms to reconcile supply and demand of skills.** There are no mechanisms in place that channel resources for training to areas of greatest demand. The construction Industry advised TPAF in 2002 about the large shortage of skills in the construction industry. However skills training did not take place until 2005/2006, at a time when construction activity had slowed down and there was a substantially reduced demand for skills³⁴. Moreover budgets for training are left to the training provider to internally allocate rather than prioritised on a needs basis.

³³ The four years includes two in a vocational training centre and two in FIT

³⁴ TPAF stated that it started skills training in construction as soon as gaps were identified. It brought in specialists to provide such training and adopted internal targets to increase its output. In 2005/06 government provided funds to subsidise the training and this increased the output of trained person. Despite these interventions, the uptake for construction programs was not as high as expected, in part, because those seeking jobs migrate towards cleaner trades; construction is often a last resort.

5.13 One such mechanism might be the creation of a training market where providers can bid to offer training in areas determined by a funding body.

5.14 **Skill Gaps.** Skill gaps are clearly an issue from the perspective of employers. Emigration of skilled workers at all levels exacerbates these shortages. Nurses and doctors must be brought in. Reportedly the country recruits accountants from Sri Lanka and even machinists from Bombay. Hotels badly need managers and cannot easily recruit these from the present training system. Mega resorts are being built in Fiji which will require all types of management and vocational skills – marketing, sales, accounting, general management, engineering and maintenance. The main way for employers to recruit people with the requisite skills at present is by inducing workers to leave other jobs. However, this kind of poaching only raises wages and hurts the medium or small enterprises the most. The Chamber of Commerce representative observed that less than 20% of the National Development Plan has actually been implemented. The causes are myriad, but a large part is inadequate skills, from managers down to blue collar workers.

5.15 Experience is a key factor in the demand for skills. Migration removes a significant proportion of workers who have started to acquire a reasonable level of expertise. This results in a small pool of people who might progress to management positions. Not all, however, will be suitable, hence the need to bring in expatriates. Expatriates also have the advantage of a wider base of experience. For example, a chef in a Fiji resort may only draw on his/her experiences in a small number of resorts in Fiji. An Australian chef could bring in a wealth of international experience.

5.16 **Linkages with employers.** The MOE reportedly has little contact with industry and gives its programs largely in isolation from the labour market. About 85% of employers surveyed stated that FIT and vocational students in secondary schools lacked practical experience³⁵. Employers were critical of the training institutions, especially secondary schools and FIT. The Hotel Association stated that it was “not consulted in any way, shape or form” in regards to the new hospitality school that has been established by FIT in Nadi. It stated that the plans for the hospitality school were based on 1980s concepts that are outdated at present. The Association wanted to help bring them up to date, but was unable to make its views heard. The Association asserted that FIT and TPAF have not reviewed their curricula for several years. The Fiji Employers’ Federation noted that both FIT and TPAF have industrial advisory boards, but was sceptical about their effectiveness.

5.17 **Lack of tracer studies.** Little information appears to be available about the destination of graduates from skills training. FIT management stated that it is only beginning to try to collect such information. The secondary schools generally know little about what happens to their graduates, except for the ones that continue their studies at FIT. TPAF claims that emigration of skilled workers makes it difficult to track its graduates³⁶.

5.18 **Curriculum relevance.** In many cases there is a mismatch between curriculum content and the needs of enterprises. The present curriculum of

35 MOE, “School-Industry Links” Input report 1, 2004. However, it must be recognized that new graduates are seldom work-ready. Employers have the responsibility to induct new graduates into the work place over the first year or so.

36 Monfort Boys’ Town does keep track of its graduates and claims a 100% employment rate.

FIT and vocational secondary tends to be theoretical and time based rather than competency-based. Curriculum updating is needed. For example, the FIT franchise program on office technology includes shorthand, a skill that is no longer in demand in most businesses. The curriculum also needs to be diversified to relate better to the vast natural resources of Fiji. In addition, enterprise education should be integrated into subject areas. The Hotels Association indicated that it had been totally ignored in the design of a FIT training facility for hotel and tourism in Nadi.

5.19 Disincentives to workplace training. Lack of coordination places a heavy burden on enterprises which are inundated by requests to provide workplace attachments. The MOE, FIT and TPAF all make these requests. Greater coordination among the training providers and greater incentives for enterprises seem to be needed. Enterprises find it difficult to respond because of the requirement (a) to insure workers (Occupational Safety and Health regulations) and (b) to include all workers in the state retirement scheme. FIT and TPAF students have now secured insurance coverage for the students during the attachments. However, the same is not true for vocational students from secondary schools.

5.20 There is little evidence that suggests long term training such as that provided by FIT provides better employment outcomes. A number of employers stated that they primarily want people who had basic skills and knowledge and that they could provide most of the training on the job. As no tracer studies exist, it is difficult to comment on employment outcomes of graduates. Certainly the TVET sector has been unable to meet the demand for skilled labour as evidenced by the shortages of skilled construction workers during the construction boom.

5.21 At the lower end of the TVET system the relationship between the training provided in vocational centres and job opportunities in local labour markets is probably less evident because these are provided mainly in rural areas where agriculture – often at the subsistence level – continues to be the dominant economic activity. Those opportunities which do exist to utilise TVET skills are mainly in the informal economy, which is still small and relatively undeveloped.

2. Equity in Access to TVET

Criterion	Strengths	Weaknesses
2. Equity	1. Widespread geographical coverage of pre-vocational and vocational training centres in secondary education.	1. Relatively few people have access to skills training opportunities; MOE records indicate 2,300 students in vocational centres and 700+ in franchise programs. 2. Lack of gender equity in FIT and TPAF. 3. Low esteem of, and status accorded to, vocational training by parents, students and educational authorities vis-à-vis academic education -- Only the “failures” go into secondary vocational streams.

5.22 Regional disparities. Reportedly the quality of TVET provision varies inversely with the distance from Suva. The provision of equipment and trained staff is much less in rural areas. Access to quality vocational training remains a problem in most rural areas of Fiji where training facilities are poorly equipped and under-financed and the expertise of teaching staff is inadequate. Also, the absolute number of schools with vocational centres is limited to 62, which means that catchment areas are large i.e. 10-20 kilometres and access limited accordingly, especially during the wet season. Access is further compounded by: the entry requirement of completion of upper secondary school by FIT; and, delivery of TPAF courses being restricted largely to four centres.

5.23 Gender disparities. Girls tend to be either under-enrolled in TVET courses, or pigeonholed into traditional female occupations (home economics, office technology)³⁷. In terms of equity, boys continue to be over represented in the enrolment statistics in those years for which data are available. The proportion of girls in vocational training courses ranges from 20% to 40% of total enrolments at the institution level. However, almost all women in these institutions are enrolled in traditional home-oriented training courses: sewing, cooking, food technology, housekeeping etc. The exception is in tourist areas where hospitality-related courses provided in local vocational centres are in demand from local hotels and resorts and results in a high proportion of female students in some schools. In rural areas however, low levels of female enrolment prevail and one of the main reasons for this is the lack of hostel facilities for girls.

5.24 TPAF does not even keep statistics on its trainees by sex, and reportedly almost all are males. About 36% of FIT students are female, concentrated in commerce (63% of the total), general studies (58%) and hotel and tourism (72%) (see Chapter 3 above).

³⁷ An exception was the female instructor in auto mechanics at one secondary school, a FIT student completing her practical work. She said several of her classmates were female in this program.

5.25 Low status of TVET. Interviewees voiced the familiar refrain that TVET is a second best option, that vocational students have much less status than those in academic streams, that the vocational courses tend to draw students of less academic ability (and from more disadvantaged income groups). This is undoubtedly true³⁸, but cannot really be changed until the wage structure is allowed to reflect real scarcities. As stated in the 2000 Education Commission Report:

Fiji's education system is so accustomed to academic education, however, that strong parental pressure for academic credentials has made the TVET program a second-class option rather than a 'second chance' education. This can be explained in part by the difference in salary of blue collar workers compared to that for white collar workers (e.g. tradesman class II FJD \$4,139 p.a.; class I, FJD \$4,347; craftsman FJD \$4,513 compared with starting salaries for diploma secretary FJD \$6,192, clerical officer FJD \$6,192, registered, nurse FJD \$8,582, primary or secondary teacher diploma or certificate FJD \$10,436). Until wages for blue collar workers are more attractive, the status of TVET will continue to be below that of an academic education.³⁹

5.26 On a positive note, the FIT franchises have given students who would otherwise terminate their secondary education a second chance to gain access to tertiary education. This has perceptibly raised the status of the vocational programs in secondary schools.

³⁸ Students in vocational centres reportedly are termed "dropouts" in the sense that they have dropped out of the academic stream.

³⁹ Government of Fiji (Ministry of Education). November 2000. Learning Together: Directions for Education in the Fiji Islands. Chapter 9, Technical and Vocational Education and Training. Report of the Fiji Islands Education Commission/Panel. ISBN 982-508-001-9, 138-139.

3. Organizational & Management Effectiveness of TVET

Criterion	Strengths	Weaknesses
3. Organisational & management effectiveness	<ol style="list-style-type: none"> 1. Linkages in the system – FIT with secondary franchises; TPAF with level three trade tests. 2. High degree of community involvement in the provision of education and training services. 	<ol style="list-style-type: none"> 1. Lack of central organization stipulating trade standards and registration of training providers. 2. No overall authority on TVET to coordinate, set policies, etc. 3. Lack of comprehensive TVET planning, and lack of current development plans by two of the major training providers (MOE and FIT). 4. Lack of coordination between programs, particularly in informal training. 5. Conflict of interest in TPAF as delivery organization, setting standards and assessing (testing) them.

5.27 Inadequate Overall TVET Coordination. FIT and TPAF have their individual legislative acts that make them semi-autonomous under different ministries – the MOE and MOL, respectively. The MOE administers and monitors TVET only in secondary schools and vocational centres. Private education providers have no proper monitoring system by the MOE to keep track of the adequacy of their offerings after approval and registration is given. FIT and the MOE coordinate through their vertical linkages (secondary graduates moving up to tertiary studies) and the franchise program. However, TPAF seems to operate largely on its own without relationship to school-based training. TPAF stated that there is little if any coordination with MOE facilities. This can lead to duplication of facilities (e.g. in hotel and tourism training around Nadi). A case could be made to have one overall controlling body or authority for policy, coordination, monitoring and quality assurance. One suggestion was to create a ministry of vocational training, as is done in some countries, to link MOE/TVET, FIT and TPAF. An alternative would be to expand the role of the current training authority, TPAF. Another aspect of coordination concerns training provided by other government ministries and state-owned enterprises.

5.28 Lack of National TVET Policy. TVET figures only marginally in national development plans. At present no national policy exists on TVET which covers all providers.

5.29 FIT has highly ambitious plans to open a sports complex with foreign investment in Nadi; and create a teaching hospital and residential facilities on a large tract of land it owns near Suva, again with foreign investment. The question that comes to mind is whether FIT is stretching itself too thinly, without rigorously looking after the quality of what it already provides.

5.30 Many observers have remarked on the inherent conflict of interest in TPAF – being the financier, provider and assessor of training. Perhaps it

could be more effective by contracting out training and paying on the basis of performance. TPAF could do more to stimulate the private training market.

5.31 Lack of an inspectorate to monitor quality of TVET. Paradoxically, the MOE has standardised curricula for its vocational centres, but the quality of training actually provided varies widely from school to school. One of the reasons is the lack of equipment standards (or failure to finance to the standards), and lack of an inspectorate to monitor quality at the institutions. It would be useful for the MOE to undertake a comprehensive quality audit of its facilities.

5.32 Lack of TVET research. Data are missing about the scale and operations of the TVET system. This contributes to, but does not explain fully, the lack of research on skills development. Such research on trends and issues is essential for monitoring progress and developing policies.

4. Quality of skills provision.

Criterion	Strengths	Weaknesses
4. Quality of Training	<ol style="list-style-type: none"> 1. TPAF – respected trade testing. 2. Standard TVET curricula and centrally set examinations helps to even the quality of vocational training provision in secondary schools. 3. The franchise system enables vocational centres to provide recognized and accredited training courses to school leavers at the local level. 	<ol style="list-style-type: none"> 1. Lack of national qualifications framework. 2. Secondary vocational – unclear effectiveness and lack of quality assurance. 3. Relatively low and uneven skill standards; variations in quality persist in secondary vocational and even in equipment provision in some franchise courses. 4. Lack of quality assurance by FIT over complete franchise program (theory and practice). 5. Shortages of trained teachers in vocational centres. Most have only technical qualifications. 6. At tertiary level almost total absence of teachers with industrial experience. 7. Poorly equipped and resourced workshops in many rural schools. 8. Lack of systematic monitoring and evaluation of FIT franchise programs. 9. FIT programs viewed as theoretical by employers; FIT examinations in franchise programs only cover theory.

5.33 **Quality as inputs.** The main concern, after visits to several institutions, is quality⁴⁰, including standards, instructors and equipment.

5.34 **Standards.** Benchmarks are lacking in some programs as a basis to judge quality. Certainly requirements for skill testing exist, but these do not appear to be onerous. A pass is possible even when available equipment and tools appear rudimentary. Industry skill standards which specify the capability required to perform in given jobs provide benchmarks against which qualifications can be granted. Where assessment is valid and reliable, industry can feel confident that possession of a qualification means a particular level of performance. Industry standards however do not yet exist in Fiji. Nonetheless two key observations are that many vocational centres lack

40 In contrast with government supported training, the Monfort Boys' Town Technical Institute seems to be a model to be emulated. It enrolls 134 students from disadvantaged backgrounds who have dropped out of school and puts them through a two-three year training program (in fitting and machining; cabinet-making and upholstery; building construction, carpentry and plumbing; electrical and automobile maintenance and panel beating. It claims to have 100% completion rate and 100% employment rate. The government finances about 40% of the costs of the institution. It raises the rest through private contributions and sale of produce and products (e.g. furniture). The quality of training was evident in the products and samples produced by students. The rough annual cost per trainee, however, is high at FJD \$7,100.

essential equipment and instructors lack technical expertise. Employers generally did not value qualifications but largely rely on their own judgement about a potential employee's performance. Employers generally take the view that some training is better than none. However, because training is not oriented towards meeting specific standards but is largely content driven, outcomes can be variable. Consequently qualifications are not equated with a set level of performance requiring employers to make their own assessment.

5.35 Current systems such as franchising by FIT and skill tests by TPAF assist but do not guarantee quality. Both approaches judge quality from the results in exams and have encouraged an exam orientation to delivery. Lacking entirely in the TVET system is evaluation of providers on the basis of meeting industry developed standards.

5.36 **Instructors.** TVET is taught in MOE-affiliated institutions by teachers with mainly academic preparation. Most MOE instructors lack work experience. Work experience in enterprises is not a requirement in the MOE. Substantial numbers of vocational teachers are unqualified in the areas in which they are teaching, including about 42% in office technology, 44% in automotive engineering and 59% in carpentry and joinery.

5.37 In addition, teachers have little opportunity for regular up-skilling and industrial attachment. In contrast, apprenticeship completion is a basic requirement in TPAF instructors. A trade certificate from FIT is required for instructors in the vocational centres, but FIT leaves practical training to work attachments which hold no guarantee of skills acquisition. Employers and others observed that a trade certificate from FIT is no guarantee of practical skills⁴¹. At FIT only a minority of teachers have industrial experience in their own fields. Teaching staff have little opportunity for regular up-skilling and industrial attachments. FIT has used its own graduates to teach at the institution without intervening work experience. In two training institutions visited FIT students were doing their practical work as teachers rather than working in enterprises.

5.38 **Equipment.** Many MOE TVET institutions appear poorly equipped. The vast majority of stationary equipment observed in secondary school workshops, e.g. in carpentry, was not in working order. The staff complained that they had long since requested necessary spare parts from the MOE, but none was forthcoming. It is difficult to understand how the trainees can pass FIT or TPAF tests without the requisite practical skills which, in turn, depend on operable equipment.⁴²

5.39 **Quality as process - lack of FIT quality assurance.** The concept of franchising trade training is sound in terms of moving trade training down from tertiary to post-secondary level where it properly belongs, and in terms of increasing affordable training throughout the country. However, the FIT plays little role in quality assurance of the training in franchise courses apart from initial screening of the institutions, provision of a standard (non-competency) curriculum and administration of a theoretical final examination. It provides

41 One private training institution recruited a FIT graduate in mechanical engineering only to find he did not know how to work a lathe. He was promptly sent for training.

42 Some of the franchise centres received equipment donations from abroad, e.g. under the EU FESP. The AusAID FESP has provided equipment to nine vocational centres.

little or no teaching materials, or upgrading of instructors (which would seem a natural role for FIT to play).

5.40 Quality as outputs. Little information is available about the standards achieved by graduates at the end of their training, particularly in secondary schools and FIT. TPAF statistics show that the success rate in Level III exams ranged from 66%-75%, but decreased thereafter to 50%-66% for Level II and 40%-65% for Level III.

5. Financing & internal efficiency of TVET resources

Criterion	Strengths	Weaknesses
5. Finance & internal efficiency	<ol style="list-style-type: none"> 1. Substantial non-public resource mobilisation in TVET, including half the income of FIT raised through student fees; TPAF raises all its financing through the training levy and trainee fees. 2. The FIT franchise program enables more students to participate in post-secondary training at more reasonable cost – and it allows some students who failed at secondary to get back into the formal system. 3. Many students get at least basic vocational skills at low cost to government. 	<ol style="list-style-type: none"> 1. Insufficient public financing in TVET for secondary schools and FIT – under-resourcing of MOE vocational centres. 2. The average number of students per instructor at FIT (30) has become excessive for a tertiary technical institution, with adverse implications on quality and practical orientation. 3. Lack of a training market.

5.41 The public sector appears to be under-financing TVET. Allocations are insufficient to provide an even distribution of minimum basic equipment in secondary schools. Both the FIT and TPAF find it difficult to keep their equipment up to date with developments in industry. Government subsidies of FIT have decreased substantially while enrolments have increased. As a result, the average number of students per instructor has reached 30, more like a secondary than a tertiary institution.

5.42 The three TVET sub-systems (MOE, TPAF and FIT) mobilise substantial amounts of private resources. Half the income of FIT comes from student payments. TPAF receives no government subsidy. It finances its programs through the training levy and trainee fees. Even public secondary schools enjoy substantial private support from parents and the community. Private contributions and fund raising activities reportedly account for 40% of secondary budgets.

5.43 The internal efficiency of TVET, as measured by trainee flows, is relatively high. Dropout is not a significant factor in any of the three TVET sub-systems. Completion rates appear high – in the order of 80%-90%.

5.44 However, cost-effectiveness is another matter. There is an overall question about the cost efficiency of both FIT and vocational schools in skills development in comparison to the costs of TPAF. Vocational schools suffer from an unclear role. At the high school, there is a dichotomy between vocational studies and academic studies. Vocational studies are not an alternative pathway to academic studies. Students may however continue on to FIT if they pass FIT exams or enter the workforce. While the dichotomy exists, vocational studies are delivered as though it was an alternative upper secondary program. The outcomes from a vocational school equate in exemption terms to the early stage of the FIT program. Thus a vocational school cost of FJD \$3,000 equates to a FIT cost of about FJD \$1,000.

5.45 Another equation is the relative costs between the providers for the achievement of a Class 3 skills testing certificate. Comparisons are shown in Table 38 below.

Table 38- Recurrent cost per full-time trainee and per class 3 certificate, TPAF, Vocational Center and FIT (FJD)

	TPAF	Vocational Centre	FIT
Annual recurrent Cost per EFT Trainee	3,000	1,500	2,400
Cost per Class 3 Skills Certificate	1,800	3,000	5,000

Source: Mission calculations.

5.46 TPAF is the most expensive per-full time trainee, in part because of practical training in smaller groups and intensive use of training materials. Yet it is able to produce Class 3 skills certificate graduates in less time than the other institutions, and at substantially less cost per certificate. Thus, TPAF is more efficient in producing graduates with Class 3 certificate than the other two institutions. The comparison between TPAF and MOE Vocational Centres is appropriate since they both aim at the same goal. However, FIT produces other outcomes that are not taken into account in the comparison, e.g. the theoretical knowledge acquired by FIT students. Consequently it would not be appropriate to compare the efficiency of TPAF and FIT.

VI. RECOMMENDATIONS

A. Priorities

6.1 This Review has identified three top priorities for development of TVET in Fiji: (1) institutional reforms at the centre, (2) improving the quality of skills delivery, and (3) expansion of outputs to meet skill needs in the economy.

1. **Institutional reforms** -- At present the three main TVET sub-systems tend to operate independently. Mechanisms are missing by which to allocate funds to overall top priorities in the labour market. Employers, except for the TPAF system, tend not to have enough input into the direction of TVET or in holding those responsible accountable for the level and quality of outputs. Labour market information is lacking for guidance, as is information on the labour market outcomes (tracer studies) of graduates.
2. **Quality enhancement** -- The quality of training provision varies greatly, with TPAF programs highly appreciated by employers and MOE vocational of uncertain, highly variable, quality. Part of the problem of variable, low quality stems from inadequate inputs. Common standards are lacking and a national qualifications framework is only now being developed. Instructors often lack technical or pedagogical qualifications or the incentives to perform. Equipment provision in secondary schools seems haphazard and below the level required for acquisition of practical skills. Financing is insufficient of necessary inputs, particularly in MOE vocational centres and possibly some FIT departments. MOE vocational programs lack quality assurance process, the same for FIT franchise courses. FIT lacks international benchmarks for evaluation of some of its programs. The lack of standards and definition of competencies sought hampers the evaluation of outputs.
3. **Output expansion** -- Strong labour market demand exists in several segments of the economy. Overall the TVET system has not been able to meet these requirements. This has resulted in skills gaps in several areas. Still, new entrants to the labour market are likely to exceed the number of new wage jobs created. (Chapter 2.) Expansion of training supply, therefore, would be justified in two broad areas: (i) for the wage economy in areas of strong external investment (e.g. hotels, maintenance) and emigration, and (ii) for rural and unemployed youth who need skills for income generation and productivity in the informal sector.

B. Policies and strategies

6.2 The following are suggested policies to achieve the priorities previously mentioned:

1. Institutional reforms.

6.3 Institutional reform entails several key elements: (i) creation of capacity to collect and analyse labour market information, and to carry out regular tracer studies on the labour market outcomes of graduates, (ii) establishment of an independent agency for TVET coordination, quality assurance (standards and accreditation of institutions/programs), and funding; (iii) development of integrated and costed national plans for skills development.

Creation of Labour Market Information and tracer capacity

6.4 **Establishment of a semi-autonomous national TVET coordination body.** The role of the body will be to: establish and maintain quality standards to meet informal employment and the needs of local and international employers, allocate all current TVET funds including government budget and employer levy according to labour market priorities: register providers who meet quality standards.

6.5 These policies will require the following actions: (a) Changing TPAF from an organisation that has both coordinating and delivery/assessment functions to either two separate organisations or a single organisation with two clearly separate functions. The coordinating function will need to be managed by a board largely comprised by industry representatives. (b) Establishment of common standards for all TVET providers. This will entail building upon the planned NQF. (c) Registration of providers who meet quality standards. This will involve development of requirements and processes for provider registration and accreditation.

6.6 **Costed national plans.** At present the MOE and FIT lack current, costed operational plans based on analysis of key problems and their causes. FIT is about to begin an exercise to define its next set of operational plans, 2006-08, but these should be rooted in an analysis against international benchmarks of the relevance and effectiveness of its current operations. FIT has an important role to play, not only in Fiji, but in the region as a whole as a premier provider of high level technical training. FIT is one of the main suppliers of technician training to smaller countries, such as Tuvalu, Kiribati and Nauru, but also for countries where the demand for technicians would not justify local provision, e.g. Vanuatu. Similarly, the MOE in Fiji is called upon to provide programs in other countries, e.g. Tuvalu. The FIT franchise programs have great scope for application in other countries, including Nauru, Solomon Islands, Vanuatu and Tuvalu. In addition, TPAF could also play a larger regional role either in providing short, intensive skill training in neighbouring countries, or in advising the establishment of similar organisations (Solomon Islands). Thus, the operational plans of the MOE and FIT should take into account this regional dimension.

2. Quality enhancement.

6.7 Improving the quality of TVET in Fiji requires several actions: (i) establishment of a Fiji qualifications framework rooted in employer standards; (establishment of a NQF is currently underway under TPAF) (ii) a comprehensive review of vocational courses and programs in secondary schools against a common set of standards, and preparation of a costing strategy for quality improvement based on the results; (iii) improving quality assurance under the FIT franchise program; and (iv) undertaking a quality audit at FIT against international benchmarks and using external expertise. Establishment of a National Qualifications Framework and common standards with international benchmarks, is the first ingredient for quality improvement. Then training institutions need to be assessed against the standards, and plans could be developed to upgrade training providers to meet new standards.

3. Expansion of output.

6.8 The issue is how to expand the outputs of the TVET system cost-effectively. The alternatives are: establish more MOE vocational centres; TPAF expansion; a training fund to stimulate a training market, etc. TPAF expansion would also be justified on the basis of its effectiveness and strong reputation among employers. A training fund could be the most cost-effective alternative because it would tend to allocate funds to training institutions based on performance and would help to stimulate a competitive training market.

6.9 In addition, attention needs to be given to rural and unemployed youth – to provide them with skills for income generation. However, at the moment many ministries and departments are providing training courses for unemployed youth resulting in a largely uncoordinated effort with regard to the development of curriculum and training materials, the training of trainers and the delivery of programs. The designation of a lead agency for youth employment training, responsible for identifying training needs and planning training responses in cooperation with other interested parties could contribute to better coordination and better use of training resources. Once the issue of coordination is solved the government could consider financing a national program of non-formal skills development for rural and unemployed youth.

C. Programs and Investments

Project 1 - Establishment of National Training Council (NTC)

- Background – See above.
- Purpose/Objectives - The overall purpose is to achieve training outputs that are relevant, effective and efficient. The objectives are to (i) develop better labour market information as a guide to system development, (ii) develop common training standards, (iii) achieve greater coordination of training activities, (iv) allocate resources more effectively to training priorities, and (v) ensure greater employer involvement in guidance and direction of the training system.
- Means/Content - Provision of (a) 12 months of technical assistance to help design the scope, functions, organisational structures, criteria and procedures of a National Training Council, (b) study tours to other

countries with functioning NTCs, (c) national consultative workshops on the proposals, and (d) initial training of Council members and secretariat.

- Implementation - TPAF, as the nominal coordinating body, would be the lead agency responsible for managing this development assignment. MOE and FIT governance and staff would need to be closely involved. Employers should be given a leading role in development of the concepts and plans.
- Outputs - Detailed proposals for the structure and modus operandi of a NTC.
- Risks/Assumptions - Assuming that the National Training Council could become a professional body without undue political interference.
- Duration and Costs - 12 months; US\$ 200,000.

Project 2- Quality Audits of MOE, FIT

- Background- (see above)
- Purpose/Objectives - The overall purpose is to increase the quality of skills acquisition related to national and international standards. The objectives are to (1) identify the main problems in quality of skills acquisition, their causes and consequences, (2) establish quality assurance processes, and (3) design and cost a strategy and plan for quality enhancement in MOE vocational programs and FIT.
- Means/Content - (1) External and domestic technical assistance to (a) define standards (including international benchmarks for FIT), criteria and procedures for the audits, (b) train and guide local staff in carrying out the evaluations, (c) analysing and interpreting the results. (2) Logistical support in carrying out the audits, including local transport. (3) Regional and national workshops to consider the results. (4) Technical assistance in preparing and costing strategies for quality enhancement. The audits would consider inputs to quality, processes and outputs. Each quality audit would start with self-assessments by staff of the two institutions.
- Implementation - The two audits would be conducted independently. The MOE and FIT would each establish separate review teams to carry out the assessments, under steering committees comprised of employers and government staff. External technical assistance would help design the audit for the MOE, guide staff and analyse the outcomes. External experts would carry out the audits by department and for the administration in collaboration with FIT authorities.
- Outputs - (1) Identification of quality issues in terms of inputs, processes and outputs, (2) analysis of the causes and consequences of the quality issues, (3) generation of alternative scenarios and solutions to the main problems, and (4) costed strategy for quality improvement at both the MOE and FIT.
- Risks/Assumptions -
- Timing and Costs – 12 months duration. US\$300,000.⁴³

⁴³ Roughly estimated as six months each of external TA for MOE and for FIT, or \$240K total. Plus \$30K transportation for MOE and \$30K for consultations.

Project 3- Expansion of Outputs and a Training Fund.

- Background - (see above) The expansion of TPAF's training services is highly justified by the market demand for its services, the strong reputation it has among employers, the obvious effectiveness of its training activities and its strong management structure. FIT programs could also be expanded in areas of strong employment demand.
- Purpose/Objectives - The purpose of the project is to satisfy skills requirements in the wage economy, and thereby contribute to increased enterprise and national production and productivity. The objectives are: (1) expand the output of skills from TPAF, FIT and private training institutions, (2) expand the capacity of TPAF and FIT to provide training services to the outer islands and more remote areas, and (3) stimulate the development of a training market.
- Means/Content - The project would finance (1) the expansion plan of TPAF in terms of construction of facilities, provision of equipment and furniture for new training locations (including at its four acre site in Suva and 18 acre site in Nadi), (2) the expansion of training capacity through distance and mobile training facilities, (3) staff training, and (4) establishment of a Training Fund to finance training provision by private providers.
- Implementation - TPAF would be in charge of project implementation.
- Outputs - Triple the output of TVET skills under the supervision of TPAF.
- Risks/Assumptions - That TPAF continues to be a strong, well-managed institution.
- Timing and Costs - 3 years. US \$26⁴⁴ million for TPAF expansion and diversification, and US \$5 million for the Training Fund. TPAF may agree to an arrangement whereby it repays part or all of the government's borrowing costs out of its levy proceeds.

Project 4- Strengthening TVET in rural areas

- Background: Employment oriented skills training programs need to incorporate a number of pre and post-training components into their design if they are to be effective in rural areas. These include: the identification and analysis of potential income generating activities prior to deciding on what training to provide, a detailed knowledge of target group characteristics, an appropriate and flexible delivery system and the provision of post-training support services to facilitate the successful application of training to income earning activities. All of this comes under the heading of methodology and it has been recognized for more than 25 years that successful rural training programs are those which employ an appropriate training methodology. In the mid 1980s the ILO developed such a methodology specifically to promote income generation in rural areas. Originally known as TRUGA (Training for rural gainful activities) it subsequently evolved into a generic community-based training (CBT) methodology which, in adapted form, has been applied to employment-oriented skills training in the rural areas of Asia, Africa, Latin America and the Caribbean.
- Purpose: To improve the effectiveness of existing government and NGO rural training programs through the introduction of the ILO's Community-

⁴⁴ FJD \$40 million x 0.625 to convert to USD \$ = US\$25 million, of which perhaps 80%, or USD \$ 20 million, would be financed. In addition, US \$1 million would be provided for staff training, development of new programs and mobile training facilities.

based Training methodology. The project would comprise a regional capacity building component followed by a national training and pilot testing component.

- Means/content: The two year project would adapt the generic CBT manuals and procedures to conditions applying in Pacific Island Countries, translate the materials to local languages, develop a corps of government and NGO trainers able to utilize the CBT methodology and pilot test and evaluate the methodology in each participating country.
- Implementation: The project would be implemented at both regional and national levels. Regional workshops and seminars would be used to introduce the methodology to senior training, employment and micro-finance authorities from each of the 6 participating countries, review experiences with the CBT approach from other countries and create the necessary enabling environment for CBT programs at the national level. National activities would focus on adapting and translating generic CBT materials, training trainers in its application and pilot testing and evaluating the approach on two rural training programmes.
- Outputs: A set of country specific CBT training manuals and procedures. A corps of government and NGO trainers able to organize and deliver training programs based on the CBT methodology and a pilot project in each country to test the efficacy of the CBT approach.
- Risks/Assumptions: It is assumed that the regional capacity building activities will be attended by the right mix and level of training, employment and micro-finance authorities. The main risk is at the national level where substantial staff resources will be required to adapt materials and implement the pilot projects.
- Timing/Costs: The project is estimated to take 18 months, divided into three 6 month phases:
 - Phase 1: Inception, Preparation and regional capacity building activities.
 - Phase 2: National activities: adaptation and translation of materials, TOT, design of pilot project.
 - Phase 3: implementation and evaluation of national pilot projects.
- Costs:
 - Phase 1: \$330,000 (consultant, 3 regional workshops)
 - Phase 2: \$300,000 (consultant, national consultants, and materials)
 - Phase 3: \$450,000 (consultant, training, credit fund, evaluations x 6)
 - Total \$1,080,000

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Annex 1

Terms of Reference

The expert will be responsible for producing a country report on TVET, its dimensions and issues in terms of economic relevance, social and gender equity, effectiveness and efficiency in use of resources.

The experts will undertake the following tasks:

- (i) Review and summarize literature and documents on TVET in the country;
- (ii) Identify principal areas of the economy and employment, labour market dynamics and identification of growth sectors with training implications.
- (iii) Prepare a statistical profile and analysis of public and private training, including number and type of institutions, enrolments, teachers/instructors, outputs by trade or specialization, costs and financing.
- (iv) Describe the legal basis, organizational responsibilities, structure of TVET, coordination of various TVET providers, curricula, instructor training, assessment and quality assurance, public and private, formal and non-formal, by levels and management structures, including objectives, strategies and results; regulatory framework for private TVET
- (v) Identify and explain recent developments in TVET and skills development.
- (vi) Assist the research/survey specialist in carrying out the sample surveys in the country – e.g. providing instruction, follow up on surveys of employers and TVET costs.
- (vii) Identify the main issues and problems in TVET in terms of relevance to economic and market requirements, equity of access to training, quality of training, efficiency in the use of resources and management processes. This should be done through interviews with key stakeholders, analysis of documentation and observation.
- (viii) Analyze the main causes and consequences of priority problems, including possible solutions
- (ix) Collect and analyze plans by government for delivery of TVET
- (x) Make recommendations for improving the relevance, equity, quality, efficiency, and management of TVET
- (xi) Prepare national level project proposals encompassing pre-employment training, skills upgrading, adult retraining and income generation
- (xii) Write a thorough, clear and concise report on the above points, complete with organizational diagrams and statistical annexes, and including for the six in-depth countries concept papers for project proposals.
- (xiii) Review the report with selected stakeholders to ensure its accuracy.

Principal outputs: Written country TVET review on skills development encompassing the points above.

Annex 2

List of Persons Met and Places Visited

Centre for Public Service Training & Development

Lorima Voravora, A/Manager Workforce Training & Development
Peceli Baleikorocau, Senior Training Officer

Department of Planning and Finance

Peni Sikivou, Acting General Secretary
Josefa Sania, Chief Economic Planning Officer

Fiji Institute of Technology

Kolinio Meo, Director FIT and President Fiji Islands TVET Association
Josua Mataika, Deputy Director FIT, and Vice President, PATVET
Apisai Dovitana, Head, School of Automobile & Road Transport
Joji Marau Misaele, Head, School of Mechanical Engineering
Winifereti U. Nainoca, Head, School of General Studies
Nimilote Ratudina, Head, School of Building & Civil Engineering
Sesenieli Tuberi, Head, School of Hospitality & Tourism Studies
Vili Rabici, Learning Centre
Narayan S. Parmeswar, Manager Finance

Fiji Islands Bureau of Statistics

Subra Mani, A/Deputy Government Statistician
Timoci Bainimarama, Principal Statistician
Nilima Lal Divisional Manager, Economic Statistics Division
Eveli Waqavonovono, Chief Statistician (Household Surveys)

Fiji Chamber of Commerce

Taito Waradi
Willie Kwansing, General Secretary
Humphrey Chang Vice President

Fiji Council of Social Services

Mohammed Hassan Kahn, Executive Director

Fiji Education Sector Program (AusAID)

Greg Ryan Gadsden, Program Manager
Donald de Klerk, Vocational Adviser

Fiji Islands Trade & Investment Bureau

Sunia Baikeirewa, Manager Strategic Planning and Policy Development

Fiji Employers' Association

Ken Roberts, Managing Director

Fiji Hotel Association

Dixon Seeto, President

Fletcher Construction

Peter Watts, Manager, Fiji

Foundation of the People of the South Pacific International

Rex Horoi, Executive Director

International Labor Organization

A.M. Zakaria, Director

Manufacturers Association

Des Whiteside, Chief Executive Officer

Ministry of Education

Josefa Natau, Director, TVET

Salote Dugu, Principal Education Officer, TVET

Soko Nakauniceva, Senior Education Officer, TVET

Alumeci Tuisawace, Senior Education Officer, TVET

Repeka Uluilakeba, Senior Education Officer, TVET

Neini Curulala, Manager, Advanced Vocational Training Unit

Ministry of Employment Opportunities and Productivity

Taito R. Waqa, Chief Executive Officer

Ministry of Youth Employment Opportunities and Sports

Vani Samuwai, Education Officer

National Centre for Small and Micro Enterprises Development

Savenaca Nacanitaba, Chief Executive Officer

Pacific Islands Association of Non-Government Organisations

Cema Bolabola, Executive Director

Pacific Islands Forum Secretariat

Roman Grynberg Manager Economic Governance

Asif Chida

Henry Sanday

John Budden, Infrastructures Adviser

Reserve Bank of Fiji

Filimone Waqabaca, Chief Manager (Economics)
Ariel Marr, Senior Economist (Prices and Wages)

Secretariat of the Pacific Commission (SPC)

John Patrick Hogan, Maritime Program Manager
Lia Maka, Community Education Sector

Training and Productivity Authority of Fiji

Jone Usamate, Director -

University of the South Pacific

Ron Duncan, Executive Director, Pacific Institute of Advanced Studies
in Development and Governance
Neil Netaf, Distance and Flexible Learning
John Stunnenberg, EU/USP Senior Projects Coordinator
Mahendra Reddy, Associate Professor of Economics
Joseph Veramu, Department of Education and Psychology

Workforce Planning and Scholarships Unit

Mosese Nasoubuta, Workforce Planner
Shannon C Toutou, Senior Administrative Officer (Counsellor)
Shish Ram, Senior Scholarship Officer

Schools Visited:

School/Institution	Contact	Position	Date of Visit
Lami High School	Lepani Bataba Sailosi Koroibola	Principal Teacher	18/07/06
Monfort Boys Town	Brother Thomas	Principal	18/07/06
Tailevu North College	Filimoni Vatuvoka Vuniani Cavuilati	Principal HOD	11/08/06
Ratu Kadavulevu School	George Tabua	Principal	11/08/06
RKS	Subhas Chand	HOD	11/08/06
Vashist Muni College	Viliame Fotofili Ranieta Vonovono Shyam Narayan Apimeleki Waqairagata Mrs Drotini	Principal Teacher Teacher Teacher Teacher	14/08/06
Lomawai Sec. School	Taniela Laqeni Antonio Loaloe	Principal Vocational Teacher	14/08/06
Ratu Navula Sec. School	Meli Tora Jovilisi Vualailai Kamal Prasad	Principal HOD Vocational Teacher	14/08/06
Nabua Secondary School	Marika Uluinaceva	Principal	11/08/06
Suva Vocational	Mrs Seini Toko	Principal	18/07/06
Rishikul Sanatan College	Mr Singh Mr Pradeep	Principal HOD	18/07/06

Annex 3

Data on School Enrolments

<i>School Enrolments by level (2004)</i>			
Primary		Secondary	
Level	Number	Level	Number
Class 1	19,823	Form 3	16,275
Class 2	18,154	Form 4	14,762
Class 3	18,767	Form 5	13,623
Class 4	19,220	Form 6	13,185
Class 5	19,173	Form 7	4,737
Class 6	18,312		
Class 7 / Form 1	18,852		
Class 8 / Form 2	17,749		
Total	150,050	Total	62,582

Source: Ministry of Education annual report 2004. Parliamentary Paper no. 95 of 2005. (2005)
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Annex 4

Key Economic Data

Gross Domestic Product at Current and Constant (1995) Prices

Year	Current Prices			Constant (1995) Prices		
	(FJD Million)	Change (%)	Growth Rate / Head of Population (%)	(FJD Million)	Change (%)	Growth Rate Per Head of Population (%)
1995	2,373	3.5%	2.3%	2,373	0%	0%
1996	2,578	8.7%	7.7%	2,487	4.8%	3.9%
1997	2,587	0.3%	-1.3%	2,433	-2.2%	-3.8%
1998	2,815	8.8%	7.6%	2,465	1.3%	0.2%
1999	3,280	16.5%	15.2%	2,682	8.8%	7.6%
2000	3,151	-3.9%	-4.4%	2,646	-1.4%	-1.9%
2001	3,302	4.8%	4.0%	2,691	1.7%	1.0%
2002	3,475	5.3%	4.5%	2,770	2.9%	2.2%
2003	3,680	5.9%	4.5%	2,803	1.2%	-0.1%
2004	4,001	8.7%	8.1%	2,961	5.6%	5.0%

Source: Key Statistics June 2006 (p.11), Fiji Islands Bureau of Statistics, 2006. Suva

Value of Merchandise Imports and Exports (F\$ Billion)

Year	Total Imports	Total Exports	Balance of Trade
2000	1.822	1.254	-0.568
2001	2.017	1.218	-0.799
2002	1.970	1.232	-0.738
2003	2.285	1.266	-1.019
2004	2.501	1.200	-1.301
2005	2.723	1.187	-1.536
2006 (4 months only)	0.914	0.319	-

Source: Key Statistics June 2006 (p.11), Fiji Islands Bureau of Statistics, 2006. Suva.

Annex 5

TVET Plans

Education Commission 2000. The Government's Education Commission in 2000⁴⁵ made the following recommendations on TVET:

- Integrate school-based TVET programs within mainstream schooling;
- Establish separate Institutes of Technical and Vocational Education and Training (ITVET) for early school leavers, one in each of the four divisions of Fiji's education system (140) ... the problem of early school-leavers has been a major concern for policy makers in Fiji. To some extent, this problem can be addressed with some creativity in the proposed TVET institutes where the focus should be on the preparation of human resources capable of finding wage employment or generating self-employment enterprises (143);
- Increase funding for post secondary TVET-a comparative analysis of government funding in 2000 indicates a contribution per student enrolled at the USP of \$ 5,712 compared with \$2,131 at FIT (2.7 times more public funding); and
- The establishment of an independent accreditation board for TVET. The board's role should be to set the benchmark for quality and oversee its development. Further, it would establish appropriate mechanisms to facilitate the articulation of courses between national, regional and international institutions (145).

Action Plan. The subsequent action plan⁴⁶ for implementing the recommendations of the Education Commission 2000 went into considerably more detail in recommending specific strategies and key performance indicators (KPIs), as follows:

Relevant and Responsive Curriculum

1. Establish formal links with industrial sector and relevant tertiary institutions to facilitate employment of school leavers and to ensure that school programs and curriculum are relevant and responsive to the needs of individuals, the community and industry.

- **Strategies** - Create a stronger and more effective working relationship by involving key stakeholders in planning strategies to address priorities for TVET (55);

⁴⁵ Government of Fiji (Ministry of Education). November 2000. Learning Together: Directions for Education in the Fiji Islands. Chapter 9, Technical and Vocational Education and Training. Report of the Fiji Islands Education Commission/Panel. ISBN 982-508-001-9.

⁴⁶ Ministry of Education. (No date) Action Plan for the Implementation of the Recommendations of the Education Commission/Panel Report 2000. Objective 18: Strengthening Technical and Vocational Education.

- **KPIs** - stronger partnership between industries, schools and MOE; coordinated links between schools TVET programs and workplaces in terms of work attachments and employment.

2. Increase the number of TVET subjects in modular form in compulsory and post-compulsory years of schooling to allow for more flexibility in the teaching and learning of TVET subjects.

- **Strategies** - curriculum development.
- **KPIs** - revised curriculum in module form in use; students learn at their own pace; increased number of students taking TVET subjects.

Special Interest Schools

3. Establish special interest schools in areas of information technology, fisheries, mari-culture and aqua-culture, Arts/Media, Sports/recreation.

- **Strategies** - feasibility studies, conduct entrepreneurial training.
- **KPIs** - special interest schools established; increased enrolment.

4. Establish TVET Centre in each of four divisions, to coordinate all TVET programs in the division, find employment or further training for TVET graduates and initiate schemes for self-employment.

- **Strategies** - feasibility studies, working committees, funding.
- **KPIs** - TVET centres set up; more TVET graduates find employment or start own businesses (55).

Human Resources Development Requirement

5. Extend TVET curriculum in response to the identified national Human Resource Development programs in advanced vocational training, service sector, agriculture and marine, tourism and hospitality, textiles clothing and footwear (56).

- **Strategies** - write curricula; create pathways for further education in tertiary institutions and employment opportunities in industries.
- **KPIs** - TVET curriculum aligned to national HRD plan; improved access for TVET graduates to further education and employment.

Integration of TVET in Mainstream Schooling

6. Diversify school system; make structural changes to facilitate effective integration of TVET in mainstream schooling, including introduction of work study programs.

- **Strategies** - Introduce TVET subjects at primary level; include TVET subjects in list of compulsory subjects at middle secondary; establish TVET workshops in schools which do not offer these subjects.
- **KPIs** - implementation of basic technology in all schools; improvement of facilities in all secondary schools for compulsory TVET education.

7. Consider making technical studies compulsory and reportable subjects in primary and secondary schools and include existing pre-vocational courses as modules within technical studies.

- **Strategies** - costs analyses in terms of equipment, facilities and teaching needs; re-introduce TVET study at Lautoka Teachers' College (LTC)
- **KPIs** - TVET program incorporated into teacher training program at LTC.

TVET Awareness Programs

8. Introduce career education for all secondary students to give greater understanding of and value to TVET, increase enrolments in TVET courses.

- **Strategies** - Provide media promotional services to disseminate comprehensive information.
- **KPIs** - brochures distributed, timely broadcasts, annual career expo, and task force available for career advice.

TVET Accreditation Board

9. Establish an autonomous TVET accreditation Board to oversee TVET programs and set benchmarks for quality education and training, and standards of performance as required by employers.

- **Strategies** - establish committee to work out the TVET qualification framework; formulate policy on accreditation system; establish an accreditation board whose membership includes representatives from MOE, industries and tertiary institutions; improvement of skills recognition, articulation and cross credit transfer.
- **KPIs** - improved system of accreditation in use; improved status of TVET courses (56).

The **Strategic Development Plan 2003-2005**⁴⁷ also highlighted the importance of investment in TVET to reduce skill shortages that retard economic growth.

“If Fiji is to become the hub of education excellence in the region and become competitive in the global market, improvement in the quality and delivery of education at all levels including higher education and vocational training is essential. ... Education also needs to be aligned to technology developments and future skill demands such as information technology” (8).

Labour market & productivity.

“Only about one third of Fiji’s labour force is engaged in formal sector paid employment. ... Job creation has not accelerated at a pace equal to or exceeding that of the growth in labour supply and has certainly been insufficient to provide jobs for the 17,000 or so job seekers looking for work each year (including 15,000 school leavers). ... A major hindrance to job growth has been the inadequate functioning of the labour market. Lack of information and wage rigidities exacerbate skills shortages. A web based Computerised Human Resource Information System (CHRIS) to collate labour market information will ensure that it is available to a wide audience. Greater involvement of the private sector in the National Strategic Human Resources Plan should address major issues confronting utilization and strengthening of human resources in Fiji in the short and medium term. ... A comprehensive accreditation system of qualifications of trained manpower, a vacuum that hinders employers assessing the capabilities of job seekers, as measured by local and international standards, is also needed (19). In addition, institutional wage setting should be replaced with market-determined rates of remuneration that are performance-based and reflect the availability of skills (20).

⁴⁷ Government of Fiji. November 2002. Rebuilding Confidence for stability and Growth for a Peaceful, Prosperous Fiji. Strategic Development Plan 2003-2005. Parliamentary paper No. 72 of 2002.

5.1 Social justice and Affirmative Action

“Unemployed youth will continue to be supported through alternative education paths such as vocational and technical training (34).

Policy objective - to increase employment opportunities for youth,

KPI - “training opportunities for youth increased by 5% annually (35).

5.5 Employment and the Labour Market

Fiji’s population grew by only 0.8% per year during 1986-1996 as a result of emigration and the continuing decline in fertility, but urban population grew at 2.6% per year (42).

Assuming that economic growth is sustained at around 5% per year, it is likely that job opportunities in the formal sector will amount to about 9,700 per year (compared with 17,000 job seekers). Satisfying the demand for new jobs continues to be a major challenge for government (42).

Efforts to create job opportunities for economic growth are hampered by a number of constraints – **Persistence of Skill Shortages** – a major factor impeding faster economic growth has been the persistent shortage of professional, skilled and semi-skilled workers, a problem exacerbated by further emigration. Such shortages retard economic growth and further intensify the gap between the number of new job openings and additional job seekers. When skilled workers are replaced by those more recently trained, there is usually a reduction in productivity (42). **Lack of Labour Market Information.** There is a void of information on labour market conditions that is required by job seekers and employers. Job seekers need information to make rational decisions on choice of occupation and the education training required to gain the necessary qualifications (42).

Policy objective - Reduce skills shortages.

KPIs - expansion of intake at tertiary and vocational institutions to meet skills needs; encourage tertiary level distance education; ... promote a wage system that rewards skills (43).

5.8 Small and Micro-Enterprises

A National Centre for Small and Micro-Enterprise Development (NCSMED) was created in 2002, targeting assistance mainly to the informal sector.

Policy objective - “improve coordination of SME training/development activities”.

KPI - MCSMED was supposed to register business training providers, trainers and advisers by 2003, and provide regular training of trainers and greater coverage of SMEs in secondary school curriculum (49).

6.2 Education and Training. The Strategy notes that there is a relatively well developed vocational training and technical education program covering secondary and post-secondary pre-service and in-service training for industry. Technical and vocational courses in secondary education need to be made accessible to more schools. A national qualification also needs to be developed to standardize the courses offered by the various technical and vocational institutions. The assessment system needs also to be reviewed (59).

Policy objective - to strengthen and expand TVET.

KPI - Number of trained and qualified teachers increased by 10%; TVET facilities upgraded; National standards for qualifications established by 2005; TVET assessment system reviewed by 2004 (60).

6.4 **Youth.** The Ministry of Youth, Employment Opportunities & Sports provides assistance to youths through ... training.

Policy objective - "to empower young people to secure gainful employment or self-employment opportunities both locally and abroad.

KPI - Increased number of accredited training programs organized by Ministry of Youth (65).

7.5 Tourism. The Strategy notes that proper development of human resources is vital to the development of the sector. The objective was to promote human resource development in the tourism sector.

KPI - establish a new Hotel and Tourism training institution (FIT) by 2004. (79-80).

7.9 Information and Communication Technology (ICT).

Policy objective; to align ICT training to developments in the employment market.

KPIs - The targets are to establish an additional 10 schools per year with computers and internet access and corporate sponsorship for additional schools; teacher computer skills upgraded; and ICT employment skills training modules adopted by ICT training providers by 2004 (88).

Annex 6

Overview of Strengths and Weaknesses

Criterion	Strengths	Weaknesses
1. External Efficiency	<ol style="list-style-type: none"> 1. TPAF – training in place that meets industry needs with industry involvement. 2. Recognition of the importance of industrial experience – work attachments - many vocational centres are able to facilitate placement in local businesses/enterprises. 3. Increasing attention being devoted to non-formal skill development by government and NGOs informal sector – MOE commitment to addressing the informal sector through Advanced Vocational Training. 4. Good linkages between providers of training for self employment and providers of micro-credit and micro finance services. 	<ol style="list-style-type: none"> 1. The TVET system in Fiji has largely failed to meet the demand for skilled labour. 2. Lack of mechanisms to reconcile supply and demand of skills. Training is essentially supply-driven which means that resources can go to areas not in shortage. 3. Lack of a functioning labour market information system to provide input to the training system on the nature and extent of skill shortages/surpluses in the economy. 4. No tracer studies on destination of trainees and employment. 5. Secondary vocational – lack of industry involvements.
2. Equity	<ol style="list-style-type: none"> 1. Widespread geographical coverage of pre-vocational and vocational training centres in secondary education. 	<ol style="list-style-type: none"> 1. Relatively few people have access to skills training opportunities; MOE records indicate 2,300 students in vocational centres and 700+ in franchise programs. 2. Lack of gender equity in FIT and TPAF. 3. Low esteem of, and status accorded to, vocational training by parents, students and educational authorities vis-à-vis academic education -- Only the “failures” go into secondary vocational streams.

Criterion	Strengths	Weaknesses
3. Organisational & management effectiveness	<ol style="list-style-type: none"> 1. Linkages in the system – FIT with secondary franchises; TPAF with level three trade tests. 2. High degree of community involvement in the provision of education and training services. 	<ol style="list-style-type: none"> 1. Lack of central organization stipulating trade standards and registration of training providers. 2. No overall authority on TVET to coordinate, set policies, etc. 3. Lack of comprehensive TVET planning, and lack of current development plans by two of the major training providers (MOE and FIT). 4. Lack of coordination between programs, particularly in informal training. 5. Conflict of interest in TPAF as delivery organization, setting standards and assessing (testing) them.
4. Quality of Training	<ol style="list-style-type: none"> 1. TPAF – respected trade testing. 2. Standard TVET curricula and centrally set examinations help to even the quality of vocational training provision in secondary schools. 3. The franchise system enables vocational centres to provide recognized and accredited training courses to school leavers at the local level. 	<ol style="list-style-type: none"> 1. Lack of national qualifications framework. 2. Secondary vocational – unclear effectiveness and lack of quality assurance. 3. Relatively low and uneven skill standards; variations in quality persist in secondary vocational and even in equipment provision in some franchise courses. 4. Lack of quality assurance by FIT over complete franchise program (theory and practice). 5. Shortages of trained teachers in vocational centres. Most have only technical qualifications. 6. At tertiary level almost total absence of teachers with industrial experience. 7. Poorly equipped and resourced workshops in many rural schools. 8. Lack of systematic monitoring and evaluation of FIT franchise programs. 9. FIT programs viewed as theoretical by employers; FIT examinations in franchise programs only cover theory.

Criterion	Strengths	Weaknesses
5. Finance & internal efficiency	<ol style="list-style-type: none"> 1. Substantial non-public resource mobilisation in TVET, including half the income of FIT raised through student fees; TPAF raises all its financing through the training levy and trainee fees. 2. The FIT franchise program enables more students to participate in post-secondary training at more reasonable cost – and it allows some students who failed at secondary to get back into the formal system. 3. Many students get at least basic vocational skills at low cost to government. 	<ol style="list-style-type: none"> 1. Insufficient public financing in TVET for secondary schools and FIT – under-resourcing of MOE vocational centres. 2. The average number of students per instructor at FIT (30) has become excessive for a tertiary technical institution, with adverse implications on quality and practical orientation. 3. Lack of a training market.

