



Impact of COVID-19 on Employment & Business

In-Crisis Rapid Assessment: 13 May-19 June 2020 (Volume 1)

Fiji Trades Union Congress (FTUC)

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Supported by the International Labour Organization (ILO) Office for Pacific Island Countries (CO-Suva), the ILO's Bureau for Workers Activities (ACTRAV) and the ILO Project “*Increased capacities of employers’ and workers’ organisations to participate effectively in the development of social and labour policy*”.

1. Introduction

The Coronavirus (COVID-19) pandemic is an unprecedented and on-going global crisis. It is causing loss of life, affecting economies and trade including international and national value chains, putting enormous pressure on medical services, creating new work modalities and affecting businesses operations, productivity and survival. According to the International Labour Organization's (ILO) Monitor, *COVID and the World of Work*, the number of working hours lost across the world in the first and second quarter of 2020, was equivalent to 155m and 400m full time jobs, respectively. The monitor presents a pessimistic outlook for the rest of the year, where the scenario assumes a second wave of the pandemic in the second half of 2020, and where working-hour losses would be as high as 11.9% (equivalent to 340 million full-time jobs) in the last quarter.

In Fiji and across the Pacific, the tourism sector has been the most affected, causing a spiral effect on other sectors and industries. In his 2020 COVID-19 Budget Response Address, the Minister for Economy, Hon. Aiyaz Sayed-Khaiyum said *"In even the best-case scenario of global containment, this will be the most severe global economic depression of our time, worse than anything our parents, or most of our grandparents, ever experienced. We're talking worse than the global financial crisis. For Fiji, the economic fallout will not only prove greater than Cyclone Winston -- it will be far worse than cyclones Winston, Josie, Keni, Gita, and Toni combined"*. Therefore, if we are to use TC Winston as a benchmark to forecast the impact of COVID-19 on Fiji, we are looking at a total impact of more than 30% of GDP. Workers Organisations will be an integral partner in addressing this national, regional and global crisis. In many cases, and to serve the needs of their membership, these organisations must lead and convene social dialogue and action, to contribute to the economic recovery in Fiji. To understand the impact of COVID-19 on employment and business, the Fiji Trades Union Congress (FTUC) conducted an *"in-crisis"* assessment with the support of the ILO Office for the Pacific Island Countries (CO-Suva) and the Bureau of Workers Activities (ACTRAV) of the ILO. The assessment would provide FTUC with evidence for lobbying with Government and the Fiji Commerce & Employers Federation (FCEF) and promoting macro level COVID-19 recovery policies and programmes.

On the 20th of March 2020, the Minister for Employment, Productivity & Industrial Relations convened a meeting of the Tripartite plus ILO to open a dialogue on the impact of COVID-19. At that meeting, there was a collective agreement and endorsement to conduct a Tripartite-ILO Rapid Assessment (RA) on the impact of COVID-19 on employment and business. The ILO Office for the Pacific Island Countries (CO-Suva), provided technical and financial assistance for the RA.

Facilitated by the ILO, a series of preparatory meetings was convened among the tripartite, among the Fiji Trades Union Congress (FTUC) and the Fiji Commerce & Employers Federation (FCEF) and individual meetings between ILO and each of the tripartite. It was understood that while there would be one national survey, FTUC and FCEF would maintain exclusive access to their membership responses. FTUC was supported technically and financially by the ILO project titled *"Increased capacities of employers' and workers' organisations to participate effectively in the development of social and labour policy"*.

On the 11th of May 2020, the national assessment was launched - to begin on 13th May and ending 19th June 2020.

2. Message from the General Secretary of the Fiji Trades Union Congress (FTUC) and the ILO Director for Pacific Island Countries



Decent work and workers' rights remain our priority while we explore strategies to mitigate and minimize the impact of this global pandemic on the world of work.

The FTUC appreciates the support provided by the ILO and the collaboration with our partners to make this survey possible. At a time when workers are faced with challenges that put their jobs at risk, the survey provides us with an added opportunity to reach out to our membership and explore strategies that could be brought to the table when we engage in social dialogue with our partners. The ILO has once again risen to assist the FTUC to jointly find out the impact of this pandemic on members and their jobs, and to provide the technical support and resources, which is crucial for us as FTUC. This exercise has contributed towards the capacity of FTUC to conduct further surveys and enhanced our collaboration opportunities with our bipartite partner. The survey reveals some very interesting facts and social dialogue at the enterprise level and plays a key role in ensuring that workers' rights are upheld even during a pandemic. We look forward to further opportunities to collaborate and implement the recommendations of the Report.

Felix Anthony
National Secretary, FTUC



The ILO is pleased to support this critical "in-crisis" assessment on the impact of COVID-19 on the membership of the Fiji Trades Union Congress (FTUC).

We worked very closely with FTUC in ensuring that your immediate needs - technical and administrative - were adequately addressed in reaching out to your membership, in such sensitive and challenging times. Throughout the process, there was adequate capacity building from the planning, collection and analysis of data and development of a database of affected FTUC members.

Furthermore, social and bipartite dialogue with the Fiji Commerce & Employers Federation (FCEF) was continuously promoted, through sharing of lessons and best practices and development of recovery recommendations.

The ILO recognises FTUC as a strategic and critical partner in not only promoting decent work and rights of workers, but also having a pivotal role in COVID-19 recovery. The ILO therefore, will continue to support FTUC in the implementation of its COVID-19 recovery priorities.

Matin Karimli
Director for Pacific Island Countries, ILO

3. Fiji Trades Union Congress (FTUC)

The Fiji Trades Union Congress (FTUC) is the largest federation of trade unions in Fiji, representing around 70 per cent of working men and women and their families. The Union was established in 1951, under the great leadership of a prominent union leader of his time, Pundit Ami Chandra. The Union was then known as the Fiji Industrial Workers Congress (“FIWC”). Through his tireless vocation, Pundit Chandra managed to gather several trade union representatives to sign its first resolution with the British Parliamentary Delegation; the FIWC’s singular objective was to “promote and safeguard the interest of the working class generally”. In 1973, FIWC change its name and the Fiji Trades Union Congress was born.

The FTUC represents workers from both the public and private sector. The larger affiliates are from the public sector: Fiji Public Service Association, Fiji Teachers Union, the Fijian Teachers Association and the Fiji Bank and Finance Sector Employees Union. The largest private sector affiliates are the National Union of Factory & Commercial Workers Union.

For over 75 years, the FTUC has campaigned to make Fiji a better place to live and work in; our history is as rich and colourful as the history of Fiji itself, and by bringing together our 30, 000 plus members under our umbrella body, we know that we will all be Stronger Together.

Since Fiji’s economy is heavily reliant on tourism and airline income as the major source of revenue for government, a lot of emphasis has been on minimising the impact of COVID in this sector. The National Union of Hospitality & Tourism Industries Employees negotiated with almost all of the 40 plus properties it represents on other options for its members. The measures adopted by the employer hotels range from leave without pay to terminations or layoffs with one hotel chain opting for redundancies.

The manufacturing and retail sector union (NUFCW) engaged in various discussions with enterprises that it represented, resulting in a better understanding and mostly mutual decisions in taking action to mitigate the effects of COVID and business downturn. The union faced challenges in discussing and agreeing to reduced hours and days, limited shifts, and in some cases, benefits. FASA and FFATU were subject to less chances of negotiations or mutual agreements and have since filed disputes with the Ministry of Employment. On 19th June, Air Terminal Services Fiji Limited terminated the employment contracts of 285 workers effective immediately as a direct result of the COVID-19 pandemic. Several other similar actions were taken. More than 700 employees are without jobs.

4. Executive Summary

This was the first survey conducted by FTUC at the national level. While the COVID-19 situation presented many challenges to reach the membership and access work places, the survey team managed to cover 71% of its target. Interestingly, the survey team on the ground was also approached by non-union members interested in joining unions and contributing to the survey.

The data that FTUC has collected is data that it owns and will continue to build on, in order to use evidence in the advocacy for the protection of workers' rights, the well-being of their families and engaging in social dialogue and action with Government and Employers.

An overview of surveyed workers is as follows:

- ▶ Union membership is proving to protect the rights and employment of workers.
- ▶ Working poverty will increase as affected workers on reduced income are taking home 70% less than what their family needs in a week.
- ▶ Productivity will further reduce if current and redundant workers are not re-skilled and supported.
- ▶ Unemployment will increase and consumption will further decline if redundant workers are not re-skilled and re-transited to employment.
- ▶ Workers risk being left behind and retiring in poverty.

As governments and development partners invest in recovery, it is critical that findings based on surveys and testimonials of workers inform their financial allocations and programming. If we are to ensure that no worker and their family is left behind, representatives of workers and the FTUC must be engaged meaningfully.

5. Background

4.1 Impact of COVID-19 Globally

According to the latest *ILO Monitor: COVID-19 and the World of Work (5th Edition)*¹ released on 30th June 2020, the number of working hours lost across the world in the first half of 2020 was significantly worse than previously estimated. The world of work has been impacted severely, mainly by prolongation and extension of containment measures. In the first and second quarter of 2020 as highlighted in the table below, the following were the percentage of working hours lost and its equivalence to full time jobs, for the first half of 2020.

2020	Lost working hours	Equivalent full time jobs
Q1	5.40%	155m
Q2	14%	400m

¹ https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_749398/lang-en/index.htm

The ILO report further states that even in countries where required workplace closures are not currently widespread, many businesses remain unable to restore operations to full capacity. The International Monetary Fund has projected a 4.9% contraction for the global economy this year, while the World Bank predicts that global poverty will rise for the first time in over 20 years.

4.1.1 Impact of COVID-19 on Women

The ILO report also highlights that the latest labour force survey data confirms a deteriorating employment situation for women. These disproportionate impacts on women could undo some of the gains in gender equality in the labour market and exacerbate disparities. Previous crises have shown that when women lose their jobs, their engagement in unpaid care work increases, and that when jobs are scarce, women are often denied job opportunities available to men. The bigger their losses in employment during the lockdown phase and the greater the scarcity of jobs in the aftermath of the COVID-19 crisis, the harder it will be for women's employment to recover. This crisis therefore threatens to nullify women's gains in the labour market along with the positive (albeit slow) changes in the distribution of unpaid care work.

4.1.2 Impact of COVID-19 on Youth

The 4th edition of the *ILO Monitor: COVID-19 and World of Work*², highlighted that youth are being disproportionately affected by the pandemic, and the substantial and rapid increase in youth unemployment seen since February is affecting young women more than young men. The pandemic is inflicting a triple shock on young people. Not only is it destroying their employment, but it is also disrupting education and training, and placing major obstacles in the way of those seeking to enter the labour market or to move between jobs.

4.1.3 Impact of COVID-19 on Small Enterprise and the Informal Sector

The 1st edition *ILO Monitor: COVID-19 and World of Work*³ highlights that employers and own-account workers - a total of 436 million enterprises in the hardest-hit sectors worldwide - are currently facing high risks of serious disruption. Own-account workers and small enterprises together account for more than 70% of global employment in retail trade and nearly 60% in the accommodation and food services sector - a reflection of the severe vulnerability of these sectors in the present economic crisis. Among the most vulnerable in the labour market, almost 1.6 billion informal economy workers are significantly impacted by lockdown measures and/or working in the hardest-hit sectors. The World Trade Organisation (WTO) report on COVID-19 and World Trade⁴ states "*MSMEs are particularly exposed to the COVID-19 pandemic's economic impact because of limited financial resources and borrowing capacity, and because of their disproportionate presence in economic sectors affected by social distancing measures and transport disruptions. MSMEs are also particularly exposed to trade restrictions on agricultural products*".

² https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_745879/lang--en/index.htm

³ https://www.ilo.org/global/about-the-ilo/WCMS_738753/lang--en/index.htm

⁴ https://www.wto.org/english/tratop_e/Covid-19_e/Covid-19_e.htm

4.2 Global outlook for rest of 2020

ILO projections for the second half of 2020 suggest that the labour market recovery will be uncertain and incomplete. In the baseline scenario, working-hour losses are likely to still be in the order of 4.9% (equivalent to 140 million full-time jobs) in the fourth quarter of the year. However, under the pessimistic scenario, which assumes a second wave of the pandemic in the second half of 2020, working-hour losses would be as high as 11.9% (equivalent to 340 million full-time jobs) in the last quarter. Even in the optimistic scenario, which assumes a fast recovery, global working hours are unlikely to return to the pre-crisis level by the end of 2020.

4.3 Impact of COVID-19 in the Pacific

Although the Pacific region has warded off the virus by imposing strict quarantines and taking advantage of their isolation from the rest of the world, according to the Secretariat of the Pacific Community (SPC)⁵ only 6 out of 26 countries reported 363 cases and 7 deaths - the bulk of them in Guam and French Territories.

“expediting medical assistance, expediting customs clearance of medical supplies, and facilitating diplomatic clearances for chartered flights and commercial shipping.”
PIFS, 8 April 2020

On 8 April 2020, the Pacific Islands Forum Foreign Ministers agreed to establish a Pacific Humanitarian Pathway on COVID-19⁶.

PNG has approximately 100 cases while Fiji had 18 positive cases with most of them recovered and no deaths. For more than 2 months, Fiji had no new cases reported until 6th July 2020 when its first border detected case was announced and the next day, a further 5 cases were announced.

However, Pacific countries including Fiji are small open economies that depend on external trade, tourism, remittances, and foreign aid flow to drive their domestic economic activities. This has had a huge impact on the livelihoods and incomes of vulnerable Pacific islanders including Fiji. Tourism, which contributes 40% (Fiji, Vanuatu, Niue) to 87% (Cook Islands) to the GDP of island countries, seems to be impacted the most.

A study released by the South Pacific Tourism Organisation (SPTO)⁷ states that the potential direct financial impact due to loss of visitor income across the 7 target countries surveyed, (over a 12-month period) is in excess of NZ\$3.1 billion. In addition, disruptions of crucial trade logistics and transportation and fear of declining remittances and foreign aid coupled with potential climate change induced disasters, has made the Pacific one of the world’s most vulnerable regions.

⁵ SPC Communique <https://www.spc.int/updates/blog/2020/06/covid-19-pacific-community-updates>

⁶ <https://www.forumsec.org/2020/04/08/pacific-islands-forum-foreign-ministers-agree-to-establish-a-pacific-humanitarian-pathway-on-covid-19/>

⁷ <https://corporate.southpacificislands.travel/spto-releases-pacific-tourism-impact-report/>

5.4 Impact of COVID-19 in Fiji

5.4.1 Tourism sector impacted immediately

As early as late March 2020, the Fiji Hotel & Tourism Association (FHTA) announced that 93% of its 279 members had closed down due to drastic decline in tourists. Tourism contributes nearly 40% of Fiji's GDP, and employs directly around 40,000 Fijians and nearly 100,000 indirectly both in the formal and informal sectors. In 2019, Fiji's tourism revenue was just over FJD 3billion, comprising of FJD 2,080 million in total.

“279 operators under the Fiji Hotel and Tourism Association (FHTA) have closed... zero bookings for the next few months... Less than thirty ... operating at a reduced scale... about 20,000 hospitality workers have been sent home”. (FBC News, 30th March, 2020)
Fantasha Lockington
Chief Executive Officer
FHTA

In June, the Australian Tourism minister was reported⁸ as saying that Australians may not be able to travel until 2021 and to consider local travel and tourism activities. New Zealand and Australia make up more than 60% of tourist arrivals into Fiji and it is not clear if Fiji will be included in the travel bubble. On 9th July, the CEO of the FHTA announced⁹ that 20% of the 400 resorts and hotels had reopened as part of the “Love our Locals” campaign.

5.4.2 Labour market conditions have worsened

The Reserve Bank of Fiji's (RBF) May 2020 Economic Review¹⁰ highlighted that subdued demand as well as lower household and business confidence could be seen in consumption and investment indicators. The June 2020 RBF Economic Review¹¹ again highlighted the continued weakening domestic economy, stressing that overall labour market conditions had worsened. In April, domestic credit growth slowed by 4.2 percent (from 7.9% in April 2019) on account of reduced lending to private sector business entities and private individuals. Overall labour market conditions have worsened with further announcements of reduced hours, lowered income or have been laid-off temporarily or permanently, in tourism, taxi and small and micro enterprises sectors that have experienced. The review also sighted a significant drop in job advertisement, down 42.5%.

The RBF June Economic Review also revealed that the number of jobs advertised, contracted by a significant 48.8 percent on an annual basis up to May, indicating depressed recruitment intentions and business activities and further highlighting credit aggregates were reflective of the economic contraction in the review period. Domestic credit growth decelerated to 3.0 percent in May due to reduced lending to private sector business entities.

⁸ <https://www.news.com.au/travel/travel-updates/health-safety/coronavirus-australia-borders-likely-to-stay-closed-until-2021/news-story/8a1c8e41dd412c20ff1b4704832adf4b>

⁹ <https://www.fijivillage.com/feature/Only-about-20-of-hotels-have-re-opened---Lockington-8f45rx/>

¹⁰ <https://www.rbf.gov.fj/Publications/RBF-Economic-Review-May-2020>

¹¹ <https://www.rbf.gov.fj/Publications/Economic-Review-June-2020>

4.4.3 3 FNPF withdrawals increasing but less than TC Winston

By 15th June, the Fiji National Provident Fund (FNPF)¹² confirmed that 86,854 applications were lodged; 77,507 applications had been processed with F\$49.1m paid out. The RBF June review revealed that by June 30th, a total of 85,959 members has received around \$54.2m in phase one, while 15,920 members will be paid around \$17.5 million in phase two over a period of 10 weeks. Compared with the TC Winston scenario, the total funds withdrawn stands at just 20% (TC Winston - \$276m), while 48% (TC Winston - 180,000) had received assistance. This could be a result of better management of the funds by FNPF and working through the employers and methodology and criteria of pay out.

In early July, the second round¹³ of FNPF disbursements had begun and a third¹⁴ payment cycle was planned for 21st July 2020.

4.4.4 Spike in unemployment, economy to contract

Recent ANZ released projections¹⁵ estimate that by 2020 end:

- GDP will decline by 13%
- Remittances are likely to drop by 18%
- Private consumption will decline by 2.6%
- Government expenditure will decline by 3.7%
- Investment will decline 4.7%
- Exports will reduce by 40% and imports by 23.1%

The 2nd July 2020 Reserve Bank of Fiji (RBF) released Growth Projections¹⁶ reported a spike in unemployment as many businesses have scaled back or shut down operations. The retrenchment in consumption and investment activities along with the plunge in external trade will place additional downward pressure on Government's tax collections. Against this backdrop, the Fijian economy is projected to contract by 21.7% in 2020 - the most severe contraction in our modern history.

6. Response to COVID-19

5.1 ILO Policy Framework

As a response to the pandemic, the ILO has developed a policy framework for tackling the economic and social impact of the COVID-19 crisis, which includes: (i)balancing support for enterprises and workers and their families; (ii)crisis should not derail the normative framework, international labour standards, Decent Work Agenda and the 2030 agenda of SDGs; (iii)Social dialogue must remain at the heart of policy making during the crisis, and (iv)Need for global solidarity and partnerships with international

¹² <https://myfnpf.com.fj/index.php/covid-19-updates/media-release/389-fund-s-services-normalise-77-507-members-receive-covid-19-relief>

¹³ <https://myfnpf.com.fj/index.php/media-center/media-releases>

¹⁴ <https://myfnpf.com.fj/index.php/covid-19-updates/media-release/411-second-instalment-paid-to-fnfpf-members>

¹⁵ ANZ Research, Pacific Insight, 15 June 2020.

¹⁶ <https://www.rbf.gov.fj/Publications/Press-Release-No-18-Revised-Growth-Projections-f>

agencies and financial institutions, donor countries not leave behind the most vulnerable member states.

Based on the above broad principles, the policy framework has FOUR Pillars:



5.2 Joint Statement by the International Organisation of Employers (IoE) and International Trades Union Confederation (ITUC)¹⁷

In April 2020, IoE and ITUC released a joint statement acknowledging that COVID-19 will also have major economic and employment impacts and millions of companies worldwide are in danger of being forced out of business with grave impacts on employment. It further recommended that *“We need to act now quickly and responsibly, minimising the social and economic consequences. We need to find innovative solutions for the masses of workers and businesses who will be impacted through labour market resilience, support and adaptation to limit the unemployment fallout and the loss of income due to the Covid-19 outbreak”*.

IoE and ITUC called for urgent action in the following key areas:

- **Business continuity, income security and solidarity are key to prevent the spread and protect lives and livelihoods** and build resilient economies and societies. For this, the global economy needs urgent measures and policies that reach the real economy, workers and business, especially small and medium enterprises(SMEs).Supply chain disruption for medical products, food and other essentials must be minimised through intergovernmental cooperation
- We stress in the strongest terms the important role that **social dialogue and social partners play in the control of the virus** at the workplace and beyond, but also to avoid massive job losses in the short and medium term. **Joint responsibility is needed** for dialogue to foster stability.
- **Policy coordination and coherence is of the essence.** The United Nations, and especially the WHO, must take into consideration the need for protecting employment and income through strengthening social protection measures in both the resolution

¹⁷ <http://28april.org/?p=3414>

of the pandemic and in setting the foundation for the employment and economic conditions for recovery and must recognise the key role the ILO plays and collaborate in urgently tackling the social and economic consequences of the COVID-19 crisis.

- **Strong and functioning health systems are key to combatting a pandemic.** Employers’ and Workers’ organisations (under the leadership of IOE and ITUC) urge governments to deploy all possible resources, but we are also ready to support Governments in their effective use of health facilities and resources, especially in those areas where the health systems are weak or where the pandemic is spreading particularly fast.
- **The 2019 ILO Centenary Declaration for the Future of Work contains critical elements** that are key to any long-lasting and sustainable response to pandemics including the COVID-19.

5.3 Bipartite recovery action by Fiji Trades Union Congress (FTUC) and the Fiji Commerce & Employers Federation (FCEF)

On 1st July 2020, FTUC and FCEF, supported by the ILO, signed a Memorandum of Agreement (MoA) jointly implementing their first COVID-19 recovery initiative called “**Transition to Business (T2B)**”. The initiative targets redundant formal sector workers who have started potentially scalable businesses. The agreement looks at building their capacities to sustain their micro businesses and income for their families. The medium-to-long-term objective is for the targeted businesses to potentially employ more redundant workers and through the private sector, contribute to economic recovery.

Through the in-crisis rapid assessment, FTUC found that currently 50% of their surveyed members were redundant and of these, 46% had ventured into self-employment. This included farming, fishing, sewing, baking and other micro businesses and as this was their first time in businesses, needed support to sustain their new jobs.



“Although they have lost formal waged jobs, they have engaged in self-employment and micro business ventures and this initiative will ensure we provide the support our members need to continue to earn income for themselves and their families”.
 Mr Felix Anthony, National Secretary, FTUC

“At FCEF we have developed a wealth of in-house experience and expertise in supporting micro businesses and can contribute very effectively to this initiative with good outcomes. We have and can draw from our accelerator programme called the Fiji Enterprise Engine (FEE), our business advisory services through Business Link Pacific (BLP) and peer mentoring from our Young Entrepreneurs Council (YEC) and Women Entrepreneurs & Business Council (WEBC)”. Mr Sandeep Chauhan, President, FCEF

This initiative reflects the recommendations of the new ILO report¹⁸ which states “*Collective efforts and solidarity between Employers’ and Workers’ Organizations is critical to respond effectively to the impact of the COVID-19 pandemic in the world of work*”. This initiative is

¹⁸ https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_741426/lang--en/index.htm

supported by the ILO Project titled “*Increased capacities of employers’ and workers’ organisations to participate effectively in the development of social and labour policy*”.

6. Fiji’s pre COVID-19 situation

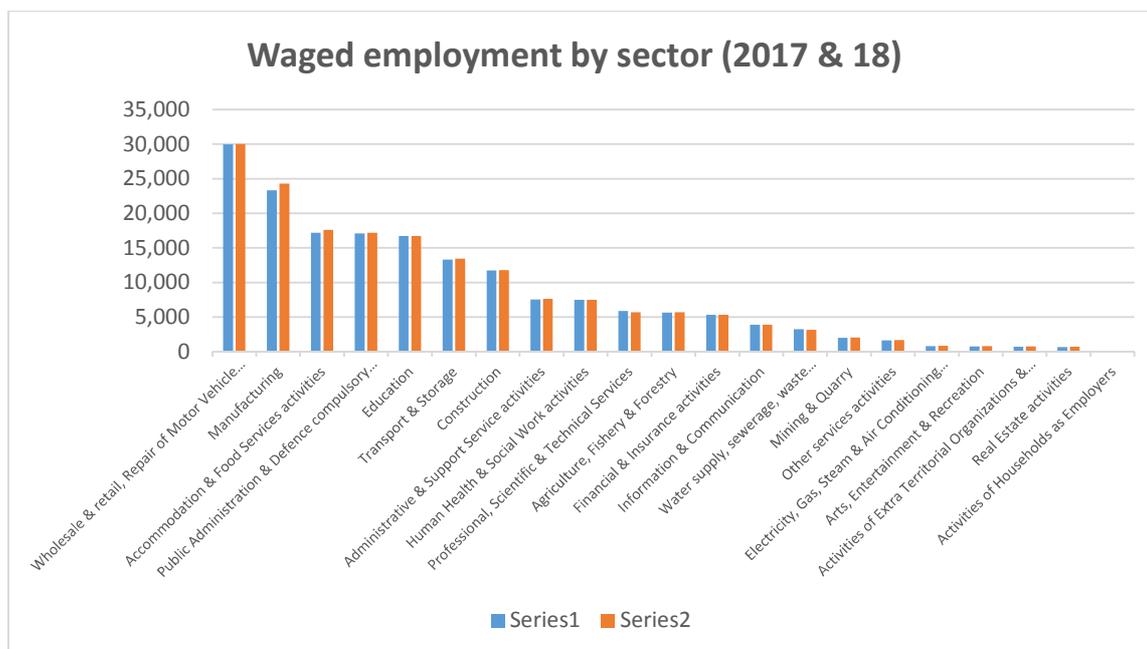
6.1 PreCOVID-19 labour market situation in Fiji

The labour market situation in Fiji during the pre-COVID period was characterised by underemployment, high levels of informality, gender disparities in employment outcomes, and a large and growing share of young people entering the job market with limited options in the formal sector¹⁹. In 2018, the unemployment rate in Fiji was around 4.6% while youth unemployment was around 15%. The Fiji Islands Bureau of Statistics reported that in 2018, there were 176,781 waged and salary earners in Fiji.

Paid Employment by Wage & Salary			
	2017	2018	% of Change
Total Employees	174,833	176,781	1.1
Wage Earners	103,093	103,824	0.7
Salary Earners	71,740	72,957	1.7

Source: Fiji Islands Bureau of Statistics

In 2017 and 2018, the three top sectors formally employing people in Fiji, apart from the Government, were wholesale & retail, manufacturing and tourism.



¹⁹ ILO, ADB: Improving Labour Market Outcomes in the Pacific – Policy Challenges and Priorities, 2017

Though the economic growth and labour market outcomes of Pacific Island countries, including Fiji, are hindered by their size and remoteness, there were promising signs in the region's tourism, niche agriculture and fishing sectors during the pre COVID era. It should be noted, though, that although PICs including Fiji stood to benefit from a young and growing population, their labour markets were simply not producing enough jobs and as a result they were migrating in high numbers²⁰. The ILO-ADB report²¹ on "Labour Market Outcomes in the Pacific" had cautioned the need for "enacting migration policies that lead to positive labour market outcomes and requires a careful balance, while migration can contribute to positive development in sending countries, there is also a real risk of skills shortages as educated workers leave". The challenge in building good migration policy, then, is aiming for a "triple-win" scenario that benefits the receiving country, the sending country and the migrants themselves²².

In 2018, Fiji's Ministry of Employment, Productivity & Industrial Relations, with the technical support of the ILO, launched Fiji's first five-year National Employment Policy (NEP)²³. The NEP not only was aligned to Fiji's ratification of ILO Convention 122, but it also complemented the government's 5-year and 20-year development plan and the Sustainable Development Goals (SDG). The 10 priority areas ranged from promoting employment among youth, women and persons with disabilities, investing in local businesses, increasing foreign employment, boosting action on just transition including green jobs and promoting good faith employment relations and safe and productive work places.

During the pre-COVID years, multiple reports²⁴ highlighted the need to coordinate economic and employment policies among relevant ministries and stakeholders, encourage and facilitate small and medium-sized enterprise development, expand income generation opportunities for subsistence and informal workers in Fiji, strengthen the quality and relevance of education and technical and vocational education and training (TVET), promote greater coordination between institutions and industry sectors to keep curriculum aligned to industry needs, and strengthen labour market policies and institutions.

6.2 Membership of the FNPF, employer and worker contributions

According to the Fiji National Provident Fund (FNPF)²⁵, out of its 441,668 members were:

- 2,250 voluntary members (self-employed and savings for children)

²⁰ Ibid

²¹ Ibid

²² Ibid

²³ https://www.ilo.org/suva/public-information/WCMS_644323/lang--en/index.htm

²⁴ ILO, ADB " Fiji-creating quality jobs – employment diagnostic study, 2015

ILO , ADB: Improving Labour Market Outcomes in the Pacific – Policy Challenges and Priorities, 2017

²⁵ https://myfnpf.com.fj/images/FORMS/ANNUAL_REPORTS1/FNPF-ANNUAL-REPORT-2019.pdf

- 247,331 members active workers who contributed in 2019 (56% of total members contributed at least once in 2019)

The total active workers' contribution in 2019 was \$290m. Further, according to the 2019 FNPF annual report, a total of 8,521 registered employers contributed to the FNPF in 2019, with total contribution of \$355m.

6.3 Tourism's contribution to Fiji's economy

Tourism, which contributes nearly 40% of Fiji's GDP, directly employs around 40,000 Fijians and indirectly, nearly 100,000 - both in the formal and informal sectors. In 2017 and 2018, the Tourism industry was the third highest waged employer in Fiji. According to the Fiji Bureau of Statistics, nearly 900,000 tourists arrived on Fiji shores with an overall growth of 4.2% for 2018-2019. In 2019, Fiji's tourism revenue was just over FJD 3billion, comprising of FJD 2,080 million in total tourism earnings and FJD 958 million in provision of air passenger services²⁶.



6.4 Fiji's large informal economy

In the Pacific, including Fiji, the contribution of the informal economy has been unseen (invisible) and undervalued for many years but this sector has been the natural absorber of those leaving the rural agricultural sector as well as those who could not get jobs in the formal (public and private) sector. Fiji's informal economy employed 66.2% of the total workforce, with more than half being women and 70% of informal workers with just primary education. The informality is most prevalent in agriculture (24.3%), among domestic workers (22.2%) and the wholesale and retail sector(13.7%).

However, informal workers, particularly women, tend to occupy the bottom of the economic pyramid, with less protection and flexibility than their formal counterparts. Informal businesses in times of economic hardships and natural disasters (recent TC Winston experience and now in the pandemic) have no cushion to fall back on and have no option but to keep operating or working. In addition, as more people, particularly the youth crowd into the informal economy, the net result is more and more firms or individuals competing for smaller-and-smaller slivers of a shrinking (informal) pie.

²⁶ ANZ Research, Pacific Insight, 15 June 2020.

Unemployment, in this instance, is eclipsed as an issue by increasing impoverishment - the working poor becoming poorer. In other words, it creates a set of new "emerging working poor"²⁷. The foundation of societies is shaken and insecurity breeds violence, conflict, and crimes. Everyone is affected. It is everyone's business, to build a firmer, more resilient base for the economic activity of the majority. This can be achieved only by Empowering the Informal Economy.

An overview of the informal economy²⁸ in Fiji is provided below with different tables and graphs indicating its size, share and composition of employment, gender and education levels of people in the informal economy, and sectoral distribution among other things.

²⁷ Asif Chida "Empowering Informal Economy in the Pacific – The way of addressing inequality and social exclusion through sustainable businesses" 2014. former Rapporteur UN Commission on legal empowerment of the poor

²⁸ ILO analysis EUS Fiji, 2016

Overview of the informal economy in Fiji

Source: EUS, 201

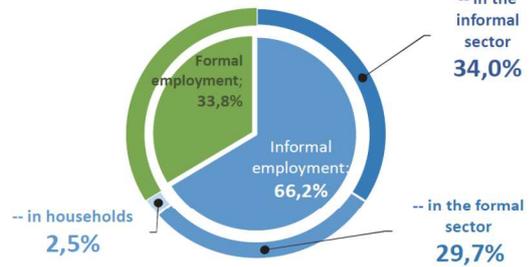
Questions—Comments

1 Share and composition of informal employment*, by sex (%)

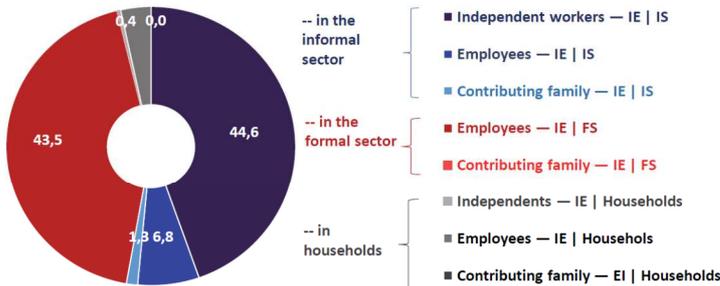
	Men	Women	Total
Informal employment (%), of which:	66,3	66,1	66,2
-- in the informal sector	54,0	46,1	51,4
-- in the formal sector	45,2	44,2	44,9
-- in households	0,7	9,7	3,7
Informal sector units (%)	84,0	83,9	84,2
Informal employment, excluding agriculture	61,2	63,7	62,1
-- in the informal sector	41,5	40,4	41,1
-- in the formal sector	57,4	48,5	54,0
-- in households	1,1	11,1	4,9
Informal sector units, excluding agriculture (%)	81,3	81,0	81,6

Estimates of informal employment follow the ILO harmonized definition and ILO estimates may differ from national estimates. For more details, see: *Women and men in the informal economy: A statistical picture (Third edition)*.

Share and composition of informal employment, total (%)



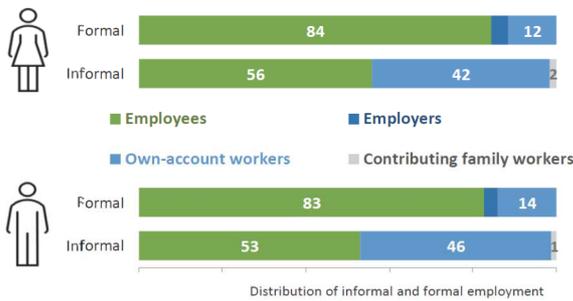
3 Composition of informal employment: What is the prevalent form of informality in the country?



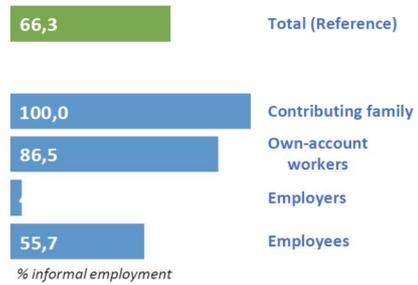
Shares in total informal employment of:	T	M	W
Independent workers — IE IS	44,6	45,6	42
Employees — IE IS	6,8	8,2	2
Contributing family — IE IS	1,3	1,1	1
Employees — IE FS	43,5	44,2	42
Contributing family — IE FS	0,1	0,0	C
Independents — IE Households	0,4	0,3	C
Employees — IE Households	3,4	0,4	5
Contributing family — IE Households	0,0	0,0	C
Total	100,0	100,0	100

Note: IE= Informal Employment; IS = Informal Sector; EI = form Employment; FS = Formal Sector

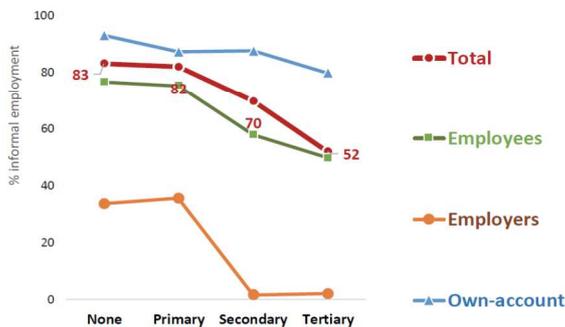
4 Distribution of informal & formal employment by employment status (%)



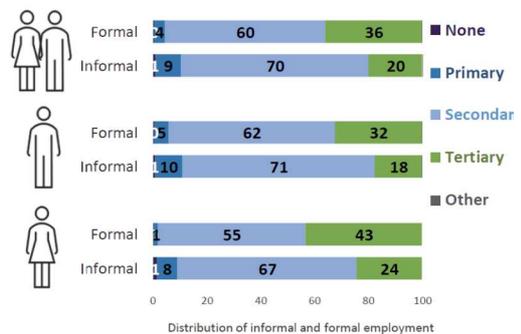
Informal employment depending on employment status (%)



6 Share of informal employment by education level (%)

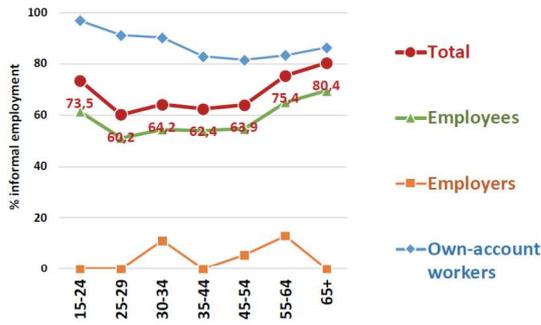


Distribution of informal employment by level of education (%)

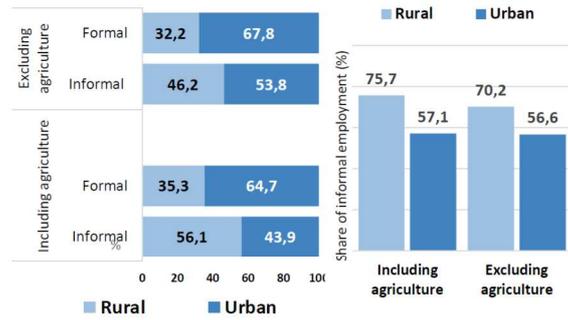


Informality | Country fa

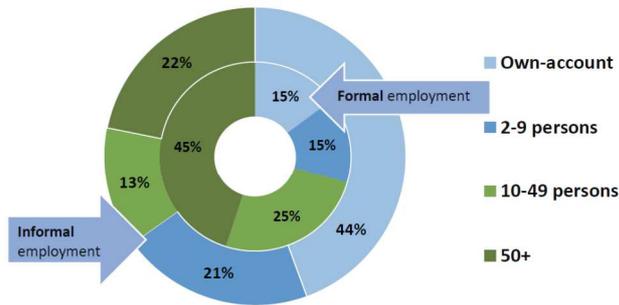
8 Share of informal employment depending on age group (%)



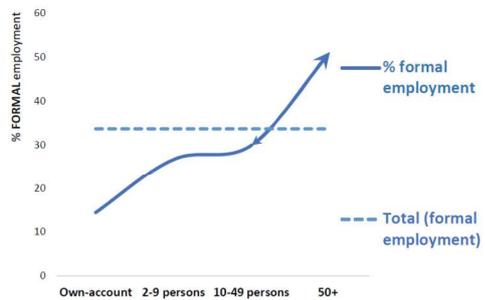
9 The rural-urban dimension of informality



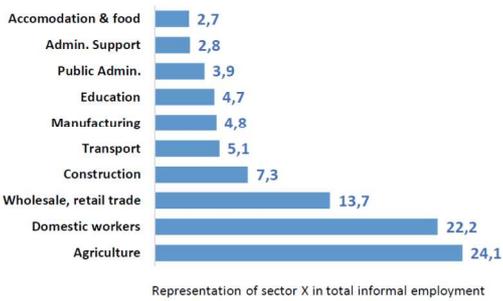
10 Distribution of informal & formal employment by enterprise size (%)



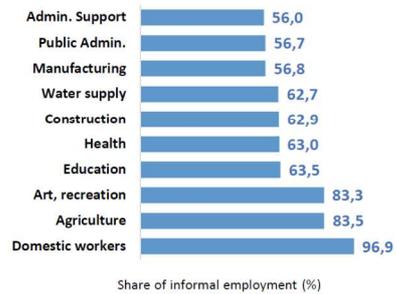
11 Share of informal employment and size of enterprises (%)



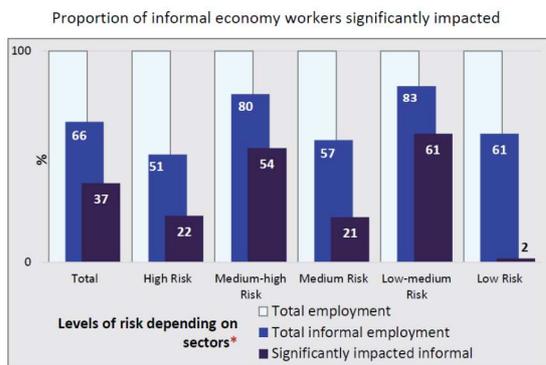
12 The sectoral dimension: The 10 sectors the most represented in the informal economy



13 The 10 sectors the most exposed to informality

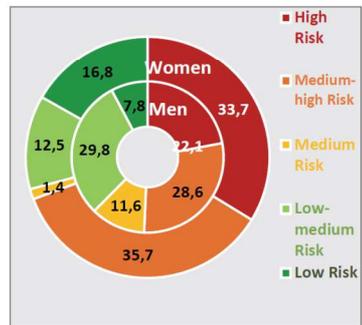


14 The impact of COVID-19 pandemic on the informal economy



High risk sectors: Wholesale and retail trade, repair of motor vehicles, motorcycles; Manufacturing; Accommodation and food services; Real estate; business and administrative activities.
Medium-high risk sectors: Arts, entertainment and recreation, domestic workers, and other services; Transport, storage and communication.
Medium-Risk sectors: Construction; Financial and insurance services; Mining and quarrying.
Low-Medium risk sector: Agriculture, forestry and fishing.
Low-risk sectors: Human health and

Sectors most represented among informal workers significantly impacted by the crisis



From the above tables and charts, the significance informal economy in Fiji is clear and needs to be urgently addressed. One such pathway is legally empowering the informal economy²⁹ which is based on the premise that by the process of extending formal legal rights and protections to marginalised groups, it can contribute to strengthening informal business, increasing people’s resilience to economic hard times, support stability and better governance and the promotion of progressive and sustainable growth and development even among the most marginalised, thus alleviating poverty.

7. Methodology

7.1 Objectives

The immediate objective of the RA was to (a) support the ILO tripartite partners to contribute to national level evidence-based COVID-19 recovery policies and programmes. Critical findings could inform and amplify specific employers’ and workers’ challenges and provide guidance to donors, including the ILO, to ensure implementation of responsive and effective recovery programmes, with the aim to build back smarter. Secondly, to support FTUC to inform its advocacy and lobbying strategies for COVID-19 recovery, through a greater understanding of key challenges and issues faced by its membership.

7.2 Capacity Building

The long-term objective of the RA was to build the institutional capacity of the tripartite partners, including developing their own database of affected businesses and workers. The Fiji Islands Bureau of Statistics (FIBoS) digitised the questionnaires and provided training in the collection and analysis of data. The ILO funded tablets for FTUC to assist in real time data collection and technical assistance in the design of the questionnaire and survey strategy.

The training included representatives of the FTUC Secretariat and affiliate unions. This was also in recognition of the fact that the this assessment was an “*in-crisis assessment*” and therefore the need to periodically plan and execute follow up surveys to update the database and re-inform policy and programmes.



²⁹ UN Commission on Legal Empowerment of the Poor – Making Law work for everyone.

7.3 Social and bipartite dialogue



Throughout the survey, it was recognised that social dialogue with government and employers was critical.



Through the ILO project *increased capacities of employers' and workers' organisations to participate effectively in the development of social and labour policy*, survey update meetings, technical meetings, sharing of best practices and lessons and policy recommendation meetings were regularly organised.

This also ensured that that there was clear communication and intention to work together on this critical national activity.



7.4 target and sample

The survey captured both quantitative and qualitative data through face-to-face interviews and telephone calls. Data analysis was conducted in collaboration with FBoS and ILO. FTUC had targeted 3,000 of its members and surveyed 2,132 of its members or 71% of the target. However, it will also be interesting to later include an analysis of the 17,000 plus (non-FCEF members) workplaces the government surveyed including the 2,040 informal businesses to get a wider national picture of the impact of COVID-19 on employment and business.

7.5 Principles

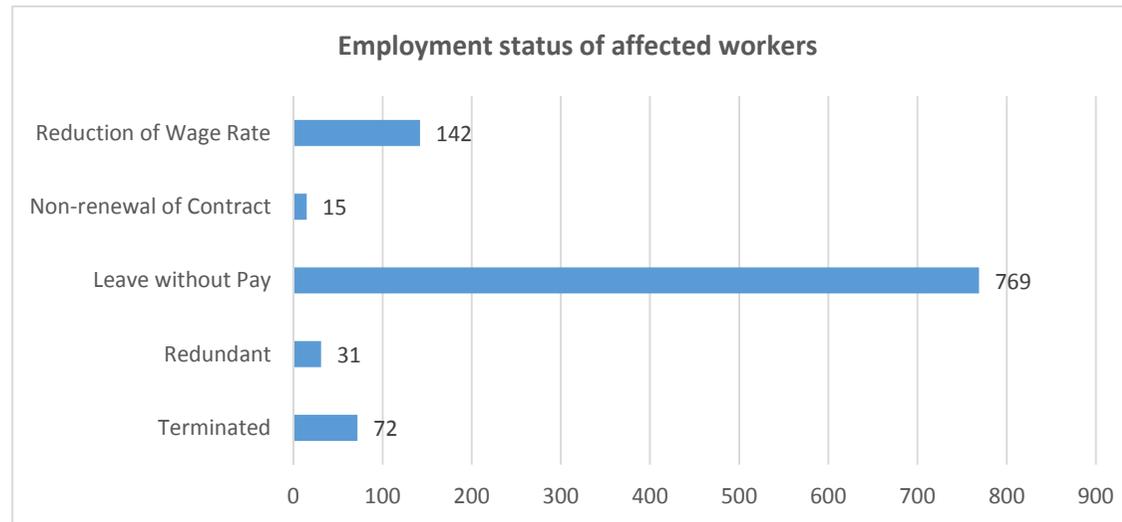
To cater for the fact that this was the first time for tripartite partners to undertake a national survey of this scale (given that this pandemic is unprecedented), the following principles were crafted:

- a. Tripartite participation and engagement and promotion of social and bipartite dialogue from planning to evaluation/review;
- b. Institutional and individual capacity building on planning, collection, analysis, reporting and policy development and implementation;
- c. Results of the survey must inform COVID-19 recovery policies and programme development;
- d. Basic survey rules must be followed to ensure a credible assessment.

7.6 Process

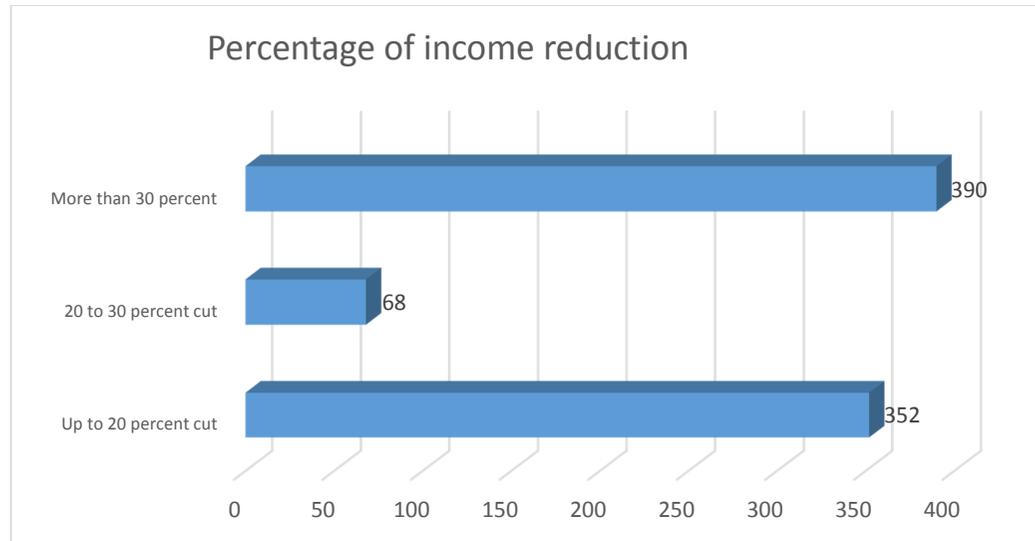
- (a) Labour Market Update – a labour market update was undertaken to establish and understand the pre-COVID-19 labour market situation.
- (b) Survey – a questionnaire, agreed with social partners was administered through face-to-face interview (majority), telephone interview and email. In fact, there was one questionnaire that targeted business (FCEF) and one that targeted workers (FTUC).
- (c) Focus group meeting – technical meetings were organised with representatives of the FTUC to present the findings of the survey and seek policy recommendations.

8. Key findings of surveyed members



Union membership is proving to protect rights and employment of workers

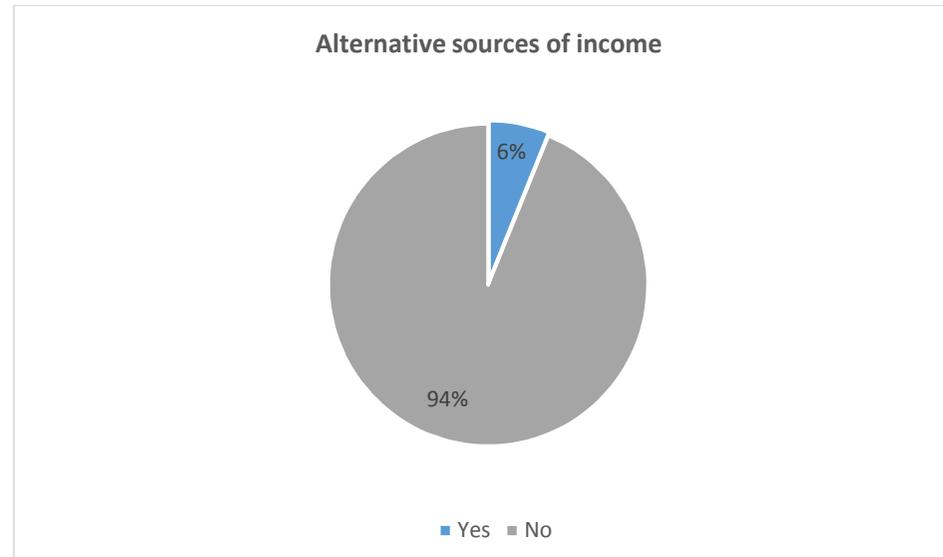
The majority (86%) of workers that have not been terminated or made redundant, are on leave without pay and reduced income. This indicates that unionised workers, to an extent, were able to negotiate their outcomes. This will allow them to return to their jobs when business returns to normalcy. Interestingly, survey staff saw increased interest among non-unionised workers to join or form unions.



Working poverty will increase as affected workers on reduced income are taking home 70% less than what their family needs in a week.

Almost 50% of affected workers on reduced income are earning 30% less compared to pre-COVID-19. Based on the minimum wage rate and 30% reduced income, an average worker on reduced hours would be taking home \$75.00 a week. Based on the Fiji HIES (2008-9), the Basic Needs Poverty Line (BNPL - \$) was \$144 (2003) and \$186 (2009), therefore it can be estimated that in 2020, an urban family of 4 would need a minimum of \$260 per week.

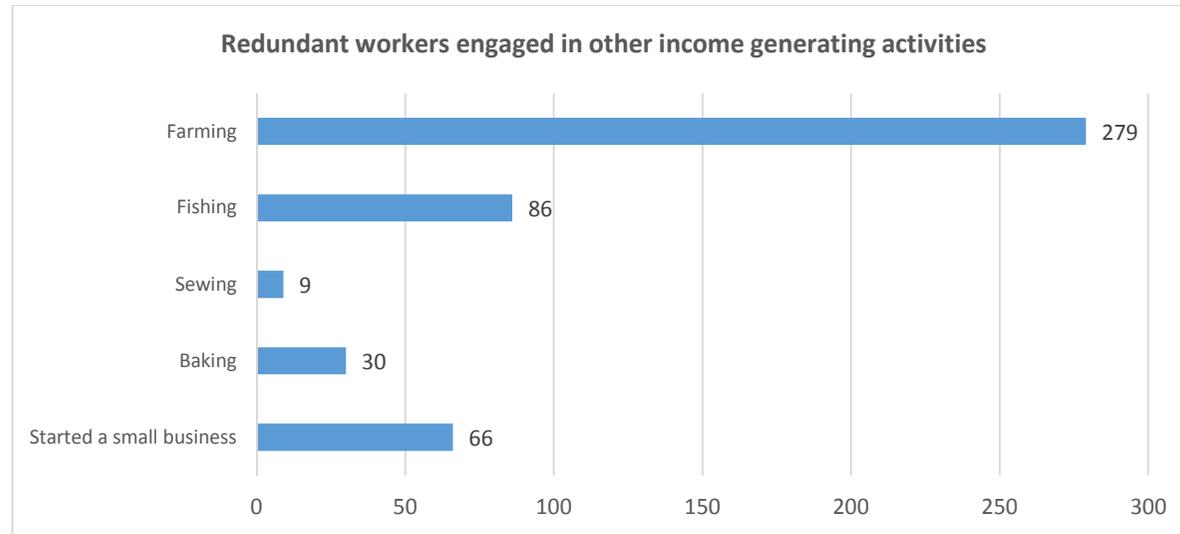
Therefore, it can be assumed that the take-home pay of the majority of workers on reduced income, is 70% below the 2020 estimated BNPL (\$).



Productivity will further reduce if current and redundant workers are not re-skilled and supported.

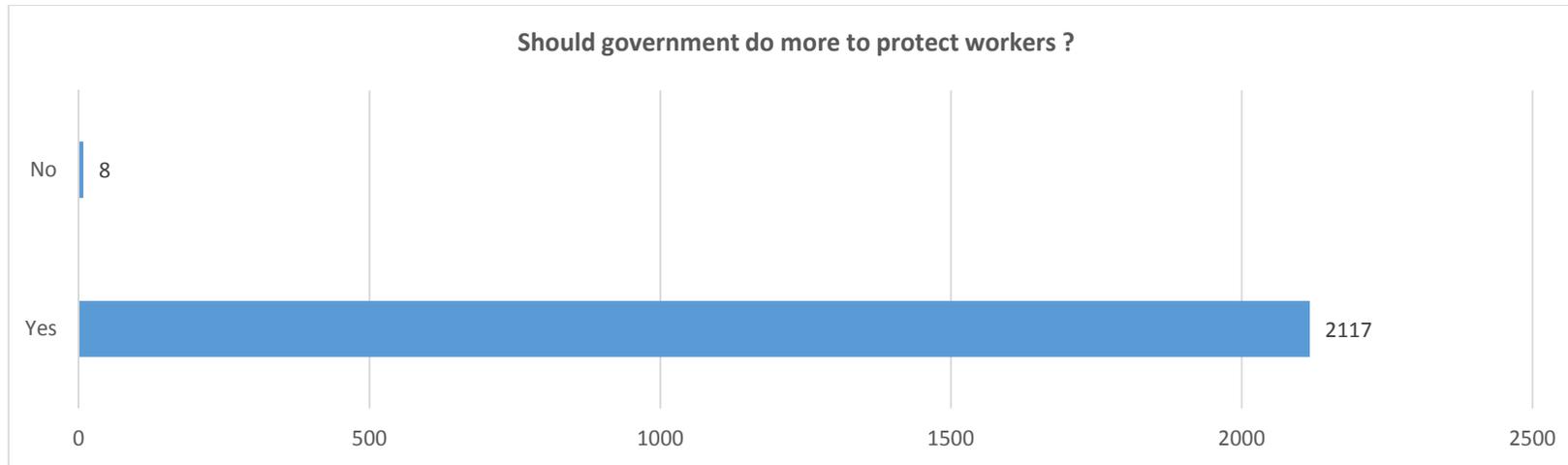
The majority of those currently in employment are dependent on their current jobs for income and will be left behind if not supported.

Should there be a further shut down of businesses, 94% of workers indicated that they do not have capacity to transit into alternative forms of employment. Of these, the majority live in urban areas and do not have access to land or village social safety nets.



Unemployment will increase and consumption will further decline if redundant workers are not re-skilled and re-transited to employment.

54% of redundant workers have not been able to secure jobs and the majority of these workers are in urgent need of income support. 46% of redundant workers surveyed have ventured into self-employment, with the majority transiting easily as they have access to land and fisheries. The rest - who are mainly in urban areas, are operating as home-based micro businesses and accessing customers through community organised and/or road-side markets, social media and door-to-door sales.



Workers risk being left behind and retiring in poverty.

Ninety-nine percent (99%) of workers want government to do more to protect their jobs and rights. Although 81% of workers surveyed indicated they benefited from the government announced stimulus package, workers felt that government should do more than buffer their income losses from their own retirement savings in the Fiji National Provident Fund (FNPf).

Considering that 70% of members have less than \$10,000 in their FNPf account (*Fiji Sun, 17 Sept. 2018*), the further use of workers funds would deplete their eligibility to support their education, home purchases, etc. and create a national retirement crisis, placing further burden on families to support their retired parents and stress on government resources such as social welfare, medical services, etc.

Other findings and observations

Increase in Informal Economy Bulge – The Human Factor Impacting Real People and Livelihoods

Following the termination of 758 staff members of Fiji Airways, some have opted to plan B for livelihoods. Among them is Jeff Tamata, who, with more than 17 years of flying experience, has returned to his village in Kadavu farming yaqona plants¹, while Avikash Lal, a cabin crew, had opted to be a vegetable vendor selling from his car near a Nadi roundabout¹. Likewise, 42 year flight attendant Sanjeet Kumar is selling Indian food and sweets with the support of his wife at the Jetset Flea market¹.

Another innovative initiative is by a tourism employee who lost his job as a chef in a leading resort and opted to run his own food truck “That Food Box Fiji” and a mobile event catering service. Mr Maharaj, along with his brother, now employs 4 people and operates the truck in Suva CBD¹. Similarly, a 50 year old lorry driver Kamleshwar Sharma from Labasa who lost his trucking business during the lockdown converted his six-wheeler truck into a mobile mini-market selling groceries, fresh fish and vegetables¹.

These Fijians are all part of a diverse informal economy supporting themselves and their families, creating livelihoods, jobs and helping to drive economic growth in their communities. These informal entrepreneurs are vibrant visible players in Fiji, but their contribution is invisible, and they are neither acknowledged nor recognised as one of the key pillars of the economic mainstream. These self-employed entrepreneurs/ workers are called informal because they operate to some extent outside the realm of formal legal protection and without easy or full access to the advantages of formal financial and business support systems. They work as single person operations or as micro and family enterprises with hired workers or unpaid family workers engaged in income generating activities where women are predominant.

Emerging Gig Economy

The word “GIG” refers to the transient nature of job itself. *Gig economy* is a free market system where organisations and independent workers with the help of digital technology or apps engage in short-term work arrangements but the trend is now emerging as the way of work in the future especially among the young and the millennials, whose job prospects in the formal sector are limited. The gig economy encompasses all sorts of skills from highly qualified to blue collar jobs or just cleaning gardens, to door delivery services, among others.

The gig economy is not a new phenomenon in Fiji —freelancers have been around for a while. So have consultants, temporary helpers, and so on. The reason the gig economy has gained prominence in recent years and more so during this pandemic is that technology has lowered barriers to entry so much that “gigs” have become easily accessible to an unprecedented number of people. It has become the most preferred option among businesses as well because of freedom, quick money and the opportunity for work life balance. Some successful examples have been Uber and Lyft drivers.

The gig economy in the US had 55 million workers - 36% of workers and 33% of companies were extensively using gig workers. It is estimated that the figure would have increased between 70 -80 million in 2020. Fiji has seen an emerging trend of local people opting for Gig options. Examples are Fiji Eats, Cyber Foods, Barter for Better Fiji (using technology to reactivate the old barter model of market system on Facebook¹ with 183,167 members by the last week of June 2020. The motto is nurturing community of kindness through bartering with no cash transactions. It is the brainchild Rowina Snow of Ra – a sales executive at Telecom Fiji who inspired ordinary people towards community support)¹.

Re-Aligning traditional sectors within the broader Circular Economy

The circular economy refers to an economic model¹ whose objective is to produce goods and services in a sustainable way, by limiting the consumption and waste of resources (raw materials, water, energy) as well as the production of waste. It is breaking with the model of the linear economy, based on a take-make-consume-throw away pattern, by proposing to transform waste into recycled raw material for product design or other uses.

The circular economy model fits directly into the more general framework of sustainable development. It is part of a global strategy that also uses, among other things, the principles of the green economy, industrial ecology, eco-design or the economy of functionality. The circular economy encompasses an exceptionally large number of sectors of activity and can be broken down into 7 complementary patterns of production and consumption which, when combined, make sense and reinforce each other:

1. **Sustainable procurement:** development and implementation of a responsible purchasing policy
2. **Eco design:** process of reducing the environmental impacts of a product or service throughout its life cycle
3. **Industrial and territorial ecology:** search for eco-industrial synergies at the scale of a business area - the waste of one company can become the resource of another
4. **Economics of functionality:** collaborative economy that favours use over possession and thus tends to sell services related to products rather than the products themselves
5. **Responsible consumption:** rational consumption and choice of products according to social and ecological criteria
6. **Extending the duration of use:** through repair, reuse and repurpose
7. **Recycling:** treatment and recovery of the materials contained in collected waste

In 2014, Fiji adopted *A Green Growth Framework For Fiji¹: Restoring the balance in development that is sustainable for our future*. It is a tool to accelerate integrated and inclusive sustainable development which will inspire action at all levels, to strengthen environmental resilience, drive social improvement and reduce poverty, enhance economic growth and also build capacity to withstand and manage the anticipated adverse effects of climate change and other crises.

With the pandemic affecting all sectors of the economy, the timing is right for Fiji to institutionalise and operationalise the Green Growth Framework and prevent sectors from working in silos. The Circular economy model which has been successfully implemented in various European and Asian countries can provide a good basis to formalise with an existing platform of Fiji's Green Growth Framework.

Harnessing and Unlocking the Potential of the Blue Economy

During the first sustainable blue economy conference in 2018¹, the Government of Fiji highlighted that the Blue Economy holds the greatest promise in helping to promote social inclusion and gender equality across maritime and coastal communities, Fiji needs to bring together its fisheries, food technologies, banking and private sectors to make further and deeper progress. Fiji is advancing the development of its blue economy through innovation, new technologies, innovative financing instruments and partnerships between communities and government.

It was further stated that the full potential of Fiji's blue economy will be realised through the energy, talent and commitment of our young people to embrace the responsibility as stewards of some 1 million square miles that make up our large ocean state of Fiji¹.

The post-COVID strategy should be to aggressively implement Fiji's blue economy agenda to create more jobs among youth and coastal communities. Apart from the broad policy, there is an urgent need to design a time bound strategy and institutional framework to make this agenda a reality with support from various multilateral financial institutions and donors.

9. Policy recommendations

9.1 International labour standards (ILS)

The recommendations are based on the premise of International labour standards (ILS) which provide a tried-and-trusted blueprint for policy responses designed to facilitate a recovery that is sustainable and equitable. The ILS can also serve as a “decent work compass” in the response to the COVID-19 crisis¹ by:

- (a) upholding key provisions of these standards (particularly those dealing with safety and health, working arrangements, protection of specific categories of workers, non-discrimination, social security and employment protection) which ensures that workers, employers and governments can maintain decent work while adjusting to the socio-economic consequences of the pandemic.
- (b) covering a wide range of ILO standards – in such areas as employment, social protection, wage protection, the promotion of small and medium-sized enterprises, and workplace cooperation – which contain specific guidance on policy measures that can be used to underpin a human-centred approach to management of the crisis and to recovery efforts.
- (c) contributing to a culture of social dialogue and workplace cooperation that is key to shaping the recovery and preventing a deterioration in employment and labour conditions during and after the crisis, and
- (d) supporting some policy actions, notably social protection, not only support jobs and incomes (Pillar 2) but also protect workers in the workplace (Pillar 3) and are therefore cross-cutting.

9.2 Key specific policy recommendations

The key policy recommendations has been structured based on a Fiji-wide scientific assessments involving an approved process and methodology, field survey and focused group meetings in collaboration with its tripartite social partners - namely Government, employers and workers. It is also based on the ILO Policy Framework for COVID-19.

Pillar 1 : STIMULATING ECONOMY AND EMPLOYMENT	
Recommendation	Details
Reconfigure and re-aligning traditional economic sectors to emerging economic sectors (GIG Economy, Green/Blue Economy & Circular Economy).	The key objective is to provide impetus in unlocking the potential of these traditional sectors (currently working in silos) into the new normal of emerging economic sectors which are new areas of growth, and unleash new investment opportunities that can lead to new skills and jobs. These include accelerating the operationalisation of Fiji's Green Growth Framework, institutionalisation of the Blue economy and recognising the cross cutting economic sectors of the GIG economy and the Circular economy.
Introduce national incentive scheme for production of Fiji-made import substitute products and services.	As import substitution is the focus of the Government, there is a need for special financial incentives and tax benefits for potential businesses including technical support.
Focus on Local Economic Development (LED)	Survey findings indicate that towns and villages that were not totally dependent on the tourism and hospitality sector (e.g. Labasa, Ba) were not much affected. It is imperative therefore for developing and realigning growth and development into Local Economic Development. Japan and Thailand were successful in LED model of ONE Village ONE Product. Fiji has the potential to develop similar clusters for kava, organic fruits and vegetables, marine products, etc. to name a few.
Make Fiji an ICT Hub for the Pacific	Fiji has not tapped the full potential of being the "Silicon Valley of the Pacific". With a young and highly skilled population coming out of 3 universities and thousands of school leavers, the potential of being an ICT hub needs to be aggressively marketed with attractive incentives and competitive infrastructure and internet cost and pricing. Fiji having the advantage of time difference with key markets can initially target of 0.25% of a multi-billion industry which includes back office operations, internet of things and software app development that can change the landscape to attract the millennials coming into employment markets. (e.g. medical transcriptions for health sector and legal transcriptions for judicial sector).
New generation export financial packages	Designing new generation of export financial solutions with rationalisation and simplification of application and approval process for export credit guarantee scheme, bonds and loans, letter of credit, etc.

Mobilise investment from Fiji's diaspora	A concerted and aggressive effort has to be taken by Investment Fiji and High Commissions of Fiji in various countries around the world to attract the Fiji diaspora living overseas for investments in various economic sectors with attractive packages and incentives themed as <i>"your home, your roots – you can make the difference"</i> .
Review the 2018-22 National Employment Policy (NEP) through tripartite consultations.	In light of the current labour market and business environment, accelerating the relevant policy priorities such as the focus on youth, women and persons with disabilities, just transition including green jobs, foreign employment and good faith work place relations. This can be linked to: (a) Just Transition as highlighted in the Paris Climate Agreement (b) ILO Recommendation 205 on Employment and Decent Work for Peace and Resilience (c) Recommendations of the ILO report presented to the Pacific Labour Ministers in 2019, on Future of Work on Climate Resilience in the Pacific. https://www.ilo.org/suva/publications/WCMS_712546/lang--en/index.htm
Support the informal bulge and empower them.	The large informal economy already employs 66.2% of workers, and will grow exponentially. We need to be recognise and acknowledge this trend and those entering the informal sector. A strategic policy for "Empowering the Informal Economy" will help significantly both businesses and workers in this neglected sector. This can be done by giving them an identity, voice, rights and access.
Develop comprehensive labour market and private sector information system.	Close monitoring of the labour market and private sector environment will be ever more critical. COVID-19 has proven to change labour market and private sector conditions overnight. Therefore, to respond adequately to the fragile and changing markets, it is critical to develop comprehensive labour market and private sector information systems.

Pillar 2 : SUPPORTING ENTERPRISES, JOBS, AND INCOMES

Recommendation	Details
Improve cash flow challenges of business	Immediate cash injection or incentives need to be targeted for Manufacturing, Wholesale & Retail and Tourism sectors. These sectors employ the majority of the formal sector and contribute to the production of good and foreign exchange. This can be done through wage subsidies, reduction in fixed costs, change of accounting standards to allow for quicker depreciation, etc.
Promote production and purchase of import substitute goods and services	Companies that produce import substitute good, with local raw materials and expertise should be rewarded and incentivized. Current national campaigns can be further elevated and rolled out to buy Fiji made products and services.
Operationalize MSME Fiji	Finalize national policy and strategy, definitions of business size and establish the institutional structure.
Offer MSME’s innovative financial portfolios	<p>Access to MSME finance should go beyond the traditional financial portfolios to more innovative and needs based portfolios such as leasing finance, venture finance, simplified and inclusive domestic credit guarantee programme which includes both banking and non-banking financial institutions.</p> <p>The government stimulus package must be tailored to the needs of MSME’s.</p>
Allocate percentage of government tenders for MSME’s	Simplified tender process for MSMEs participation in public procurements and making reservation of at least 25% by all government and public sector procurement to MSMEs.
Developing new generation of social enterprises and responsible entrepreneurs	Focusing on developing new generation of social entrepreneurs and social enterprises as a cross cutting themes particularly women, youth and people with disability. This can be multi ministry initiative led by local government and ministry of commerce, industry and trade.

<p>Make incubator and accelerator programmes effective and accessible</p>	<p>Redundant formal sector workers will immediately start micro businesses in the informal sector. Business Development Services (BDS) in the form of incubators and accelerator are critical support mechanisms to ensure the transition to micro business is sustained and scaled.</p>
<p>Increase employability of young people, particularly in new emerging sectors</p>	<ul style="list-style-type: none"> ➤ Preparing youth for the new normal and world of future work, universities and technical and vocational institutes need to overhaul their curriculum and training programmes in the emerging skills (green/blue skills, gig economy and circular economy skills) ➤ Revisit and re-vamp the Apprenticeship programme with attractive private and public sectors participation and incentivization. ➤ Develop effective and accessible business development services (BDS) for young people, instead of just access to micro loans at low interest. ➤ Re-visit and re-vamp the National Volunteer Service programme under National Employment Scheme. Apart from creating aggressive awareness of this initiative, community and villages should encourage to nominate at least 20% of their youth for active participation in this programme. A small stipend can be given with the local community support and public and private sectors. Initially youth volunteer programmes can focus on climate change, environment protection and waste management, among others. ➤ Improve the entrepreneurial eco-system (registration, access to business development services, etc.) by incentivizing youth start-up and expansion, which has the potential to be scaled up and sustainable. ➤ Increase the capacity of the Young Entrepreneurs Council (YEC) to advocate for more focus investment in youth business. ➤ Increase the capacity of the Women Entrepreneurs & Business Council (WEBC) to advocate for more focused investment in young women and women businesses.
<p>Review employment and business laws to reduce barriers to entry into business</p>	<p>Formal sector waged workers will be looking at self-employment, either in the formal or informal economy. It is very likely that the majority will be in the informal economy. This will be the only alternative source of income for them and their families. Regulations need to be reduce the barrier to entry into self-employment.</p>

Establish employment advisory services within trade unions.	In-house employment services for trade unions can provide immediate and effective services to members needing information, including those that have been made redundant. Trade unions can play a critical role in linking their redundant members back into the labour market.
Revive the once effective Apprenticeship Scheme	This an effective way to cost share and train or re-train the workforce to respond to labour demand. Revive industry-based training administered previously under Training & Productivity Authority of Fiji (TPAF).
Promote safe and productive seasonal workers programme for the travel bubble.	<p>A recent paper put out by top Australian researcher, Dr Richard Curtain states “<i>The total estimated seasonal workforce needed for horticulture for the spring and summer harvest season ahead could be up to 40,000 workers, based on the previous demand for seasonal workers over that period.</i>”</p> <p>https://devpolicy.org/a-major-labour-shortage-at-harvest-time-is-looming-20200618-2/</p> <p>While there are some obvious political, logistical and health challenges, the fact that there are a large amount of unskilled jobs available in a scheme that Fiji is already part of, provides some impetus to explore the possibility of including redundant Fijians from the tourism sector to be prioritised for seasonal work in Australia.</p> <p>Target redundant workers and include trades unions.</p>
Promote a labour-intensive public works programme with urban and rural communities	<p>Employment intensive infrastructure schemes will go a long way to mitigate job losses which can result in providing immediate income support to families and communities thereby resulting in increased consumer and business confidence.</p> <p>Target redundant workers.</p>
Establish and support credit or financial facilities to assist trade union members	These include credit unions, workers solidarity funds, etc.
Deliver specific trades union trainings.	Fundamental rights of workers such as collective bargaining and collective agreements, freedom of association, OHS, financial literacy, etc.

Pillar 3 : PROTECTING WORKERS IN THE WORKPLACE

Recommendation	Details
<p>Support workers’ loss of income through social protection lens such as wage subsidies, unemployment insurance</p>	<p>Though workers opted on their savings from FPNF to meet their urgent needs, these withdrawals are bound to affect their future retirement benefits. To avoid dependence on this option in future, there is a need for alternative initiatives such as:</p> <p>Employment Insurance Schemes to protect workers during difficult situations such as natural disasters, health problems and funerals. This can be a separate initiative within FPNF or as a public-private partnership.</p> <p>Workers affected during the pandemic can be supported with a short-term wage subsidy scheme as given in Singapore and Maldives. This can be a targeted intervention to the most affected in certain sectors.</p> <p>Social protection schemes for redundant workers. Needs-based schemes can be identified and implemented through social dialogue.</p>
<p>Mainstream COVID-19 response into work place policies, plans and training</p>	<p>National Occupational Health & Safety (OHS) Policy, workplace OSH polices and Business Continuity Plans (BCP) must incorporate COVID-19 response and management.</p>
<p>Develop national teleworking policies</p>	<p>In light of COVID-19, homes need to be also recognised as places of work. Teleworking policies need to be developed to ensure national productivity and personal income is not affected.</p>

Establish an independent OSH entity inclusive of COVID-19 workplace response measures.	Workplace health and safety is critical in the COVID-19 era, particularly for frontline workers. OSH services of government must be well equipped not only to respond to typical OSH issues but also to the new challenges and developments in the world of work. Therefore, it is critical that government bureaucracy does not impede OSH services responding to the challenges of COVID-19. How the OSH service operates its financial responsibilities for the inspectorate, workmen's compensation, etc. should be viable, effective and efficient.
OSH + COVID-19 training for all	Roll out OSH trainings, inclusive of COVID-19 measures in both formal and informal sectors.

Pillar 4 : RELYING ON SOCIAL DIALOGUE FOR SOLUTIONS	
Recommendation	Details
Convene and operationalise the Employment Relations Advisory Board (ERAB).	The government-led and tripartite joint assessment is a very good recent example of the tripartite collaboration and engagement. Moving beyond the assessment and to COVID-19 recovery policy and programme development, it is critical to operationalise the peak tripartite committee - Employment Relations Advisory Board (ERAB).
Finalise the Fiji Decent Work Country Programme (DWCP) inclusive of COVID-19 priorities.	A tripartite national strategy on COVID-19 recovery should be developed. This is critically essential in driving the economy forward by responding to the “new normal” employment and business environment. This strategy could be a major component of the DWCP.
Undertake employment and business policy reviews through tripartite consultations	Certain provisions of employment and business laws may not be concessive to the “new normal” brought on about by COVID-19. There needs to be a thorough review, through tripartite social dialogue, where the agreed amendments protect the rights of workers and sustainability of current and new business.
Improve capacities of tripartite to respond to COVID-19	The next step after the assessment would be to use the findings to develop COVID-19 recovery policies and programmes and implement them. Training and other forms of capacity support needs to be provided to tripartite constituents in ensuring that we are building back smarter and safer, no one is left behind, and decent work is promoted.

<p>Promote bipartite social dialogue and joint action among FCEF and FTUC for COVID-19 recovery.</p>	<p>Direct agreement and action by employers and workers, particularly at enterprise level is proven to be effective and efficient. At a time when urgent decisions and immediate action needs to take place, promoting joint action through bipartite social dialogue could prove beneficial at enterprise and national level.</p> <p>New modes of social dialogue, using technology should also be developed in light of COVID-19 measures.</p>
<p>Promote bipartite social dialogue and joint action among social partner's, youth and women's chapters for COVID-19 recovery.</p>	<p>Not only will this build the capacity of youth and women's chapters of the social partners to respond to the current crisis, it can also prepare them for future pandemics. According to the ILO, this crisis is affecting youth and women the most. Therefore, consulting them and including them as active contributors would ensure that policies and programmes are inclusive.</p> <p>New modes of social dialogue using technology should also be developed in light of COVID-19 measures.</p>
<p>Improving institutional capacities of Employers and Workers Organisations to support their membership.</p>	<p>With such an unprecedented crisis, there is potential for government resources to be stretched. Employers and Workers organisations, as key players in the real economy and representatives of owners of factors of production, need to be supported. FTUC and FCEF need to be supported to support their membership, potentially requiring them to take on new roles to respond to their membership.</p>

10. Best practices and lessons learnt

Best practices

1. The fact that the RA was endorsed and lead by the tripartite indicated the commitment by the key actors of the economy to understand the situation and collectively develop and implement recovery policies and programmes. It can be considered as positive practice where the nation gets united as one. It was also critical as this was the first time for the tripartite to undertake a national survey, considering they usually are the users of national surveys of this scale. As a result, social and bipartite dialogue was improved and could pave the way to improving industrial relations, something that's very necessary in this current crisis.
2. Support from the Fiji Islands Bureau of Statistics (FIBoS), who are normally producers of national surveys, to digitise the questionnaire and provide training on conducting surveys, improved the capacities of the tripartite partners. This is critically important as follow-up surveys need to be conducted in the near future.
3. Capacity building of FTUC secretariat and affiliate members. It was critical to impart the knowledge of assessment, policy development, recovery implementation etc. with the younger generation of the chapters, ready for future pandemics.
4. Use of technology/tablets ensured that data was collected quickly, and more coverage was possible. This allowed for real time data to be collected.
5. Development of own database/baseline for the tripartite has been the most valuable outcome. Previously, the tripartite referenced data from other sources, however this assessment provided them with their own data which they can use now and as a baseline data for future assessments.
6. Face-to-face interaction humanised the national assessment. Employers and workers appreciated the opportunity to meet with survey team members and not only provide information to the questions but also articulate the real challenges they were facing.
7. There was clear understanding that the assessment was not the end. The tripartite partners were clearly aware that the result of the survey should inform the development and implementation of COVID-19 recovery policies and programmes.

Lessons learned

1. Time constraints including knowing when the survey should begin, considering it is an "*in crisis*" assessment, was a major challenge.
2. Better coordination of multiple surveys would have reduced survey fatigue of respondents. At the time of this RA, 5 other surveys, small and large, were being undertaken, targeting primarily the same target groups.

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- on the ground coordination and leadership of the Assistant National Secretary **Ms Latelita Gaga** and the FTUC Executive Officer, **Ms Jotika Sharma**.
- support of the FTUC secretariat team and members of the affiliate unions, namely:
 - (a) **National Union of Workers** representing members who are workers in the sugar mills, fish processing, utilities (water) sector. National Union of Workers has been serving the workers of Fiji for over 74 years and continues to serve its members with respect and equality. A membership of over 5,000 across 25 companies in various industry sectors gives NUW a strong voice for its members.
 - (b) **National Union of Factory and Commercial Workers (NUFCW)** representing workers who are employed in the retail and manufacturing sector, such as factories and supermarkets.
 - (c) **National Union of Hospitality Catering Tourism Industries (NUHCTIE) & Fiji Hotel and Allied Industries Employees Union (FHAIEU)** representing workers that are employed in hotel and tourism services. Brand hotels such as Marriott, IHG, Raffle Group, and Accor are some of the employer groups that the NUHCTIE deals with, regional groups – Tanoa, local ones, and Ahura.
 - (d) **Federated Airline Staff Association (FASA)** representing workers employed in services needed for airlines to service their passengers such as cleaning, catering and departure and arrival services.
 - (e) **Fiji Flight Attendants Trade Union (FFATU)** representing workers who are employed by the Fiji Airways as cabin crew.
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