

MINISTRY OF INTERNAL AFFAIRS GOVERNMENT OF THE COOK ISLANDS

2015 Minimum Wage Review – Labour Facts & Statistics

The public was invited to submit their views and responses to the questions through the Minimum Wage Issues Paper published in the Cook Islands Newspaper on Saturday 31 January 2015 and on the Ministry of Internal Affairs website at www.intaff.gov.ck.

To help the public make informed views on the questions raised in the Issues paper, facts and statistics on the Cook Islands Labour Market have been complied and provided below.

Cook Islands Labour Market Facts and Statistics

In late 2014 the Ministry of Internal Affairs and the Cook Islands Statistics Office worked with the United National Population Fund (UNFPA) to develop a labour monograph of the Cook Islands. The labour monograph provided in-depth analysis of the characteristics of economic activity and the labour force in the Cook Islands, as captured in the 2011 population and housing census. The key findings from the report provide the following overview of the Cook Islands labour market:

- Around 7,700 people make up the labour force of the Cook Islands. Of this, 3,708 are men and 3,230 are women.
- Depopulation continues to be a key labour issue in the Cook Islands, with mainly young adults, aged 15-40 years, leaving to pursue education and economic opportunities overseas.¹ Forgiven workers (particularly from New Zealand, Fiji and the Philippines) are employed in the Cook Islands. Of the total labour force in the Cook Islands, around 16 percent are classed as foreigners.
- Rates of unemployment are highest in the southern Pa Enua with more than 15 percent of the labour force (around 200 people) being without work.
- Within the labour force, around 85 percent hold two jobs. Most of these (80%) are people based in Rarotonga. The proportion of men and women with two jobs is the same, but is highest with those aged 40-49 years old.
- The private sector is the main employer in the Cook Islands providing almost two thirds (65%) of jobs and employ's around 4,500 workers. The restaurants and accommodation sector is the biggest employer within the private sector.
- Around one third (31%) of jobs in the Cook Islands are in the public sector (including state owned enterprises), with a small proportion (4%) being other civil society organization such as religious institutions.

¹ UNFPA. 2014. Population and Development Profiles: Pacific Islands Countries.

- In Rarotonga, labour force participation is high, with the vast majority of men and women working (79.5% and 70.5% respectively) and almost all are in paid employment.
- The southern Pa Enua has the highest level of unemployment of 16.5% compared to 8.2% unemployment in the Northern Pa Enua and 6.3% in Rarotonga.
- The main source of income for both men and women are from wages and salaries paid by their employer.
- The average hourly wage in Rarotonga is \$10.88. The Southern Pa Enua has an average hourly wage of \$6.81 and the Northern Pa Enua has the lowest average hourly wage of \$5.46.
- Young people (aged 15-24) earn less than the average adult, at around \$6 per hour.