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▶ Marshall Islands: Country Factsheet

[Working Draft]

2024

Key Points

- The Marshall Islands has a labour force participation rate of 49.5 per cent.
- The Marshall Islands has ratified three in-force ILO conventions; future ratification priorities include the remaining fundamental conventions including on forced labour (C029 and C105), and the right to organise and collectively bargain (C087 and C098).
- Priority labour rights challenges in the Marshall Islands include combatting child labour.
- There is no formal tripartite set up in the Marshall Islands. The ILO works with the following tripartite partners: the Labour Division (under the Ministry of Foreign Affairs), the Marshall Islands Chamber of Commerce and the Teachers' Union.

▶ Country overview

Located in the Micronesia region of the North Western Pacific Ocean, the Republic of the Marshall Islands (RMI) has a predominantly urban population of 42,418.ⁱ GDP per capita is US\$6,631 and GDP growth in 2022 was 1.04 per cent.ⁱⁱ RMI is classified as an upper-middle income country by the Development Assistance Committee (DAC) of the OECD.ⁱⁱⁱ RMI is susceptible to weather events – including severe drought - and rising sea levels that can disrupt livelihoods and the economy.

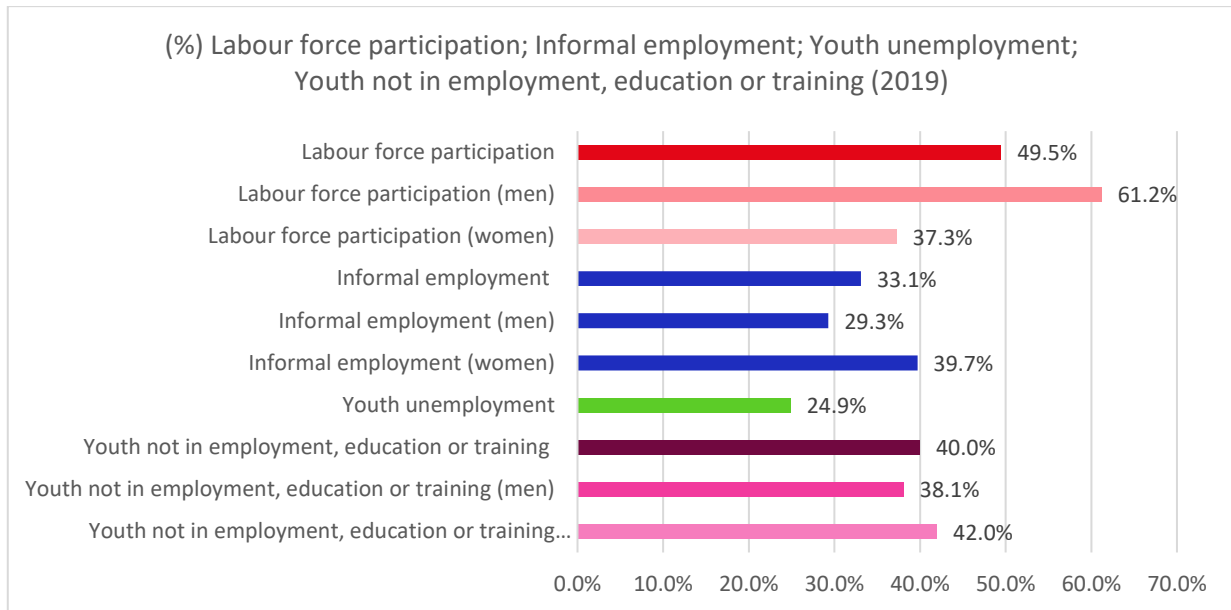
Key Data

- **Population: 42,418**
- **Working-age population: 28,000**
- **Labour force participation rate: 49.5%**
 - Women: 37.3%
 - Men: 61.2%

Source: ILO, "ILO modelled estimates database", ILOSTAT, accessed 14 April 2024.

▶ The labour market and the labour force

Data on RMI's labour force can be drawn from the 2021 Census.^{iv} RMI has a working-age population of 28,000 and a labour force participation rate of 49.5 per cent. The labour force participation rate is higher for men (61.2 per cent) than women, with under a third of working-age women in the labour force (37.3 per cent). The majority of workers are classified as waged or salaried employees, with a minority classified as self-employed (as employers, own account workers and contributing family workers). Employment is concentrated in the services sector (82.4 per cent). Market and non-market services are the largest sectors of employment in RMI, including trade, transportation, accommodation and food, and business and administrative services. Non-market services, including public administration, community, social and other services and activities employ 50 per cent of workers in RMI. Around a third of employment is in informality (33.1 per cent); this is 39.7 per cent for women. Informal employment is usually characterized by a lack of structure and a lack of access to legal protection, secure benefits, welfare protection or representation. Unemployment is at 9.8 per cent, with around a quarter (24.9 per cent) of youth being unemployed and 40 per cent who are not in employment, education or training.



Source: ILO, "ILO modelled estimates database", ILOSTAT, accessed 14 April 2024.

► Labour rights challenges

In their 2018 concluding observations, the Committee for the Elimination of Discrimination Against Women noted that RMI had made efforts to improve working conditions for women including increasing the minimum wage.^v It noted concern at the lack of specific measures to enforce the principle of equal pay for work of equal value in light of the gender pay gap; and that paid maternity leave was not in line with the Maternity Protection Convention. In their 2018 concluding observations, the Committee on the Rights of the Child noted concern at the high dropout rates at all levels of education owing to child marriage, child pregnancy and child labour. It recommended that the capacity of labour inspectors be strengthened to ensure monitoring of child labour in the informal economy.^{vi}

Labour Administration System

- **Labour market research:** Marshall Islands Economic Policy, Planning and Statistics Office.
- **Employment promotion:** Ministry of Human Resources, Culture, Tourism and Development, Bureau of Human Resources; Public Service Commission; and the National Training Centre.
- **Worker welfare:** The Labor (Minimum Conditions) Inquiry Act 1983 established a board that has the power to inquire into various matters including wages and conditions.
- **Public employment services:** Public Service Commission; State Owned Enterprises (SOEs) recruit directly.
- **Labour Inspection:** Marshall Islands allows inspections to ensure foreign workers and employers are in compliance with the work permit system.
- **Dispute resolution:** Public Service Regulations provide public servants with rights of appeal over certain decisions affecting their employment.
- **Social Protection:** Marshall Islands Social Security Administration (MISSA) provides pensions, security benefits, and support for the elderly, the disabled, and immediate family members of deceased workers. Marshall Islands Workers Compensation Program, administered by MISSA, commenced on 1 October 2023.
- **Tripartite Boards:** None at present. Informal tripartite arrangements have been used.

Source: ILO, "Baseline Study of the labour administration systems in eleven Pacific Island Countries that are members of the International Labour Organization", (unpublished); ILO, "Mapping of labour administration systems in Pacific Island Countries: Tripartite bodies and social dialogue", (unpublished).

► Legal and policy framework

The Office of the Chief Secretary and Department of Labor, along with stakeholders, are in the process of developing a National Employment Policy for RMI. Labour rights and regulations can be found in a number of laws in RMI, including the Marshall Islands Employment Equal Opportunity Act (2017), the Labor (Non-Resident Workers) Act (2018), and the most recent Labor (Collective Bargaining) Relations Act (2022). The Government has also drafted a Labour Minimum Conditions Bill, which – among other things - contains provisions on the minimum age of admission to work and of the types of work permitted to children. Moreover, the Government has taken measures to enhancing the education system, through the adoption of the Public School System Act (2013), providing for the free and compulsory enrolment and attendance of children from the age of five.

Migration dynamics

In 2020, there were 10,886 Marshallese abroad and personal remittances accounted for 13.9 per cent of GDP. RMI has a Compact of Free Association with the United States of America, allowing the free movement of citizens of the Marshall Islands to the USA to live and work.

Source: United Nations, Department of Economic and Social Affairs, Population Division, "International Migrant Stock 2020 [Total, origin]", UNDESA dataset, accessed 14 April 2024; The World Bank, "Personal remittances, received (% of GDP) – Marshall Islands", World Bank staff estimates based on IMF balance of payments data, and World Bank and OECD GDP estimates, accessed 14 April 2024; US Department of the Interior, "Compacts of Free Association".

Ratification

The Marshall Islands has ratified three ILO conventions that are currently in force. In addition, the Marshall Islands has ratified a number of international treaties including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); the Convention on the Rights of the Child (CRC), and the Convention on the Rights of Persons with Disabilities.

Fundamental

C182 – Worst Forms of Child Labour Convention, 1999 (No. 182)

Technical

C185 - Seafarers' Identity Documents Convention (Revised), 2003, as amended (No. 185)

MLC, 2006 - Maritime Labour Convention, 2006 (MLC, 2006)

Tripartism in action

Although there is no formally established tripartite body, tripartite social dialogue does exist between the Government and social partners. The Department of Labour meets with the Teachers Association or Nurses Association and the RMI Chamber of Commerce to discuss labour issues. Secretariat support is provided by a Labour Officer. The discussions within the group are about general issues between workers and employers – trying to find common ground. However, national policies are dealt with by the Director of Labour, the Attorney General and Minister. When drafting legislation, the Government consults with a range of stakeholders including the public. A Workers Compensation Taskforce, appointed by Cabinet, is proposing to establish a Workers Compensation Board. It has the potential to set an example for tripartism.

▶ ILO's support to RMI centres around the following priorities:

1. Creating more decent employment opportunities particularly for young women and men in RMI and through migration;
2. Reviewing labour laws, particularly those relating to the MLC, to ensure they are compliant with international labour standards;
3. Supporting RMI to develop its first National Employment Policy;
4. Capacitating constituents to provide business development support services to aspiring entrepreneurs; and
5. Building the capacity of Employers' and Workers' organizations and their affiliates.

The ILO is also committed to supporting RMI to ratify a number of conventions, including the following:

- ▶ C029 – Forced Labour Convention, 1930 (No. 29)
- ▶ C081 – Labour Inspection Convention, 1947 (No. 81)
- ▶ C087 – Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- ▶ C088 – Employment Service Convention, 1948 (No. 88)
- ▶ C098 – Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- ▶ C100 – Equal Remuneration Convention, 1951 (No. 100)
- ▶ C102 – Social Security (minimum Standards) Convention, 1952 (No. 102)
- ▶ C105 – Abolition of Forced Labour Convention, 1957 (No. 105)
- ▶ C111 – Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ▶ C129 – Labour Inspection (Agriculture) Convention, 1969 (No. 129)
- ▶ C138 – Minimum Age Convention, 1973 (No. 138)
- ▶ C144 – Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)
- ▶ C155 – Occupational Safety and Health Convention, 1981 (No. 155)
- ▶ C160 – Labour Statistics Convention, 1985 (No. 160)
- ▶ C181 – Private Employment Agencies Convention, 1997 (No. 181)
- ▶ C187 – Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)

ⁱ Economic, Policy, Planning and Statistics Office, *Republic of the Marshall Islands 2021 Census Report*, 2022.

ⁱⁱ United Nations Trade & Development, "General profile: Marshall Islands", UNCTADstat database, accessed 14 April 2024.

ⁱⁱⁱ OECD, "DAC List of ODAW Recipients"

^{iv} Economic, Policy, Planning and Statistics Office, *Republic of the Marshall Islands 2021 Census Report*, 2022.

^v Committee on the Elimination of Discrimination against Women, Concluding observations on the combined initial to third periodic reports of the Marshall Islands, CEDAW/C/MHL/CO/1-3 (2018).

^{vi} Committee on the Rights of the Child, Concluding observations on the combined third and fourth periodic reports of the Marshall Islands, CRC/C/MHL/CO/3-4 (2018).

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