



Executive Summary

AmericanSamoaRenewal.org

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Executive Summary

In the spring of 2012, the Department of Human Resources of the American Samoan government commissioned Social Policy Research Associates (SPR) to conduct a review of the National Emergency Grant (NEG) program. Unlike a formal evaluation, the primary goal of the review was to help the NEG team and its partners document the NEG experience and to identify lessons and opportunities that might benefit the remainder of the program as well as other education and workforce and economic development initiatives in the territory.

After reviewing key documents and participating in a number of briefings, a five-person team from SPR spent nearly a month immersed in the NEG program in American Samoa and briefly visiting Guam. With the help of our on-island project team, we spoke formally with over 100 individuals and informally with dozens more. We used traditional data collection methods, crafted a video documentary and participated in grassroots community engagement. In a commitment to transparency, all of our source documentation, including key video interviews, papers, and links to sources we used, are available on the project's website: AmericanSamoaRenewal.org.

The National Emergency Grant Program

In the wake of a devastating tsunami of 2009, which eliminated one in eight jobs in the territory, American Samoa received the largest National Emergency Grant (NEG) ever awarded¹ by the US

Department of Labor – nearly \$25M – to support the recovery process. Within weeks after the Tsunami, despite severely compromised infrastructure, the Department of Human Resources (DHR), the agency charged with planning and implementing the NEG initiative, launched Phase I – a public jobs program. NEG program staff recruited and employed 2,361 people in cleanup and recovery efforts at 65 worksites between November 2009 and June 2010. They launched the program without a one-stop career center or other key

“We had to set up manual systems, locate generators, set priorities in the face of overwhelming need . . . Nothing about a disaster is normal.”

*Tuimavave Tauapaia Laupola,
NEG Program Manager,
American Samoa Department of
Human Resources*

¹ The next year, in 2010, the State of California was awarded a National Emergency Grant of just over \$25M.

From Tsunami to Renewal: American Samoa

Department of Labor assets common on the US mainland.² They partnered with village-level community leaders and faith-based organizations with limited prior experience managing employment and training programs or recovery efforts on the scale required in the wake of the tsunami.

There were operational challenges – among them reporting and payroll. But in a few short weeks, DHR staff successfully built a program that served over ten times the number of people its annually funded workforce programs reach in a typical year.

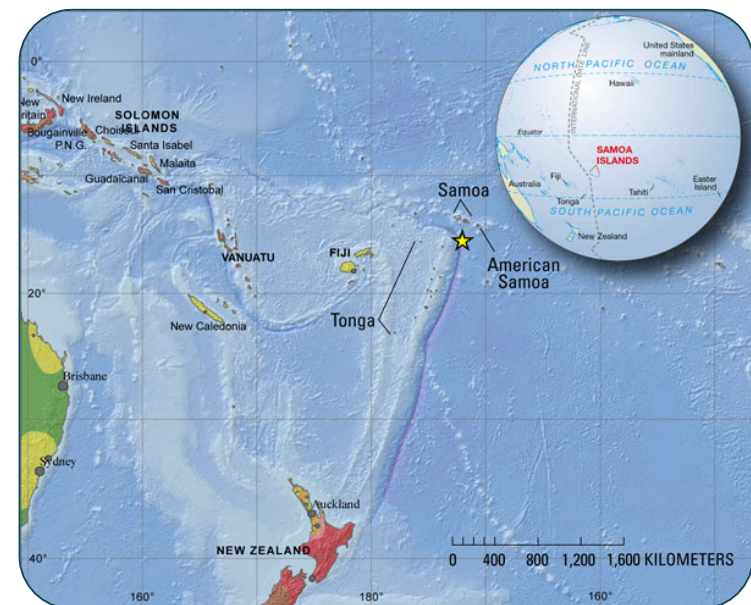
In 2010, following NEG disaster grant requirements issued by the US Department of Labor, the NEG program shifted its focus to Phase II – longer term workforce development – including training, education, and otherwise helping over two-thousand NEG temporary workers and hundreds of unemployed job-seekers affected by the tsunami transition to new jobs and build new careers.

There were daunting challenges. American Samoa is small. It is home to fewer than 68,000 people living within 77 square miles. It has only one major private-sector industry: fish processing. Even before the tsunami, employment had been a challenge for the territory. Afterward, there was no industry, sector, or cluster of economic activity capable of absorbing the number of people who

needed work even if their skills were well aligned with labor market demands.

Moreover, the transition to Phase II – Workforce Development and Reemployment – is not a simple one for disaster grantees. The systems and processes required in Phase I, such as outreach, recruiting and payroll, and placement, are fundamentally different than those required during Phase II, when the program emphasis shifts to strategy – identifying training opportunities in growing sectors that help participants connect with jobs that lead to careers.

In American Samoa, the unique context of the program made the transition to training and jobs even more difficult. The absence of career centers, the scale of unemployment, and the combination of profound needs and uncertainty about the economic future of the territory left NEG leaders with few good options.



3

² There is no Wagner-Peyser Employment Service in American Samoa, for example. In states on the US mainland, this program is a critical partner in most one-stop centers (America's Jobs Centers).

Three other factors are critical to understanding the economic context in which the NEG program was launched:

- *A rising minimum wage.* In 2007, the US Congress sought to raise the minimum wage in American Samoa to eventual parity with that on the US mainland – a planned two-fold increase in an eight-year period. The implementation of this policy resulted in layoffs in the territory’s canneries,³ accelerating the planned closure of one of them. Remaining workers received wage increases, but employers complained that the cost of labor was undermining their competitiveness relative to lower wage neighbors in the Pacific region.
- *The recession and recovery effort.* The economic output of the island decreased in 2008, and again in 2009. Federal funds available through the American Recovery and Reinvestment Act (ARRA) and Federal Emergency Management Agency (FEMA) and the National Emergency Grant prevented a more serious economic disaster: federal funds coming into the island more than doubled in two years and comprised half the territory’s Gross Domestic Product (GDP) by 2010.
- *Massive shifts in the global economy.* For over three decades, American Samoa was able to attract

investment by offering low wages, tax incentives, and access to its abundant fish stock and natural harbor. As a result, the cannery industry grew and wage labor increased, complementing investments by the federal government in roads, schools, and communication systems. But it also made American Samoa dependent on a single industry just as global trade was opening up, and competition in low wage industries was increasing. The territory, like many of its neighbors and like so many states on the US mainland, must now *rethink its entire approach to jobs, development, and prosperity.*

In this economic context, NEG staff, with the help of consultants from the Pacific Business Center (University of Hawaii) reviewed findings from dozens of studies commissioned over the previous decade to help the territory prepare for the downsizing of the tuna canneries – the largest source of employment in the territory. The NEG program conducted surveys of participants and engaged partner agencies and members of the business community in an effort to craft a workforce development strategy. By the end of 2010, NEG staff had begun to build a program around a clear goal: creating meaningful work and learning opportunities leading to jobs and careers for people who needed them in the aftermath of the tsunami.

³ A 2011 GAO report (*American Samoa and the Commonwealth of the Northern Mariana Islands: Employment, Earnings and Status of Key Industries Since Minimum Wage Increases Began*), found that nearly 1 in 5 jobs were lost between 2008 and 2009, not including those lost as a direct result of the tsunami.

From Tsunami to Renewal: American Samoa

Toward that end, Phase II of the NEG program emphasized the following strategies:

- Adopting a regional approach to cultivating economic opportunity, including reaching out to neighboring Pacific islands and US territories.
- Raising the skill-levels of low-skilled workers so they would have better employment opportunities on- or off-island, regardless of their chosen career paths.
- Investing in specific vocational and technical training programs to prepare workers for existing opportunities aligned with their interests or expertise.
- Helping workers advance who had already demonstrated interest or participation in higher education.

The NEG Program Review

This Report documents the activities and key lessons learned through the American Samoa NEG program. It also contains recommendations compiled by the study team.

In reviewing key NEG program components and approaches during 2012, the SPR team found a workforce development strategy which blended capacity building, bold program investments, and direct business engagement to connect people with training, education, and jobs leading to careers. The NEG program:

- Brought new testing and training opportunities to American Samoa's only college;
- Created a diverse range of work opportunities for hundreds of participants, exposing many to new jobs and work environments;
- Established a first-of-its kind culinary training program that helped NEG participants begin new careers and launch new businesses;
- Collaborated with Pacific region neighbors, tapping into training and job opportunities in high-growth Guam; and,
- Opened the territory's first One-Stop Career Center as part of a major employment and job creation effort (see *Postscript* addendum to this report).

Through these and other efforts, NEG leaders are cultivating the economic assets they hope will anchor American Samoa's long-term recovery, creating new jobs and bringing new development opportunities to the territory.



Clockwise from upper right: American Samoa Community College, students in American Samoa Culinary Academy classroom, students in construction trades training in Guam.

From Tsunami to Renewal: American Samoa

Although not strictly part of the strategy, the NEG also did something as important as any of its individual programs or initiatives: *it revealed the critical importance of investing in workforce development as a foundation of the territory's future prosperity.*

Senior leaders including former Governor Tulafono and the General Manager of the largest private sector firm on the island have recognized the importance of education and training in the performance of their organizations and in American Samoa's economy.

On January 3, 2013, newly elected Governor Lolo Matalasi Moliga and Lt. Governor Peleti Sialema Mauga were sworn into office.⁴ The platform of the incoming administration includes numerous policies consistent with those of the NEG program, including: closer ties to the US Department of Labor in support of workforce development; a laser focus on enterprise, entrepreneurship and growing new industries; improved technology infrastructure; and renewed attention to the well-being and preparedness of youth and young adults.

Workforce development was identified as a potential catalyst for broader economic change even before the NEG. It also features prominently in the comprehensive economic development strategy

⁴ The previous Governor Togiola Tulafono had served as Lt. Governor from 2007 until 2003, and as Governor from 2003 through 2012.

(CEDs) study currently under review.⁵ After the tsunami and NEG program, people outside of the Department of Human Resources and its programs are talking about jobs, education, training, and career choices.

Workforce development issues are emerging as part of policy discussions in other domains. The Tsunami Study, for example, identifies “jobs training and development” as an element of economic resilience and recommends attention to vocational and technical training and direct linkages to job creation.

American Samoa's new Career One-Stop Center (launched in the summer of 2012) offers a community-based location where people looking for jobs or educational opportunities can find the help they need. It has designed services to emphasize the building of careers. The One-Stop has attracted the attention of job-seekers and of students from nearby Tafuna High School and American Samoa Community College, prompting the Department of Human Resources to explore partnership strategies for sustaining the Center after the NEG program sunsets.⁶

⁵ We spoke with the authors of this study – Malcolm McPhee and Lewis Wolman of Malcolm D. McPhee & Associates – and shared preliminary documents back and forth as we advanced our respective work.

⁶ During our final visit in early 2013, we learned the One-Stop Center had relocated due to a problem with the lease on the building. Program staff and the contractor organization are working on relaunching the center in another location as soon as possible.

Even the island's ubiquitous *aiga* (family) buses seem to invite informal conversations about jobs – especially among young people. Longtime observers characterize these conversations as a change from previous years.

Still, there is much to be done. The linkages between federal agencies and programs and their American Samoan counterparts, though reportedly improving,⁷ will require constant reinforcement. Difficult conversations about shared priorities must involve government, business, and village leaders – despite significant budget pressures. And workers, entrepreneurs, and young people and their families must advocate for access to opportunities that will benefit their communities.

RECOMMENDATIONS FOR IMPROVING ECONOMIC OPPORTUNITIES

Our review of American Samoa's NEG program and engagement with key private, public, and nonprofit sector leaders, policy

⁷ Government and business leaders in American Samoa credited the appointment of Anthony Babauta as Assistant Secretary for Insular Areas in 2009 with injecting new energy into state-federal collaboration in the Pacific. Assistant Secretary Babauta was the highest-ranking native Pacific Islander serving in the US government and the first person of Marianas/Micronesian descent appointed by a US President. Although the Assistant Secretary resigned from his post during our final visit (January 2013), territorial leaders seek to preserve the improved communication and collaboration realized during his tenure.

professionals, program managers, community leaders, and hundreds of residents from dozens of villages pointed to three key opportunities for using the NEG experience to inform a prosperity strategy going forward.

We encourage the American Samoa's leaders to:

1. *Embrace the broader workforce agenda that has evolved since the launch of the National Emergency Grant.*

Five primary components of this broader agenda form the heart of our recommendations

- **Deepening and strengthening formal and informal relationships with territorial and federal agencies on- and off-island.** Working with US and Guam Departments of Labor colleagues to secure the National Emergency Grant, and the Department of Interior on capacity building are examples of reaching beyond traditional approaches to workforce development. These efforts may be even more crucial in the post-grant period, especially as the Comprehensive Economic Development Study (CEDS) nears completion and the new administration of Governor Lolo Moliga begins to shape its approach to the territory's development.
- **Collaborating with government and private-sector partners throughout the Pacific region.** In keeping with the American Samoa Government's longtime strategy to strengthen linkages between islands across the Pacific

region, the NEG team worked closely with their colleagues in Guam to plan, launch and managed the NEG program, even collaborating on a first-of-its-kind construction training program for American Samoans willing to learn and work in Guam. New such opportunities are possible with continued commitment to regional collaboration.

- **Advancing innovation and enterprise, while effectively managing risk.** As American Samoa moves away from a development approach dependent on low wages to one that prioritizes higher skills and creative enterprises, it must experiment with new approaches – supporting self-employment, prioritizing emerging sectors and clusters, and advancing workplace-based development initiatives. The NEG program provided opportunities to pilot new ideas, like the culinary training program. The Work Experience Internship and On-the-Job Training programs engaged dozens of private sector employers, many of them small. Finding ways to attract resources, scale effective initiatives, and vet and test new ideas while balancing potential risk are critical capacities needed across sectors among American Samoa’s workforce leaders.
- **Developing strategic relationships with philanthropic and non-profit organizations on- and off-island.** American Samoa’s “social good” sector (philanthropy, charitable giving, and non-profit organizations) is young, undercapitalized, and lacks access to peer networks, regular technical assistance, and local capacity building champions.⁸

⁸ Using *Guidestar*, we identified 81 non-profit organizations registered in the territory, including one foundation. But 34 of these had lost their exempt status, many others are Church-affiliated, and very few have websites which would help people learn more about them.

Many manage only project-based funding, ceasing operations between projects, which impedes their ability to grow or develop deep expertise in critical areas of need in American Samoa.⁹ The territory’s public and private sectors could play a role in building the social sector’s capacity by engaging those non-profits with complementary missions¹⁰ as long-term workforce development partners.

- **Shifting away from “program” as the heart of workforce development and toward the idea that workforce development is about effective people management and development practices that can be adopted in any school or workplace.** The old model of workforce development was about training people for available jobs. Increasingly workforce professionals also play important roles in advocating for career education in schools and professional development in the workplace; collaborating with industry to access training and development; promoting self-employment; helping organizations – public and private – to adopt modern talent development and management practices. These activities create value for firms and help individuals and families whether they are participants in workforce programs or not. NEG staff took initial steps toward this broader role in Phase II of the program. To further advance this agenda, a network of the Chamber of

⁹ Two organizations heard about our project and contacted us, as technical assistance providers, to inquire about helping them with fundraising.

¹⁰ The Pacific Islands Center for Educational Development (PiCED) supports educational achievement among the island’s young people and was the territory’s 2011 non-profit of the year. Intersections Inc. runs Nuanua Media Communications – a combined leadership development and film and media skills development program for young people. These are two examples of such non-profits but there are likely many others.

From Tsunami to Renewal: American Samoa

Commerce, the Workforce Development Commission, the Territorial Planning Commission, and others – have an opportunity to adopt exemplary workforce practices that can increase productivity, grow jobs, and seed new industries.

2. *Engage the extended family ('aiga') network.*

We saw countless examples of American Samoans returning from the US mainland or elsewhere to assist their families after the tsunami leading game-changing initiatives by engaging their off-island networks. Chef Sualua Tupolo, who launched the American Samoa Culinary Academy, is one example. At the same time, there are thousands of networks in the US comprised of American Samoans who are working or attending school. Families, churches, and now workforce programs are engaging these networks in ways that help students and new arrivals succeed. American Samoa's leaders must build and support networks that enable opportunities for off-island education, training, development for residents of American



Samoa, and opportunities for US mainlanders and Pacific islanders to learn and work in American Samoa. Reaching out to those who have returned home from military service, education, or off-island holds tremendous promise as a low-cost, high-impact workforce development strategy.

3. *Employ technology strategically to advance the broader workforce agenda, and increase the training and job opportunities for American Samoans of all ages.*

Four specific opportunities are described below.

- American Samoa Community College is a large and well-regarded educational institution – even housing a Small Business Development Center on its campus. The government has supported the college in its effort to secure accreditation for its first bachelors degree program expected in Spring 2013. But the college cannot be expected to meet all of the territory's education, training, and professional development needs. As Internet connectivity in American Samoa improves, online education and training programs, partnerships with off-island colleges and universities, and even peer-learning platforms can help fill that gap.
- Similarly, new service industry companies that employ individuals all over the world offer nontraditional employment opportunities, especially for women and people who seek part-time work or flexible hours. Some of these companies are even social enterprises, which would

From Tsunami to Renewal: American Samoa

offer needed services as well as mission alignment.¹¹ Such strategies are new to workforce professionals – on the US mainland or in American Samoa – but are increasingly important tools for cultivating talent and enterprise in isolated communities.

- One challenge facing American Samoa is a lack of timely and high-quality workforce data. There is no Department of Labor on the island, and therefore no system for regularly tracking employment, wages, and other important labor market information. However, as the cost of technology decreases and access improves, workforce professionals across sectors could find ways to employ these technologies, even in collaboration with one another, so that territorial leaders would have access to good information about jobs, skills, and the movement of people through the labor market.
- Finally, public agencies, non-profit organizations and others are just beginning to use social media to organize champions, supporters, volunteers, and even donors – and could engage small business lenders.¹² The National Park of American Samoa, is an example of a public agency that uses Facebook particularly well to engage its “tribe.” It will be increasingly important for public agencies of all kinds to engage this way as more citizens and residents demand it.¹³

¹¹ Samasource, for example, is a non-profit organization that connects poor women and young people to training and employment in the digital economy and provides “microwork” for people in need all over the world.

¹² Kiva provides a platform that allows individuals to make small business loans to aspiring entrepreneurs who lack access to capital.

¹³ We heard many anecdotes about young peoples’ expectations about education and jobs shifting as a result of communicating with off-island

These recommendations and additional examples are summarized in Insert 14 of the full report.

Going forward, government, private sector, and community leaders must make serious choices about the focus of their economic and workforce development efforts. But they will be making these choices in the context of a community that has begun to understand the importance of workforce skills in the recovery of the island and in its accompanying economic, social and spiritual renewal.



In American Samoa, tradition and modernity live right alongside one another.

friends on Facebook – and we experienced this dynamic ourselves as American Samoan colleagues and friends began communicating with us this way.