

MARCH 2024



UNLOCKING POTENTIAL

A GENDER INCLUSIVE PRIVATE SECTOR FRAMEWORK FOR THE PACIFIC

TONGA COUNTRY ASSESSMENT

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In this publication, \$ = United States dollar unless otherwise specified. T\$ = Tongan pa'anga.

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ii. ABBREVIATIONS

ADB	-	Asian Development Bank
BPA	-	Beijing Platform for Action
CEDAW	-	Convention on the Elimination of All Forms of Discrimination against Women
CERT	-	Computer Emergency Response Team (Tonga)
COVID-19	-	coronavirus disease
CRPD	-	Convention on the Rights of Persons with Disabilities
DVU	-	Domestic Violence Unit (Tonga Police)
ECD	-	Early Childhood Development
EIU	-	E-commerce Implementation Unit
FAW	-	Food and Agriculture Organization of the United Nations
FHH	-	female-headed households
FY	-	fiscal year
GBV	-	gender-based violence
GDP	-	gross domestic product
GEWD	-	Gender Equality and Women's Development
GIPS framework	-	Gender-Inclusive Private Sector framework
GRB	-	gender-responsive budgeting
ICT	-	information and communication technology
ILO	-	International Labour Organization
IMF	-	International Monetary Fund
LFPR	-	labor force participation rate
LFS	-	Labour Force Survey
MAFF	-	Ministry of Agriculture, Food and Forests (Tonga)
MIA	-	Ministry of Internal Affairs (Tonga)
MSME	-	micro, small and medium enterprise
MTED	-	Ministry of Trade and Economic Development (Tonga)
NFIT	-	National Financial Inclusion Taskforce
NRBT	-	National Reserve Bank of Tonga
NRBF	-	National Retirement Benefits Fund and Social Welfare Scheme (Tonga)
PPA	-	Pacific Platform for Action on Gender Equality
PSDI	-	Pacific Private Sector Development Initiative
SDG	-	Sustainable Development Goal

SPC	-	Pacific Community
SOE	-	state-owned enterprise
STEM	-	Science, Technology, Engineering and Mathematics
TASP	-	Tonga Agriculture Sector Plan
TDB	-	Tonga Development Bank
TFSP	-	Tonga Fisheries Sector Plan
TSDf II	-	Tonga Strategic Development Framework 2015-2025
UN Women	-	United Nations Entity for Gender Equality and the Empowerment of Women
UNCDF	-	United Nations Capital Development Fund
UNDP	-	United Nations Development Programme
WAGED	-	Women's Affairs and Gender Equality Division (Tonga)
WEGET	-	Women's Employment and Gender Equality Tonga

1. INTRODUCTION

The private sector plays a crucial role in fostering economic growth and development. It is increasingly recognized that a gender-inclusive private sector is essential for sustainable and equitable progress. The Pacific Private Sector Development Initiative (PSDI) works with Pacific governments and private sector actors to promote an enabling environment that supports gender-inclusive private sector development and recognizes the valuable contribution of women as employees, consumers, entrepreneurs, and leaders, across all facets of the private sector.

To facilitate this work, PSDI has developed a comprehensive Gender-Inclusive Private Sector (GIPS) framework, to assess the level of gender inclusivity within the private sector enabling environment in the Pacific. The GIPS framework was developed through extensive literature review, consultations with stakeholders, and assessment of existing frameworks and relevant available data.

Great strides have been made in the Pacific over the past decade to address barriers to gender-inclusive private sector development, including through legislative and policy reforms. These reforms have included streamlining business registration and licensing processes, including through the introduction of online platforms, and have increased accessibility to services and information for women in rural and remote areas. Notably, many Pacific countries have enacted legislation and regulations to improve women's access to credit and capital by introducing secured transactions frameworks and alternative assessments of creditworthiness.

Building upon an analysis of the legal, structural, and cultural barriers that impede women's participation and advancement within the private sector, the proposed framework consists of seven dimensions (Figure 1). These dimensions serve as entry points for establishing an enabling environment that supports gender-inclusive private sector development.

The proposed framework serves as a checklist for Pacific governments to evaluate their progress in creating an enabling environment that supports gender-inclusive private sector development. It assesses the existence of conditions necessary to enable and support women's economic participation and advancement. Specifically, it prompts governments to assess whether they have taken the required steps to generate a policy, legal, regulatory, and institutional context that fosters equal participation and opportunity for women and men in the private sector.

While this framework has been developed for use across Pacific countries, it is essential to acknowledge the different levels of economic development within the region. Some conditions supporting gender-inclusive private sector development may be feasible across most, if not all, Pacific countries, while others may only be realistic within the region's larger, more developed economies.

The country-level framework assessment For Tonga, summarised in Table 1, was compiled based on a thorough review of publicly available sources, including legislation, policy, and strategy documents, as well as government reports. Additionally, valuable insights were provided by Pacific government officials to supplement desk-based research, ensuring the accuracy and relevance of PSDI's country-level assessments.

By employing this framework and assessment, Pacific governments can gauge their progress and identify areas that require further attention and improvement in creating a gender-inclusive private sector enabling environment. This assessment will contribute to the ongoing efforts to empower women economically and drive sustainable development in the Pacific region

Figure 1: The Gender-Inclusive Private Sector Framework



Source: Pacific Private Sector Development Initiative.

Table 1: Tonga Framework Assessment Summary

Dimension	Entry Point and Assessment
1. GENDER EQUALITY CONTEXT	Constitution
	Global gender equality commitments
	National gender equality policies and legislation
	Sex-disaggregated data
2. WORKPLACE ENVIRONMENT	Global labor conventions
	National labor legislation and policies
	Access to formal care services
3. BUSINESS ENABLING ENVIRONMENT	Business and/or company legislation
	Business registration
	Support to women entrepreneurs
	Engaging the informal economy
4. FINANCIAL INCLUSIONS AND ACCESS TO CAPITAL	Financial legislation and policy
	Access to capital
	Access to retirement funds
5. PARTICIPATION IN KEY ECONOMIC SECTORS	Sector policies and strategies
	Gender-responsive procurement
	E-commerce
	Trade policy and programs
6. TECHNOLOGY AND THE FUTURE OF WORK	Digital access, legislation, and policy
	Planning for the future of work
7. LEADERSHIP, VOICE, AND CONSUMER RIGHTS	Strategies for private sector leadership
	Voice in private sector policy and planning
	Promotion of consumer rights

Meets or exceeds framework assessment criteria

Partially meets framework assessment criteria

Does not meet assessment criteria or there is insufficient evidence to form an assessment

Source: Pacific Private Sector Development Initiative

2. PRIVATE SECTOR AND ECONOMY CONTEXT

Tonga comprises more than 170 coral and volcanic islands, 36 of which are permanently inhabited. The population is 100,179, with the majority (74%) living on the largest island, Tongatapu (Tonga Statistics Department 2022a). One-third of the national population (34%) lives in Greater Nuku'alofa, the national capital located on Tongatapu; 40% of Tongans are projected to be living in the capital by 2030 (Ferrer 2021). Women comprise 51% of the population nationally and in rural areas, and 52% in Greater Nuku'alofa (Tonga Statistics Department 2022a).

From 2011 to 2021, the Tongan population declined 3%, with a 6% decline in the number of men (Tonga Statistics Department 2022a). Since the 1950s, international migration has steadily increased as Tongans pursue education and work opportunities overseas. It is estimated that the Tongan diaspora is as at least as large as the population residing in the country, if not bigger (Government of Tonga 2022). The outmigration of men, in particular, has impacted the proportion of women remaining in Tonga who manage households (United Nations Entity for Gender Equality and the Empowerment of Women [UN Women] 2022). In 2019, the rate of female-headed households (FHHs) was 22% (Tonga Statistics Department 2020); according to the 2021 census the rate of FHHs was 26% nationally and 28% in Greater Nuku'alofa (Tonga Statistics Department 2022a).

Compulsory education for children under the age of 18 years has resulted in high net enrollments and completion rates in primary and lower secondary school, with gender parity ratios of 1.00–1.09 (Tonga Statistics Department 2020). There are, however, significant drops at the upper secondary level that affect the skills and job readiness of Tongans. The net enrollment rate is 74% for girls and 55% for boys, with a gender parity ratio of 1.34; the completion rates are 49% for girls and 39% for boys (Tonga Statistics Department 2020). The 2018 Labour Force Survey (LFS) found that only 8% of women and 7% of men over the age of 15 years have tertiary education qualifications (Tonga Statistics Department 2018).

The Kingdom of Tonga is a constitutional monarchy. The unicameral Legislative Assembly includes 17 People's Representatives elected by the population, nine members elected by the 29 Nobles of Tonga, and up to four members appointed by the King. In the most recent election in 2021, women accounted for 16% of candidates for People's Representatives' but none was elected, compared with two women who won seats in the 2017 election. Following the 2021 election, one unelected woman was appointed to the cabinet and to a seat in the Legislative Assembly (UN Women 2022).

Tonga is an ethnically homogenous,² patriarchal society (Pacific Community [SPC] 2019). Tongan women have traditionally held high social status because of the *fahu* system within families;³ nonetheless, cultural and gender norms reinforced by customary law favor men over women. Men are responsible for providing for their families, men make decisions and assume leadership at home and in the community, and sons inherit land and other assets (SPC 2019). The role of women is to care for and nurture their families. They are expected to be virtuous, dignified, submissive, and dutiful; are largely excluded from political participation and institutions; and, in rural areas, have limited ability to speak in public (SPC 2019, Food and Agriculture Organization of the United Nations (FAO) and SPC 2019, SPC 2012) Gender

1 Women cannot hold any of the nine reserved noble seats, as aristocratic titles can only be inherited by men.

2 Nearly all of the population (98%) are ethnic Tongans.

3 Where the eldest sister is regarded as having authority over others within her kin group, including the right to demand goods and services from her brothers, mother's brothers (maternal uncles), and other kin over whom she has *fahu* status.

stereotypes of what is appropriate for women influence (i) their participation in economic activities outside the home; (ii) the subjects they study in school and, therefore, the occupational segregation of women in the workforce; and (iii) the incidence of women working in the informal economy and/or vulnerable employment. Cultural norms also contribute to a statistic of 75% of Tongan women having experienced physical and/or sexual violence in their lives (SPC 2019).

Tonga has a narrow economic base, with agriculture and tourism the main exports (International Monetary Fund [IMF] 2018). Nine out of 10 Tongan households and 96% of FHHs also rely on remittances (Tonga Statistics Department 2023), with the value of remittances increasing from 35% of gross domestic product (GDP) in 2018 to 46% of GDP in 2021 (World Bank n.d.a). Vulnerability to natural disasters, geographical remoteness, high transportation costs, limited economies of scale, and the country's undiversified production base are factors that pose sustainability challenges and place Tonga at a competitive disadvantage (IMF 2018).

The labor force participation rate (LFPR) was 47% among Tongans aged 15 years and older, with LFPRs of 56% for men and 38% for women, according to the 2018 Labour Force Survey (LFS) (Tonga Statistics Department 2018). Among people of prime working age (25–64 years), 74% of men and 50% of women are economically active. LFPRs vary significantly depending on people's level of education; for women, 39% who have completed upper secondary school are economically active compared with 61% with tertiary education. While not fully consistent with LFS data, World Bank data demonstrate that since the mid-1990s, there has been a steady decline in the LFPR, from 61% to 55% of Tongans aged 15–64 years; the decline has been more significant for men (75% to 67%) than for women (47% to 45%) (World Bank n.d.b).

Based on 2018 LFS data (Tonga Statistics Department 2018), women accounted for 44% of Tongans who are employed or self-employed. Most employed Tongans were employees (52% of women and 59% of men). Similar proportions of women and men were own-account workers (22%–23%) and contributing family workers (5%–6%). Women slightly outnumbered men among employers (2,376 women versus 2,229 men), although the LFS does not define “employer.” The 2016 census that defines “employer” as someone running a business with paid employees reported that only 710 Tongans, or 1% of people aged 15 years and older, were employers, including twice as many men as women (Tonga Statistics Department 2017).

In 2021, employment was the main economic activity of 31% of Tongans and 41% of urban Tongans (Tonga Statistics Department 2023). The 2016 census reported that 15% of employed Tongans worked in the public sector, including 17% of employed men and 12% of employed women (Tonga Statistics Department 2017). Lower proportions of people worked in the private sector, including 11% of all employed Tongans, 15% of employed men, and 7% of employed women (Tonga Statistics Department 2017). Similar data were not reported in the 2021 census.

The 2018 LFS data documented the importance of the informal economy in Tonga (Tonga Statistics Department 2018). About half of employed Tongans (47%) worked in the informal sector, including 53% of employed men and 39% of employed women. Nearly 8 in 10 employed Tongans (78%) were informally employed;⁴ this included 80% of employed men and 76% of employed women.

About 80% of Tongan households are engaged in agricultural activities (including crop cultivation, fisheries, livestock raising, and/or handicrafts) (Tonga Statistics Department 2018). Most agricultural production is subsistence or semi-subsistence; in 2015, 5% of agriculturally active households were engaged in commercial production (Government of Tonga, Ministry of Agriculture, Food, Forests, and Fisheries; Tonga Statistics Department and FAO 2015), growing

4 According to the 2018 LFS, informal employment comprises all employed persons (whether in the formal or informal sector or in households) whose employment (i) is not regulated or protected by the government; (ii) is not based on explicit or written contracts; and (iii) does not provide employee benefits such as social protection coverage, severance pay, and/or paid sick and annual leave.

squash, coconuts, bananas, and vanilla beans for export. The 2021 Household Income and Expenditure Survey reports that crop cultivation is carried out almost exclusively by men (Tonga Statistics Department 2023). However, a gender assessment of Tonga's agriculture sector finds that, on average, women account for 44% of subsistence food production workers (FAO and SPC 2019). Among women engaged, broadly speaking, in agricultural activities, 98% are involved in handicrafts that include home-based food processing as well as weaving and tapa production (Tonga Statistics Department 2023). Handicraft production has traditionally been for home consumption or events such as weddings, funerals, and birthdays; however, more than half of people producing handicrafts are also doing that for sale (Tonga Statistics Department 2023).

The government has identified tourism as a major export industry and a key sector for Tongan economic development; however, the sector remains underdeveloped (TRIP Consultants 2013). In 2019, it was estimated to contribute 11% to GDP and employ 3,000 people or 9% of total employment (Pacific Private Sector Development Initiative [PSDI] 2021a). Small businesses dominate private sector tourism, with the majority owned by locals who recruit staff through family connections (PSDI 2021a). There is a lack of detailed data on the tourism sector, but declines because of the coronavirus disease (COVID-19) pandemic in the contribution of accommodation and food service activities to GDP of -27% in 2019-2020 and -68% in 2020-2021 are indicative of the challenges for tourism development (Tonga Statistics Department 2022b).

In 2021, a national survey of 2,301 informal businesses was conducted in Tonga (PSDI 2021b). More than half of the businesses were operated by women (56%), who run nearly all the businesses engaged in the production of key Tongan handicrafts, namely mats, *ta'ovala* (a traditional mat worn around the waist), and *tapa* (an ornamental cloth made out of tree bark); 95% of businesses producing root crops and kava are operated by men. Nearly 80% of all businesses are focused primarily or solely on the sale of their production, more so among women-headed businesses; however, highly profitable businesses are more common among men than women. Six in 10 informal businesses are not registered because people do not know they should register, do not understand the process, do not see benefits to registering, and/or believe it is too costly (PSDI 2021b). Eight in 10 businesses are started with no resources or with savings and/or family funds; most do not seek loans to start or further develop their businesses. However, up to nearly half of surveyed businesses cited a lack of resources and insufficient funds as well as a lack of information on markets and trade opportunities as "very much" or "extremely" a barrier to the development of their businesses.

In early 2022, the confluence of major events had profound economic and social impacts. Tonga was beginning to recover from Tropical Cyclone Harold and was dealing with border closures due to COVID-19 that had occurred in 2020 (IMF 2022) when in January 2022, the eruption of the Hunga Tonga-Hunga Ha'apai volcano and the tsunami it caused affected 85% of Tonga's population (McDonald 2022). More than 600 houses and commercial and community buildings were destroyed, in turn destroying whole communities. In addition, key transportation, water supply, and tourism infrastructure was damaged and communications and vital supply chains were disrupted. The tsunami destroyed people's fishing boats and ashfall curtailed subsistence agricultural activities (McDonald 2022 and Nakamura and Pape 2023). Estimates of the value of damages vary from 18%-19% to more than 36% of Tonga's GDP (IMF 2022).

In February 2022, Tonga also experienced its first community outbreak of COVID-19; mitigation measures, including national lockdowns and restricted interisland movements, compounded the impacts of the earlier closure of the international border. Phone surveys conducted in mid-2022 found that one-third of workers in agriculture and tourism had not yet recovered their incomes and recovery was slower for women and Tongans working in the informal economy (Nakamura and Pape 2023). The government reported a GDP contraction of -2.7% in the 2020/2021 fiscal year (FY) (1 July 2020-30 June 2021) (Tonga Statistics Department 2022a) although there are no reported data for 2021-2022;

various international organizations foresee a rapid recovery from 2022 events, estimating positive GDP growth at 2.5%–2.6% in 2022–2023 and at 3.2%– 5.2% in 2023–2024 (Asian Development Bank [ADB] n.d. and IMF 2023).

Development priorities for Tonga, including those relating to private sector development and economic growth, are outlined in the Tonga Strategic Development Framework, 2015–2025; however, the government does not have a dedicated private sector development strategy. The framework includes specific goals to enhance the business environment and to promote inclusive investment, sustainable employment, and profits while ensuring consumer rights and environmental considerations. Multiple government ministries contribute to the enablement of the private sector; the Ministry of Trade and Economic Development holds primary responsibility for strengthening the business environment, while the Ministry of Internal Affairs focuses on achieving gender equality and women’s economic empowerment in alignment with the government’s agenda.

3. TONGA FRAMEWORK ASSESSMENT

Dimension 1: Gender Equality Context



- 1.1 Constitution
- 1.2 Global Gender Equality Commitments
- 1.3 National Gender Equality Policies and Legislation
- 1.4 Sex-disaggregated Data

1.1: Constitution

Assessment criteria

The constitution specifically prohibits discrimination based on sex and sexual orientation and/or gender identity.

Tonga country assessment

Does not meet assessment criteria

The constitution does not prohibit discrimination based on sex, sexual orientation, and/ or gender identity.

- **Relevant legislation or policy**

- [The Constitution of Tonga](#)

The Constitution of Tonga declares: “There shall be but one law in Tonga for chiefs and commoners for non-Tongans and Tongans. No laws shall be enacted for one class and not for another class, but the law shall be the same for all the people of this land” (Clause 4).

The constitution does not include any specific references to non-discrimination based on sex, gender, sexual orientation, or gender identity.

1.2: Global Gender Equality Commitments

Assessment criteria	Tonga country assessment
The government has ratified and/or is a signatory to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and has agreed to implement the commitments outlined in the Beijing Platform for Action (BPA), and Pacific Platform for Action (PPA).	<p>Partially meets assessment criteria</p> <p>The government has produced national reports within the past 5 years but is only a signatory to the BPA.</p>

- **CEDAW**

Tonga is one of only six UN member states that have not ratified CEDAW (United Nations Human Rights Office of the High Commissioner n.d.). Since 2005, there have been several attempts to ratify CEDAW in Tonga. In 2009, Tonga’s Legislative Assembly voted against ratification of CEDAW, “arguing the need to reserve the right to maintain male succession to the throne, to noble titles and to registered land (Lee 2017).” Debate on the ratification of CEDAW was raised again unsuccessfully in 2011 and 2015. In 2015, public protests opposing ratification arose, involving local church groups, including the Tonga Catholic Women’s League. This opposition was strong enough to halt progress towards ratification after a petition with around 15,000 signatures was submitted to King Tupou VI (Lee 2017).

The [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019-2025](#) committed to developing a plan of action in favor of CEDAW “for community awareness, sectoral consultations, capacity building of government, NGOs, and faith-based organizations” as an initiative to promote the “values of gender equality...in the family, workplace and society”.

- **BPA**

Despite not ratifying CEDAW, Tonga has been actively involved in the global community’s efforts towards gender equality. Tonga ratified the BPA in 1995 (UN Women 2022). Tonga participated in the regional [Beijing +20: Review of progress in implementing the Beijing Platform for Action in Pacific Island countries and territories](#) by submitting a national report. Similarly, Tonga participated in the regional [Beijing +25: Review of progress in implementing the Beijing Platform for Action in Pacific Island countries and territories](#) by submitting a national report.

The [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019-2025](#) cites the BPA as a commitment of the government.

- **PPA**

At a regional level, Tonga takes part in developing and reviewing the [PPA](#). This platform commits Pacific island countries and territories to take national action across 13 priority areas that align with global and regional gender equality frameworks.

The [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019-2025](#) cites the PPA as a commitment of the government.

1.3: National Gender Equality Policies and Legislation

Assessment criteria	Tonga country assessment
<p>The government has a dedicated ministry or department for gender equality and women’s empowerment and has adopted policies and/or legislation on:</p> <ul style="list-style-type: none"> • gender equality, • gender-based violence, and • women’s economic empowerment. <p>In addition, there is evidence that policy and/or legislation is being implemented, such as:</p> <ul style="list-style-type: none"> • resources, such as budget and/or staff, are allocated towards the policy implementation, • a monitoring and evaluation framework is in place, and • review and/or reporting on implementation progress is undertaken. 	<p><i>Partially meets assessment criteria</i></p> <p>The government has adopted policies and/or legislation in at least two of the key areas outlined in the assessment criteria, and there is evidence of implementation.</p>

- **Relevant legislation and policy**

- [Tonga Strategic Development Framework 2015-2025](#)
- [National Women’s Empowerment and Gender Equality Policy and Strategic Plan of Action 2019-2025.](#)
- [Gender Mainstreaming Handbook](#)
- [Family Protection Act \(2020 Rev.\)](#)

- **Gender equality**

Tonga’s commitment to gender equality is detailed in the [National Women’s Empowerment and Gender Equality Policy and Strategic Plan of Action 2019-2025](#). The policy, also known as the Women’s Employment and Gender Equality Tonga (WEGET), is consistent with National Outcome C of the [Tonga Strategic Development Framework 2015-2025 \(TSDF II\)](#)—namely, “a more inclusive, sustainable and empowering human development with gender equality.” The WEGET is aligned with global and regional gender equality frameworks including the BPA, PPA, and the Sustainable Development Goals (SDGs).

The WEGET identifies five priority outcomes: (i) enabling environment for gender mainstreaming across government; (ii) families and communities prosper from gender equality; (iii) equitable access to economic assets and employment; (iv) increased women’s leadership and political representation; and (v) equal conditions to respond to natural disasters and climate change. The Strategic Plan of Action 2019-2025 identifies outputs and key actions for each of the WEGET priority outcomes.

The Women’s Affairs and Gender Equality Division (WAGED) within the Ministry of Internal Affairs (MIA) is responsible for implementing the WEGET, although “the implementation of the Policy requires the engagement of all sectors and all government agencies at both local and national levels.”

The WEGET presents an analysis of gender equality issues in Tonga, with data disaggregated by sex, age, and/or disability.

The MIA Corporate Plan and Budget 2020/21 – 2022/23 includes a timeframe and key performance indicators (KPIs) for each of the outputs and activities of the Strategic Plan of Action, aligned with the WEGET priority outcomes, and how they are aligned with SDGs. Annual reports prepared by the WAGED are to report on the progress on WEGET outcomes.

The WEGET and Strategic Plan of Action are not fully funded, with MIA relying on funding from development partners to progress the WEGET’s outlined reform priorities.

The WEGET notes a weak enabling environment in Tonga for gender mainstreaming but seeks to address this by implementing the Gender Mainstreaming Handbook (2019) and developing gender budgets in corporate plans.

With respect to institutional capacity, the WEGET acknowledges that the WAGED is understaffed and under-resourced. According to the MIA Corporate Plan and Budget 2020/21 – 2022/23, staffing was projected to increase from seven to 10 staff members (based on adding three donor-funded positions). The recurrent budget allocation for the women’s affairs and gender equality program did not increase in the period 2019/20 to 2020/21 and represents less than 5% of the MIA’s recurrent budget allocation across its seven program areas.¹ This budget only covers the operational costs of the WAGED and, as noted above, additional funding is required to implement specific initiatives.

- **Gender-based violence**

At present, there is no standalone gender-based violence (GBV) policy or strategy in Tonga. However, the National Women’s Empowerment and Gender Equality Policy and Strategic Plan of Action 2019-2025 Output 2.2 anticipates that “measures are in place to eliminate domestic violence and provide services to victims.” Specific activities include the development of a national GBV prevention strategy and action framework with a specific emphasis on engaging faith denominations, along with a range of other actions.

Tonga has enacted a range of legislation that defines gender-based violence and its treatment within the justice system such as the Family Protection Act (2020 Rev.), Criminal Offences Act (2020 Rev.) and Evidence Act (2020 Rev.)

The Family Protection Act seeks to safeguard the wellbeing of all individuals, including children, who experience or witness domestic violence. The law defines domestic violence broadly, covering physical, sexual, psychological, and economic abuse within various types of relationships. It allows for protection orders to be issued to prevent such violence, and applications for these orders can be made in various ways. The Criminal Offences Act defines rape as “any person who carnally knows any female” in a range of circumstances where consent is not possible [Section 118]. The Evidence Act (2020 Rev.) states that when a person is tried for a sexual offence, “no corroboration of a complainant’s evidence shall be necessary for the accused to be convicted” [Section 11(2)], but it does not prohibit corroboration. Since 2010, the Tongan police have had a “No-Drop” policy that requires police to pursue a case of domestic violence through the courts even if the victim wishes to withdraw the complaint. In 2019, the Tonga Police Domestic Violence Unit (DVU) was established (SPC 2021).

Several initiatives have been implemented to support the implementation of the Family Protection Act, including the establishment of the Family Protection Advisory Council, the Family Protection Act Trust Fund for gender-based

¹ Author’s calculations based on Table 2.4 Reasons for Major Changes in Recurrent Budget Allocations in the Government of Tonga, Ministry of Internal Affairs 2020/21 – 2022/23 Corporate Plan.

violence service providers, and the Tonga National Service Delivery Protocol (SPC 2021). Implementation of the Family Protection Act has been supported through the Family Free of Violence program, which brings together the Ministry of Internal Affairs, policymakers, and civil society. The program has recently been extended for an additional 3 years.

- **Economic empowerment of women**

The national women’s empowerment and gender equality policy cites “*equitable access to economic assets and employment*” as one of its five priority outcomes. The policy identifies key actions to promote economic empowerment, such as supporting women. At present, Tonga does not have a standalone policy or strategy to promote women’s economic empowerment.

The National Women’s Empowerment and Gender Equality Policy and Strategic Plan of Action 2019-2025 identifies “equitable access to economic assets and employment” as one of its five priority outcomes. Key activities have been identified related to increasing women’s access to economic opportunities including self-employment, e.g., strengthening employment legislation and enabling mechanisms for women’s entrepreneurship; ensuring equal access to productive and economic resources, e.g., access to finance and a “culturally appropriate model of equal land rights and equal ownership of productive assets”; and improved working conditions, e.g., appropriate and adequate leave entitlements and development of care services for children and the elderly.

The Ministry of Internal Affairs’ (MIA) Corporate Plan and Budget 2020/21 – 2022/23 includes an aspiration to undertake consultations for the development of an economic empowerment of women strategy. Initial consultations began on the development of a national strategy but have been delayed due to a lack of funding. Finalization of the strategy remains a priority for the MIA.

1.4: Sex-disaggregated Data

Assessment criteria	Tonga country assessment
<p>The government has systems in place to support gender-inclusive private sector policy and planning including the collection, analysis, and report of:</p> <ul style="list-style-type: none"> sex-disaggregated data on labour force participation, sex-disaggregated data on employment status, and sex-disaggregated data on micro, small and medium enterprise (MSME) ownership. 	<p>Meets or exceeds assessment criteria</p> <p>The government has data systems in place to support gender-inclusive private sector policy and planning including the collection, analysis, and reporting of data in all three areas outlined in the assessment criteria.</p>

Tonga has sophisticated systems for the collection and reporting of sex-disaggregated data in a wide range of areas. The [Tonga Statistics Department](#) conducts the official census and other national surveys that include comprehensive sex-disaggregated data across most data points.

The Government of Tonga collects and publishes sex-disaggregated data on:

- Labor force participation:** The [Labour Force Survey 2018](#) includes sex-disaggregated data on the working age population and workforce (labor force in Tonga) participation. These data are further disaggregated by education. The survey also includes sex-disaggregated data on employment by economic sector.
- Employment status:** Sex-disaggregated data on employment status is collected and published through the national labor force survey and census. The [Labour Force Survey 2018](#) includes sex-disaggregated data by employee, employer, own-account workers, and contributing workers. The [2021 National Census of Population and Housing](#) includes sex-disaggregated data on labor force participation, labor market activity, type of work, and economic activity, including by private sector employment.
- MSME ownership:** The [Labour Force Survey 2018](#) includes sex-disaggregated data on employers and own account workers. The survey defines an employer as “a person who runs a business on his or her own or in partnership and engages at least one paid employee on a continuous basis in operating the business” (Tonga Statistics Department 2019). An own account worker is defined as “a person who runs a business on his or her own or in partnership but does not engage any paid employee on a regular basis” (Tonga Statistics Department 2019). The Reserve Bank of Tonga also publishes an annual report on [MSME Access to Finance](#) that includes sex-disaggregated data on MSME ownership by sector.

In addition to the above data sets, the Tonga Statistics Department also collects and publishes sex-disaggregated data on average usual and actual hours worked, average wages, and subsistence production. It also tracks data over time across several data points categorized as “Gender Equality,” including the ratio of boys to girls in primary, secondary, and tertiary education, the share of women in wage employment, and the proportion of seats held by women in parliament.

Dimension 2: Workplace Environment



- 2.1 Global Labor Conventions
- 2.2 National Labor Legislation and Policies
- 2.3 Access to Formal Care Services

2.1: Global Labor Conventions

Assessment criteria	Tonga country assessment
<p>The government has ratified fundamental labor conventions, including:</p> <ul style="list-style-type: none"> • Equal Remuneration Convention 1951 (No. 100), • Discrimination (Employment and Occupation) Convention 1958 (No. 111), • Workers with Family Responsibilities (No. 156), and • Violence and Harassment Convention 2019 (No. 190). 	<p>Does not meet assessment criteria</p> <p>The government has not ratified any of the four labor conventions outlined in the assessment criteria.</p>

Tonga has been a member of the International Labour Organization (ILO) since 2016. Tonga has ratified one fundamental labor convention, namely the Worst Forms of Child Labour Convention (No. 182).

Tonga has not ratified any of the fundamental labor conventions that support gender-inclusive workplaces, such as Equal Remuneration (Convention 100), Workers with Family Responsibilities (No. 156), and Discrimination (Employment and Occupation – No. 111). It has also not ratified the Violence and Harassment Convention (No.190) or any of the key conventions relating to freedom of association, forced labor, or occupational health and safety.

However, the [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019–2025](#) states Tonga’s commitment to ratify the ILO Conventions No. 100, No. 111, and No. 156 as actions associated with Outcome 3 of the policy, which calls for equitable access to economic assets and employment.

2.2: National Labor Legislation and Policies

Assessment criteria	Tonga country assessment
<p>The government has adopted national legislation and/or policy (that covers the private sector) on two or more of the following:</p> <ul style="list-style-type: none"> • non-discrimination in employment based on sex, • equal remuneration, • paid maternity leave, • paid parental and/or family leave, • protection against sexual harassment in the workplace, and/or • gender-based violence in the workplace. <p>In addition, there is evidence that policy and/or legislation is being implemented, such as:</p> <ul style="list-style-type: none"> • resources , such as budget and staff, have been allocated for implementation; • a monitoring and evaluation framework is in place; and/or • review or reporting on implementation is undertaken. 	<p>Partially meets assessment criteria</p> <p>The government has enacted national legislation and/or policy in at least one of the areas outlined in the assessment criteria, but the policy and/or legislation applies only to the public sector.</p>

- **Relevant legislation and policy**

- [Employment Relations Bill](#)
- [Sexual Harassment Policy](#)

According to the World Bank’s *Women, Business and the Law 2023* (World Bank 2023), there are currently no specific legislative provisions in place in Tonga that prohibit gender-based discrimination in employment, mandate equal pay, or criminalize sexual harassment at work. Women can obtain employment in the same way as men, but there are no civil or criminal penalties in place for workplace discrimination or sexual harassment. The assessment highlights that there is room for improvement in laws that facilitate women’s return to work after they have children (World Bank 2023).

The [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019-2025](#) outlines policy outcomes and actions to strengthen employment legislation in line with ILO standards on equal remuneration, discrimination, and maternity protections. The Strategic Plan of Action also includes actions to promote equitable parental leave entitlements and the development of affordable family services, including childcare.

While the Government of Tonga has implemented policies to support women’s participation in the public sector, such as paid maternity and paternity leave, these policies do not extend to the private sector (UN Women 2022).

To address these legislative gaps, the Legislative Assembly passed the Employment Relations Bill, to apply to “every employer and employee in a workplace in the Kingdom” [Section 4(1)]. It defines fundamental rights at work including:

- freedom from discrimination, with prohibited groups of discrimination [Section 25], defined as ethnic origin, gender, political opinion, social origin, marital status, pregnancy, family status, disability and employee association membership or activity [Section 69(1)(a)-(i)], and
- equal remuneration for women and men for work of equal value [Section 25].

The Employment Relations Bill also makes provisions for maternity leave, specifically 30 consecutive working days [Section 67(1), and ensures that a woman who returns to work after maternity leave “must be appointed to the same or equivalent position held prior to taking maternity leave, without any loss of salary, wages, benefits or seniority” [Section 67(4)(a)] or may be appointed to a higher position [Section 67(4)(b)]. The bill also provides for casual leave of 3 days per year for reasons related to bereavement, community or church responsibilities, or to care for a child [Section 66], but does not make any provisions for paternity leave. The bill is currently pending royal assent.

- **Sexual harassment policy**

In 2021, the Public Service Commission (PSC) adopted a Sexual Harassment Policy that applies to all government workplaces. The policy includes a clear definition of sexual harassment and procedures for lodging complaints. The PSC undertook a comprehensive program of socializing the policy across government ministries, including the use of short videos during COVID-19, when in-person sessions were not possible. There have been no complaints lodged and investigated to date under this policy.

- **Gender-based violence in the workplace**

Currently, there is no legislation or policy in place that specifically addresses gender-based violence in the workplace.

2.3: Access to Formal Care Services

Assessment criteria	Tonga country assessment
<p>The government has costed legislation, policies, and/or programs in place (including in partnership with the private sector) to support and expand access to affordable care services (including childcare, aged care, and disability support) that are available to public and private sector employees.</p>	<p>Partially meets assessment criteria</p> <p>The government has plans to develop legislation, policy, and/or programming to expand care services but these plans have not yet been resourced or implemented.</p>

- **Relevant legislation and policy**

- [Tonga Strategic Development Framework 2015-2025](#)

The Tonga Strategic Development Framework 2015-2025 includes an outcome to provide better care and support for vulnerable people, including the elderly and disabled. This is in acknowledgment of the change in social institutions, such as extended family, that previously provided this care. The Ministry of Internal Affairs has responsibility for the implementation of relevant policies and programs to provide care services in Tonga. The government has policies or strategic plans in place for aged care and disability, but it is not clear the extent to which these plans will progress legal and regulatory reform to expand access to affordable, quality care services. No policies or plans for childcare were identified.

- **Aged care**

A study by the Asian Development Bank (2021), concluded that formal long-term care in Tonga is underdeveloped, despite Tonga’s aging population and shrinking levels of family support due to migration. The government has a Social Welfare Scheme for the Elderly that provides home care services for up to 200 older persons, but more broadly, the country lacks the legal and regulatory framework to meet the growing need for aged care services in Tonga.

To address this, in 2020 the government [launched](#) the Aged Care National Strategic Plan 2020-2024, with the aim to provide quality affordable care for older people in Tonga. The government is partnering with the Asian Development Bank to implement a [project](#) designed to provide appropriate, safe, and high-quality integrated health and care services for older persons and support for their caregivers. The Ministry of Internal Affairs’ Corporate Plan 2020-2023 reports on Output 17.6.7 “to provide better support and great care for the elderlies in Tonga and children in Tonga.” This includes implementation and monitoring of the National Strategic Plan. However, there is limited information on targets or results.

- **Childcare**

Tonga is a signatory to the United Nations Convention on the Rights of the Child, which calls for the provision of appropriate childcare services and support for working parents. However, Tonga still faces significant challenges providing affordable and accessible quality childcare services to families who need them.

Tonga has no national policy on access to affordable, quality childcare, or programs to support the expansion of such services. Responsibility for the provision of services to children sits across the Ministry of Education (early childhood education), and the Ministry of Internal Affairs (support and care to elderly people and children). The

Tonga Education Policy Framework 2004-2019 includes policy outcomes relating to the provision of quality early childhood education but, without an updated policy framework, it is unclear if there are plans to expand childcare services. The Ministry of Internal Affairs' Corporate Plan for 2020-21 to 2022-23 includes outputs and a budget to provide better support and great care for the elderly and children in Tonga, but the focus appears to be on social protection rather than the development of affordable, quality childcare services.

- **Disability care**

The Tonga Disability Survey 2018 provides a comprehensive overview of the prevalence of disability in Tonga and data on issues such as education, employment and access to healthcare and support. Tonga became a signatory to the Convention on the Rights of Persons with Disabilities (CRPD) in 2007 and launched the Tonga National Policy on Disability Inclusive Development in 2014. The Ministry of Internal Affairs' Corporate Plan 2020-2023 includes several activities to support the implementation of the national policy, with a focus on (i) mainstreaming disability across government, (ii) advocacy, and (iii) the provision of education, health, and other services for people with disabilities. According to the plan, the government is in the process of reviewing the constitution and undertaking consultations with a view to ratification of the CRPD.

Dimension 3: Business Enabling Environment



- 3.1 Business Legislation
- 3.2 Business Registration
- 3.3 Support to Women Entrepreneurs

3.1: Business Legislation

Assessment criteria	Tonga country assessment
<p>Business laws allow men and women to start and operate a business in the same way, including:</p> <ul style="list-style-type: none"> • women can register a business in their name, and • women can sign a contract in the same way as a man. 	<p><i>Meets or exceeds assessment criteria</i></p> <p>Business laws allow men and women to start and operate a business in the same way.</p>

- **Relevant legislation and policy**
 - [Companies Act 1995](#)

Under Tongan law, both men and women have the legal right to start and operate businesses in the same way. The country's laws and regulations do not discriminate based on gender in terms of business ownership, and women are legally entitled to own and manage businesses in the same way as men (World Bank 2023).

3.2: Business Registration

Assessment criteria	Tonga country assessment
<p>The government has adopted policies, systems, and processes to make business registration more accessible to women entrepreneurs, including three or more of the following reforms:</p> <ul style="list-style-type: none"> • Legislation, regulations, and/or procedures are in place that facilitate access to national identification card (or equivalent) required for registration. • Online business registration applications are enabled. • Sex-disaggregated data is collected and used. • The cost of registration is reduced and/or fee-free registration is offered for women. • Clear and simple instructions on the registration process are provided (including infographics and/or instruction videos). • Outreach and/or information sessions for women on business registration are held (including in rural areas). • Information and support is provided in locations and at times that are accessible for women. • Research is conducted to better understand the barriers to women registering a business. <p>In addition, there is evidence of increased registration by women entrepreneurs following these reforms.</p>	<p><i>Meets or exceeds assessment criteria</i></p> <p>The Government of Tonga has adopted numerous policies, systems, and processes to make business registration more accessible to women entrepreneurs, including five of the nine outlined key reforms.</p>

- **Relevant legislation and policy**

- [Nationality Identity Card Act \(2016\)](#)
- [1995 Companies Act](#)
- [Registration of Business Names Act](#)
- [2002 Business Licenses Act](#)

- **Identification requirements**

The [Nationality Identity Card Act \(2016\)](#) mandates that every person aged 14 and over who is resident in Tonga shall have a national identity card, issued free of charge. Access to foundational identity documents in Tonga is high, with 94% of children under the age of five having a birth certificate and 72% of persons aged over 15 possessing a national identity card (a birth certificate or passport are required to issue a national identity card) (United Nations Economic and Social Commission for Asia and the Pacific 2018). The government plans to achieve universal civil registration as part of its [Digital Government Strategic Framework 2019-2024](#). The current requirements for an individual Tax Identification Number (including for sole traders and small businesses) in Tonga involve the completion of a form and the provision of a formal identity document (birth certificate, passport, driver’s license, or national ID). For non-individuals (companies, partnerships, and others), the requirement is to complete a form and provide a certificate of incorporation (company or incorporated societies), business license(s), and a deed of trust and/or partnership.

- **Online business registration**

Legislation regarding the registration of a business and a business name and obtaining a business license are, respectively, the [1995 Companies Act](#), the [Registration of Business Names Act \(2016 Rev.\)](#), and the [2002 Business Licenses Act](#), and the associated regulations.

The [Business Registries Office](#) in Tonga is responsible for all aspects of business formalization, including company registration, business licensing, and business names. The website provides information on the registration process and associated fees, as well as requirements for annual returns. However, the information is only available in English, and does not include infographics or videos for individuals with low literacy levels or other accessibility requirements. The website provides a phone number and email address for further inquiries. The government conducts training on how to run a business that women participate in, but there are no dedicated training or outreach sessions for women.

In 2014, Tonga launched its online business registry, which enables users to file and access company records, business names, and business licenses from one platform. The government has implemented policies and procedures that have reduced the processing time for registrations to 24 hours (Government of Tonga, Ministry of Trade and Economic Development 2022). The online registry collects sex-disaggregated data on the gender of shareholders and directors, business license owners, and business name owners.

While online filing is an option for all registration processes, paper filings are still accepted. The office in Nuku'alofa offers a public computer for filing applications, but this service is only available to those living in the capital. To encourage online filing, reduced fees have been introduced for online registrations. However, this may not be accessible to women, who may have lower digital literacy and limited access to technology, such as online banking for fee payments.

- **Research**

The Government of Tonga plans in 2023 to conduct outreach activities to better understand whether the country's existing business entities suit women and their business-operating needs. This is with the view of potentially establishing additional business entities that better cater to how women operate businesses in Tonga. This will build on the national survey of informal businesses, which identified cost and complexity and a lack of perceived benefits as key barriers to business registration (Pacific Private Sector Development Initiative [PSDI] n.d.).

- **Fees, information, and outreach**

In 2021, the government held its first Trade Week event, which created a platform for dialogue between the government and private sector, and enabled businesses to promote their products. During Trade Week, the Ministry of Trade and Economic Development (MTED) issued business licenses, company registrations, and foreign investment registrations free of charge—an important strategy to increase business formalization in a cost-effective way. The ministry reported an increase in business registrations in subsequent months, although no sex-disaggregated data on these registrations was made available.

3.3: Support to Women Entrepreneurs

Assessment criteria	Tonga country assessment
<p>The government is implementing two or more of the following policies or strategies to encourage women’s entrepreneurship:</p> <ul style="list-style-type: none"> • an MSME strategy (or similar) that proactively promotes the establishment, operation, or growth of women-owned and/or led businesses, including for the informal sector; • a competition policy that considers how to make markets more open to, and work more effectively for, women-owned and/or led businesses; • simplified tax regimes that apply to MSMEs, such as lower tax rates, tax exemptions, and/or other incentives; • a commercial dispute resolution process that is efficient, inexpensive, and accessible to women-owned and/or led businesses, including arbitration or mediation; • programs to support women’s entrepreneurship, such as training and/or mentoring, and business incubators and/or accelerators; and/or • grants or other financial support (including tax concessions) for women-owned and/or led businesses. 	<p>Partially meets assessment criteria</p> <p>The government has adopted 1–2 of the reforms outlined in the assessment criteria to support women entrepreneurs.</p>

- **Relevant legislation and policy**

- Tonga Micro, Small and Medium Enterprise (MSME) Policy 2013
- [Protection Against Unfair Competition Act](#)
- [Consumer Protection Act \(2020\)](#)
- [Financial Institutions Act](#)
- [Industrial Property Act \(2020\)](#)

The Tonga Development Framework 2015–2025 identifies two priorities that will guide the government’s support for women entrepreneurs, as part of broader efforts to strengthen the business enabling environment. Under Pillar 1, the framework requires:

- that all regulations and assistance to business are implemented in a transparent, honest, and inclusive manner, avoiding favor to special interest groups, and taking note of disadvantaged and vulnerable groups, with particular focus on needs of women entrepreneurs; and
- that the government make special consideration of the needs of small and informal businesses to encourage their greater engagement within the formal sector, taking particular account of the constraints facing women entrepreneurs.

- **MSME policy**

The Tonga Micro, Small and Medium Enterprise (MSME) Policy 2013 notes that MSMEs provide income for large numbers of women, but includes no sex-disaggregated data or analysis on differences in the operating context for men- and women-owned MSMEs in areas such as access to finance and markets. The policy notes that a goal of the legal and regulatory environment should be to promote equality for women and youth, but the policy priorities include no specific actions to support women-owned MSMEs. The policy seeks to encourage informal businesses to

become formally registered and includes data on the extent of informal employment in Tonga, but does not outline specific measures to support business formalization. The policy includes a definition for the different categories of enterprises, but there is no clarity on what constitutes a woman-owned business in Tonga.

- **Competition policy**

Tonga does not have a competition enforcement agency or regulator. Tonga currently lacks a comprehensive legal and institutional framework to govern competition policy, with competition-related provisions scattered across different laws, including the [Protection Against Unfair Competition Act \(2020\)](#), the [Consumer Protection Act \(2020\)](#), the [Financial Institutions Act \(2020\)](#), and the [Industrial Property Act \(2020\)](#). Plans are underway to develop a competition policy.

- **Simplified tax regime for MSMEs**

The [Income Tax Regulations 2008 \[Regulation 24\(1\)\]](#) outlines the small business tax rates for individuals in business with a turnover of less than T\$100,000 with four different tax rates depending on annual gross turnover from T\$10,000 or less to more than T\$50,000. Eligible businesses can apply for the small business tax rate through the Ministry of Revenue and Customs. From 1 July 2021–30 June 2022 (Tonga's 2021/22 fiscal year [FY]), the Ministry of Revenue and Customs completed 116 workshops/training and delivered 51 awareness programs although no sex-disaggregated data is available on participation (Government of Tonga, Ministry of Revenue and Customs 2022).

- **Alternative commercial dispute resolution**

Tonga does not have an international arbitration regime or alternative commercial dispute resolution. In 2017, training was provided to lawyers and the private sector to establish an effective commercial dispute resolution regime (Surdo 2017), but the regime has not yet been established.

- **Business development services**

The government offers women entrepreneurs business development services, such as mentoring, coaching, and networking opportunities, to help them start and grow their businesses. The Women's Affairs Division has developed several programs and initiatives aimed at supporting women's economic empowerment, including training and education programs, business development services, and access to finance.

Support to entrepreneurs is also provided through the Ministry of Trade and Economic Development (MTED) Business Support Division, which is dedicated to promoting the development of local businesses. MTED offers promotional campaigns to support local business, programs to support cooperatives, and facilitation of access to export markets. The ministry also offers business training, support, and mentoring services to local business, including in areas where women are well represented, including handicrafts, weaving, and bakeries.

- **Financial support to women entrepreneurs**

The Ministry of Trade and Economic Development has responsibility for the business enabling environment, and directly supports local business capacity-building (for both formal and informal businesses). While some individuals and entities are exempt from paying taxation in Tonga, there are no specific provisions such as tax holidays or grace periods for newly established businesses (for either men or women). Both the Ministry of Trade and Economic Development and the Ministry of Internal Affairs have small grant schemes for businesses, with the latter targeting grassroots, informal businesses (see below). In FY2021/22, the Ministry of Trade and Economic Development provided grants to three cooperatives and nearly 700 grants for business loss and wage subsidies as part of its business recovery program. No sex-disaggregated data is available on the recipients of these grants.

3.4: Engaging the Informal Economy

Assessment criteria

The government has policies and programs in place to support those operating in the informal economy, including:

- data, policies, and/or strategies that relate to the informal economy and/or informal businesses;
- services and support for entrepreneurs operating in the informal economy, including grants or other financial support; and/or
- infrastructure delivery or other services, such as improved market facilities, rural roads, electrification and/or lighting, security, and safe, efficient public transport.

Tonga country assessment

Partially meets assessment criteria

The government has policies and programs in place to support (directly or indirectly) those operating in the informal economy in 1–2 of the areas outlined in the assessment criteria.

- **Relevant legislation and policy**

- [Tonga National Infrastructure Investment Plan](#)

- **Data and/or strategy**

The Ministry of Trade and Economic Development leads the government’s work to support entrepreneurship, including entrepreneurs operating in the informal economy. The ministry has a program of support to develop the capacity of MSMEs, including a specific subprogram to develop and implement capacity-building and product development programs for MSMEs in the informal sector. To inform this work, the ministry in 2021 commissioned a [national survey](#) of 2,302 informal businesses (which included men and women-owned businesses), and published sex-disaggregated data on key areas such as business size, sector, profits, and finance needs.

- **Services**

To support micro-sized enterprises in the informal economy, the Ministry of Trade and Economic Development’s Business Support Division includes a unit that runs programs designed to improve the efficiency and effectiveness of informal businesses. These programs offer business development training and workshops. A total of 344 households operating informal businesses in Tonga received government support through the Informal MSME Post Tsunami Recovery Project. While these numbers are not sex-disaggregated, it is reasonable to assume that this support benefited both women and men. The government also delivered business training to informal businesses across the country through training centers, reaching approximately 300 informal businesses (Government of Tonga, Ministry of Trade and Economic Development 2022).

- **Financial support**

Tonga was one of the few countries that included specific support for those operating in the informal economy as part of their COVID-19 response. The government provided more than T\$10 million in grants through its business recovery assistance program. Under this program, government assistance was provided to 6,381 informal businesses, totalling over T\$3 million (Government of Tonga, Ministry of Trade and Economic Development 2022). The Ministry of Internal Affairs Women’s Affairs Division also runs a small grants program targeting income generation at the grassroots level. The ministry has approximately 660 groups registered as grant recipients, and last financial year provided financial support to 33 groups (Government of Tonga, Ministry of Trade and Economic Development 2022).

- **Infrastructure**

Government infrastructure plans include several projects that have the potential to benefit women directly and indirectly, including women operating in the informal economy. These include the construction of roads and village lights, and the construction of women weaving centers and pack houses for agricultural and handicraft export products (Government of Tonga, Ministry of Infrastructure 2019). It is not clear if gender analysis on the needs of women operating informal businesses informed the development of these plans, and there are no specific targets or outcomes connected to the projects which are aimed at supporting women MSMEs.

Dimension 4: Financial Inclusion and Access to Capital



- 4.1 Financial Legislation and Policy
- 4.2 Access to Capital
- 4.3 Retirement Funds

4.1: Financial Legislation and Policy

Assessment criteria

The government has adopted legislation or policies that will increase access to capital and/or financial services and products for women in both of the following areas:

- A financial inclusion policy and/or strategic plan for government-owned banks includes objectives and targets to increase women’s access and use of financial services and product.
- Policy and/or guidance requires financial institutions to collect and report sex-disaggregated data.

Tonga country assessment

Partially meets assessment criteria

The government has adopted legislation or policies in one of the key areas outlined in the assessment criteria.

- **Relevant legislation and policy**

- None in place

The Tonga Development Framework 2015–2025 (TSDF II) recognizes that women have limited opportunities for productive investments and confront a conservative, disadvantageous banking system. To address this issue, the TSDF II includes a priority output to establish a well-regulated, responsible, and competitive financial services system, including banking, insurance, and microfinance, that increases access to services at more competitive interest rates. The TSDF II places particular attention on increasing financial access for women and other groups who have limited access to the formal financial system.

The National Reserve Bank of Tonga (NRBT) has a responsibility for delivering on Tonga’s financial inclusion objectives and is a signatory to the [Maya Declaration](#), a global commitment to increase financial inclusion in developing countries. The NRBT has set targets to improve access to finance by 20% among small businesses in the agriculture, fisheries, and tourism sectors, as well as for women and youth (Alliance for Financial Inclusion n.d.).

The NRBT is drafting a national financial inclusion strategy, and currently tracks and reports progress annually against key financial inclusion indicators in the [Access To Finance](#) reports and NRBT Annual Reports. The most recent, [the NRMT 2021](#) report, includes a summary of the usage of financial services by gender for deposit and loan accounts that is collected by NRBT’s Banks and Non-Banks Department. The data shows a decrease in the number of women holding both deposit and loan accounts since the previous year, but an increase in male account holders for both.

4.2: Access to Capital

Assessment criteria	Tonga country assessment
<p>Access to capital by women-owned businesses is facilitated and monitored through at least two of the following:</p> <ul style="list-style-type: none"> • legislation that mandates equal access to property and inheritance, • a secured transactions framework, • loan products and financial services that are accessible or targeting women and/or women entrepreneurs, and/or • reporting of sex-disaggregated data on loans to MSMEs. 	<p><i>Partially meets assessment criteria</i></p> <p>Access to capital by women-owned businesses is facilitated and monitored through 1–3 of the outlined reforms.</p>

- **Relevant legislation and policy**

- [Land Act of Tonga 1988](#)
- [Personal Property Securities Act \(Rev 2020\)](#)

- **Ownership of assets**

There are significant legislative barriers to women’s equal access to capital in Tonga. Women do not have equal rights to property and inheritance which severely limits access to land, a key source of collateral for loans (World Bank 2023).

- **Secured transactions framework**

To address this issue, the [Personal Property Securities Act 2020](#) was enacted in 2010, allowing movable assets to be used as collateral for loans. More than 9,500 securities have been registered with the Personal Properties Securities Registry, and there is evidence that lenders such as the Tonga Development Bank have used movable assets to secure supply-chain financing for the vanilla industry (PSDI 2020). However, there is no evidence to assess whether there has been an increase in lending to women as a result of this legislation.

- **Financial products and services**

The government supports access to finance to help women start and grow businesses through the government-owned [Tonga Development Bank \(TDB\)](#). TDB offers loans and other financial services to businesses that meet their lending criteria. Additionally, TDB offers microfinance loans to small businesses, including those in the informal economy, to help them start or expand their businesses. In the past, TDB provided training and mentorship to help entrepreneurs build their capacity and grow their businesses, but this service appears to be discontinued.

TDB has developed an unsecured loan product for women in handicrafts who are members of the Tonga National Workers Council (TNWC). The loan was launched in October 2022 and is currently in the piloting stage. It provides micro loans to finance input and working capital to produce handicrafts to be exported to New Zealand through the Council. If successful, TDB plans to expand similar loan products to other sectors and, likely, increase loan amounts for the existing product.

Following a successful pilot, TDB is also using AI-based psychometric assessments to support loan applications from new clients with no or limited financial track record to expand its services to the unbanked and informal economy, where many micro entrepreneurs, and particularly women, operate. The psychometric assessments, developed by

Psytech Global, apply artificial intelligence and machine learning to help predict whether an individual will repay a loan successfully.

TDB's allocation of loans aligns with sectors that have a large number of women-owned businesses—including agriculture and manufacturing, which together make up over 85% of women-owned MSMEs in Tonga. TDB does not currently provide sex-disaggregated data in its annual reports or have a clear and consistent categorization of business loan recipients by gender, which can be based on ownership, legal representation, or who puts up the loan collateral. Therefore, it is difficult to determine the scale of lending to women-owned businesses.

- **Sex-disaggregated data**

The NRBT tracks and reports annually on MSME loan recipients, including by sector. Recent data (2021) show there is almost an equal number of men and women-owned MSME loan recipients, with the majority of lending to women-owned MSMEs in manufacturing (56%) and agriculture (30%) (NRBT 2021). However, the report notes a decrease in the number of women-held loan accounts, reflecting “the land ownership advantage of males as the key collateral requirements for loans” (NRBT 2021).

Lending to women-owned businesses is expected to improve through a new partnership between the Ministry of Trade and Economic Development (MTED) and TDB to establish a women's funding facility that will support women-owned businesses in the informal economy. MTED will provide business development training, while TDB will provide finance for participants.

4.3: Retirement Funds

Assessment criteria	Tonga country assessment
<p>Legislation governing retirement funds includes two or more of the following provisions:</p> <ul style="list-style-type: none"> • contributions from all sectors and types of employment are permitted, • contributions by informal workers are permitted, • de facto spouses have rights to access partner’s fund benefits, and/or • there is clarity on divorced spouses’ rights. <p>In addition, there is evidence that retirement fund policies and operations support implementation of these provisions.</p>	<p><i>Partially meets assessment criteria</i></p> <p>Retirement fund legislation includes at least one of the provisions outlined in the assessment criteria.</p>

- **Relevant legislation and policy**

- [Retirement Fund Act \(Rev 2020\)](#)
- [Tonga National Retirement Fund Benefits Fund Act \(Rev 2016\)](#)

Two retirement funds operate in Tonga— the Tonga National Retirement Benefits Fund and Social Welfare Scheme (NRBF) (for private sector employees) and the Tonga Retirement Fund Board (TRFB) (for public sector employees). Both funds collect and report sex-disaggregated data on their membership, with almost equal membership by men and women:

- TRFB: 47% women and 53% men ([2019/2020 Annual Report](#))
- NRBF: 42% women and 58% men (2021 Annual Report)

The funds’ annual reports do not report sex-disaggregated data on compulsory versus voluntary membership or member balances, so it is difficult to assess whether there are differences in the value of accounts for men and women.

Analysis of the [Tonga National Retirement Fund Benefits Fund 2016 \(revised\)](#) that governs contributions and access to retirement fund benefits for private sector employees demonstrates that there are legislative barriers to women’s full and equal access. The legislation enables contributions from informal workers, except for domestic and casual workers, which are predominantly women. Those that are voluntary contributors only are also not entitled to the life insurance benefit under this scheme. The current legislation also does not facilitate access to benefits for de facto partners or divorced spouses. The lack of clarity on access to benefits in these circumstances often disadvantages women, especially when customary laws are applied in the absence of legislation (PSDI 2022).

Dimension 5: Participation in Key Economic Sectors



- 5.1 Sector Policies and Strategies
- 5.2 Gender Responsive Procurement
- 5.3 E-commerce
- 5.4 Trade Policy and Programs

5.1: Sector Policies and Strategies

Assessment criteria

Sector strategies or policies for at least the country’s three largest sectors have specific measures and targets to increase opportunities and access for women and women-owned or led businesses in sectors, including:

- sex-disaggregated data or analysis on the role of men and women in the sector, including participation in key value chains and markets;
- specific measures or targets to increase opportunities and access for women as employees, entrepreneurs, and leaders; and/or
- gender-responsive budgets.

Tonga country assessment

Partially meets assessment criteria

At least one sector strategy and/or policy includes specific measures and targets to increase opportunities and access for women and women entrepreneurs.

- **Relevant legislation and policy**

- [Tonga Agriculture Sector Plan 2016-2020](#)
- [Tonga Fisheries Sector Plan 2016-2024](#)
- [Ministry of Tourism Corporate Plan and Budget Summary 2022/23-2024/25](#)

Based on contribution to gross domestic product (GDP), the key economic sectors in Tonga are agriculture and fisheries, tourism, and manufacturing (Government of Tonga 2022). According to the [NRBT](#), manufacturing and agriculture are the two sectors that have the highest proportion of women-owned MSMEs. Sector strategies exist for agriculture and fisheries and tourism, but there is currently no policy or strategy in place for the manufacturing sector.

- **Agriculture and fisheries**

The primary documents that govern this sector are the [Tonga Agriculture Sector Plan 2016-2020 \(TASP\)](#), the [Tonga Fisheries Sector Plan 2016-2024](#), and the Ministry of Agriculture, Food and Forests ([MAFF](#)) [Corporate Plan 2020-2023](#). While these plans don’t extensively analyze gender-specific data, they do acknowledge the importance of women in these sectors and aim to enhance opportunities for them. The TASP recognizes women’s roles in informal markets and the production of handicraft, and proposes the creation of Handicraft Learning Groups. However, the funding for these activities is not clearly outlined and the plans lack specific targets for women’s participation.

In the fisheries sector, the Tonga Fisheries Sector Plan (TFSP) aims to increase incomes, including for women, especially in small-scale fisheries. Women play a significant role in subsistence and income-generating activities, such as gleaning and inshore fisheries. The TFSP proposes empowering women through community-level organizations and fishing ground management. Women also participate in Special Management Area (SMA) committees, though leadership training should consider changing traditional roles. However, there is no specific mention of women-focused activities in the results framework, budget allocation, or timeframe for sustainable community fisheries.

A 2018 gender assessment of the fisheries sector highlighted the need for better understanding and commitment to women's roles and opportunities in the sector (Pacific Community 2018). It recommended increased organizational commitment, technical expertise, and financial resources to enhance women's participation.

- **Tourism**

In line with the goals of the national framework, the Tonga Tourism Roadmap 2018-2023 notes that “the placement of good policies on tourism can ensure that it can contribute to gender equality” (Government of Tonga 2018). The tourism roadmap includes objectives for the tourism sector to be the main source of income for Tongans and to increase the number of people employed in tourism, but includes neither specific analysis on the current participation of women in the sector nor participation targets. Similarly, the Ministry of Tourism Corporate Plan and Budget Summary 2022/23-2024/25 references national goals on contributing to gender equality, but doesn't include sex-disaggregated data, specific measures, or budget allocation to support women's participation. The government is in the process of developing a new tourism roadmap with plans to include a greater focus on the role of women in the sector, including through participation in a gender audit conducted through the Pacific Tourism Organisation.

- **Manufacturing**

No sector policy/strategy in place.

Tonga does not officially undertake gender-responsive budgeting (GRB) and the budget circular does not require budgetary units to include gender considerations (Kubasta et al 2020). Nonetheless, there are some examples of GRB In the 2019/20 budget, e.g., funds allocated for addressing youth unemployment, particularly among women, and a women's crisis center for women who have experienced or at risk of gender-based violence (Kubasta et al 2020).

5.2: Gender Responsive Procurement

Assessment criteria	Tonga country assessment
<p>The government has adopted gender-responsive procurement legislation, policy, and/or programs that include specific measures to promote and enable women-owned and/or led businesses to participate in public procurement processes for goods and services, such as:</p> <ul style="list-style-type: none"> • advertisements for public tenders include text encouraging submissions by women-owned businesses, • women-owned businesses participate in information and/or training sessions on developing submission for public tenders, • an inclusive evaluation framework is used, and • sex-disaggregated data on public procurement outcomes is gathered and reported. 	<p>Does not meet assessment criteria</p> <p>Public procurement policy and/or processes include no specific mention or provisions to promote the participation of women-owned businesses.</p>

- **Relevant legislation and policy**

- [Public Procurement Regulations \(Rev 2020\)](#)
- [Procurement Threshold Policy](#)

The [Public Procurement Regulations \(2020 Rev.\)](#) govern public procurement in Tonga. The regulations define methods of procurement and evaluation criteria but do not include any gender equality criteria (Kubasta et al 2020). The Ministry of Finance and National Planning has also issued a [Contracting Entity Procurement Manual](#). However, it also does not specifically identify gender considerations.

In January 2020, the Ministry of Finance issued a [Procurement Threshold Policy](#) that aims to increase decentralization of procurement proceedings, to provide increased opportunities for greater access to the government procurement market for all suppliers and to promote fairness and transparency. It also establishes a procurement checklist that requires two quotations from valid licensed suppliers and/or vendors and the use of “best value for money” as a criterion in the selection process. This policy does not specifically identify gender considerations.

The Ministry of Finance [KPIs Procurement Reports](#) identify three key performance indicators: percentage level of compliance, percentage using competitive methods and average number of days. None measures the participation of women-owned businesses.

A recent evaluation found that public procurement in Tonga does not have guidelines that include a brief on gender issues, project teams do not require gender balanced expertise, there is no requirement to use sex-disaggregated data or to evaluate the impact of goods, services or works on gender equality (Kubasta et al 2020). An earlier 2011 procurement capacity assessment for Tonga noted that the limited capacity and experience of Tonga’s private sector poses the greatest procurement risk.

As noted, the [Public Procurement Regulations \(2020 Rev.\)](#) are not gender responsive. However, they do include provisions that could improve the likelihood of women-owned businesses submitting bids, such as accepting

proposals in English and Tongan [Section 36], and nation-wide advertising in various media [Section 38(1)(b)]. The regulations also outline the complaints and appeals process [Sections 73-78].

With respect to qualification criteria, the regulations state that “bidders shall not be excluded from participation in public procurement on the basis of nationality, race or any other criterion, not having to do with their qualifications” [Section 25]. It goes on to stipulate the “qualification criteria shall be limited to those criteria which are designed to demonstrate that a bidder possesses the necessary professional and technical qualifications and...resources...to perform the contract” [Section 26(1)] and that “qualification criteria shall not be unduly restrictive or designed to reduce competition” [Section 26(2)].

While none of the above precludes the participation of women-owned businesses, no evidence has been found to demonstrate that the government has partnered with local women’s business organizations to identify barriers and provide training or to establish measures to encourage participation by women-owned businesses in public procurement.

The Ministry of Finance’s [Annual Report 2018-2019](#) indicates that capacity development and awareness training was provided to two supplier groups, but there is no information on the gender of workshop participants.

Tonga’s MSME Policy (2013) recommended a program to reserve a targeted percentage of public procurement for registered, qualified MSMEs to increase business volume and skills in meeting larger customer needs. The policy specifically identified business services and agriculture and/or food processing and preparation as major targets for this program which would benefit women-owned businesses. There is no evidence that this recommendation has been pursued by the government.

5.3: E-commerce

Assessment criteria

The government has established a legal, regulatory, and policy environment to promote e-commerce that includes specific targets to support the participation of women-owned and/or led businesses, such as improving access to digital infrastructure, training, and mentorship.

Tonga country assessment

Meets or exceeds assessment criteria

The government has established policies and strategies to promote E-commerce that include specific targets to support the participation of women-owned businesses.

- **Relevant legislation and policy**

- E-Commerce Strategy and Roadmap

In November 2021, Tonga launched a national E-Commerce Strategy and Roadmap based on an e-commerce readiness report commissioned in 2020. The strategy acknowledges potential challenges for women in Tonga to participate in e-commerce, including limited access to digital skills, finance, and e-payments. To bridge this gap, the strategy outlines three strategies: outreach programs, social media platforms, and billboards/kava circles.

The strategy also includes specific measures to ensure gender parity in access and benefits. These include gender balance in decision-making related to equal access to ICT by the government and mobile network operators (Measure 2.2.1), and education for women on e-commerce regulatory and legal frameworks (Measure 4.2.1). Additionally, there are provisions to encourage women-led organizations and businesses to participate in e-commerce trade (Measure 7.3.2).

The strategy includes a detailed implementation plan with targets for achievement by 2026, but the targets are broad and not sex disaggregated. Implementation will be monitored by a National E-commerce Committee that meets every 6 months. There are no specific provisions for women’s representation or women’s groups in the governing committee, although women may be represented based on positions they hold within nominated ministries (ex-officio).

5.4: Trade Policy and Programs

Assessment criteria	Tonga country assessment
The government has adopted a trade policy and/or programs that include specific measures and targets to increase women-owned businesses' participation in trade and access to international markets, such as identifying and addressing barriers, training, or encouraging women's business networks.	<p>Partially meets assessment criteria</p> <p>The government has adopted a trade policy and/or programs that reference women and women-owned businesses, but does not include any specific measures or targets.</p>

- **Relevant legislation and policy**

- Tonga Trade Policy Framework 2017-2025

The Tonga Trade Policy Framework 2017-2025 has three pillars: (i) competitiveness, (ii) inclusiveness, and (iii) sustainability. The policy aims to promote inclusivity and citizen economic empowerment, with targeted measures for sectors that have high employment rates for women and youth, such as handicraft production, creative industries, and organic farming. Women-owned micro, small, and medium enterprises (MSMEs) are well represented in the sectors that are currently important to Tonga's trade, including agriculture and fisheries, as well as those primed for future trade growth, such as tourism, manufacturing, and services. However, there is no specific mention of women or women-owned businesses in the policy's target to undertake 15 projects in disadvantaged regions or for disadvantaged population groups by 2025.

The policy includes provisions to establish a public-private dialogue mechanism that includes representation by women. The government has signed a Memorandum of Understanding with the Tonga Chamber of Commerce and Industry to establish four dialogue platforms that will include participation by women: i) public-private dialogue; ii) sectoral dialogue; iii) an annual business conference; and iv) an economic summit.

The Ministry of Trade and Economic Development has also established national trade committees and technical sub-committees that will include women where applicable.

Tonga's E-commerce Strategy and Roadmap also includes specific measures to encourage women-led organizations and businesses to venture into e-commerce trade, which will be critical to promoting opportunities for women-owned businesses. This is especially important given global trends showing a rapid increase in women-owned companies, particularly micro and small enterprises, trading through digital platforms (International Bank for Reconstruction and Development, World Bank, and World Trade Organization 2020).

Dimension 6: Technology and the Future of Work



- 6.1 Digital Access, Legislation, and Policy
- 6.2 Planning for the Future of Work

6.1: Digital Access, Legislation, and Policy

Assessment criteria	Tonga country assessment
<p>The government has adopted legislation, policy, or programs to support women and girls' digital access, including two or more of the following:</p> <ul style="list-style-type: none"> • the collection, analysis, and publication of sex-disaggregated data on digital access including smart phone ownership and internet use; • information and communication technology (ICT) and/or broadband policy or programs that include specific measures and targets to reach women including in rural and remote areas; • programs to promote digital literacy and ICT education for women and girls; and/or • the development and implementation of policies, legislation, regulations, or institutions to address ICT-mediated abuse (intimidation, harassment, violence, surveillance, fraud, and/or illegal data retention) and to strengthen protection measures and reporting procedures. 	<p>Partially meets assessment criteria</p> <p>The government has adopted at least one of the reforms outlined in the assessment criteria.</p>

- **Relevant legislation and policy**
 - National ICT Policy 2008
 - [Electronic Communication Abuse Offences Act \(2020\)](#)

In 2022, Tonga Women in ICT, in partnership with the Alliance for Affordable Internet and World Wide Web Foundation, conducted the first assessment of the digital gender gap in Tonga. The report gave Tonga an overall score of 71.6%, with scores of 70% or higher in four of the five criteria, including internet access, affordability, and digital skills and education (Alliance for Affordable Internet 2022). The scorecard includes a five-point action plan that recommends the government establish clear, time-bound targets to overcome gender divides in national ICT strategies, which should include a budget for implementation (Tonga Women in ICT 2022).

- **Sex-disaggregated data**

The Tonga Strategic Development Framework 2015-2025 aims to improve ICT in Tonga and promote its innovative use. The framework provides a strong foundation for evidence-based and gender-inclusive digital legislation and policy development. The [2021 National Census of Population and Housing](#) collected sex and age-disaggregated data on mobile phone and internet use, showing higher mobile phone ownership by women (25,343 for women and

22,471 for men) and higher rates of internet use (40,183 for women and 36,427 for men. According to 2021 census data women comprise 51.3% of the population in Tonga). The [Tonga Multiple Indicator Cluster Survey \(MICS\) 2019](#) reports on women’s and men’s ICT skills and use.

- **ICT policy**

In 2008, Tonga’s adopted its first national ICT Policy with a vision to improve the quality of life for all Tongans and promote economic development (International Telecommunication Union 2013). More recently, the government has established the Digital Transformation Department, to support the rollout of digital government services across Tonga. The Digital Government Strategic Framework 2019–2024 includes a specific goal on inclusion with objectives on affordable internet, building the capacity of businesses to use digital government services, and establishing policies for “gender neutral” information systems. While this framework applies only to online government services, the government’s commitment to affordable internet and focus on upskilling the population on the use of digital platforms will also benefit businesses, including those operated by women.

- **Digital literacy**

In addition to the commitments to digital literacy in the Digital Government Strategic Framework, the Tonga E-Commerce Strategy and Roadmap aims to integrate ICT and digital economy into the curricula for secondary and tertiary education, with a specific measure to ensure gender balance in the opportunity to learn about ICT in schools.

- **Online safety**

Tonga has two pieces of legislation related to online safety—the Family Protection Act (2013) and [Electronic Communication Abuse Offences Act \(2020\)](#)—which include provisions for protection against cyber harassment and abuse. The Electronic Communications Abuse Offences Act includes reference to using a service to abuse and cause harm by posting an electronic communication and using a service to bully, menace, harass, or cause harm as specific offences, with penalties including fines of up to T\$10,000 or imprisonment not exceeding 3 years. A [National Computer Emergency Response Team \(CERT\)](#) was established in 2016 with a mandate to prevent cyber threats through public awareness, and it has since partnered with Get Safe Online to publish online safety tips, including addressing and reporting online gender-based violence.

6.2: Planning for the Future of Work

Assessment criteria	Tonga country assessment
<p>The government has:</p> <ul style="list-style-type: none"> • a national employment policy and/or strategy (or similar); and/or • education and training programs in place for emerging and/or changing employment opportunities (e.g., labor mobility schemes, migration, green jobs, business offshore processing) that includes specific measures to support women to take up these opportunities. 	<p>Partially meets assessment criteria</p> <p>A national employment policy or strategy in an emerging sector (or similar) is in place that includes plans for the future of work that mentions gender equality, women and/or women-owned and/or led businesses, but includes no specific actions or targets for their participation.</p>

- **Relevant legislation and policy**

[Tonga Labour Mobility Supply Management Strategy](#)
[Tonga Energy Roadmap 2010-2020](#)

- **National employment policy**

The Ministry of Trade and Economic Development is responsible for the development of the Tonga National Employment Policy. The development of the policy was delayed due to COVID-19, but work has recommenced on a new policy that will consider emerging issues in the labor market in Tonga, including migration and youth employment.

- **Labor mobility**

Tonga accounts for 15% of the almost 35,000 Pacific islanders participating in labor mobility schemes in Australia and New Zealand. Almost one in five (18%) of Tonga’s male working age population and 3.7% of women are engaged in labor mobility—the highest rates of all participating countries (Howes et al 2022). In 2021, Tonga launched its first Tonga Labour Mobility Policy to maximize the development impact of circular labor mobility. This was followed by the launch of the [Tonga Labour Mobility Supply Management Strategy](#) in 2023. The strategy includes sex-disaggregated data on current and projected participation in labor mobility as well as specific measures to ensure reintegration activities support women’s economic empowerment.

- **Green economy**

In addition to the opportunities presented through labor mobility, Tonga has ambitious plans for renewable energy to provide 70% of the country’s power supply needs by 2030. The transition to renewable energy will create significant employment opportunities for Tongans, yet the [Tonga Energy Roadmap 2010-2020](#) makes no specific reference to employment or business opportunities for men or women.

Dimension 7: Leadership, Voice, and Consumer Rights



7.1 Strategies for Women’s Leadership

7.2 Planning for the Future of Work

7.3 Promotion of Consumer Rights

7.1: Strategies for Women’s Leadership

Assessment criteria	Tonga country assessment
<p>The government has put in place measures to increase women’s representation in leadership, including within state-owned enterprises, in two or more of the following areas:</p> <ul style="list-style-type: none"> • policies and/or programs to support increased recruitment and promotion of women; • gender targets or quotas; and/or • policies and/or programs to build capacity and support women’s leadership positions e.g. training, mentoring, and networking. <p>In addition, the national average proportion of women directors and senior managers is 30% or above.</p>	<p>Partially meets assessment criteria</p> <p>The government has at least one of the measures outlined in the assessment criteria in place, but the national average proportion of women directors and senior managers is below 30%.</p>

- **Relevant legislation and policy**

- [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019-2025](#)

The [National Women’s Empowerment and Gender Equality Tonga Policy and Strategic Plan of Action 2019-2025](#) recognizes that women are generally underrepresented on national boards, commissions, and other decision-making bodies. As a response, the policy has prioritized increasing women’s leadership and equitable political representation as one of its five priority outcomes. The accompanying strategic plan includes specific actions, such as establishing a database on women in leadership positions in politics, the public sector, and the private sector. The Ministry of Internal Affairs has set up the database, which includes information on candidates for local and national government and directors on corporate and state-owned enterprise (SOE) boards, and has a staff member responsible for updating the database. The ministry has also been working with the regional Balance of Power program to encourage women to take on leadership positions across parliament and the public and private sectors.

A 2021 study on women’s representation in business leadership found that women in Tonga are underrepresented on boards but are well represented in senior executive and management positions (PSDI 2021). The study reported that the proportion of women as directors was 19%, below the regional average of 21%, while only 10% of board chair positions were held by women. However, women comprised 18% of CEOs, which is above the regional average of 13%, and held 39% of all senior management positions.

Tonga is one of four Pacific countries with a proactive policy to encourage more women to apply for appointments to SOE boards (PSDI 2022b). Tonga’s Ministry of Public Enterprises includes a statement in director vacancy advertisements specifically encouraging qualified women to apply. However, this practice has not yet translated into an increased number of women being appointed to SOE boards, with only 1 woman appointed out of 31 director positions in March 2022.

7.2: Voice in Private Sector Policy and Planning

Assessment criteria	Tonga country assessment
Dedicated bodies exist to represent women in business, and women and/or women's groups are members of consultative committees or are routinely consulted in the development of private sector policies, strategies, and action plans.	<i>Partially meets assessment criteria</i>
	Women and/or women's groups are consulted in the development of private sector policies, strategies, and action plans on an ad-hoc basis.

- **Relevant legislation and policy**

- None in place

The Ministry of Trade and Economic Development held the first National Business Conference in February 2023. It plans to host the event on an annual basis to inform government planning and budget allocations for private sector development. The first conference included participation by women, including those operating in the informal economy. Subsequent conferences will be by invitation and will include a more systematic approach to participation by women and women's business groups.

The government has included the participation of women (including those from Tonga's outer islands) in the development of private sector policies, such as trade policies, but this has tended to be on an ad hoc basis.

7.3: Promotion of Consumer Rights

Assessment criteria	Tonga country assessment
<p>The government has policies, legislation, and regulations to promote gender inclusive consumer rights and protections, including measures to prohibit discriminatory practices based on sex or gender, a transparent and accessible consumer complaints and redress mechanism, and sex-disaggregated data on complaints received and resolved.</p>	<p>Partially meets assessment criteria</p> <p>The government has consumer protection policies, legislation, and/or regulations in place but they include no specific measures to prohibit discriminatory practices and/or there is limited sex-disaggregated data on complaints or gender inclusive promotion and upholding of consumer rights.</p>

- **Relevant legislation and policy**

- Tonga Consumer Protection Act 2016 (Revised)

The Tonga Consumer Protection Act 2016 (Revised) provides for the protection of the consumer and the establishment of fair trade practices in Tonga. The act established the Consumer Affairs Division that sits within the Ministry of Trade and Economic Development (MTED). The act does not include any specific provisions that prohibit discriminatory practices based on sex or gender.

The ministry is developing a competition and consumer protection framework (Section 3.3) and has a consumer awareness and education program that includes community outreach and awareness on consumer protection including through various media channels (e.g., radio, TV, and newspapers) as well as a dedicated Facebook page that provides consumer information in Tongan and has a toll free number to assist with consumer complaints. The ministry also launched a Consumer Business Guide Booklet for businesses (in English and Tongan) to better understand the key provisions under the act. The ministry tracks the number of consumer complaints received and resolved on an annual basis with 206 out of 2013 consumer complaints resolved in FY2021/22. No sex-disaggregated data on participation in consumer awareness and education programs or lodging and resolution of complaints is publicly available.

4. SUMMARY AND RECOMMENDATIONS

The Government of Tonga has in place many of the prerequisites for a gender-inclusive private sector enabling environment, including a national strategic framework and related policies that recognize the economic contribution of women and seek to further enhance economic opportunities for women. Despite this high-level commitment, there remain policy and programming gaps that inhibit the realization of this vision, most notably in ensuring that private sector employees enjoy the same rights and protections as their public sector counterparts (including access to maternity or paternity leave and protection against sexual harassment in the workplace). Limited attention has been paid to addressing the burden of caring responsibilities that constrain women's economic participation as employees and entrepreneurs.

Opportunities exist to create a more gender-inclusive private sector enabling environment through the inclusion of gender analysis and implementation of specific targets and activities in key sectors—such as agriculture, manufacturing, and tourism—to increase women's workforce participation and entrepreneurial activity. Women's entrepreneurship could also be boosted by adopting gender-responsive public procurement processes that encourage more women-owned businesses to participate.

The Government of Tonga is taking steps to understand future employment and entrepreneurship opportunities created for men and women through labor mobility schemes, but could do more to prepare women and girls to participate in growing sectors relating to technology and green energy.

The following priority actions are recommended to support a more gender-inclusive private sector enabling environment in Tonga:

1

Update the legal and policy framework to ensure consistent and equitable standards for all workers, such as those related to sexual harassment prevention, maternity or paternity leave, and flexible work arrangements, irrespective of their employment sector, through the passing of the employment relations bill.

2

Initiate a comprehensive research study to gather data and insights on the current state of childcare needs, including the demand, affordability, accessibility, and quality of existing childcare services.

3

Finalize a national women's economic empowerment strategy to coordinate whole-of-government efforts to address the structural barriers faced by women engaging in the private sector and the economy.

4

Review the national procurement policy to identify and implement strategies to increase the participation of women-owned businesses, including through the expansion of existing small business training opportunities and revision of processes for submission and scoring proposals.

5

Conduct a comprehensive skills assessment to identify the emerging skills and knowledge required for labor mobility and the technology and green economy sectors to understand the evolving demands of these sectors and inform education, training, and business development programs.

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UNLOCKING POTENTIAL A GENDER INCLUSIVE PRIVATE SECTOR FRAMEWORK FOR THE PACIFIC

TONGA COUNTRY ASSESSMENT

There is growing awareness that promoting women's economic empowerment makes good business sense. Yet legal, regulatory, and policy barriers persist that prevent women's full and equal participation in Pacific private sectors. This report proposes a new framework, designed to measure and improve gender inclusivity in the private sector in the Pacific. The PSDI Gender Inclusive Private Sector (GIPS) framework serves as a practical checklist for Pacific governments and institutions to measure progress and identify areas where further improvements are needed. This document provides an assessment of the private sector enabling environment in Tonga, based on the criteria outlined in the GIPS framework.




About PSDI

PSDI is a technical assistance program undertaken in partnership with the Government of Australia, the Government of New Zealand, and the Asian Development Bank. PSDI supports ADB's 14 Pacific developing member countries to improve the enabling environment for business and to support inclusive, private-sector led economic growth. The support of the Australian and New Zealand governments and ADB has enabled PSDI to operate in the region for more than 15 years and assist with more than 300 reforms.



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