

# Overseas work:

## Labour mobility and the Blue Pacific

Stephen Howes

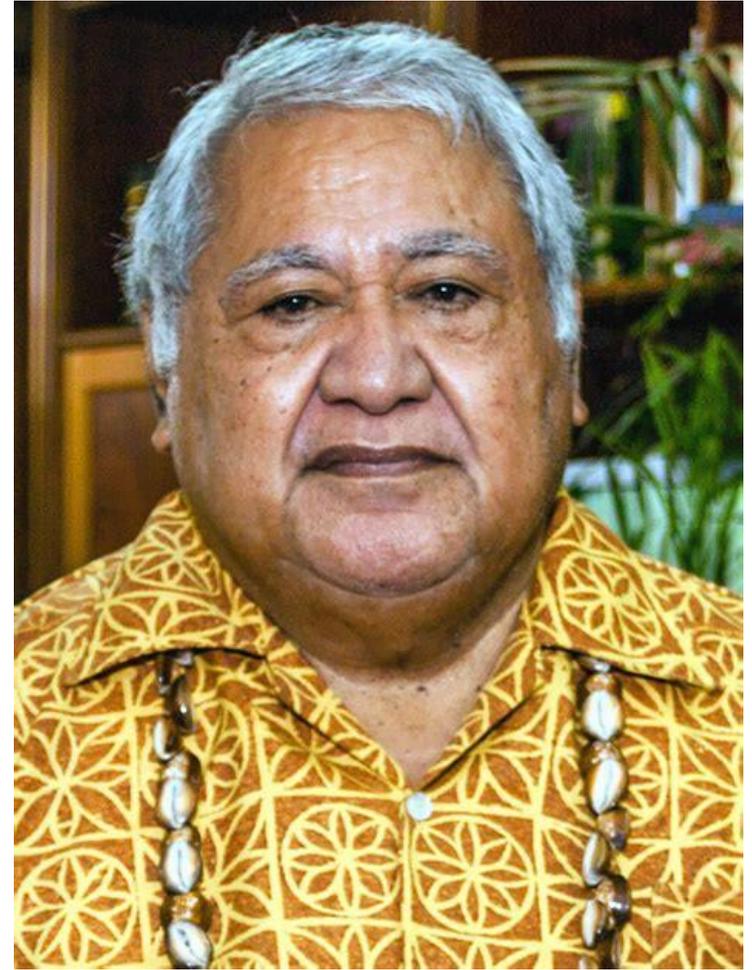


# Introduction

- Labour mobility a theme of growing importance for the Pacific over the last decade.
- The last couple of years have seen a new emphasis on the Blue Pacific.
- I want to link these two.

# The Blue Pacific

“For the Pacific region and its island countries, the ocean is crucial. Exercising a sense of common identity and purpose linked to the ocean has been critical for protecting and promoting the potential of our shared Pacific Ocean. It is this commonality of the fundamental essence of the region which has the potential to empower the region through collective and combined agendas and actions.”



# The Blue Pacific and regionalism

“The concept of the Blue Pacific offers a powerful new narrative around which we may organize and develop key regional policy and action for the collective benefit of our people. ... I see the possibilities in our cohering around this concept, and I am excited by the potential.”



# Importance and potential of labour mobility for the Pacific



# There are not enough jobs at home

## Number of labour force entrants and formal sector job creation in various Pacific island countries

Country	Labour force entrants (annually)	Formal sector jobs created (annually)
Kiribati	3,200	65
Papua New Guinea	87,000	11,932
Solomon Islands	13,000	2,089
Tonga	5,600	325
Vanuatu	3,800	1,260

Source: *Pacific Possible* (WB/ANU)

# Pacific islanders have long travelled for work.

- Stock of OECD emigrants/residents above 100% for Cook Islands, 50% for Samoa and Tonga, and above 20% for MI, FSM, Palau and Fiji. Almost 20% for Tuvalu.
- Remittances are one of the top three sources of foreign exchange for a number of Pacific countries:
  - Fiji, Samoa, Timor Leste, Tonga, Vanuatu, probably others.

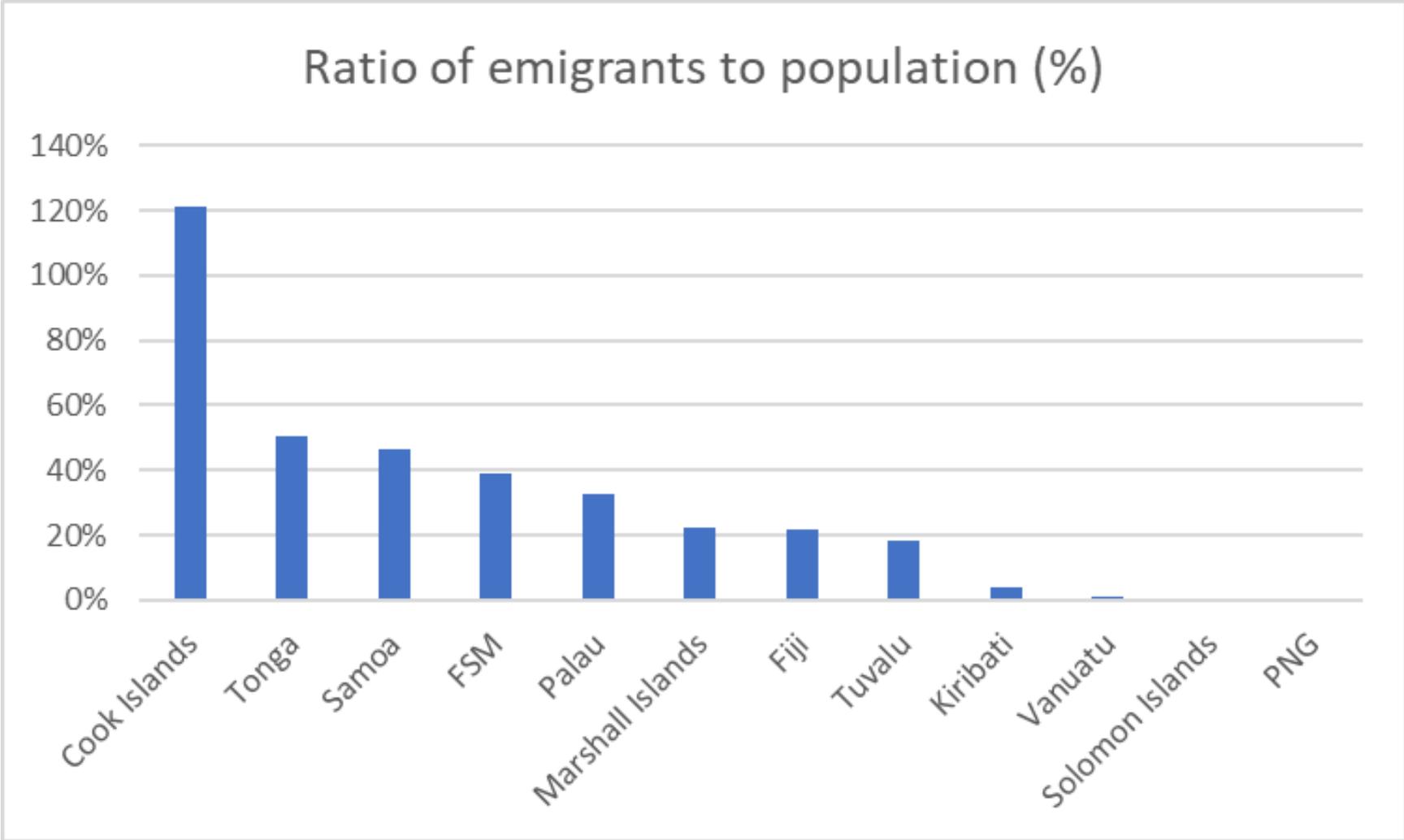
# The sea of islands

“Islanders have broken out of their confinement, are moving around and away from their homelands....They are once again enlarging their world, establishing new resource bases and expanded networks for circulation.”

- Epeli Hau'ofa (1994)

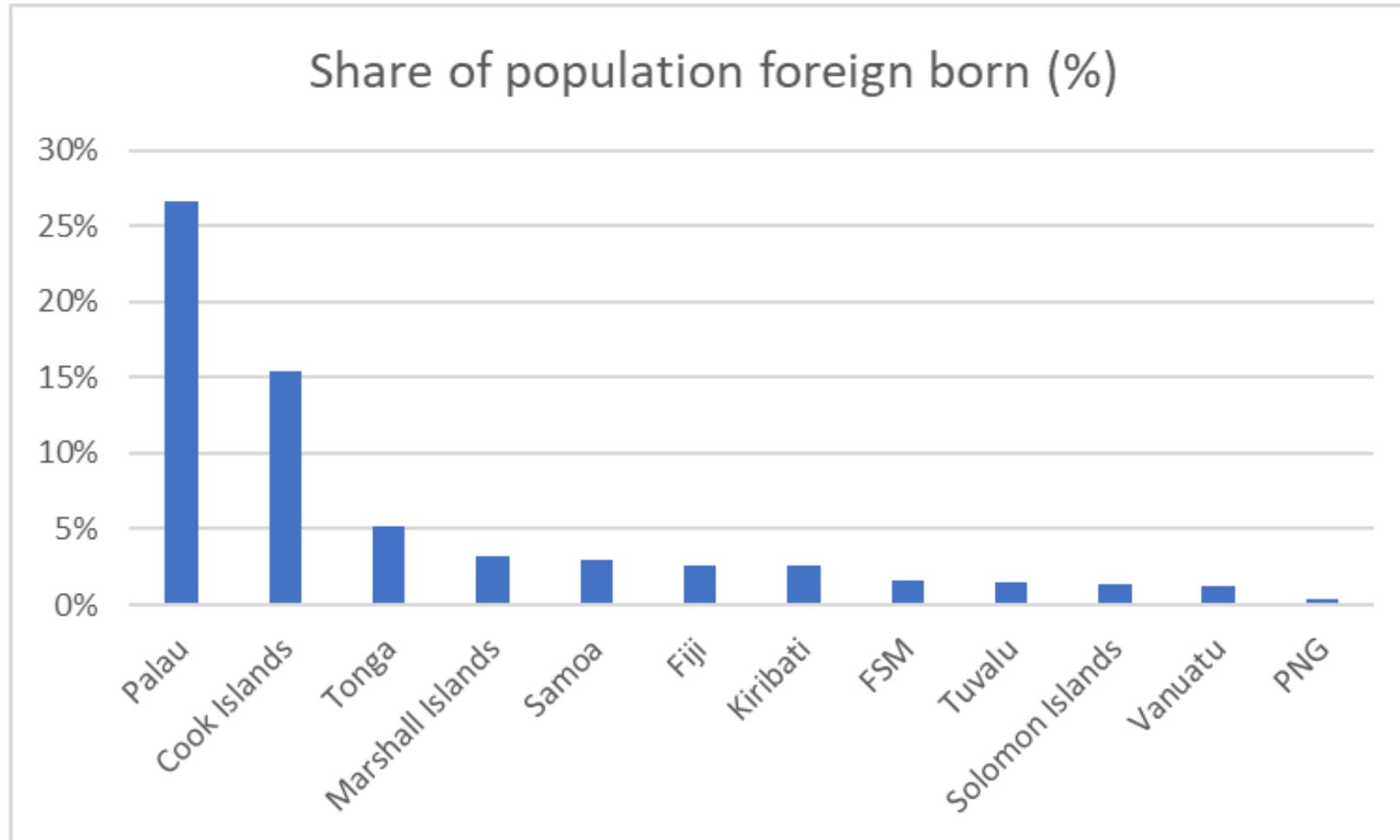


# But LM opportunities are unevenly spread



Source: *Pacific Possible* (WB/ANU)

# Labour mobility goes both ways for some Pacific countries

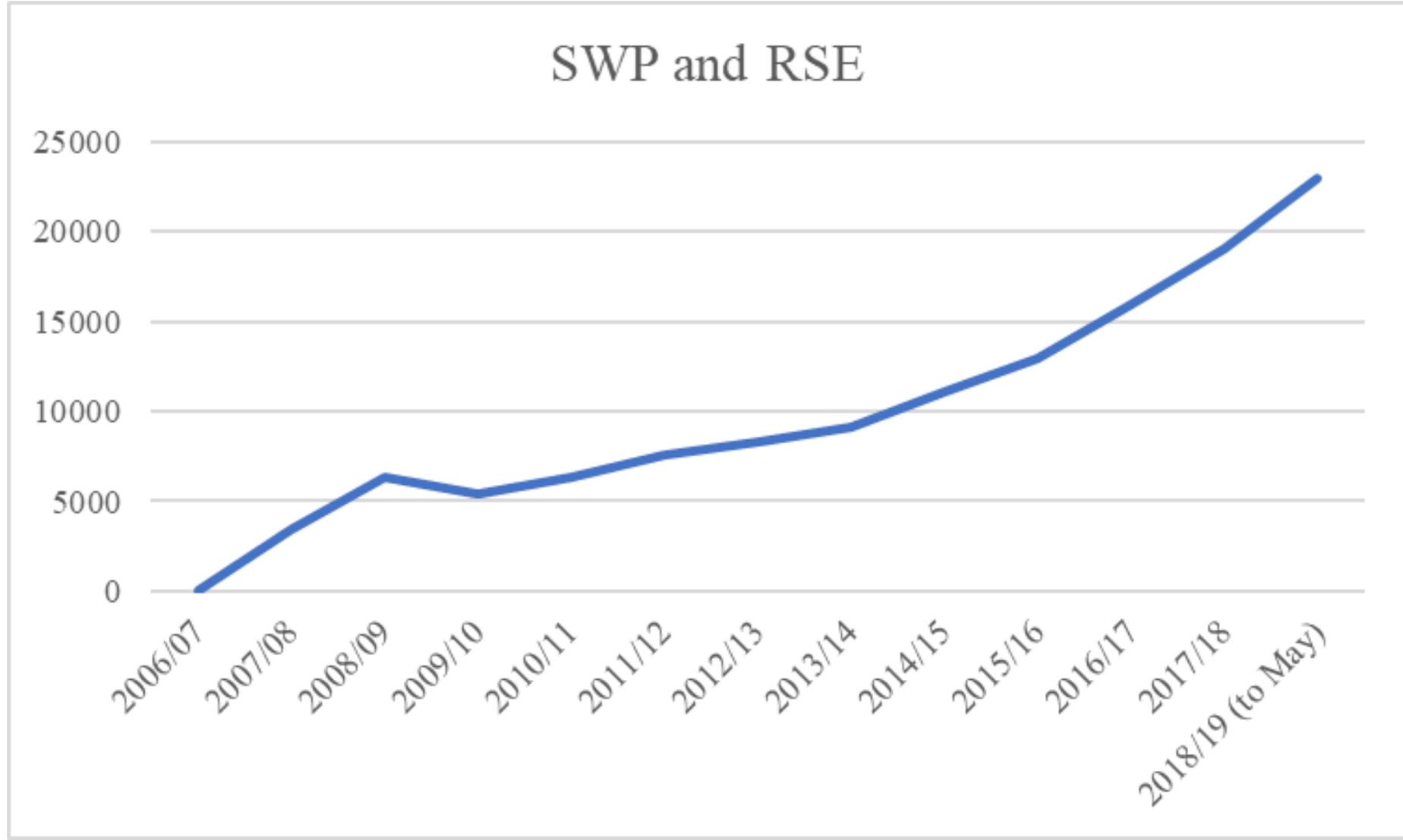


Source: UN Migration Profiles

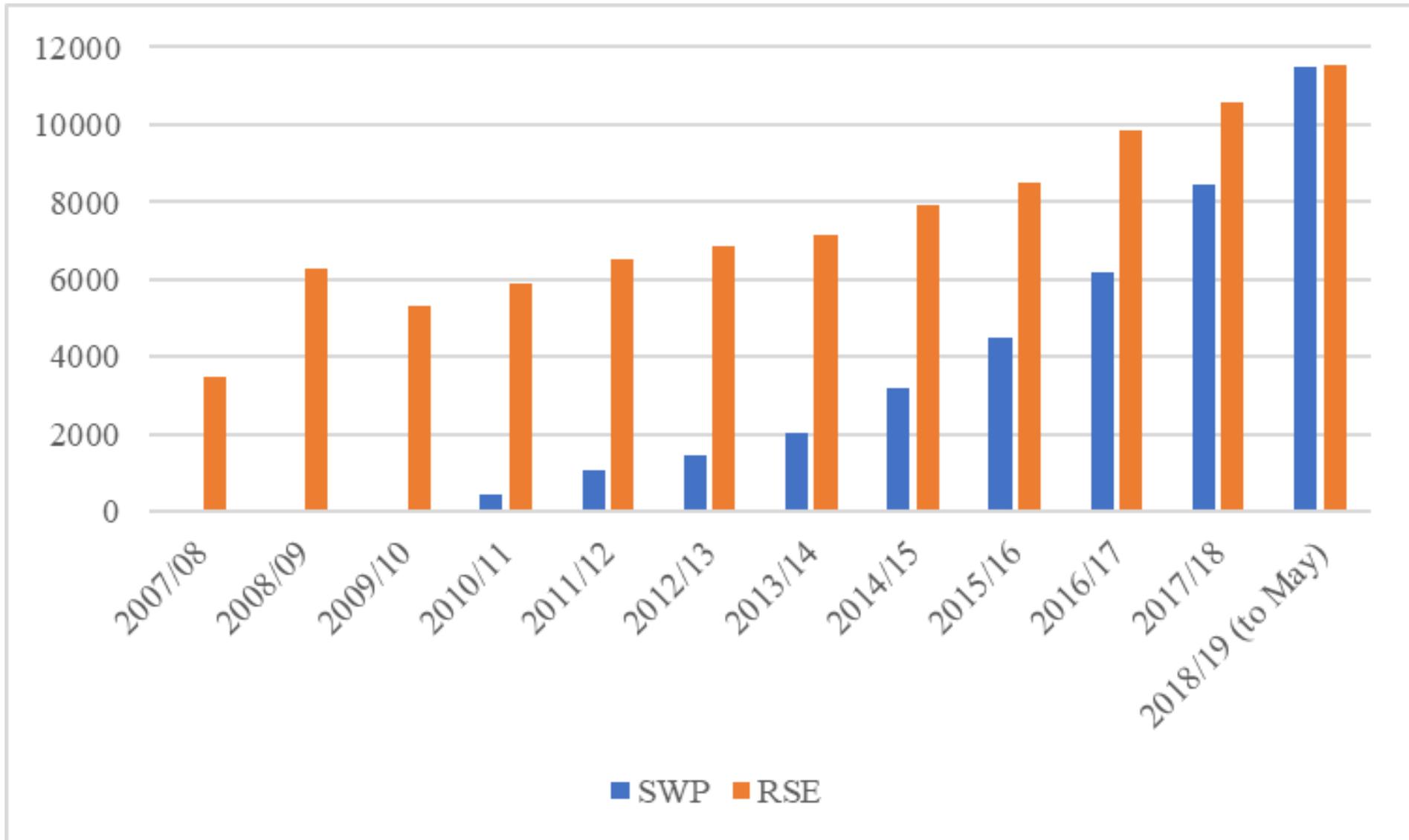
# The traditional mechanisms for labour mobility continue to be the most important

- Free and full labour market access for Cook Islands, Tokalau and Niue to New Zealand, and for FSM, MI and Palau to the US.
- Capped access (1,750 places) for Samoa, Tonga, Fiji, Tuvalu and Kiribati to NZ.
  - Ratio of principal applications registered to selected is 16:1 for 5 years to 2014-15.
- Diaspora-facilitated access for Samoa and Tonga to NZ, Australia and the US.

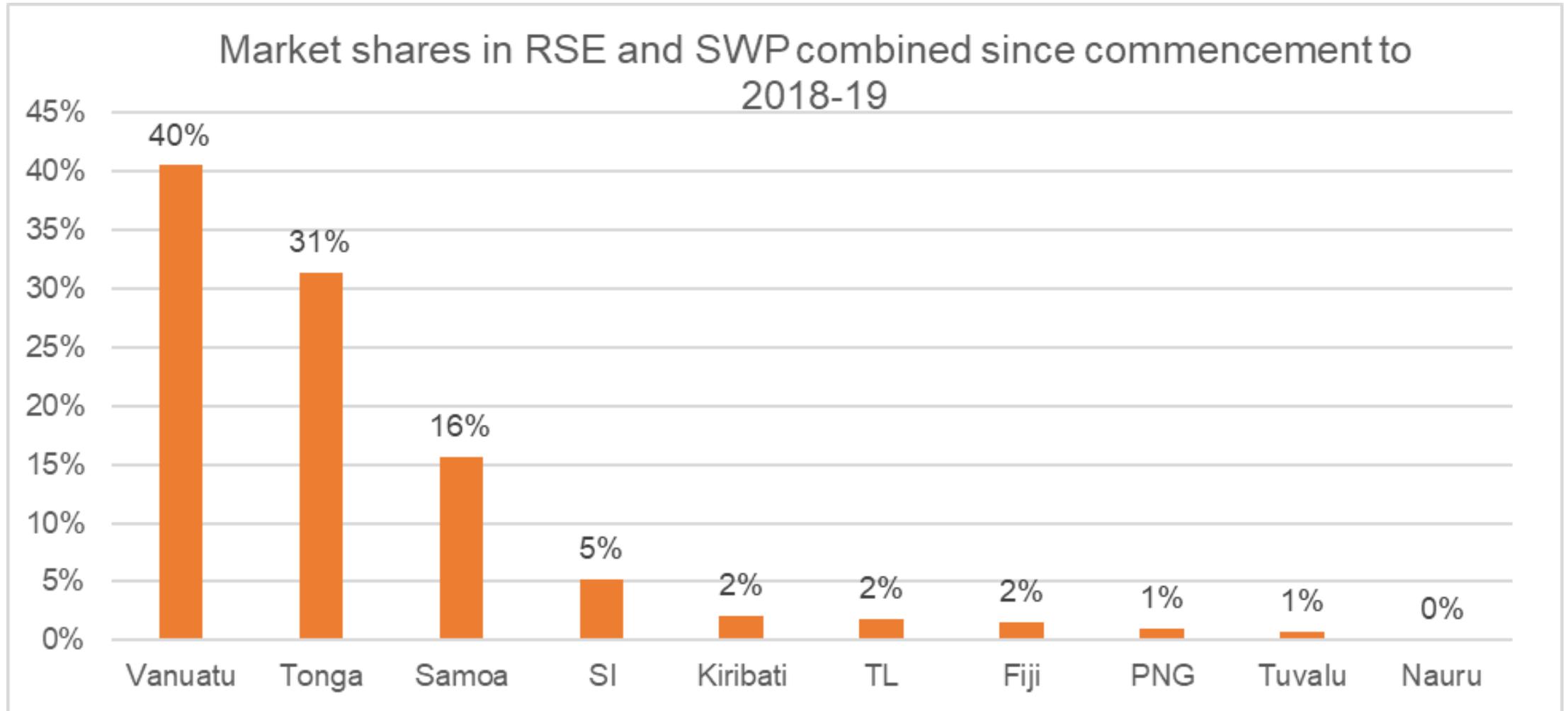
New seasonal worker labour mobility opportunities have arisen over the last decade



# Australia's SWP now matches NZ's RSE



# Spreading labour mobility opportunities through the region



# There are also additional new schemes now under implementation

- Pacific Labour Scheme
- APTC Phase III “away track”
- NZ Pacific Trades Partnerships



The screenshot shows a blog post header with a dark navigation bar containing 'Devpolicy@ANU', 'Australian Aid Tracker', 'Aid Profiles', and 'Podcast'. Below this is the 'DEVPOLICYBLOG' logo in orange and black, with links for 'ABOUT', 'CONTRIBUTORS', and 'JOIN THE DISCUSSION'. The main title of the post is 'Labour mobility: a win-win for Australia and the Pacific' in bold black text, with a subtitle 'July 2, 2018 · Add Comment · by Julie Bishop · 4 min read' below it.

In my five years as Foreign Minister I have made 33 visits to the Pacific.

On each occasion, Pacific Island leaders have told me of their desire to see their people access opportunities to build better lives. The Pacific Labour Scheme is one such opportunity, and marks an exciting new chapter in our Pacific partnerships.

From today, up to 2,000 workers from Nauru, Kiribati and Tuvalu can earn an income and develop skills by accessing low and semi-skilled temporary work opportunities in Australia. This, in turn, benefits their families and communities.

So..

- Labour mobility historically important for the Pacific, growing in numbers, spreading across countries, and of enormous benefit.
- Natural link from labour mobility to the Blue Pacific.
- Why doesn't it feature more strongly in Pacific regional fora and resolutions?
- What are the problems?

# Labour mobility critiques



# 1. Not enough overseas jobs

- Seasonal work is already one of the major occupations in the region:
  - In Tonga, about a quarter of all young men (aged 20-45) leave the country every year to work on Australian and New Zealand farms.
- Labour mobility can also make a huge difference to much bigger countries.
  - Philippines, Nepal.



## 2. Exploitation

- Pacific workers often take on jobs locals don't want.
- There are cases of exploitation. But ...
  - Both RSE and SWP part of the clean-up of the horticultural sector in NZ and, more recently, Australia.
  - There are mitigating measures both sending and receiving countries can take.

EXCLUSIVE NATIONAL INVESTIGATION

### Slavery claims as seasonal workers from Vanuatu paid nothing for months' work

By Nick McKenzie

Updated March 27, 2017 — 7:37pm, first published at 5:18pm

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Seasonal worker and father of six Silas Aru called it "slavery".

Federal Circuit Court Justice Michael Jarratt struggled to imagine a "more egregious" case of worker exploitation.



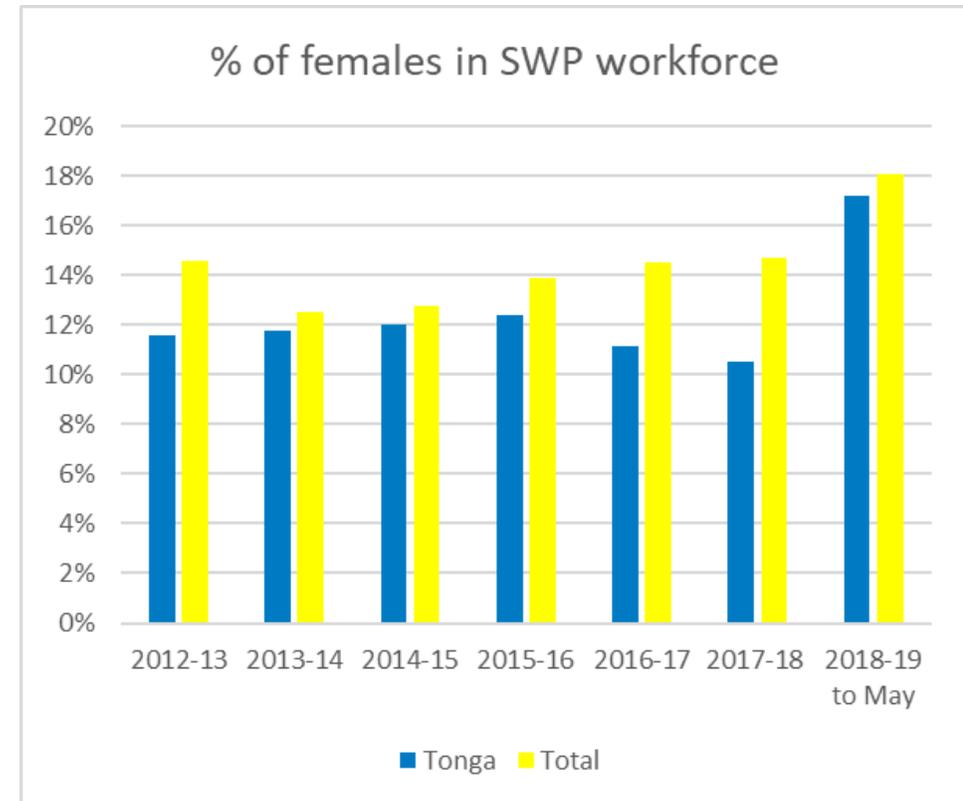
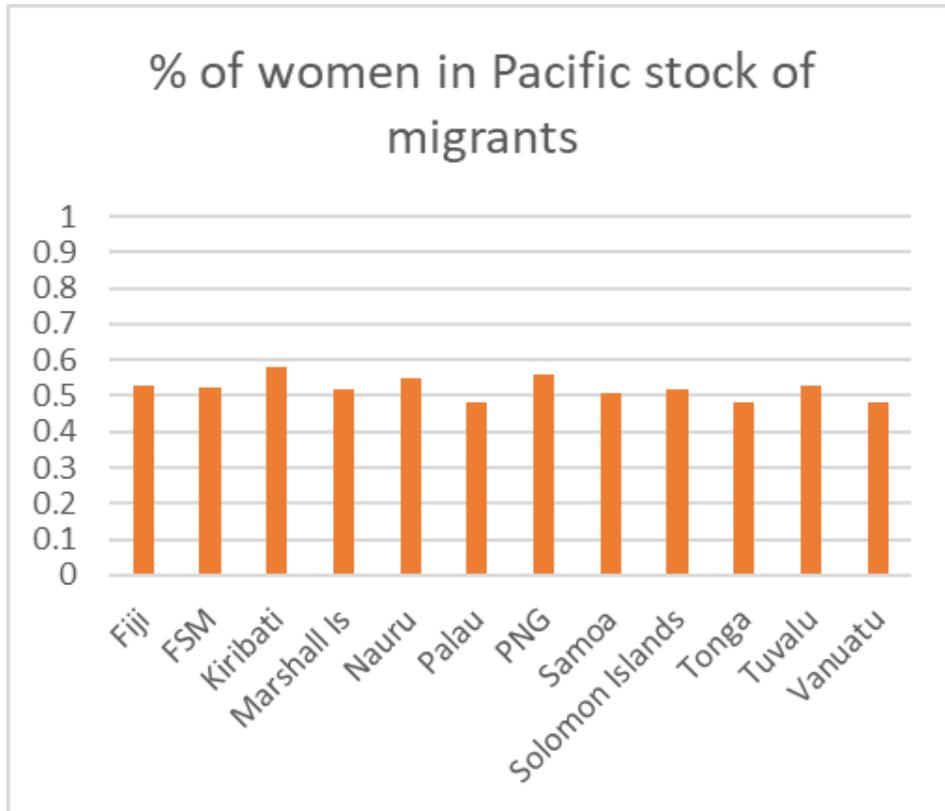
Seasonal workers from Vanuatu who were exploited on Queensland farms.

For six months, Aru, 53, picked fruit at farms dotted across Queensland as part of a federal government low-skilled Seasonal Worker Program. He was paid less than \$150 in total.

Some days, he ate no food, save for some of the tomatoes he picked.

# 3. Jobs for the boys?

- Migration opportunities are not intrinsically biased to men.
- Seasonal labour is, but some promising recent changes.
- Migration can drive change.



## 4. Family separation

- An issue mainly for unaccompanied, temporary, multi-year migration.
- Mitigation strategies:
  - Restrict temporary unaccompanied migration to seasonal opportunities and/or to young people
  - Promote permanent migration.



# 5. Brain drain

- Brain drain is a real risk, but there are mitigation strategies:
  - Worker selection
  - Increased education funding
  - Inward migration
  - Changes in domestic policy
  - Donors implementing “net skill gain” policies.

PACIFIC / VANUATU

## Vanuatu companies want labour schemes restricted to unemployed

2:45 pm on 12 June 2019

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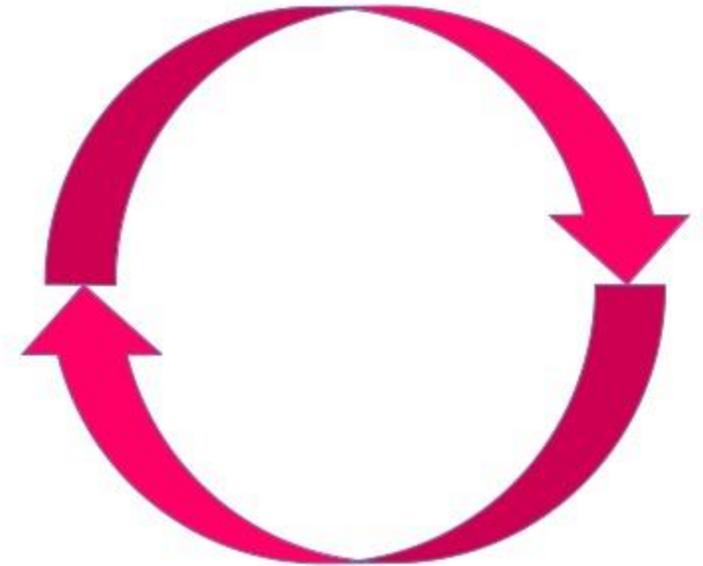
A parliamentary committee says companies in Vanuatu are wary about training their staff because they fear they might later resign to participate in labour mobility programmes in Australia and New Zealand.



# 6. Temporary good; permanent bad

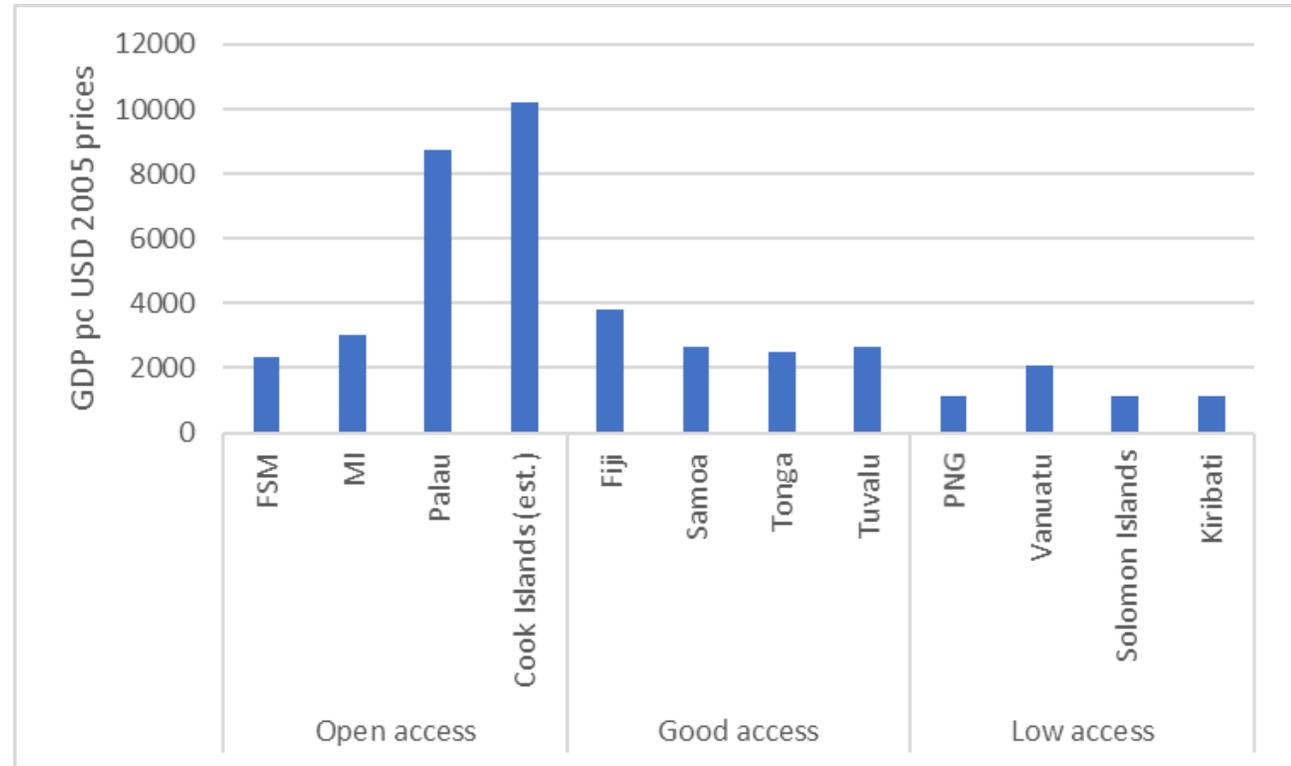
- Problems with temporary migration
  - No cumulative impact.
  - No contribution to the diaspora, needed to build migration networks.
  - Doesn't solve the brain drain problem
  - Requires much more micromanagement.
  - More prone to exploitation.

**CIRCULAR MIGRATION**



# 7. The “remittance trap”?

- Is there a migration curse?
  - Brain drain
  - Dutch disease
  - Demotivation of citizens and governments.
- A controlled experiment would provide countries with different levels of labour mobility and compare outcomes.
  - If the remittance trap thesis holds, then the greater the access the worse the economic performance should be.
- In fact, we have such a controlled experiment in the Pacific, and the outcomes don't support the remittance trap



# Not all labour mobility schemes are equal...

	<b>Gender equity</b>	<b>Brain drain</b>	<b>Family separation</b>
<b>Compact arrangements</b>			
<b>NZ Pacific access category</b>			
<b>Seasonal labour</b>			
<b>PLS</b>			
<hr/>			
No or modest problems			
Moderate problems			
Severe problems			

# Conclusion



# What role can regional institutions play in promoting labour mobility?

- Coordinate negotiations with Australia and New Zealand.
  - NZ to lift the RSE cap.
  - Australia to introduce a NZ-type Pacific window
  - Both countries to provide backpacker visas to the Pacific.
- Find new labour market opportunities, and promote the Pacific as a labour supplier.
- Help relatively isolated countries.
- Promote intra-Pacific labour mobility.
- Facilitate the learning of lessons across countries regarding pastoral care and oversight.

# “For the Pacific region and its island countries, the ocean is crucial.”

- The ocean has long been crucial for employment, which is the Pacific’s most pressing need.
- While local labour markets remain weak, labour mobility opportunities are growing.
- Labour mobility is not costless, but the challenges need to be managed not avoided.
- Different Pacific island countries face very different labour mobility challenges.
- But most have an interest in enhanced labour mobility opportunities. To this extent, labour mobility should be a core component of the Blue Pacific narrative.

# Vinaka Vakalevu

LM blogs and monthly newsletter at  
[www.devpolicy.org](http://www.devpolicy.org).

