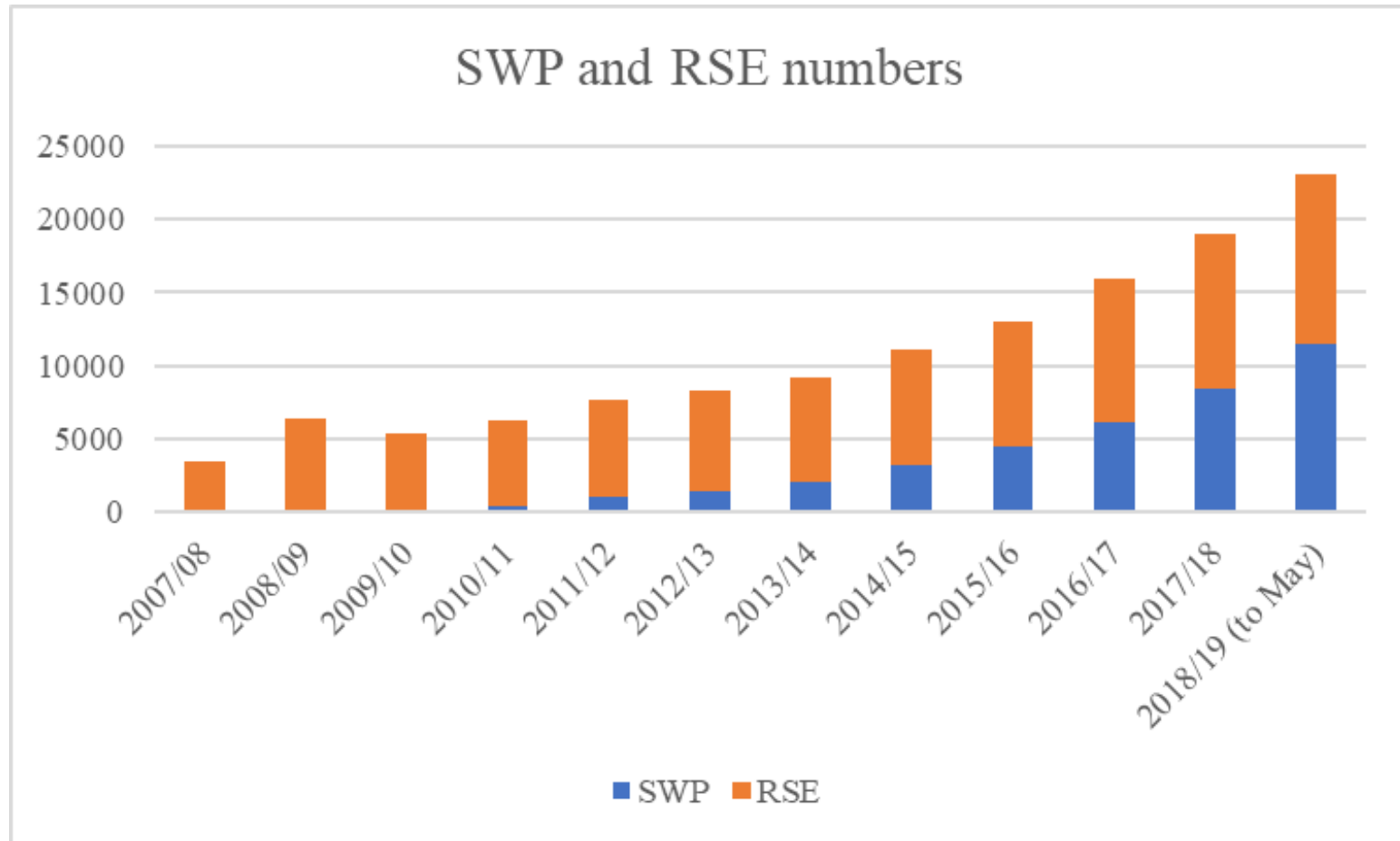


# Pacific labour mobility: success and sending country governance

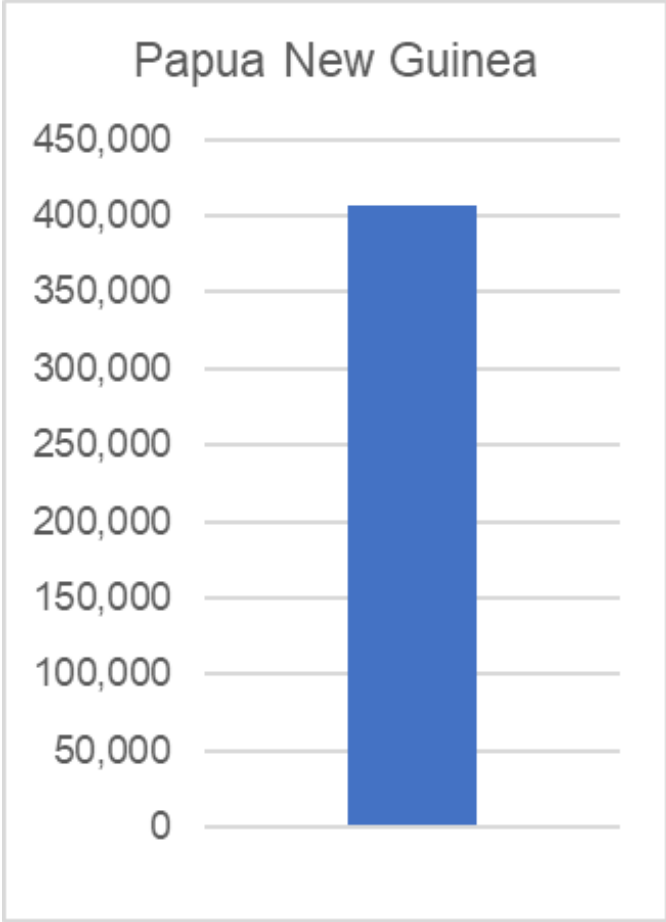
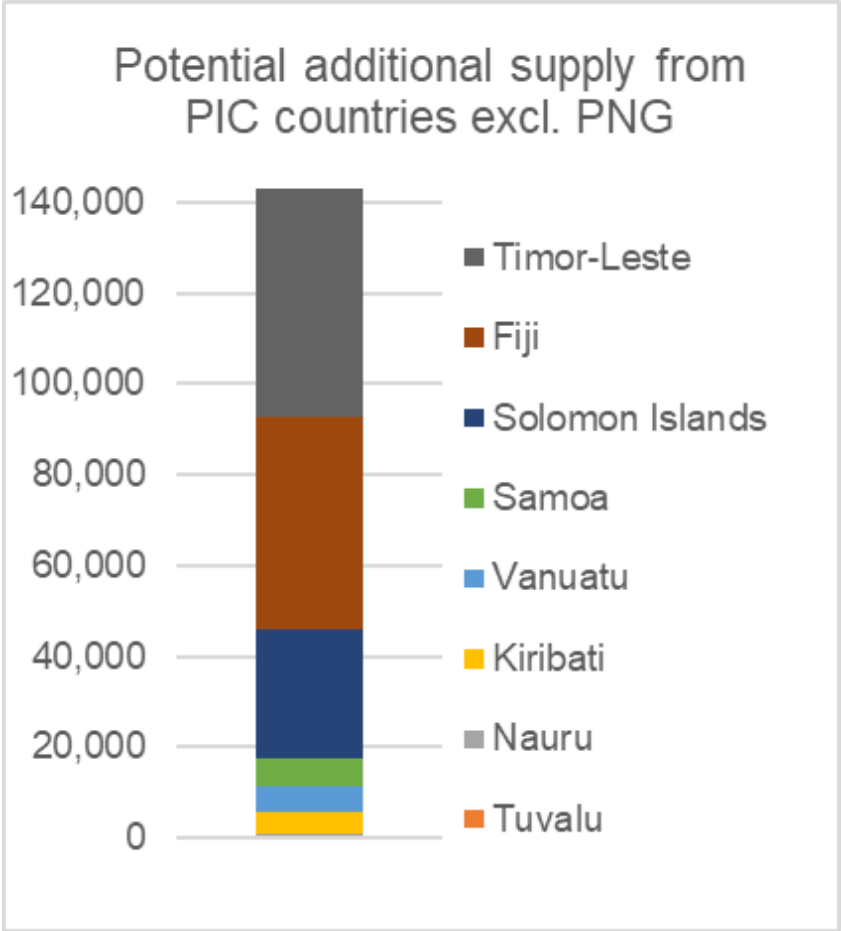
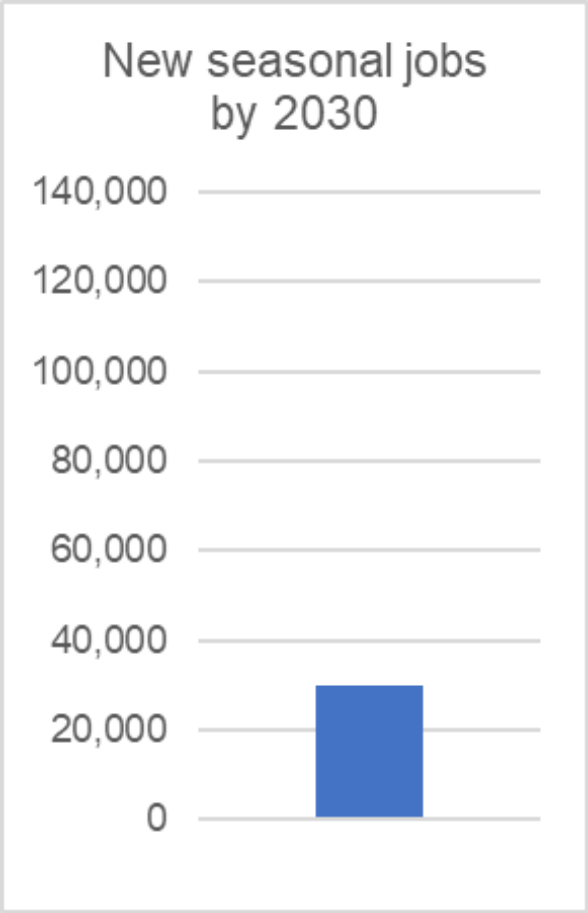
Stephen Howes and Richard Curtain  
Development Policy Centre, ANU

Presentation for 2019 Pacific Update  
(Work in progress)

# Seasonal labour in the Pacific is growing rapidly.



# But countries will continue to face intense competition for slots



# Objectives:

(A) Understand how sending Pacific island countries govern their participation in the SWP and RSE

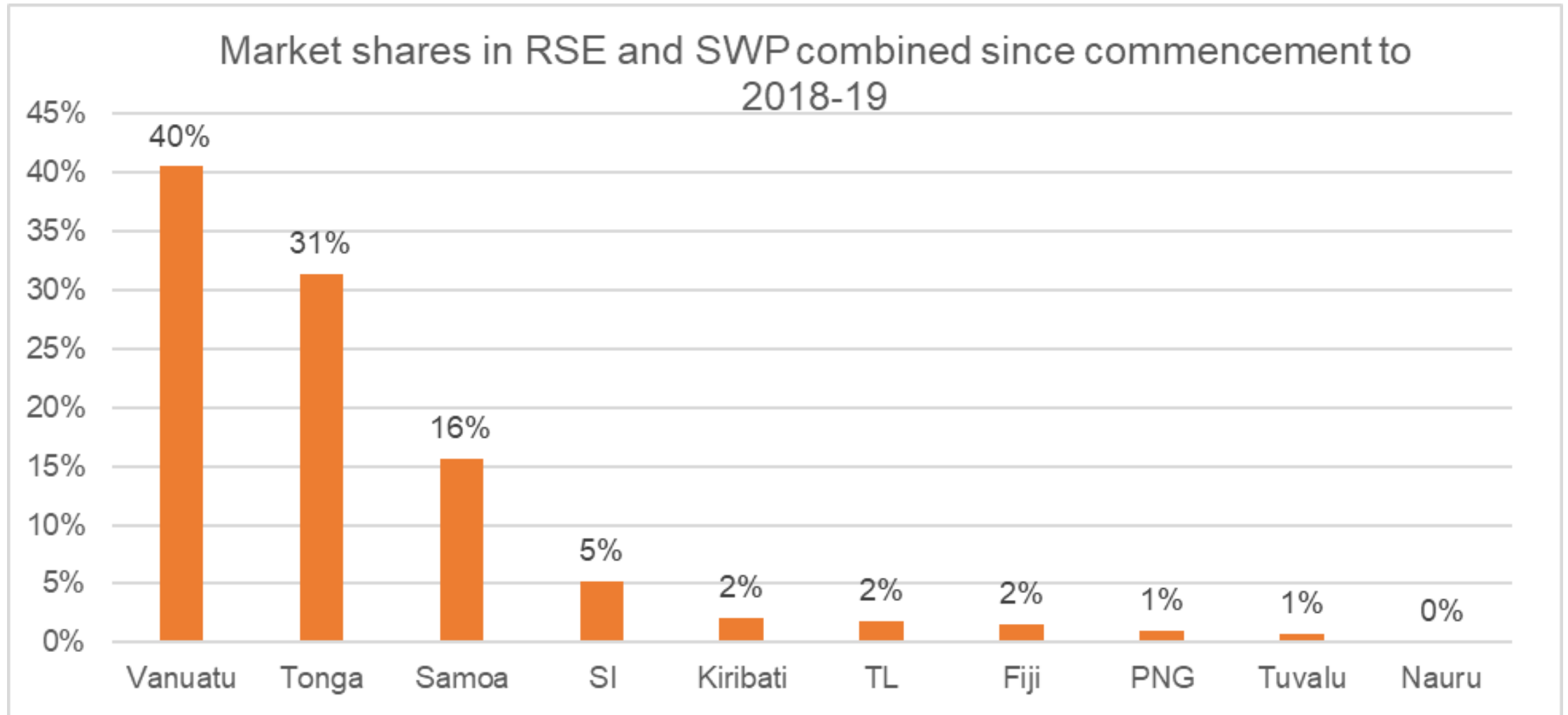
(B) Explain why there is such a difference in participation between sending countries.

(C) See if there is an overlap between (A) and (B)

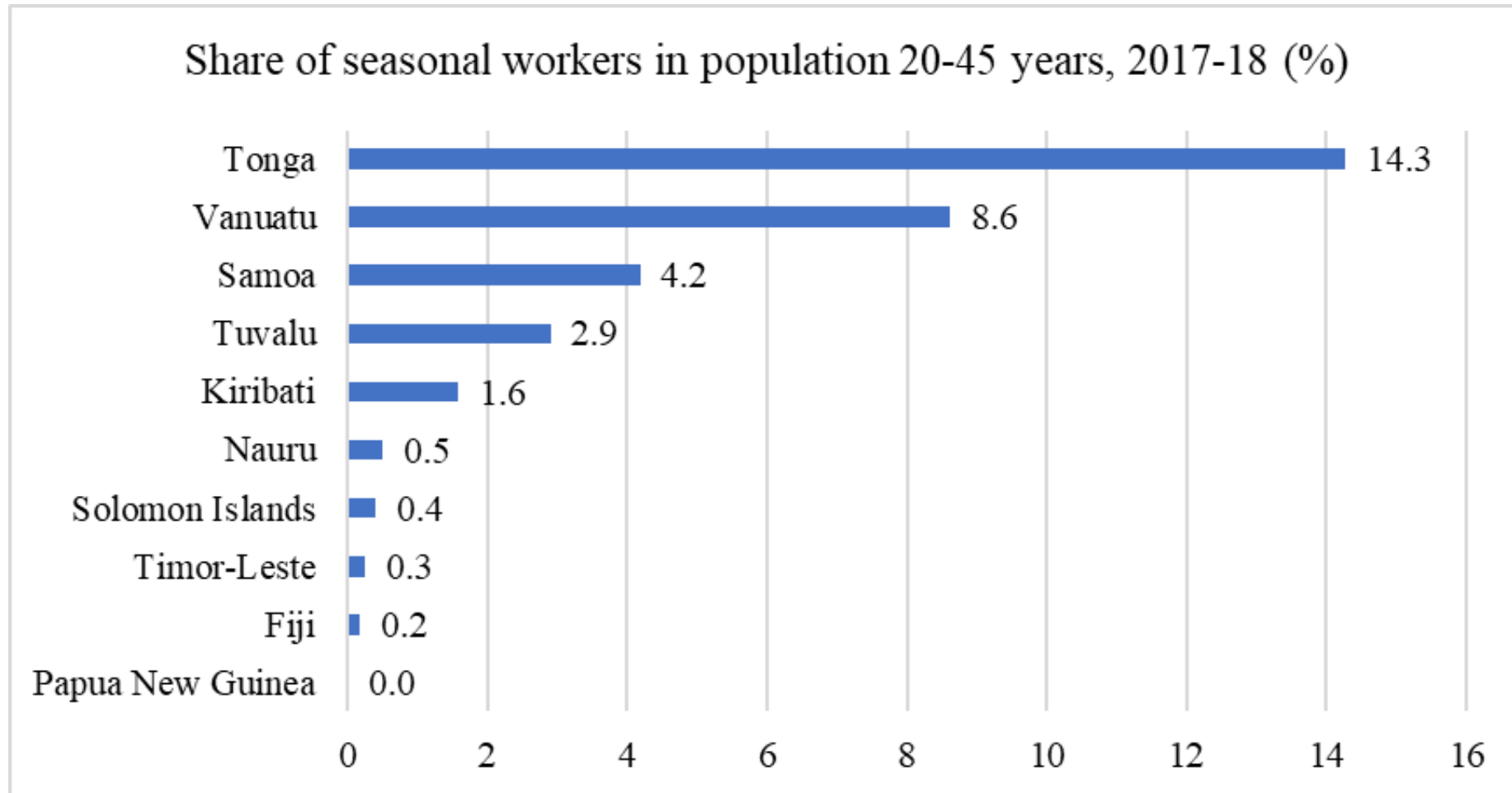
- **Research question:** Can we explain the differences in participation between sending countries in terms of different labour mobility governance arrangements?
- **Policy question:** Based on this analysis, what do we recommend to sending countries with regard to their labour mobility governance arrangements?
  - Several countries are preparing labour mobility policies.

# Differences in participation across countries

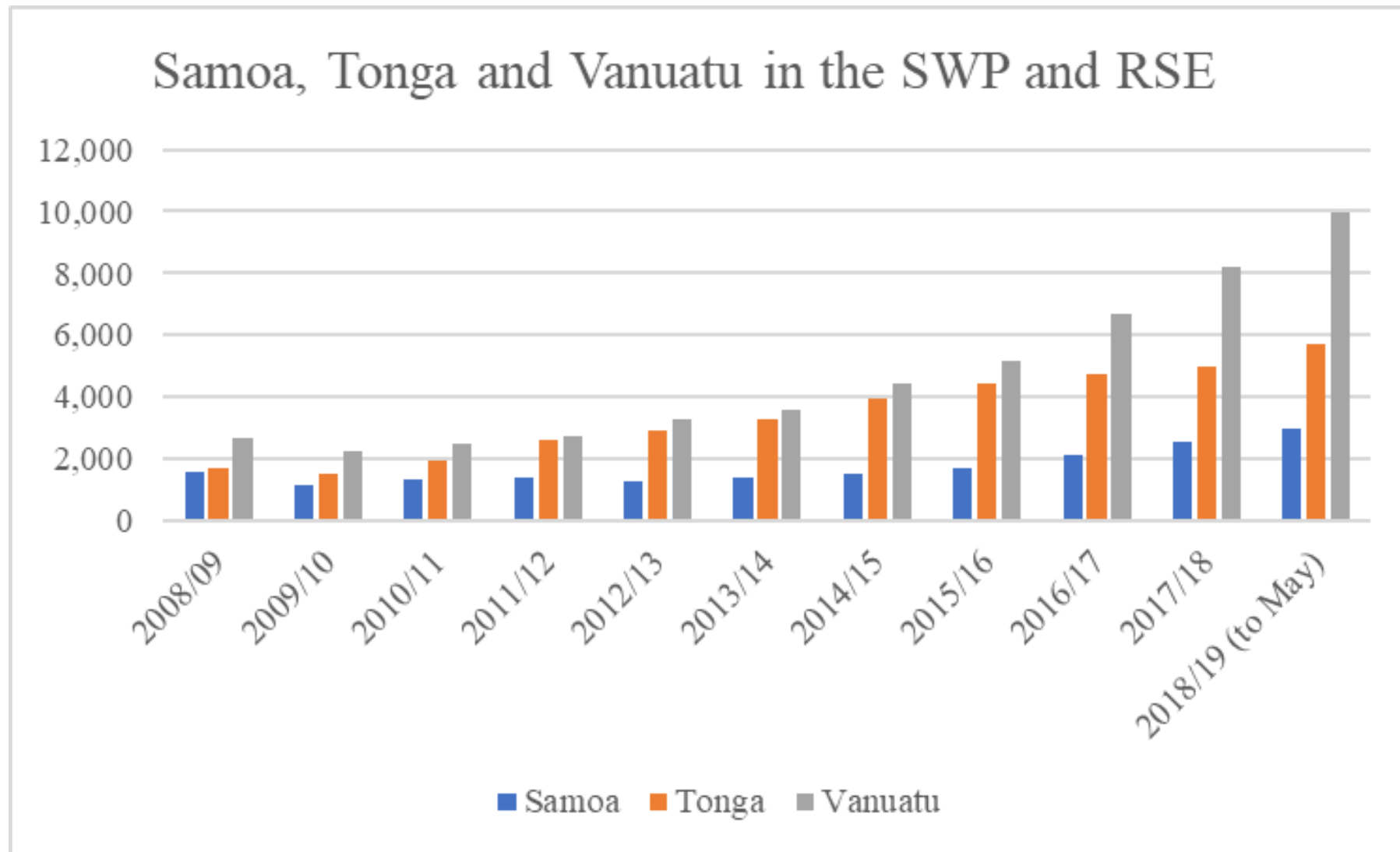
# Differences in participation



# Participation relative to population

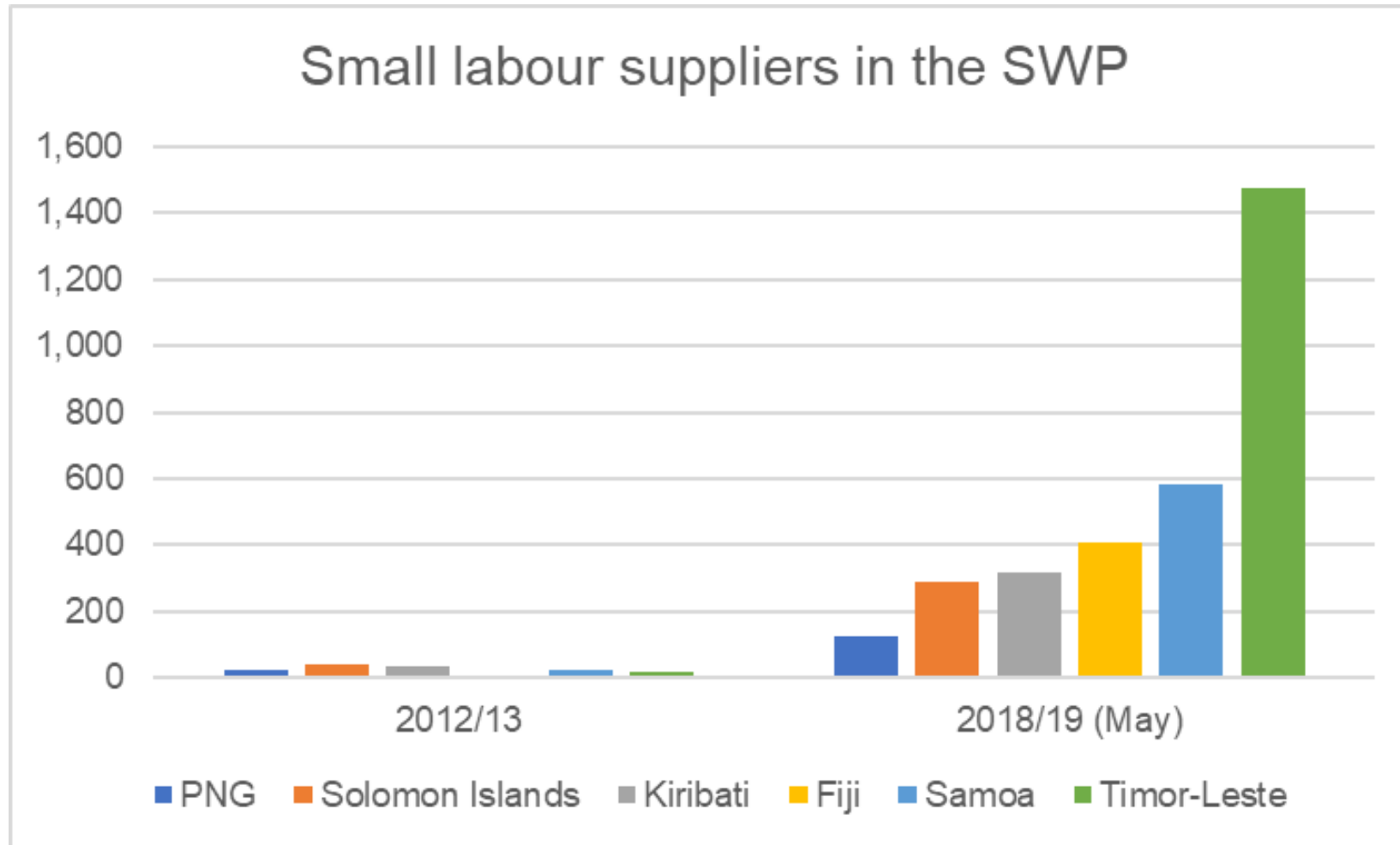


# What explains the variations in country performance over time?

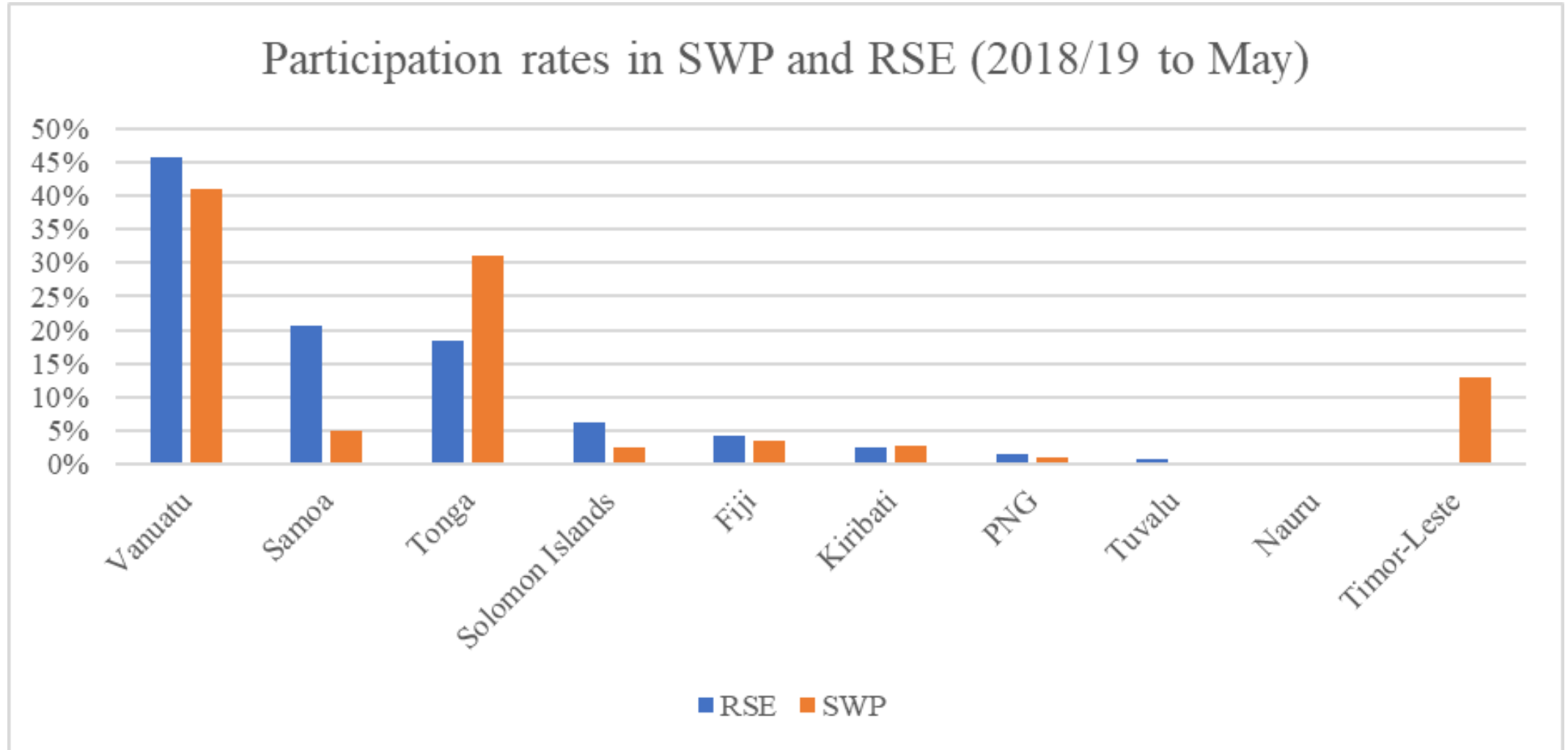




# Including among the smaller senders...



Some countries do better in the SWP, and some in the RSE

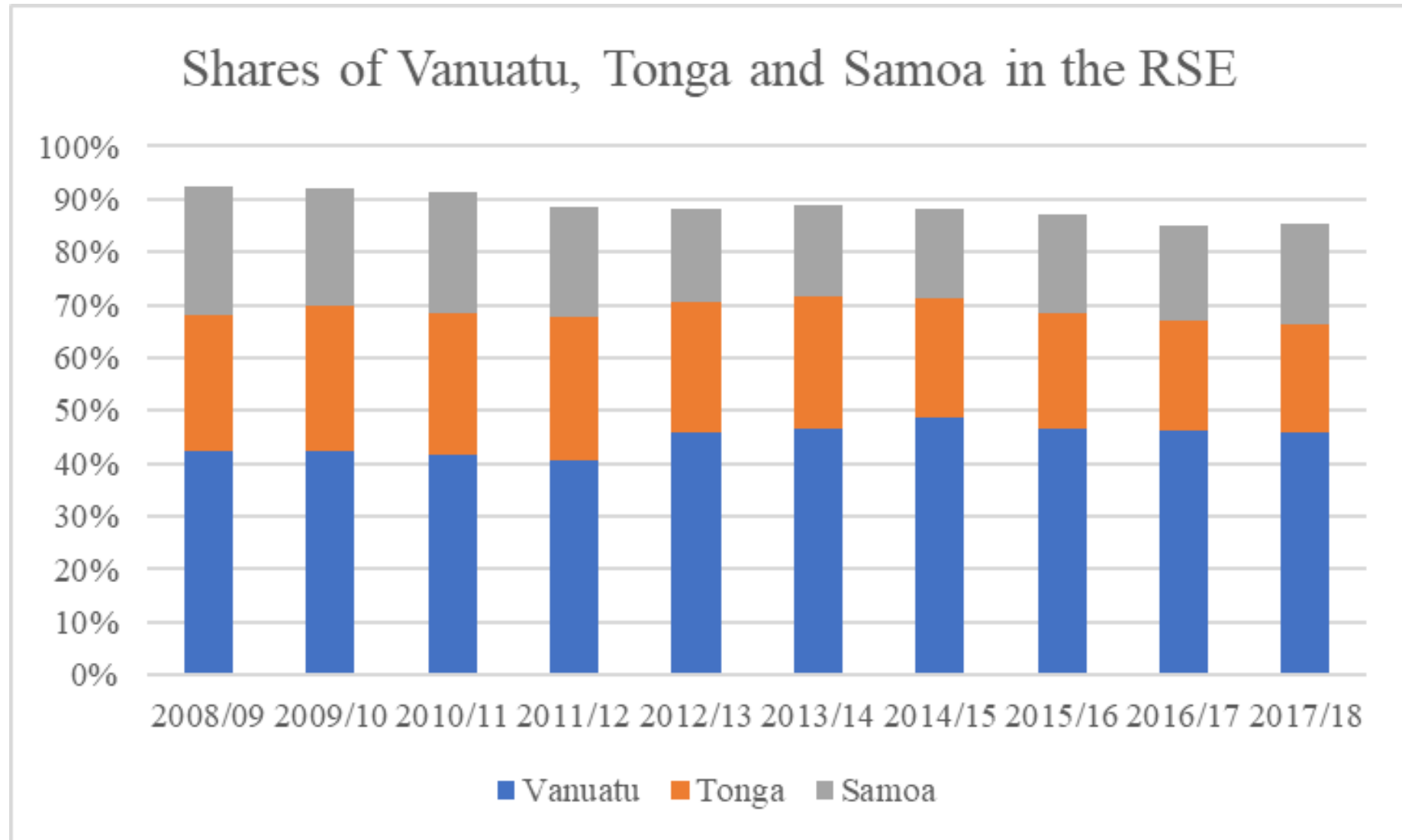


What else might explain variation in participation apart from sending-country governance?

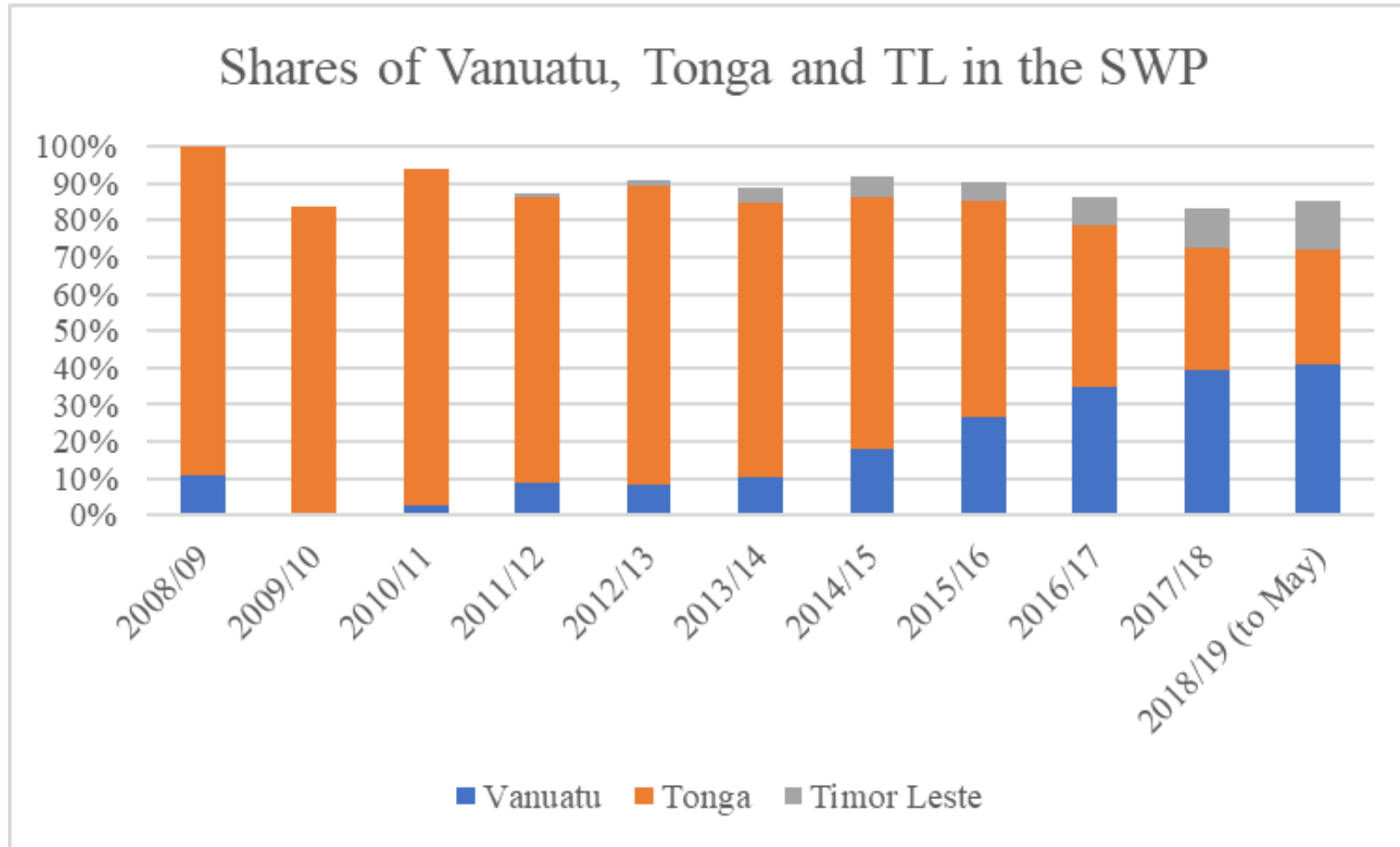
*Largely exogenous factors*

- Other employment opportunities at home or abroad
  - Nauru & compact states
- Relative distance and expense; structure of the economy.
  - Kiribati, Tuvalu
- Broader internal challenges
  - PNG
- Early mover advantages.
  - Three countries dominate each of the two schemes.

# Early mover advantage in NZ



# More flux in Australia, but top three still dominate

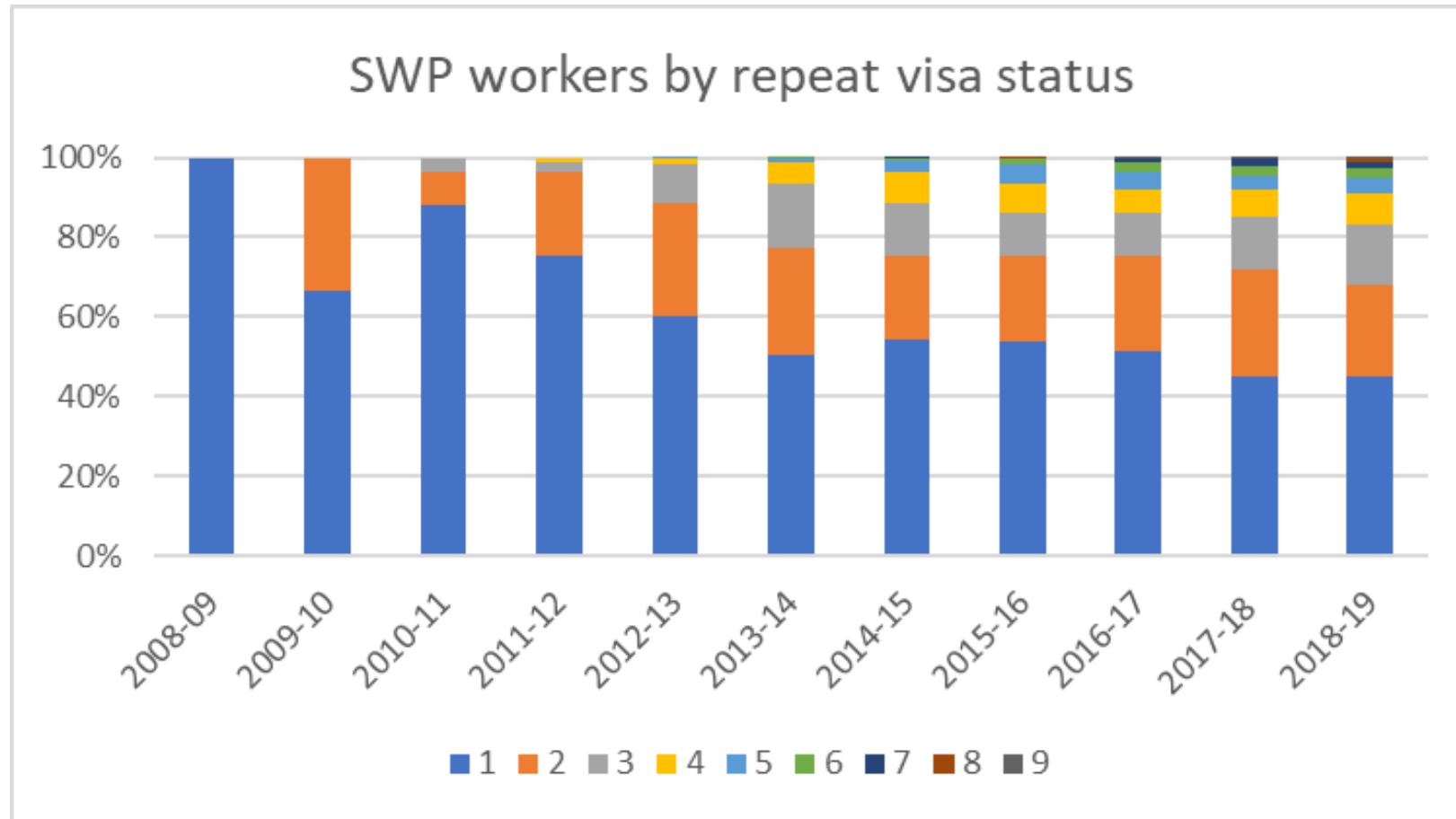


What else might explain variation in participation apart from sending-country governance?

*Largely endogenous factors*

- Worker performance
- Successful countries have a high reliance on return workers.
- Successful countries attract large employers, and especially large labour hire contractors

# Reliance on return workers integral part of the seasonal labour system



# Expected number of visits by major sending countries to SWP

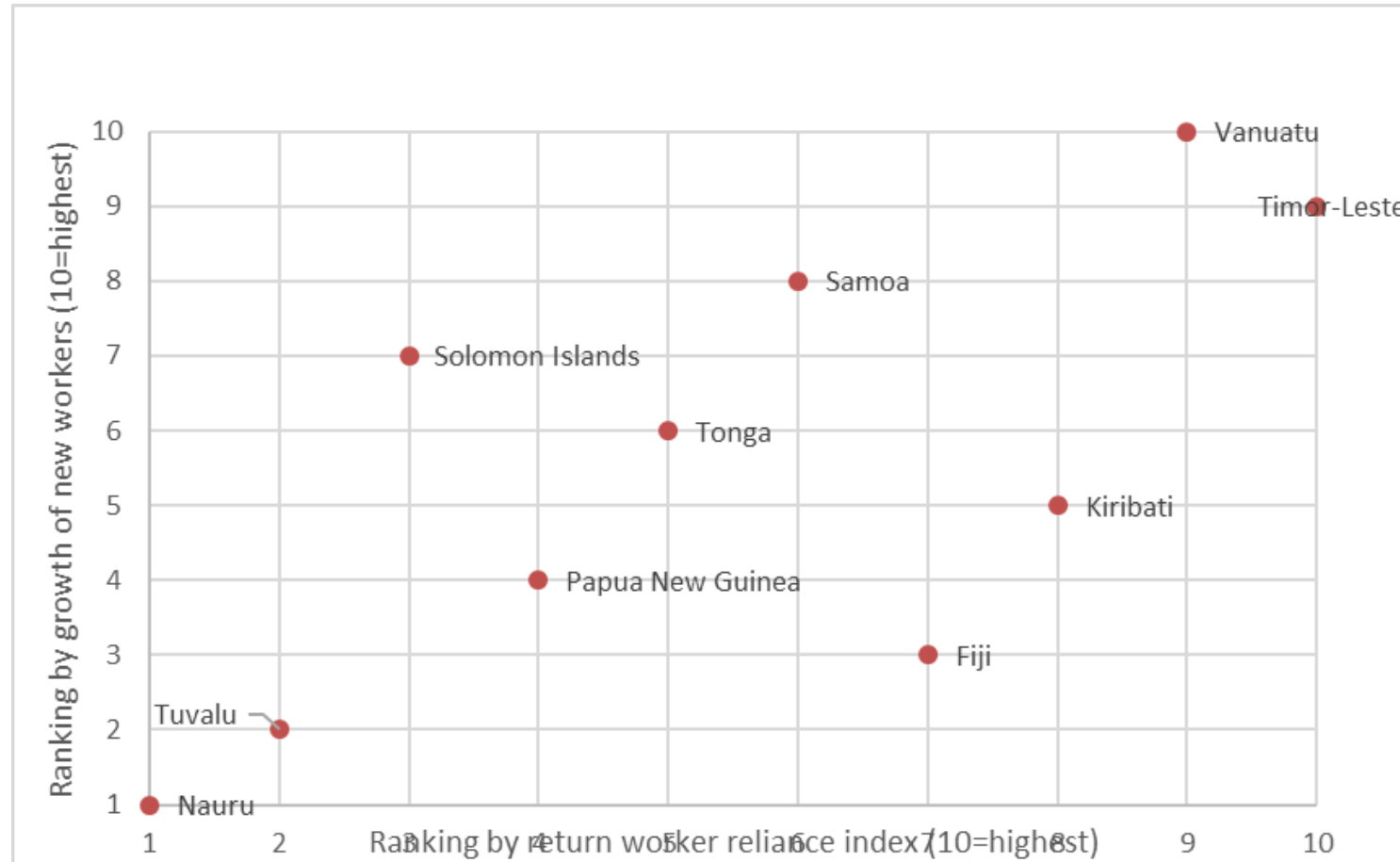
	2015-16	2016-17	2017-18	2018-19
Samoa	2.0	4.6	6.1	3.2
Timor-Leste	5.2	6.2	5.1	6.3
Tonga	3.5	3.4	3.5	3.7
Vanuatu	3.4	6.1	10.8	4.9
<b>All</b>	<b>3.5</b>	<b>3.6</b>	<b>3.7</b>	<b>4.0</b>



# Some countries make more use of return workers than others

	<b>Visits/ workers</b>	<b>Reliance on return workers (0 to 1)</b>
Timor-Leste	1.8	0.65
Vanuatu	1.8	0.51
Kiribati	1.7	0.47
Fiji	1.5	0.36
Samoa	1.8	0.34
Tonga	2.3	0.33
Papua New Guinea	1.9	0.28
Solomon Islands	1.3	0.25
Tuvalu	1.1	0.16
Nauru	1.0	0.00
<b>All</b>	<b>2.0</b>	<b>0.42</b>

# Countries with high reliance on return workers have more new SWP workers entering the system



# Employer patterns

- Hundreds of approved employers under both SWP and RSE but the schemes are dominated by the big players.
  - E.g. in NZ, median hire by RSE employers is 30, but average is 86
- Two sorts of employers: “direct” and “indirect” (labour hire companies and grower cooperatives)
- The SWP is dominated by indirect employers (labour hire companies)
  - 60-80% of the market
- Indirect hirers also important in NZ (labour hire companies and cooperatives)
- Indirect employers tend to be bigger
  - Top 4 SWP hirers in Vanuatu, top 3 in Tonga and TL are labour hire companies
  - Top 2 RSE hirers in Vanuatu are grower cooperatives

# Employers and growth

- Attracting large employers key to growth
  - They are larger, and they have more potential to grow
  - They require less support from government: they know how to make the system work.
- On the one hand, employers like return workers, and they are familiar with procedures. This glues them to existing sources.
- On the other, most employers will want to diversify their risk – this gives new countries an opportunity.
- The big Australian employers do seem to be diversifying, but will they diversify beyond the top three countries?

# Differences in labour mobility governance across the Pacific

# Research base

- Studies of sending-country labour mobility governance arrangements of
  - PNG
  - Solomon Islands
  - Fiji
  - Samoa
  - Timor-Leste
  - Tonga
  - Vanuatu
- Discussions with employers and other stakeholders

# What is labour mobility governance?

- Labour mobility governance is all the arrangements around the actual work, whether done by the government or the private sector or the community
- Many and varied arrangements:
  - Workers need to be selected and provided with a visa.
  - They are also meant to receive pre-departure briefings.
  - Countries normally want to promote their workers abroad.
  - Workers get into trouble (exploitation, illness, misbehaviour) and will need help/discipline.
  - Some governments want to promote re-integration.
- Incredible variation and detail in arrangements. Can only proceed by simplification.

# Two basic models: 1. Government-light

- Exemplified by Tonga and Vanuatu
- Recruitment done by employers, and by their agents, formal or informal.
  - In Vanuatu, agents are licensed; in Tonga, they are not.
- These private sector players recruit the workers, and also get involved with the visa process and pre-departure briefings.
  - Tonga has a (pre-selected) work-ready pool, but employers don't have to use it, and most don't.
  - Vanuatu doesn't even have a work-ready pool.
  - Private sector plays an important role in helping workers with visa processing and prerequisites (police checks, health checks).
- Agents and employers do most of the promotion and pastoral care.
  - Tonga only hired a liaison officer in Australia last year; Vanuatu yet to do so in either country.



# Two basic models: 2. Government-central

- Exemplified by Timor Leste
- Workers have to be hired by employers from the work-ready pool.
  - Return workers are allowed, but employers cannot (now) add workers to the work-ready pool.
  - Employers are sent a short-list from the WRP, and have to select from that (in person or via interview)
- Visas are processed by the TL government.
- Government takes the lead in promoting the scheme.
  - Road shows and in-country conferences
- Government has had for a long time two in-country labour attaches in Australia.
  - Not only do promotion and pastoral-care, but also heavily involved in selection and visa processing.

# The two models

	<b>Government-central</b>	<b>Government-light</b>
<b>Recruitment</b>	By employer but from government-selected work-ready pool	By employer (or their agent) without constraint
<b>Visa processing</b>	By government	Employer/agent also helps
<b>Promotion</b>	Strong role for government	Weak role for government
<b>Pastoral care</b>	Strong role for government	Weak role for government
<b>Receiving country presence</b>	Yes	No

# Country classifications

Country	Classification
Vanuatu	Government-light
Tonga	Government-light
TL	Government-central
PNG	Government-central
Kiribati	In between
Fiji	In between
Solomon Islands	In between
Samoa	In between

# Pros and cons

<b>Government-central</b>	<b>Government-light</b>
More of a burden on government	Less of a burden on government
Only works if governments responsive	Employers prefer direct recruitment
May be more equitable and reduce brain drain (though depends on selection method)	Employers prefer to select new workers through return workers.
No need for agents	Reliance on agents is risky
Receiving-country presence enables more worker-problem-solving	More difficult to manage the work force in country
Stronger government promotion effort	The private sector promotes on your behalf

# Discussion

- In terms of numbers, *government-light* has worked best.
- However, this model brings with it reputational risks:
  - Agents charging worker fees
  - Too many agents
  - Workers inadequately briefed
  - Absconding workers
  - Blacklists being circumvented
- Both Vanuatu and Tonga need to invest more in the schemes in terms of receiving-country presence and sending-country regulation.
- Timor-Leste shows that *government-central* can also be made to work, but it is a very demanding model.
- Governance arrangements are not fixed, but change over time. Countries can learn from their mistakes:
  - Timor-Leste
  - Solomon Islands

# Conclusion

- Countries' success in the SWP and RSEs highly variable. A range of factors explain this. Whether the SWP and RSE can support large participation from more than three countries each remains to be seen. More research needed.
- The sending-country governance arrangements around seasonal work can be characterised on a spectrum from *government-central* to *government-light*.
- In terms of numbers, *government-light* has worked best, but carries reputational risks from under-investment of government resources.
- Timor-Leste shows that *government-central* can also be made to work, but it is a demanding model.
- Most countries will want be somewhere in the middle between the two extremes.
- Governance arrangements are and need to be dynamic. There need to be more opportunities for bi/tri-lateral negotiations between sending and receiving countries, and fora for employers' and workers' views to be heard.

# Vinaka vakalevu!

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Sign up for our monthly Pacific labour mobility newsletter:

<http://www.devpolicy.org/join-us/>

# Extract from the Australian SWP “Rules”

Eligibility criteria are as follows:

## *Good character*

- Prospective workers must be of good character, and be able to substantiate this by presenting authentic documentation certifying that they do not have a substantial criminal record.

## *Fit and healthy*

- Prospective Seasonal Workers must be healthy and fit for the work specified, as evidenced by undergoing a medical examination.
- Workers who have a medical condition requiring significant ongoing treatment or hospitalisation or are not deemed fit for active work will not be considered eligible for the SWP.

## *Age*

- Prospective workers must have turned 21 at the time of visa application.

## *Citizenship*

- Prospective workers must be citizens of the Participating Country (and not a citizen of Australia) and in the Participating Country at the time of visa application.
  - Citizens of the Participating Country who are in another country are not eligible for the SWP.

## *Identity*

- The nominated Ministry has verified, based on sufficient inquiries and evidence, that the stated identity of the prospective worker is their real identity.

## *Intentions to return to the Participating Country*

- Prospective Seasonal Workers have a genuine intention to enter Australia temporarily for seasonal work, and return to the Participating Country after their employment ceases.