Pacific labour mobility: sending country governance – issues and preliminary findings

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Tasks for the paper

(A) Explain 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?

Note: *This presentation presents some early findings and issues for further discussion and analysis.*
SWP and RSE

Seasonal labour in the Pacific

- 2012-13
- 2013-14
- 2014-15
- 2015-16
- 2016-17

RSE  SWP
Differences in participation across countries
Differences in participation (1)

Number of seasonal workers going to Australia & New Zealand 2016-17

Vanuatu: 6,321
Tonga: 4,512
Samoa: 1,999
Solomon Islands: 680
Fiji: 545
Timor-Leste: 477
Kiribati: 313
Papua New Guinea: 260
Tuvalu: 80
Nauru: 17
Differences in participation (2)

![Bar chart showing the share of seasonal workers in the population aged 20-45 years (2016-17) for various countries.]

- Vanuatu: 6.6
- Tonga: 13.0
- Samoa: 3.3
- Solomon Islands: 0.3
- Fiji: 0.2
- Timor-Leste: 0.1
- Kiribati: 0.8
- Papua New Guinea: 0.0
- Tuvalu: 2.8
- Nauru: 0.6
Why have some countries grown strongly over time?
And others not?

Note: 2017-18 up to April
Smaller countries in the SWP

Note: 2017-18 up to April
Also of interest to compare Oz v NZ experience

Table 1: Number of seasonal workers approved to work in Australia and New Zealand, 2016-2017

<table>
<thead>
<tr>
<th>Country</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>Fiji</td>
<td>190</td>
</tr>
<tr>
<td>Kiribati</td>
<td>124</td>
</tr>
<tr>
<td>Nauru</td>
<td>-</td>
</tr>
<tr>
<td>PNG</td>
<td>139</td>
</tr>
<tr>
<td>Samoa</td>
<td>309</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>87</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>477</td>
</tr>
<tr>
<td>Tonga</td>
<td>2,690</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>-</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>2,150</td>
</tr>
<tr>
<td>Total</td>
<td>6,166</td>
</tr>
</tbody>
</table>
What else might explain variation in participation apart from governance?

• Other employment opportunities at home (Nauru) or abroad (Tuvalu, Compact countries)

• Relative distance and expense; also economies less agricultural (Tuvalu, Kiribati, Nauru).

• Internal challenges (PNG)

• Diaspora and other first mover advantages (Tonga, Vanuatu).

• Late-joining disadvantage (Fiji)
First mover advantage in NZ
But less so in Australia

Note: 2017-18 up to April; vertical axis is %
Differences in labour mobility governance across the Pacific
Research base

• Work in progress
• So far, in depth studies of sending-country labour mobility governance arrangements by Richard Curtain of
  • PNG
  • Solomon
  • Fiji
  • Samoa
  • Timor
• Discussions with employers and other stakeholders
• Note: more research needed, and this is a work-in-progress.
The components of labour mobility governance

• Labour mobility governance is all the arrangements around the actual hiring contract and work.
• We can disaggregate labour mobility governance into several components
  • **Promotion**: mainly to potential employers, but also to potential employees
  • **Recruitment**: selection by employer
  • **Clearance**: selection by government
  • **Facilitation**: pre-departure briefing, visa submission, pastoral care and problem shooting in Australia, reintegration, etc.
• Note, governance does not mean government. Many of these roles are or can be undertaken by the private sector.
A. Promotion

• Timor Leste the most active country
  • Only country to have an in-country (Australia) labour attache, based in Canberra.
  • TL has also organised an in-country conference for employers
  • Tonga and Samoa have seasonal work coordinators in NZ.
  • In-country presence useful for facilitation as well as promotion.

• Agents can promote, but this may also be counter-productive.
  • Vanuatu (now up to 90 agents, but only 46 AEs in Australia, and most NZ employers recruit directly)

• Promotion is an outcome of past successful recruitment, as well as an input
  • The first contacts the most difficult. Attracting the first employers requires building of trust.
B. Recruitment (1)

• All countries maintain a Work Ready Pool, from which employers can recruit workers.

• Most countries allow employers and/or agents to recruit workers directly from outside the Work Ready Pool.
  • Exceptions are Timor Leste and PNG, where it is strongly discouraged.
  • Kiribati and Samoa allow employer/agent recruitment but prefer that employers used the Work Ready Pool.
  • Other countries let the employer choose.

• Some countries allow agents (Kiribati, Solomon Islands, and Vanuatu) as well as employer (direct) recruitment. Others allow direct recruitment but not agents (Fiji, Tonga).
B. Recruitment (2)

- Those countries that give the Work Ready Pool a monopoly position do worse
  - Cf PNG and Timor to Vanuatu and Tonga
  - **PNG policy**: “PNG Government policy for RSE recruitment prohibits recruitment by agents; hence all recruitment of RSE guest workers shall be through the PNGSW taskforce. .. RSEs undertaking direct recruitment should contact the Department who will inform them of the procedure for obtaining a recruitment license in PNG. In the first instance, it would be more practical for RSEs to engage the Department to recruit workers from PNG.”
  - **Tonga policy**: “We completely understand if you wish to nominate new workers on the basis of recommendations from group leaders and return workers who you trust.”
B. Recruitment (3)

- This makes sense
  - Government may not run the Work Ready Pool efficiently.
    - Explain TL’s superior performance relative to PNG
  - Monopolies lead to corruption
  - Employers want workers they can trust
    - Either return workers
    - Or workers recommended by return workers or other trusted intermediaries.
Most seasonal workers are return workers

Note: From start of program to latest data
The employers’ perspective (NZ)

Source: 2017 NZ RSE report
The employers’ perspective (NZ)

Q14. How did your business recruit its Pacific RSE workers during the last year?

<table>
<thead>
<tr>
<th>Method</th>
<th>Official RSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base = 63 %</td>
<td></td>
</tr>
<tr>
<td>An RSE cooperative such as Seasonal Solutions or Pick Hawke's Bay</td>
<td>5</td>
</tr>
<tr>
<td>An RSE labour recruiter</td>
<td>22</td>
</tr>
<tr>
<td>A Pacific Government-sponsored work-ready pool</td>
<td>21</td>
</tr>
<tr>
<td>Direct recruiting by the business</td>
<td>67</td>
</tr>
<tr>
<td>Using returning workers to recruit for the business</td>
<td>38</td>
</tr>
<tr>
<td>Or some other way (Specify)</td>
<td>8</td>
</tr>
<tr>
<td>Don't know</td>
<td>0</td>
</tr>
<tr>
<td>Refused</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: 2017 NZ RSE report
B. Recruitment (4)

- But Work Ready Pools still important
  - First impressions and initial networks matter.
  - Look for rural (Fiji) rather than educated, urban (PNG, TL) workers.
  - Use community selection to select trusted workers (Fiji)
C. Clearance and facilitation

• All governments impose some requirements
  • Police check
  • Health check
  • Age limits

• These derive from the MOUs which underlie the ANZ labour mobility schemes (next slide)

• Governments tend not to delegate these tasks, and they can’t delegate their final endorsement.

• Efficient administration critical for both clearance and facilitation tasks
  • Explains (in part) why Vanuatu has done better than Solomon Islands
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.
Conclusion

• Pacific island participation in the SWP and RSE varies enormously across sending countries.
• Sending country labour mobility governance arrangements by no means the only factor but does seem to be an important explanatory variable for participation.
• There is no single model for guaranteed and sustained success, but countries can learn from each other.
• Governance in the broad sense matters. That is, the structure of governance arrangements are important (e.g. provide scope for trusted intermediaries to emerge).
• Governance in the narrow sense is also important. Efficient administration and leadership are key.
Preliminary advice to Pacific governments

There is no single model to guarantee success, but

• Don’t monopolize labour recruitment by forcing employers to draw from the Work Ready Pool.

• Fill the Work Ready Pool with rural residents, and using community selection.

• Resource and execute efficiently clearance and facilitation tasks. Consider delegation where possible.

• Consider a receiving-country presence, for promotion and facilitation.

• Provide high-level bureaucratic/political leadership
Preliminary advice to Australian government

- Various Australian-aid Pacific-wide TA programs by World Bank and Cardno to build sending country governance capacity need to be evaluated.
- Australian aid program has also provided direct support to Sol. Islands (Boost) and Timor Leste (Workforce Development Program TL).
- Based on experience elsewhere, most effective approach likely hands-on and long-term.
- Facilitation funding also needs to be increased: think of aid for migration rather than aid for trade.
Further research questions

• Do Australia and NZ employers recruit differently?
• Further country studies (Vanuatu, Tonga, Kiribati), and better understanding of differences in performance (e.g. Vanuatu v Sol. Islands; Tonga v. Samoa).
• Get more employer perspectives on why they choose one country over another.
• Is there a limit to growth? How to sustain success?
  • Tonga volumes have stopped increasing
  • Vanuatu changing policy settings
• Should countries license agents? Seem to be pros and cons.
Thank you!

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