

April blog digest: Pacific labour mobility | PNG's lost decade | the 85-15 aid debate

by Stephen Howes

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Pacific labour mobility: not there yet.

It has long been obvious that the Pacific, and especially Melanesian countries, would be much better off if they had more access to the Australian labour market.

In 2005 the Howard government, faced with growing pressure to introduce a seasonal workers' scheme to allow Pacific islanders to come to Australia to pick fruit, made three decisions. The first was not to bow to the pressure. The second, to appease growing Pacific discontent, was to **establish** the Australian Pacific Technical Colleges to help Pacific islanders find skilled work both at home and in Australia. The third, to address the problem of labour shortages in the horticultural sector by alternative means, was to give backpackers an incentive by offering them a second year on their visa if they picked fruit for three months in their first year.

We know from **this** [pdf] Audit Office report that the Technical Colleges created following the 2005 announcement have failed in the objective to increase labour mobility for the Pacific. And now we know, from the **research** Danielle Hay and I summarise in this **post**, that the 2005 backpacker reform has also hurt Pacific labour mobility. Eventually, in 2008, Labor introduced a Pacific pilot seasonal worker scheme. But just over 1,000 workers have arrived under that scheme over a period of more than three years, well below the 7,000 that work annually in New Zealand under the equivalent scheme in that country.

To find out why take-up of the scheme has been so low, Danielle conducted a phone survey of some 180 growers, which revealed that labour shortages were now a rarity in horticulture. Growers now mainly rely on backpackers, the number of whom working as fruitpickers has about tripled over the last decade.

So, we're not there yet on Pacific labour mobility. We make a number of

suggestions in the [paper](#) on reforms to improve the take up of the Seasonal Workers Scheme (including reversing the 2005 backpacker visa reform). But we also suggest that, like New Zealand, Australia should have a permanent migration window for Pacific islanders.

If you're interested in the issue, see also [this](#) post from Wesley Morgan, who drives yet another nail into the PACER Plus coffin with his argument that it is unlikely to further the labour mobility agenda.

PNG's lost decade

I couldn't recommend a blog post more highly than [this](#) one by Crawford student, Andrew Anton Mako. Andrew reflects on PNG's lost decade of high growth but missed opportunities. Read this, and then the entire post:

I am from a very remote village deep in the Highlands of PNG, and in the last fifteen years, the single health center, a primary school which I attended as a boy, an airstrip that brings supplies to the village, and agricultural extension services, all closed down, and shrubs are now growing on a new road which was built in the late-1990s to connect my village to the nearest town. The 10,000 plus people in that part of the country are literally struggling each day. That is the grim situation of most parts of rural PNG.

See also this [post](#) for a wrap of the April conference on PNG held at Deakin University. And Steve Pollard's observation in the latest [post](#) in his series that poverty has been forgotten in the Pacific.

Aid: the 85-15 debate

Last week, [The Australian](#) and then various other media outlets belatedly picked up on themes from my "[5 challenges for the Aid Minister](#)" post from March in which, among other things, I highlighted the fact that 15% of AusAID's projects are rated unsatisfactory by AusAID itself. I got a lot of flak for the media reports, with various people pointing out to me that 15% isn't that high, and that a lower number might be a sign not of progress but unhealthy risk aversion. I agree. But the 15% is an important statistic, which should be tracked carefully. Revealing which projects are not performing would be a good starting point. It's also much better to focus on the 15% of projects which aren't working than the 0.1% of the aid budget which has

been lost to fraud. All the more unfortunate that the *Canberra Times* should have decided this week to release another fraud [non-story](#). Shifting the focus off aid fraud onto aid effectiveness remains a major challenge.

One difficulty is that aid effectiveness is so hard to observe – unless you are an insider. Nik Soni, a long-time aid-funded economic adviser to several developing countries, breaks ranks in his important post “[Painful aid](#),” in which he tackles several ODA fads, including a results-orientation, and zero tolerance for fraud.

Two of our April posts report on little-known aid success stories. Terence Wood [contributed](#) one of our most popular blogs ever this month: on a positive evaluation of child sponsorship. Child sponsorship is an extremely popular form of aid (our family does it), but a controversial one, so it’s good to get this positive read-out.

And Jonathan Pryke [blogged](#) on the new aid-funded meningitis vaccine. We should be spending a lot more aid on global health R&D – including because, as this post shows, this is a form of aid that can deliver in fragile states.

Finally, check out Robin Davies’ first [post](#) on the challenges awaiting the new World Bank President. Robin comes to Devpolicy from a stellar career at AusAID. His focus in this piece is on the issues that *weren’t* raised in the selection process, which just happen to be the ones which will make or break the Bank in the post-Zoellick era.

April blog listings

Here’s a list of all the blogs we put out (oldest to newest):

[Labour mobility through PACER-Plus? An unlikely prospect](#) by Wesley Morgan.

... there is little indication that new and binding access to Australian and New Zealand labour markets will result from the [PACER-Plus] talks – a prospect that would leave many island nations without a key incentive to remain at the negotiating table.

[Australia’s Pacific Seasonal Worker Pilot Scheme: why has take-up been so low?](#)

By Stephen Howes and Danielle Hay.

There is no doubt that the PSWPS is a great scheme per participating worker, but if the number of workers stays small, so will its total impact.

[Missing the peat for the trees? A response to the Olbrei-Howes KFCP critique](#) by Jonathan Pickering.

It is perfectly valid (and indeed important) to undertake a case study of a single demonstration activity, but there are inherent limits to the range of policy implications that can be drawn from it.

[Child Sponsorship Works?](#) By Terence Wood.

So, in that sense, you'd have to say that – uncool or not – on the basis of the best available evidence child sponsorships come out looking quite good.

[Bad governance and politics and PNG's lost decade](#) by Andrew Anton Mako.

It seems that the country will not break out of this circle until after the next election at the earliest, and perhaps not even in the next decade unless there are fundamental political reforms.

[The new meningitis A vaccine: a global health R&D story for fragile states](#) by Jonathan Pryke.

This truly is a game-changer. Over the next decade, through an integrated rollout in all 25 countries in the African belt, the

program is projected to prevent over 400,000 cases of meningitis, save 44,000 lives, and avert 105,000 disabilities.

Poverty in the Pacific – a forgotten priority? By Steve Pollard.

But have island governments and others in society managed actually to reduce poverty? There are exceptions but as I look back over the past 12 years I feel great unease over what I have witnessed.

Painful Aid by Nik Soni.

... there is a growing concern amongst many practitioners in the field that the those in charge of development at the highest institutional levels have simply lost touch with reality.

The world's big push on sanitation tomorrow by Adami Laidlaw.

If the SWA [Sanitation and Water for All partnership] achieves its long term vision of providing water and sanitation to those currently unserved, the lives of the 2.5 million people who die every year as a result would be saved.

Devpolicy to date: establishing proof of concept by Stephen Howes.

It has often been said to me that Australia could not support a dedicated development or aid policy centre, such as the Overseas Development Institute in the UK or the Centre for

Global Development in the US. I think we have shown that it can.

[Dr Kim's hypertensive patient](#) by Robin Davies.

... though President Obama was not ready to concede the job to a non-American, he wielded his de facto appointment power to put in place a person very different from the [eleven preceding presidents](#) (a non-economist and a development expert, born in developing Korea) – a person who, by virtue of that difference, never would have been selected by the Bank's directors in a genuinely competitive process. Obama presumably believes that he dictated benevolently.

[Papua New Guinea: Securing a prosperous future](#) by Margaret Callan and Colin Wiltshire.

These challenges emphasised the difficult path ahead for PNG to successfully turn the resource boom into development benefits. While strong political leadership was consistently raised as an important catalyst for change, the need for effective management of increased revenues from senior bureaucrats in Waigani right down to administrators of schools and health centres in rural villages was considered to be of equal importance.

[The big issues in aid and development](#) by Julia Newton-Howes.

Aid is more and more about bringing a diverse range of actors together to achieve strong development outcomes; we have to be more nimble, more persuasive and more effective

In the next two decades the annual death toll from tobacco is expected to rise from 5 million now to over 8 million with 80% of those deaths projected to occur in low and middle income developing countries. Tobacco is the only legal drug that kills many of its users when used exactly as intended by manufacturers.

Stephen Howes is Director of the *Development Policy Centre*.

Author/s:

Stephen Howes

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

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