NZ RSE: time to think carefully about sending communities

By Luke Craven

New Zealand's Recognised Seasonal Employer (RSE) migration scheme has been labelled as 'best practice' by the International Labour Organisation and the World Bank. Recent evaluations of the scheme are overwhelmingly positive, affirming that it can provide significant economic benefits for Pacific Island countries. Even so, we should not rest on our laurels. Seasonal labour migration is not a panacea to the development problems facing the Pacific. Ultimately its impact depends on the local context in each sending community.

There is no doubt that remittances have the capacity to contribute to development in sending communities. The point is that while this outcome is possible, it is not predetermined. In many Pacific Island communities there is a lack of opportunity for RSE workers to productively invest their remittances once they're back at home. This 'poverty of opportunity' means that household-level gains are unlikely to translate into longer-term productive investment in the local economy.

That is not to say that spending remittances on consumption does not have its place. Migrants should not be discouraged from using remittances to meet their immediate needs. The problem is when there is no *opportunity* for the productive investment of remittance income. In such cases, migration, and the rise in consumption that follows, is likely to drive a desire for prosperity that can only be satisfied through further migration. For most Pacific Island communities the opportunity to migrate is subject to change. They are beholden to diplomatic tussles, employer demand, and the domestic political environment of receiving countries. If the 'poverty of opportunity' in sending communities goes unchallenged, households will grow increasingly dependent on remittances to satisfy their wants and needs.

For rural areas in particular, the impact of the RSE on labour availability also requires more comprehensive examination. The research I presented at the Australasian Aid and International Development Workshop provided empirical insights into the experience of the Lamen Bay community in Vanuatu. In that community – which has an RSE participation rate of approximately 25% – labour loss presents challenges for subsistence agricultural production. As migration becomes a more popular livelihood strategy, working the gardens becomes a less desirable – and less profitable – one. This is risky business. A reliance on bought food makes the community increasingly vulnerable to international market conditions and fluctuating oil prices.

Of course there a numerous examples of communities that have had to revert to subsistence farming in times of crisis. However, values matter: a negative attitude towards agricultural livelihoods is likely to affect the choices people make. If bought food becomes the norm, it will be hard to displace. My argument here is not that all change is bad – far from it. The problem is that the RSE fails to offer the Lamen Bay community very much for its trouble. Household-level gains are positive, but these don't seem to accrue at the community level. Whether its investment in local infrastructure, or the creation of local industries that can benefit non-migrants, these community-level impacts are noticeably absent. Organic change on this scale takes time, undoubtedly, but its lack of immediacy is worth stating. Others have noted that the agriculture knowledge acquired by RSE workers is unlikely to have a noticeable development impact. And secondary skills, like time management and financial planning, will only contribute to local growth if the underlying 'poverty of opportunity' is addressed.

The core point here is that the RSE is more likely to contribute to economic development in the Pacific if we also target existing causes of underdevelopment. It is on this basis that I offer four policy recommendations: simple steps that provide a starting for making the RSE more effective.

First, population mobility cannot be thought of as a replacement for development aid or programmatic assistance. Simply put, they are separate strategies that supplement one another. With donors promoting local economic development – through investment in rural electrification, for example – RSE migrants will be more willing and more able to invest their remittances in the local economy.

Second, RSE recruitment processes need to be designed in a way that affords a significant level of control to local authorities. This gives local authorities the scope to harness the benefits of migration, while mitigating the costs. New Zealand has a role to play here. The focus needs to be on building the capacity at the local level in sending countries so that local authorities understand how to set migration caps and encourage a sustainable culture of migration within their communities.

Third, policy developments are required to ensure that migrant remittances flow to the community. Migration-affected losses are felt hardest at the community-level, but financial gains accumulate almost exclusively to migrant households. There are examples of effective community remittance schemes from the past, but – as far as I am aware – none currently operate. Whether NGO-led or otherwise, such arrangements offer a real opportunity for the RSE to provide tangible benefits for sending communities.

Fourth, employers have a role to play in promoting development in the communities their workers call home. The recent announcement of Tanna Farms, a joint venture between New Zealand company, Vinepower, and former RSE worker, Seth Kaurua, provides a model that is easily replicable. RSE employers are return customers; most have been involved in the scheme for a number of years, often drawing workers from the same community each season. There is no reason that these kind of joint ventures could not be more commonplace.

The current focus on the economic development impacts of the RSE characterises a field of scholarship that is to a large degree unable to paint the complete picture of how communities are affected by the RSE. My research shows that in communities suffering from existing patterns of underdevelopment the RSE should not be seen as a one-size-fits-all development solution.

As the RSE moves into its eighth year of operation, we need to more critically evaluate how it can meet the needs of local communities in the Pacific. An increase in the cap is on the cards, and indeed necessary, if the scheme is to meet its full potential. But this potential will not be fully realised unless we also consider the broader development challenges facing the Pacific. How can policy makers and practitioners ensure that the RSE is best able to contribute to economic development? How can we target development policy and programmatic assistance to facilitate RSE-led growth? It is time now to move from congratulating ourselves on the schemes' successes to building on our victories to expand development impact in sending communities and countries. Aid, alongside migration policy, can play a role in this.

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