

Pacific Labour Mobility in 2050: Australia's role

Submission to the DFAT [consultation](#) on the Pacific Islands Forum 2050 Strategy Development Policy Centre, Australian National University

The Development Policy Centre is a think tank for aid and development serving Australia, the region and the global development community, based at the Crawford School of Public Policy at the Australian National University. Established in 2010, we undertake independent research and promote practical initiatives to improve the effectiveness of Australian aid, support the development of Papua New Guinea and the Pacific island region, and contribute to better global development policy. Professor Stephen Howes, Director, and Dr Ryan Edwards, Deputy Director prepared this submission.

DFAT seeks submissions offering views on four key questions:

1. What are the major challenges facing our region as we work together to achieve the vision for a Blue Pacific Continent by 2050?
2. How might these challenges impact on our region over the next 30 years to 2050?
3. How might COVID-19 impact on our region's development trajectory to 2050?
4. How can Pacific Islands Forum members work together to address these challenges, including through closer economic and security linkages that preserve national sovereignty?

This submission addresses these questions to build a vision for Pacific labour mobility to 2050 to drive increased employment, stability, integration, and climate change adaptation.

Pacific countries can be divided into those with ample and those with limited migration opportunities.

Pacific countries whose overseas population is at least 10% of their domestic population (high-migration) include: Tonga (70%), Samoa (60%), Tuvalu (29%), Fiji (24%), FSM (19%), Nauru (18%) and Marshall Islands (13%). Countries whose overseas population is less than 10% of their domestic population (low-migration) are: Kiribati (4%), Timor Leste (3%), Vanuatu (0.9%), Solomon Islands (0.3%) and PNG (0.2%).¹

Having a large diaspora relative to domestic population is a tremendous advantage for those Pacific countries who have one for several reasons:

- It reduces population growth (as shown [here](#)).
- It provides high-income job opportunities for migrants.
- In job-constrained economies, migration reduces unemployment and underemployment rates.
- It often leads to a high level of remittances.
- It provides an effective adaptation strategy in the face of climate change.
- It reduces isolation and promotes integration.

In particular, having a large diaspora helps Pacific island countries address four of their fundamental challenges out to 2050:

- **Employment:** Given the difficulties of creating jobs in Pacific island countries, it makes sense for Pacific islanders to look for jobs offshore.
- **Stability:** Higher employment, increased remittances and lower population growth all greatly contribute to increased stability in the Pacific.
- **Integration:** Much of the Pacific engages in little export of goods and even services. Expanding opportunities for the movement of people is the best way in which the Pacific can integrate within and beyond its immediate region.
- **Climate change adaptation:** Climate threats will intensify. Well-established migration pathways will help Pacific island countries diversify their risks and provide an option to expand migration flows (either through open-access arrangements or through diaspora effects) should the situation require it.

¹ UN data except for PNG, Vanuatu and Solomon Islands from *Pacific Possible Labour Mobility* (Table 1). Only developing Pacific countries included. Other countries with a large diaspora are Niue (a developing country), and Cook Islands and Palau (developed).

Without a focus on migration, any Blue Pacific strategy will not be able to properly address the key challenges facing the Pacific of job-creation, stability, integration and climate change. Therefore, a strong focus on migration needs to be embedded in the 2050 Strategy for the Blue Pacific Continent.

Despite its importance, migration is not an easy goal for the Forum to focus on since many countries already have good migration pathways. Australia needs to work with those countries that lack such migration pathways to make sure that labour mobility gets the central place it deserves in the Forum's aspirations and work program.

Concretely, a central objective for the Pacific Island Forum member should be that by 2050 more countries should be grouped in the high-migration category and fewer in the low-migration. Even those still in the low-migration category should have a larger diaspora relative to domestic population.

While COVID-19 has interrupted migration flows, this should be seen as a pause rather than a fundamental break. Within a year, migration flows are expected to have recommenced. The fundamental fact that many people in poor countries (and most in some) will want to migrate to rich countries will not be changed by the pandemic. For example, one survey of Australian Pacific Training Coalition students found that nine out of ten recent graduates wanted to seek work overseas, mostly in Australia.

Australia is not currently pulling its weight when it comes to promoting migration pathways in the Pacific. As well as advocating within the Forum, Australia needs to lead by example. New Zealand provides visa-free, permanent access to the peoples of Cook Island, Niue and Tokalau; the USA provides visa-free, permanent access to the peoples of the Federated States of Micronesia, Marshall Islands, and Palau; France provides visa-free, permanent access to the peoples of New Caledonia and French Polynesia. New Zealand also provides preferential permanent access to the peoples of Samoa, Tonga, Fiji, Tuvalu and Kiribati. Australia on the other hand provides visa-free or preferential permanent access to no Pacific country. The only Pacific countries that are somewhat well represented in the Australian community are Fiji – the only Pacific country that is competitive in our skilled visa system – and Samoa, Cook Islands and Tonga – some or all of whose former residents are able to access Australia as New Zealand citizens.

The low-migration countries of the Pacific should be the focus of Australia's migration promotion efforts. These are the countries for whom, through no fault of their own, no (or, in the case of Kiribati, inadequate) preferential migration arrangements have been made either now or in the past, and who are therefore missing out on the benefits of migration. They are the ones most at risk of instability, the ones with the highest population growth, and the ones who will struggle most to adapt to climate change.

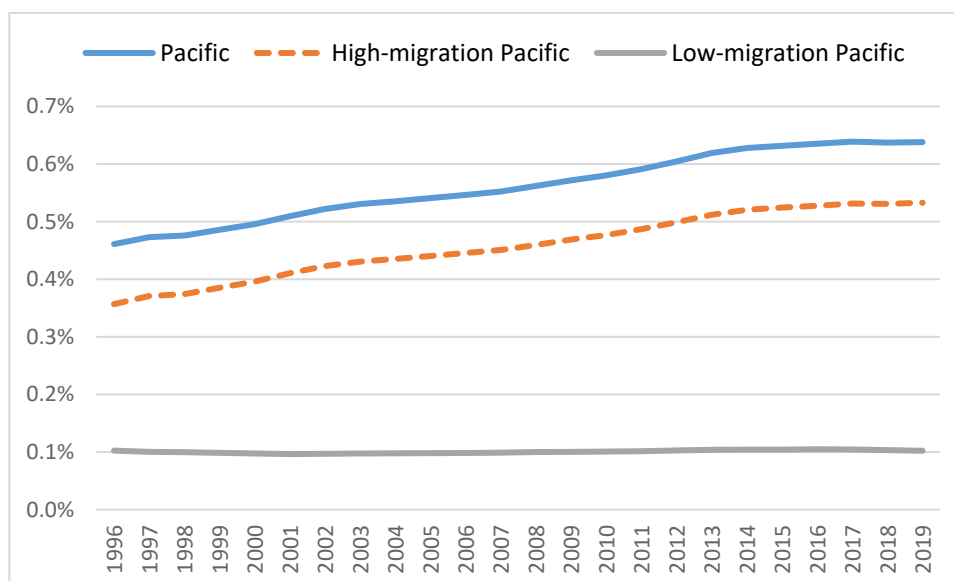
Australia has recently started providing preferential temporary access to Pacific island countries and Timor-Leste through the Seasonal Worker Programme (SWP) and the Pacific Labour Scheme (PLS). These are temporary (circular) schemes. Workers under these schemes are granted temporary work visas on the basis that they return to their sending country after working in Australia for the period of their employment contract.

Temporary migration helps increase remittance flows, but it does nothing to build up the diaspora of Pacific countries. And it inevitably makes a limited contribution to employment and to reducing population growth, because the numbers involved are so small.

Growing the Pacific diaspora in Australia is also in Australia's national interests. It will integrate and ally us with the Pacific, make us more of a Pacific nation, do more than anything else to build people-to-people links, and give us a competitive advantage over China.

The Pacific diaspora in Australia is tiny. The White Australia policy and then a focus on skilled migration has disadvantaged most Pacific countries when it comes to migration to Australia. The consequent minimal presence of the Pacific is shown by the graph below which shows the percentage of the Australian population born in the Pacific. The share has risen marginally over the last quarter of a century from 0.5% in 1995 to 0.7% in 2019. However, this reflects growth in the Fijian, Samoan and Cook Islands diasporas. These are already high-migration countries. As the graph shows, the share of the low-migration Pacific countries (Vanuatu, PNG, Solomon Islands, Kiribati) has stagnated for the last quarter of a century at under 0.2%.

Share of Pacific born in the Australian population



Source: ABS. Notes: TL not included; adjustment made to PNG numbers to exclude Australians born in PNG; Kiribati, PNG, Solomon Islands and Vanuatu included in low-migration; all other countries in high-migration; Cook Islands, Fiji, Samoa and Tonga dominate the high-migration category with a 96% share

There are two ways in which Australia should expand permanent pathways for the Pacific.

First, assistance should be provided to the Pacific to access existing temporary and permanent pathways. The backpacker (working holiday maker) scheme should be [offered to all Pacific countries](#). Australian Pacific Training Coalition graduates should be provided with assistance to link up with employers, and hired under existing temporary skilled (TSS) visas. A significant proportion of both backpackers and temporary skilled graduates end up as permanent residents. PLS participants should not be required to return to their home country at the end of their three years if they are able to get another temporary or permanent visa to continue working.

Second, a Pacific window should be created within Australia's Pacific permanent migration regime. The best option is to emulate New Zealand and create a Pacific quota, which would allow a fixed number of Pacific citizens (and families) to migrate to Australia subject to meeting a number of criteria, such as finding a job. Such a lottery system would minimise risks of brain drain, while the criteria imposed would support social and economic integration. The New Zealand scheme is available to Pacific countries of special interest to it, and any Australian equivalent should be targeted at the low-migration Pacific countries (and Timor-Leste). This would kickstart the growth of the diaspora for these low-migration countries therefore making it much easier for compatriots to migrate under existing channels. For further detail on this scheme, see [this blog](#) and Section 6.2 of the ANU-World Bank [Pacific Possible: labour mobility](#) report. Open access arrangements for microstates should also be considered.

Finally, to support this step-up on migration, Australia should emphasise the provision of education through its aid program. Greater labour mobility is a powerful driver of increased education (since it increases the returns to education), but the Australian aid program could also support better education outcomes through a greater focus on education.

In summary, we make the following five recommendations for the Australian government:

1. Advocate that an emphasis on labour mobility be embedded in the 2050 Strategy for the Blue Pacific Continent. A central objective for the Pacific Island Forum should be that by 2050 more countries should be grouped in the high-migration category and fewer in the low-migration. Even those still in the low-migration category should have a larger diaspora relative to domestic population.
2. Commit to significantly increasing the Pacific diaspora in Australia, with a focus on growing the diaspora for the low-migration countries.

3. Give the Pacific greater access to existing migration pathways by: (i) offering working holiday maker visas to all Pacific countries; (ii) helping APTC graduates migrate to Australia through existing skilled visa pathways; and (iii) not requiring PLS migrants to leave if they can find another visa to continue to work in Australia.
4. With the aim specifically of increasing the diasporas of low-migration Pacific countries, introduce a low-migration Pacific window into our permanent migration regime.
5. Focus Pacific aid on the provision of higher-quality education.