Labour mobility in the Pacific: a decade of reforms

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What a difference ten years makes

• **Downer** (2005): “The answer to the Pacific's large and growing unemployment problems does not lie in a few hundred unskilled young people coming to Australia to pick fruit for a few months of the year. The answer lies rather in domestically generated growth.”

• **Bishop** (2015): “Our focus on trade and investment in private sector developments and labour mobility contributes to a more resilient Pacific...”
Pre-2005 labour mobility arrangements

- Unrestricted labour mobility for FSM, RMI and Palau in relation to the US (from 1986, under the Compact of Free Association).
- Unrestricted labour mobility for Cook Islands, Niue, and Tokalau in relation to New Zealand
- Tuvalu Maritime Training Institute (est. 1978) and Kiribati Marine Training Centre (est. 1967)
Comments on these older arrangements

• They continue to be very important and popular.
  • e.g FSM population has stabilized at just above 100,000, and now declining; with 50,000 migrants from FSM in the US.
  • NZ Pacific window: in 2015, 9,000 Samoan applications for 1,100 Samoa Quota places; 2,500 Tongan applications for 250 places, 1,185 i-Kiribati and 334 Tuvaluan applications for 75 places each; 8995 Fijian applications for 250 places.

• Sometimes controversial
  • e.g. Guam and Hawaii backlash against FAS migrants

• Declining numbers of Pacific mariners
  • Tuvalu: from 400 in 2005 to 100 in 2014
  • Kiribati: from 750 in 2013 from 1,500 in 2005.

• None of these schemes were new.
Labour mobility initiatives over the last decade

Seasonal low-skilled work schemes
• RSE: NZ Recognized Seasonal Employer Program
• SWP: Australian Seasonal Worker Program

Low-skilled temporary but non-seasonal work schemes
• Timor-Korea labour agreement
• Australian Microstate visas

Aid for migration schemes
• APTC: Australia Pacific Technical College
• KANI: Kiribati Australia Nursing Initiative

Footnote: Pacific countries added to H2-A and H2-B US visa eligibility but takeup tiny if at all.
RSE numbers

- 2007-08
- 2008-09
- 2009-10
- 2010-11
- 2011-12
- 2012-13
- 2013-14

New Zealand’s RSE
SWP numbers

- pre-2012
- 2012-13
- 2013-14
- 2014-15
- 2015-16

Cap & Actuals
Australia’s SWP and New Zealand’s RSE

Note: RSE numbers exclude non-Pacific countries
Composition of the SWP, 2012-13 and 2013-14
NZ v Australian composition (2012-13 and 2013-14)
Why the difference between RSE and SWP

- 2 surveys of horticultural employers carried out by ANU (second one with World Bank) in 2011 and 2014.
- Backpackers and the second-year visa in Australia
- Illegal workers in Australia
- Lack of employer support in Australia.
“Backpackers on farms” = 90% of second year WHM visas; 2013-14 based on first half-year
Recent SWP reforms (mainly through the North Australia White Paper)

**Backpacker reforms**

• Tax free threshold removed for backpackers (through the budget)
• Second-year visa backpacker extended to tourism and hospitality in “North Australia”.
• Some reforms to reduce SWP employer costs and risks. And to add seasonal tourism to accommodation in North Australia.
• Removal of cap – but note cap not binding.
Timor-Korea

• Under South Korea’s Employment Permit System.
  • Introduced in 2004, open to 15 Asian nations with nearly 250,000 low-skill workers, who can stay for a maximum of 4 years and 10 months. Language proficiency required.

• Agreement signed with East Timor in 2005.
  • First workers sent in 2008: 50
  • In 2011, another 400, and in 2012 500 and in 2013 280
  • Note: South Korea ready to accept many more workers, e.g. in 2013 1,750.

• High drop-out rates: Only 36% completed contract. But returnees are positive.

• More research needed and underway.
Australia’s microstate visas

• Introduced through the 2015 North Australia White Paper
• 250 visas a year for citizens from Kiribati, Tuvalu and Nauru to work for up to two years.
• It will ‘target non-seasonal industries and occupations that are unable to access Australian workers’.
• Numbers are similar annually to NZ PAC, but very different on a cumulative basis.
APTC

• Started in 2007 as a labour mobility initiative, but has not succeeded as such
  • “The college will assist economic growth in Pacific island countries by addressing skills shortages and increasing workforce competitiveness, and will also assist mobility of skilled workers between the Pacific and developed countries” –John Howard 2006
  • After 6 years, less than 3% of graduates in ANZ.

• Reasons for failure – as a labour mobility initiative
  • Australian qualifications are not enough. Also need certification of experience and employer links.
  • Deeper problem that APTC has focused on upskilling existing skilled workers (a “post graduate” or “top up” approach) raising fears of brain drain and thus leading to a lack of interest in, and indeed opposition to, the mobility objective.

• The Tonga pilot: aged care initiative
  • Quite different in that focusing on skilling unskilled workers. (No aged care industry in Tonga.)
  • But no migration route to Australia.
  • Perhaps will end up in NZ.
KANI: Kiribati-Australia Nursing Initiative

• Australia offered to train 90 i-Kiribati nurses over an 8 year period starting in 2006.
• By 2014, 84 nurses had been trained at cost of $18.8 million. A 2014 evaluation indicated that 68 expected to graduate. As of 2013, about 60 had graduated, and all working in ANZ, full time (12) or part-time (21) or looking for work in ANZ (11).
• Scheme effective as a skilled migration pathway, but incredibly expensive, and not continued with.
Overall assessment

- A mix of successes and failures.
- A number of small schemes, with only the RSE succeeding in reaching its targets.
- NZ has done much better than Australia, but Australia has at least made a start.
- The two “aid for migration” initiatives have not worked out.
- While there are a growing number of schemes that discriminate in favour of the Pacific, the schemes that discriminate against the Pacific have also grown
  - The backpacker visa is increasingly a low-skilled temporary migration program for OECD countries.
- The countries that are most in need of labour mobility are the ones who have benefited least from recent reforms.
  - Vanuatu in RSE the exception
- Labour mobility reforms are continuing, but more are needed.
- Pacific pressure critical, but reforms work better when there is also pressure from domestic employers.
Further options

• More evaluations needed esp. of the Korea-Timor scheme. Could be opportunities for other Pacific countries.
• There are opportunities to trade fisheries access revenue for jobs.
• All Pacific island countries should get backpacker visa status, following the example of Fiji and PNG.
  • Though only the regulated and small 462 visa will be made available to the Pacific.
• Look for alternatives to “aid for migration” to exploit non-Pacific migration categories
  • Can the Philippines be used as a labour mobility “staging post”?
  • Can Pacific nursing institutes be used to train nurses for export?
  • The student-migration route is well established in both NZ and Australia.
Conclusion

• The last decade has been a very active one in terms of reforms and initiatives to improve labour mobility in the Pacific.
• Quite different from the 90s and early 2000s.
• And there has been a seachange in outlook in Australia.
• But there is still a long way to go
• The region needs a body to advocate for and facilitate labour mobility opportunities
  • Pacific Invest, Trade and WORK.
Thank you!

• [www.devpolicy.org](http://www.devpolicy.org) (check out “Hot topics: Pacific labour mobility”)