BACKGROUND PAPER
LABOR MOBILITY

DRAFT TERMS OF REFERENCE
The World Bank is currently commissioning a number of background papers for a report on the long-term growth opportunities and challenges in Small Pacific Island Countries (SPICs). Pacific Possible will build on previous work undertaken by the Bank – especially Pacific Futures - and seek to quantify what could be achieved if the limited set of economic opportunities open to SPICs was fully exploited. The study will help to inform the development debate in the SPICs by providing solid analysis of technical feasibility and economic impact of development opportunities and thus help to identify which opportunities are most promising and can be expected to have the highest impact in fostering shared prosperity in the Pacific.

Pacific Possible will propose an alternative way to looking at the growth challenge of SPICs. Instead of identifying general weaknesses in the business environment, public financial management and infrastructure, Pacific Possible will take a long-term view of the development challenges and opportunities faced by SPICs, focusing on those challenges and opportunities that could have a transformational impact on the countries in the region. It will seek to provide a realistic assessment of these opportunities and quantify potential increases in per capita GNP and government revenue by 2040.

The background papers for the report will be commissioned under six broad thematic focus areas: Harnessing the Riches of the Pacific (seabed mining/ fishing); Islands in a Sea of Knowledge (knowledge economy); Host to the World (tourism); Labor Mobility; Managing increasing stress on Pacific livelihoods (climate change/ non-communicable diseases), Working Together (procurement/ aviation/ financial architecture). The focus will be on the PICs that are members of the World Bank Group – Palau, Federated States of Micronesia, Marshall Islands, Kiribati, Papua New Guinea, Solomon Islands, Vanuatu, Fiji, Tonga, Samoa, and Tuvalu. Papua New Guinea has a very different path to prosperity that mostly involves translating largely known natural resource endowments into income in a transparent manner and converting that income into assets and services for the population. However, to the extent that PNG can benefit from opportunities discussed in Pacific Possible, it will be included in the analysis. The background papers will adopt a longer term perspective, which will consider changes in the economic environment of SPICS, as well as issues for which there is not political
consensus at the present period or which have a long gestation period to show results. They will also highlight the important role of stakeholders not only in SPICs, but also in metropolitan countries around the Pacific Rim.

While the main focus of the work will be on the economic impact, it will also be viewed through three lenses:

1. *Poverty and employment impacts*: For each of the themes, the work will seek to outline how an economic opportunity would help to generate new employment opportunities and impact on poverty. Such impact may either be direct, such as in the case of tourism where an expansion of the tourism sector could be expected to create new employment opportunities, or indirect, such as in the case of fishing, where the main impact on poverty would come through increased government revenue for the implementation of pro-poor programs.

2. *Gender impacts*: For each theme, the work will explore whether there are any gender specific impacts as well as the scope for enhancing opportunities for women and their livelihoods.

3. *Environmental impacts*: PICs are home to some of the world’s most unique land and marine eco-systems. The work will thus explore for each of the themes the interaction between seeking to harness an opportunity and the land and marine environment. The extent and nature of these interactions will clearly differ for each theme. For some themes, like the one on moving towards a knowledge economy, the environmental impact could conceivably be positive, for other themes such as oceanic fishing, harnessing the opportunity will clearly have to consider the trade-offs and mitigating measures with respect to environmental impacts.

**B. SCOPE OF WORK**

The Consultant will be responsible for producing the labor mobility background paper, which will examine the economic, demographic and social implications of a scenario where opportunities for temporary and/or permanent migration are significantly enhanced.

More specifically the background paper will:

- Lay out a scenario in which labor mobility and remittances can represent a significantly larger share of GNP in 2040 than what they currently do for selected SPICs based on the experience of PICs with sending rights and extrapolating from other international experiences.
- Quantify the poverty and employment impacts for SPICs, drawing on the experience of SPICs with significant labor mobility opportunities already.
- Include basic labor market assessments of already established labor-receiving countries (Australia, New Zealand, and the United States) based on current skills entry requirements and other countries that are relatively underutilised (Canada, Korea and Japan) to determine the key sectors and occupations, which hold significant potential for SPICs.
- Incorporate case studies of the outcomes achieved by or possible under specific labor mobility schemes. These could include New Zealand’s Pacific Access Category, APTC, Timorese temporary workers in Korea, Fijian skilled workers in PNG, Fijian trained nurses working in the Middle East and nurse (or other skills) training in the Philippines for work in the United States and elsewhere.
Connect labor mobility to the risks emanating from climate change and the projected impacts on SPICs with the resulting need for greater labor mobility (with a case study on the atoll countries, such as Kiribati and Tuvalu, which would model the likely outward migration rates if these countries were granted open labor market access to one or more of the Pacific Rim countries).

Examine the fiscal and social costs of labor migration and how these can be minimized for both sending and receiving countries. This could include a case study on the experience of Palau, Federated States of Micronesia and Marshall Islands under the Compacts of Free Association with the United States.

The background paper will be produced as a joint output between the World Bank and the contracted individual/organization. The successful applicant will also have support from several members of the team working on labor mobility at the World Bank.

C. DELIVERABLES

The overall assignment is expected to require 65 consultant days over a 10 month period between June, 2015 and March, 2016.

In consultation with the project/relevant Global Practice leaders, the Consultant will be responsible for the following deliverables: (i) inception paper detailing a review of literature, data gaps and proposed methodology for the background paper; (ii) draft background paper; (iii) PPT of key findings to be delivered at a regional workshop; and (iv) a final background paper based on suggested revisions.