

Definitely NOT low hanging
fruit

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The prevailing narrative

Aging, aligning immigration to labor market, but for low skill WHM;

Aid, growth, employment for neighborhood

The NZ situation

- 4.6 m people, 38k pci, top 20 on HD;
- Agricultural production in New Zealand contributes over 60 percent of export earnings
- The agricultural workforce of 103,000 workers was culturally diverse, aging, geographically dispersed
- To secure labour ~ 80 percent of growers engaged in the employment of illegal seasonal labour from abroad
- Rest were mostly working holiday makers



The benefits of a new narrative were clear but FIVE concerns raised

1. Why should NZ employers switch to seasonal workers, who will manage costly processes like selection, return, training?
2. Will temporary workers become permanent ?
3. Will Employment practices deteriorate – lower wages, treatment of vulnerable workers, even fewer natives employed?
4. Will migrants make enough money in a season?
5. How to spread the benefits of mobility around to migrants?

Design, *hands-on* design

1. Cost

-higher the cost the longer the duration of stay, longer duration less likely to return

2. Circularity

-spreading the benefits around vs revolving door

3. Choice of workers

-qualifications

4. Commercial viability

-quotas

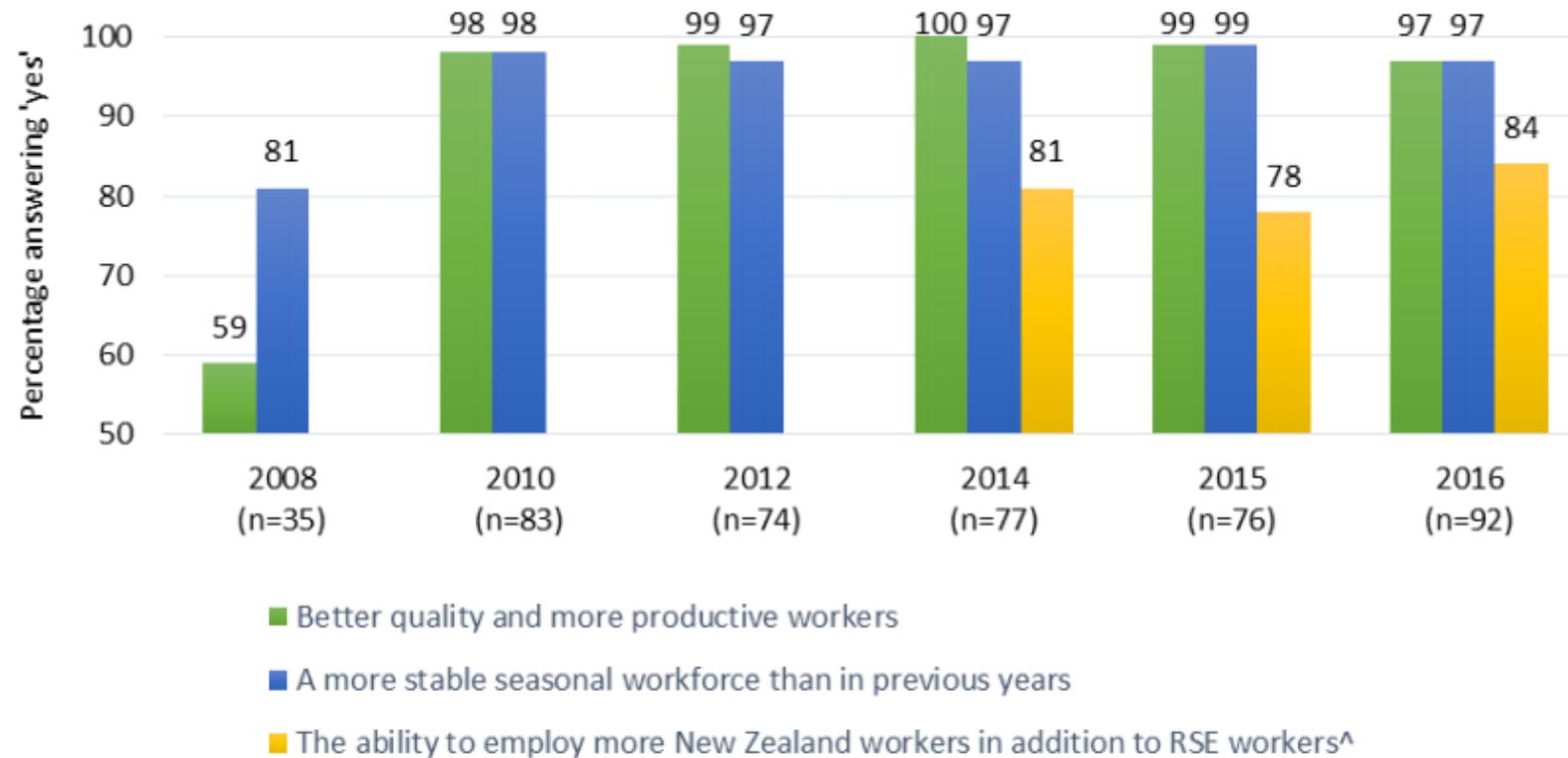
Benefits to NZ employers

- Since 2007, 82 percent of RSEs have been able to expand their area under cultivation. In nine out of ten cases (89 percent), participation in the RSE scheme was regarded as a contributing factor to this expansion.

Since the 2010 survey, almost all RSE employers have agreed, when asked, that participation in the RSE scheme has resulted in:

- ☑ A more stable seasonal workforce than in previous years (97 percent)
- ☑ Better quality and more productive workers (97 percent).
- Eight-four percent also agreed that participation in the scheme had enabled them to employ more New Zealand workers in addition to RSE workers.

Overall, has participation in the RSE scheme resulted in improvements to your business in the following areas?

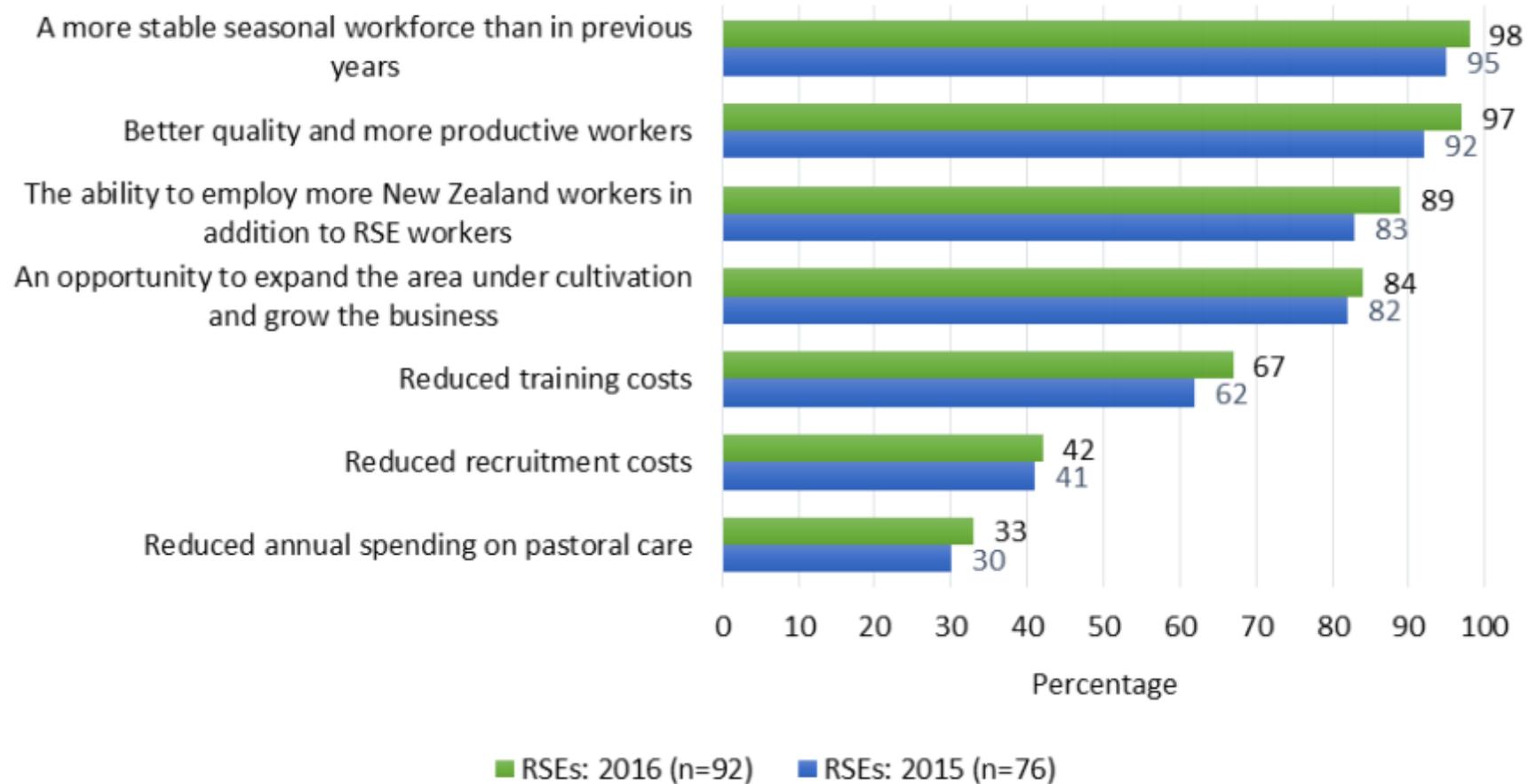


[^]Statement included for the first time in 2014.

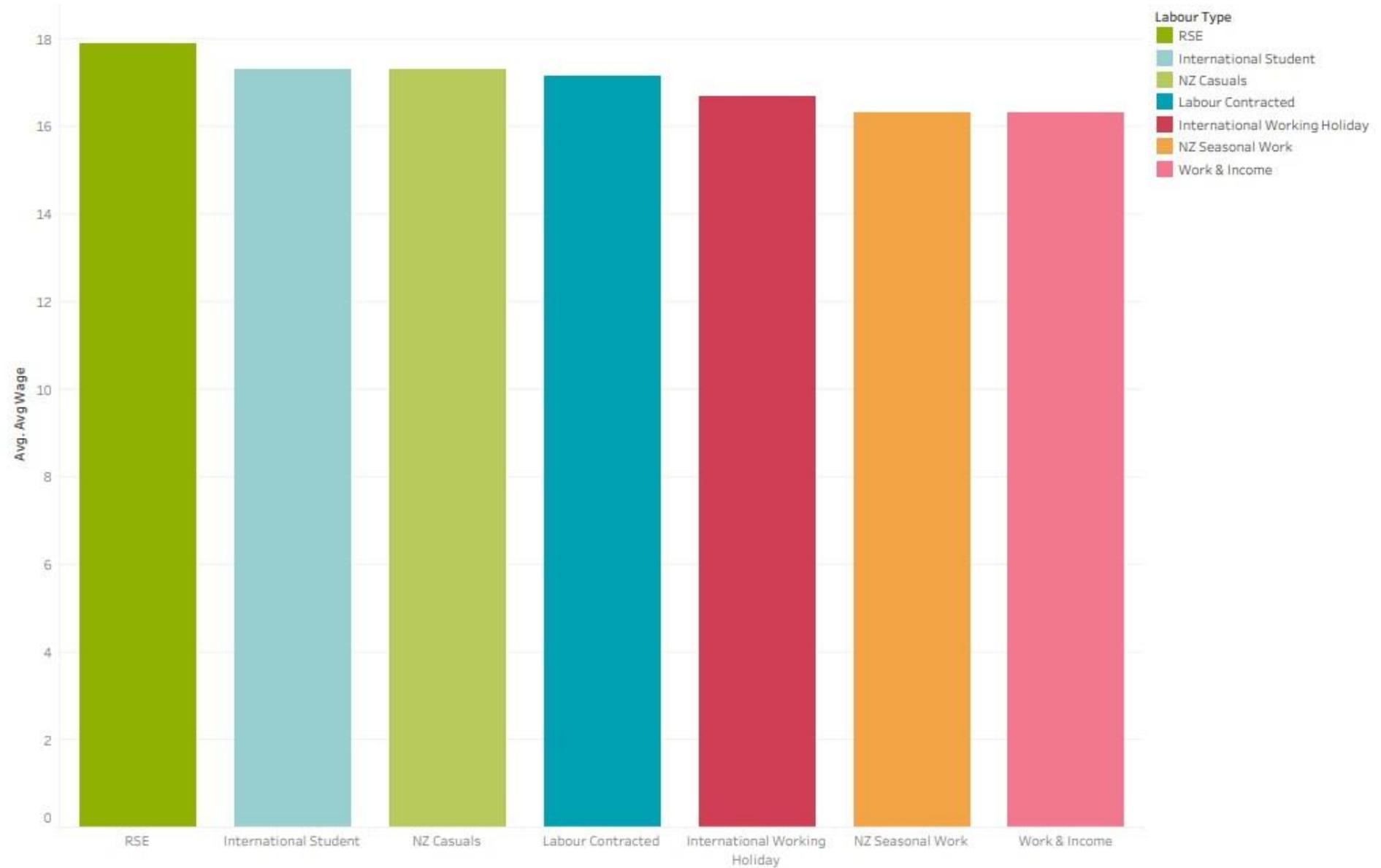
¹ Based on the median numbers of workers estimated by employers.

Figure 6: Future benefits of participating in the RSE scheme

Do you expect to see improvements to your business in the following areas in the future as a result of participation in the RSE scheme or having access to RSE workers?



Question 5: Labour wages by scheme



Average of Avg Wage for each Labour Type. Color shows details about Labour Type. The data is filtered on Avg Wage, which ranges from 10.8 to 100.

Temporary workers become permanent?

Table 1: RSE Overstay rates by Financial Year

Financial year	Overstay rate (%)
2007/08	0.47
2008/09	0.62
2009/10	1.25
2010/11	1.02
2011/12	1.03
2012/13	0.70
Overall first six years	0.86

Source: Data provided by New Zealand Ministry of Business, Innovation and Employment. Note that cases which are not resolved in one fiscal year are carried over to the next fiscal year, so these rates are upper bounds for the number of stayers.



Dramatic drop in overstayer numbers to NZ

From **Dateline Pacific**, 5:02 am on 16 October 2017

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A New Zealand sociologist has reported a significant drop in Pacific overstayers to New Zealand.

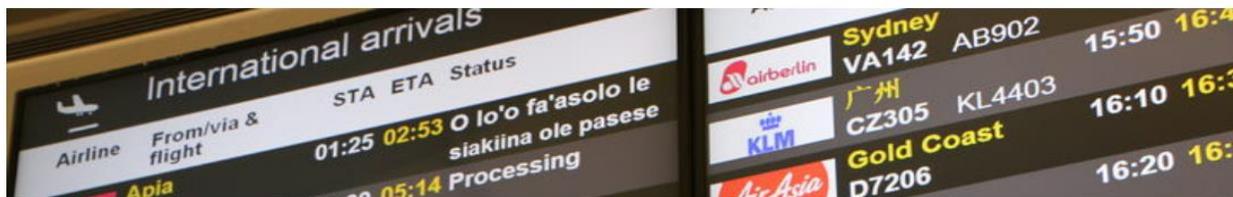
The number of Tongan and Samoan overstayers dropped from around 20,000 to just over 10,000 in the past 17 years.

Massey University's Paul Spoonley told Sela Jane Hopgood how the report came about.



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Challenges/Lessons

policy or capacity?

Lessons

1. Win-win programs are possible, unlocking huge gains for the poor , 12,000 jobs created/made accessible to the low skilled
2. Design matters
 - a. Incentive Compatibility
 - b. Time Consistency
3. Facilitation needed to make the market initially
4. Trust between various actors

Is it worth the trouble?

Annual per-capita Income Gain

