

**LABOUR
MOBILITY**



**Australian
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University**



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What is the opportunity?

- **International labour migration** is a significant opportunity for Pacific Island countries.
- Increasing options for the movement of people to jobs provides a 'triple win' for the workers and their families; the countries they come from; and the countries they work in.
- The *Pacific Possible: Labour Mobility* paper explores the potential benefits of labour mobility by 2040, providing a range of recommendations and policy reforms to achieve them.

Background

Pacific Island countries face unique development challenges. Given their youth bulge, unemployment is a pressing problem. Where these countries are unable to bring jobs to the people, the alternative is to bring the people to where the jobs are.

Expanding labour mobility is vital for the future of the Pacific region. And advanced economies around the Pacific Rim will need migrants in the coming years to fill gaps in their domestic labour markets. This is especially likely in sectors that often struggle to attract domestic workers, such as aged care.

Australia and New Zealand both have deep interests in a stable and prosperous Pacific, interests that would be advanced by increased Pacific labour mobility.

Taking a long-term view, the *Pacific Possible: Labour Mobility* report shows what is possible through overseas employment for Pacific Islanders.

Labour-sending countries covered in the report:

- Fiji
- Kiribati
- Marshall Islands
- Federated States of Micronesia
- Palau
- Papua New Guinea
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu

Labour-receiving countries covered:

- Australia
- South Korea
- New Zealand

Current Situation

The ability to access external labour markets varies significantly across the Pacific. By and large, populations from the poorest Pacific countries have the fewest opportunities to emigrate.

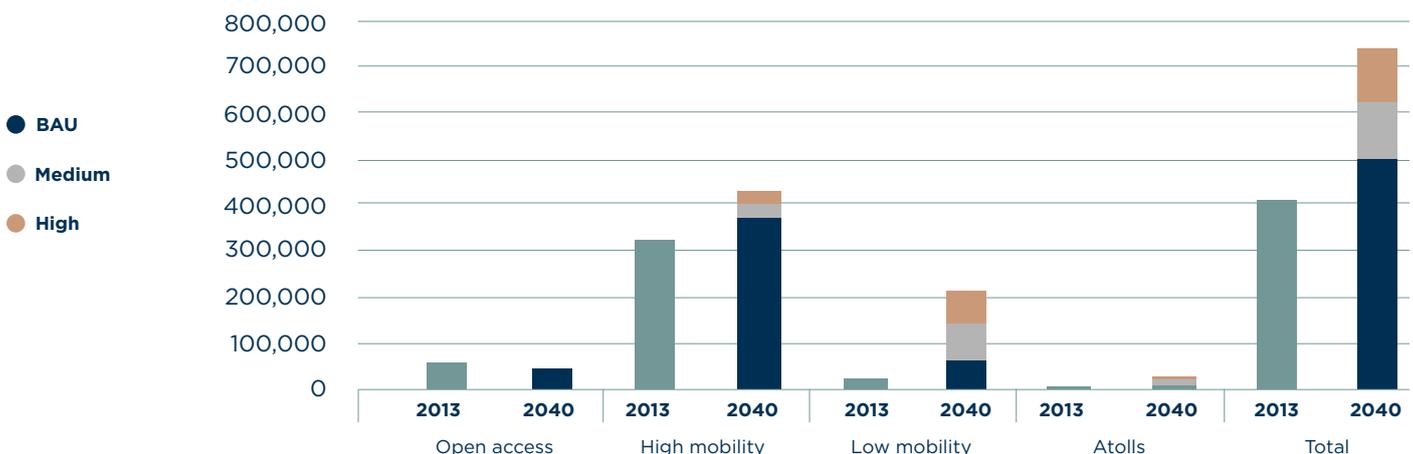
The total number of Pacific-born migrants living in OECD countries is now 420,000. Most of these (79%) come from high-mobility countries (Fiji, Samoa and Tonga), 15% from open access countries (FSM, Marshall Islands and Palau), only 5% from low-mobility countries (PNG, Solomon Islands, Vanuatu) and hardly any (1%) from atoll countries (Kiribati and Tuvalu). Expanding opportunities for the low-mobility and atoll countries is a particular focus of the report.

Scenarios

With reforms undertaken in both sending and receiving countries (see the next page for details) much higher rates of labour mobility, income and remittances would be possible. The paper considers three scenarios: business as usual, medium and high growth.

Increased labour mobility makes a huge difference. Overall, as a result of the reforms there are projected to be 120,000 more Pacific migrants abroad in 2040 in the medium growth scenario than business as usual, and another 120,000 in the high growth scenario, taking the total number to 750,000 (see figure below). In turn, this would double per capita income growth for PNG and Solomon Islands, triple income growth for Vanuatu, and quintuple income growth for Kiribati.

Stock of Pacific migrants: Business as usual, medium and high growth scenarios



THE HIGH GROWTH SCENARIO PROJECTS, BY 2040:



80,000 further jobs created for the Pacific



An additional \$US10 billion in income generated



50% more remittances coming into Pacific Island countries



5–24,000 more female seasonal workers

Labour mobility reforms

On the basis of extensive new research, the *Pacific Possible: Labour Mobility* report outlines a range of interventions and possible reform options, which collectively would help the Pacific realize the full gains offered through the medium and high growth scenarios. These extend to both labour-sending and receiving countries around the Pacific Rim.

New labour mobility reforms and programs proposed by the report include:

- **Seasonal worker programs**
Reforms to Australia's and New Zealand's seasonal worker programs would enable them to reach their full potential.
- **Pacific Category**
Australia could introduce a reformed version of New Zealand's successful Pacific Category visas.
- **Pacific caregiver program**
The number of people 80 years and over in Australia and New Zealand is estimated to nearly double between 2015 and 2040 to 7.4% of the population. A new program to facilitate access to trained Pacific migrants to provide residential care for the elderly with several medical needs would ensure high-quality care in an area of looming labour shortages.
- **Entry into new labour markets**
Other countries around the Pacific Rim could provide important openings for Pacific migrants. For example, Korea's Employment Permit System for low-skilled workers currently permits entry for up to 55,000 workers annually, already includes Timor-Leste, and could be extended to the Pacific Island countries.
- **Pacific backpackers**
Working holiday maker visas could be extended to Pacific Island countries, with conditions that would make it possible for them to be utilized
- **Reforming the Australian Pacific Technical College (APTC)**
Reforms to the APTC are proposed to enable it to deliver on its original labour mobility mandate.
- **Australia-New Zealand Atoll Access Agreement**
This agreement would provide open labour market access to the atoll countries most impacted by climate change and most in need of additional labour mobility opportunities (Kiribati and Tuvalu) to Australia and New Zealand.

Sending country reforms will also be critical to promote Pacific labour mobility:

- **Enhancing the supply of skills to avoid brain drain**
Countries need to lift the quantity and quality of supply of young people with post-school qualifications. This requires improving educational quality at all levels. Migrants can pay for the cost of their education.
- **Marketing Pacific workers**
The most effective marketing is delivered by good service for employers by both workers and sending governments.
- **Minimizing negative social impacts**
Sending country governments should prioritize access to labour mobility schemes that avoid long-term family separations, as the report does.

INCREASED LABOUR MOBILITY COULD MORE THAN DOUBLE INCOME GROWTH RATES IN THE ISOLATED PACIFIC COUNTRIES BY 2040 UNDER THE HIGH GROWTH SCENARIO.

LABOUR MOBILITY IS A POTENTIAL \$US10 BILLION DOLLAR PRIZE FOR THE PACIFIC.

WHAT IS Pacific Possible?



Pacific Island countries face unique development challenges. They are far away from major markets, often with small populations spread across many islands and vast distances, and are at the forefront of climate change and its impacts. Because of this, much research has focused on the challenges and constraints faced by Pacific Island countries, and finding ways to respond to these.

Realizing these opportunities will often require collaboration not only between Pacific Island Governments, but also with neighbouring countries on the Pacific Rim. The findings presented in Pacific Possible will provide governments and policy-makers with specific insights into what each area could mean for the economy, for employment, for government income and spending.

This report is one part of the Pacific Possible series, which takes a positive focus, looking at genuinely transformative opportunities that exist for Pacific Island countries over the next 25 years and identifies the region's biggest challenges that require urgent action.

The report is authored by Richard Curtain, Matthew Dornan and Stephen Howes of the Development Policy Centre, Crawford School of Public Policy, The Australian National University and by Jesse Doyle of the World Bank. The full report is available on the Pacific Possible and Development Policy Centre websites.

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