



Australia's seasonal worker pilot scheme for Pacific Islanders—Ideas for the Next Phase

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Summary

In August 2008, the Australian Government initiated a seasonal worker pilot scheme for Pacific Islanders to examine whether a seasonal worker program could contribute to the Pacific region economic development objectives and also assist Australian employers. Even in a contracting Australian economy, the seasonal worker program should remain a high priority, in particular for the development dividend it produces in worker-sending countries. As the seasonal worker program expands, Melanesian and post-conflict countries such as East Timor should be accorded high priority.

Introduction

In recent decades labour mobility has increased throughout the Pacific region. This has been largely the result of the persistent high rates of unemployment caused by high population growth and an inability for local economies to maintain sufficient economic and employment growth to meet the high proportion of people of working age. According to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), unemployment in Pacific Island countries is approaching alarming proportions. The Commission's 2008 *Social and Economic Survey* notes that "[w]ith 45 per cent of the population in the 15-24 age groups the labour force in most Pacific island developing countries is young. Unemployment in this age group is widespread, and many youths are underemployed in subsistence work".

In the search for better employment opportunities, workers from the South Pacific have a tendency to move to countries with former or existing economic ties such as the United States, Australia, New Zealand and New Caledonia. Legal entry into these countries has become more selective and dependant on a migrant's level of skills. However, the movement of unskilled and sometimes unauthorised foreign labour, particularly into high seasonal demand sectors such as agriculture and horticulture, has been steadily growing over the last two decades. The influx of foreign labour into these sectors has a multiplier effect on Australia's regional economies.

This translates into increased benefits for local towns and regions in the form of spending by seasonal workers for daily necessities, consumption of food and provisions, entertainment, housing and accommodation, as well as the need for banking and financial facilities. The gainful employment of migrant workers particularly benefits the sending countries in the form of the transfer of remittances, the repatriation of skills and education, the promotion of tourism and the seeding of small business development.

The seasonal worker pilot scheme

The scheme aims to enable workers to contribute to economic development in home countries through employment experience, remittances, and training gained as part of the pilot scheme and to examine the benefits to the Australian economy and to employers who can demonstrate they cannot source labour locally. Under the scheme, up to 2,500 people from Vanuatu, Kiribati, Tonga and Papua New Guinea will be eligible to apply for work visas in Australia's horticultural sector for a maximum of seven months in any 12 month period. Eligible workers will be permitted multiple entries to Australia during this period and if they comply with visa conditions they will be able to return to work in Australia in future years. However, during their stay they need to purchase private health insurance and pay for half their international travel, living expenses, and other incidentals. During their stay they are not permitted to apply for another visa while in Australia, are limited to working with approved employers and are not be able to bring dependents with them.

Which countries in the Pacific need a seasonal labour program the most?

Should the initial pilot scheme be successful and a fully fledged seasonal program be implemented, more emphasis should be given to recruiting workers from Melanesia. There are two important reasons for this. One is that unlike Micronesia and Polynesia, Melanesia does not have any significant emigration outlets. The populations of Papua New Guinea, Solomon Islands and Vanuatu are growing rapidly which means that there will also be greater difficulty in finding employment for the growing number of young and educated people with aspirations beyond village-based and family-oriented agriculture and fishing. The other reason is that East Timor and Melanesian countries such as PNG and Solomon Islands have suffered both socially and economically as a result of armed conflicts or instability, and need ways of maintaining local economies and improving livelihoods.



A fully fledged seasonal labour program, even increased 10 fold in terms of workers allowed into Australia, will not resolve the serious unemployment situation in East Timor and the Pacific (where the highest rates internationally of youth unemployment persist) but it will help stabilise the political situation in those countries that have suffered recent armed conflict.

Post-conflict Remittances

With higher rates of employment due to increased labour mobility in the Pacific region, we will see an associated increase of remittance flows into the migrant-sending countries. Driven by a wide array of imperatives, migrants transfer currency and goods, mostly to their families, and also to other institutions and organisations such as churches or local charities.

Research conducted by FDC suggests that in many countries, migrant remittances are a significant part of disposable income; especially in the Pacific Island nations of Samoa, Tonga, and smaller states such as Cook Islands, Kiribati, Tuvalu, and Wallis and Futuna. In some of these countries they often represent the single most prominent component of national incomes, reaching levels rarely found elsewhere. The same cannot be said for Melanesian countries, in a large part because international migration has not featured in their national development. In the rest of the Pacific and beyond, remittances are used in specific ways by migrant families. A recent study on remittances in the Pacific by FDC confirms that the majority of remittance funds are used to pay for basic household and living expenses such as food, health and basic services, although remittance senders note that because of the unpredictable needs of the families back home, it is difficult to give a detailed breakdown of their uses. Funds are also sent to attend to social commitments that arise from emigration, such as when families take responsibility for raising children left behind or caring for elderly parents. The research also found that remittances play a critical role in the funding of education costs.

An added dimension to the benefits of remittances is that they contribute to economic recovery in areas afflicted by armed conflict and natural disasters. A report by the International Peace Academy titled *Remittances in Conflict and Crisis: How Remittances Sustain Livelihoods in War, Crises, and Transitions to Peace* found that remittances support people who cannot leave a conflict area because to do so carries the prospect of losing even more and the risk of being stranded in miserable conditions in an unfamiliar place. Conflict tends to undermine both general economic stability and personal livelihoods. Coping strategies, where possible, include economic support from relatives who have migrated.

Remittances undoubtedly meet real needs in small islands economies, in remote and isolated regions and in countries affected by conflict and natural disasters. Remittance inflows have become an important source of finance in migrant-sending countries and should continue to receive policy attention given their impact upon local economies and the support they provide for families living in conflict and post conflict areas.

Conclusions

The current pilot Pacific seasonal worker scheme is a welcome development in Australia's relations with its neighbours. The Australian Government should give particular emphasis to the need to protect labour rights and ensuring equitable working conditions, as this is essential in preventing the exploitation of seasonal workers in the scheme. Retaining high standards of workplace safety and rights for seasonal workers is essential to the success of the pilot scheme, for it is not only ethically sound practice but will also encourage workers to continue their participation in the program and promote its worth to other potential participants.

Furthermore, any extension of the seasonal worker pilot scheme beyond its initial three years should consider it a priority to target post-conflict countries and those which do not have traditional outlets for emigration, to stimulate labour mobility and its attendant remittances, and to reduce the burden of high rates of youth unemployment.