



SOUTH-SOUTH LABOUR MOBILITY IN THE PACIFIC: AN OVERVIEW

Pacific Dialogue Ltd.

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List of acronyms and abbreviations

ACP – African Caribbean Pacific
ADB – Asian Development Bank
APTC – Australia Pacific Training College
AusAID – Australian Aid for International Development
CARICOM – Caribbean Community Skilled Migration Scheme
EPA – Economic Partnership Agreement
ERP – Employment Regulations Promulgation (2007), Fiji
EU – European Union
FIC – Forum Island country
FNU – Fiji National University
FORES – Foreign Employment Scheme (of the Fiji Government)
FSM – Federated States of Micronesia
FVS – Fiji Volunteer Scheme
GATS – General Agreement on Trade in Services
GDP – Gross Domestic Product
ILO – International Labour Organization
IOM – International Organisation on Migration
IT – Information Technology
KANI - Kiribati Australia Nursing Initiative
LMIA - Labour market information and analysis
MOU – Memorandum of Understanding
MSG – Melanesian Spearhead Group
MSGTA – Melanesian Spearhead Group’s Trade Agreement
NEC – National Employment Centre (in Fiji)
NTPC - National Training and Productivity Centre (in Fiji)
OH&S – Operational Health and Safety
PD – Pacific Dialogue Limited
PI – Pacific Islands/Islander
PIC – Pacific Island country
PICTA – Pacific Island Countries Trade Agreement
PIDC – Pacific Immigration Directors Conference
PIFS – Pacific Islands Forum Secretariat
PNG – Papua New Guinea
RMI – Republic of the Marshall Islands
SMS – Skilled Movement Scheme [of the Melanesian Spearhead Group]
SPARTECA – South Pacific Regional Trade and Economic Co-operation Agreement
SPBEA – South Pacific Board for Educational Assessment
SPC – Secretariat of the Pacific Community
SSCSIP – Strengthening Specialist Clinical Services in the Pacific
THSSP – Tonga Health System Support Program
TIS – Trade in Services
TMNP – Temporary Movement of Natural Persons
TVET – Technical and Vocational Education and Training
UNDP – United National Development Programme
USA – United States of America
USP – The University of the South Pacific
WTO – World Trade Organization

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Executive summary

Within the Pacific Islands region, there is an overall shortage of skilled and semi-skilled (trades) labour. Identified reasons for this labour shortage include emigration, lack of training, mismatching of training with industry needs and lack of analysis of skills data and requirements.

The Pacific Island Countries Trade Agreement (PICTA)'s scheme was formulated in 1999. Later, the Trade in Services (TIS) and temporary movement of natural persons (TMNP) have been included to the PICTA in order to draw from labour surpluses within the region to meet national skills shortages and to stimulate skills development.

This report aims to contribute to the identification and better understanding of the South-South labour mobility needs in the Pacific region with a view of assessing and feeding into the development of the proposed PICTA TIS-TMPN scheme.

The report analyses institutional frameworks governing labour migration in the Pacific region as well as existing data and provides some recommendations to improve the proposed TIS-TMPN programmatic and policy framework.

Key findings

Pacific Islands Forum members have identified that access to skilled services are most important for the development of the Pacific Islands region and its nations' desire to become more engaged members of the global economy. However, the study identified that while some aspects of the PICTA TIS-TMNP scheme have merit, the scheme's development lacked study of the real situation and analysis of regional data. In particular, the PICTA TMNP scheme is based on the premise of surplus labour. However, there is unlikely to be 'surplus labour' in the Pacific — except in some specialist fields.

The recommendations below identify means to achieve a support to skill training and knowledge transfer in the Pacific Islands region. Several of them fall into the categories of the PICTA's TMNP scheme itself, skills training - mainly Technical and Vocational Education and Training (TVET) - in the region, funding for skills training, national migration statistics and analysis, immigration policies, and creation and retention of quality trained people in the Pacific Islands region.

Recommendations

Given the lack of labour surplus, FIC governments must first concentrate on the development of national skills in order to subsequently participate in and benefit from the Trade in Services - Temporary Movement of Natural Persons (TIS-TMNP) scheme. In addition to addressing skills shortages in their own countries through the provision of relevant training, PIFS governments should also perform, in cooperation with business communities, comprehensive labour market analyses.

1. Forum Island Countries (FICs) are encouraged to continue their support of the Temporary Movement of Natural Persons (TMNP) regional skills certification and quality assurance (for trades).
2. Detailed analysis, based on robust data, of the costs and benefits of temporary labour movement should be carried out by the Pacific Islands Forum Secretariat (PIFS) and each FIC. That analysis should include also, a comparison of the PICTA TMNP's proposed Tier-2 scheme with the Melanesian Spearhead Group's (MSG) scheme.
3. The reformulation of the Tier-1 aspect of the TMNP scheme should be taken into consideration, as top level professionals already access established recruiting portals. Furthermore it would be difficult to restrain them within the Pacific Islands region without appropriate and expensive incentives.

4. It is suggested that the TMNP's central information point (or focal point) could take on the role of (a) providing migration advice relevant to conditions, contracts, rights, and related matters, (b) monitoring the placement of migrants (for example, under the PICTA's TIS scheme), (c) adjudicating on work/contract grievances while having the capacity to intercede, and (d) providing services or consular referral for rehabilitation of workers in extreme difficulties.

5. FIC governments could work with recruiting agencies and advertisers to ensure all the functions identified for the TMNP central information point are incorporated into those existing and well-established recruiting sources. Even so, FIC governments should regulate and monitor carefully the activities of those agencies.

6. The PIFS encouraging all FIC governments to familiarise themselves with the provisions and protections offered in ILO international labour migrant conventions with a view to ratifying them would be a definite progressive action. Appropriate provisions contained in those conventions could be incorporated into PICTA, notably the *ILO Model Agreement on Temporary and Permanent Migration for Employment* and the *ILO Multilateral Framework on Labour Migration: non-binding principles and guidelines for a rights-based approach to labour migration* (2006).

Skills training

7. A commitment from all FIC governments to enhance national Technical and Vocational Education and Training (TVET) activities would result in considerable benefit to their peoples and the region. The PIFS is encouraged to support FIC governments' endeavours to better resource TVET/trades training; and encourage all FIC governments to inspire local businesses and industries to better embrace training schemes (such as by offering internships and apprenticeships).

8. Discussion among FICs on how to share the load of TVET is encouraged. The reasoning behind this recommendation is recognition of the great expense involved in TVET; that particular training may already be offered in one or several FICs; and that sharing the cost of regional TVET will go some way towards enhancing the PICTA purpose of 'engagement' and 'togetherness'.

9. Because all people have a right to education and skills training, FICs should establish basic needs skills training in low income rural and urban areas to encourage self-sufficiency and better living conditions for disadvantaged nationals.

10. Individual FICs might charge a levy on all registered businesses in their nation. That levy would support their own training programs carried out in their national TVET programme. For instance, such a system is in practice in Fiji, where it has enjoyed considerable success over several years.

11. Pacific rim countries and other donors could enhance skills retention in the Pacific Islands region by contributing to the salaries of teaching staff in tertiary and TVET institutions so that salaries are increased. They could contribute in terms of funding scholarships, capital works, machinery and other training tools, and infrastructure needs of the newer universities in the region.

12. Higher-level skills training in the Pacific Islands region could also be supported by donors investing in and upgrading all Pacific-based tertiary institutions' standards to better meet the needs of PICs so that PICs are able to develop their own resources and service industries with their own people. Training Pacific Islanders in overseas institutions has higher costs than do it locally. Enhanced local training will go some way towards skills retention in the region.

Market needs

14. FIC governments are encouraged to perform regular labour market surveys and analysis. The surveys and analysis would best be done in consultation between employers, professional and trades associations, training providers and governments. By working more with national businesses and industries, skills shortages can better be identified and appropriate training programs developed. Discussions and planning between all such stakeholders should become a regular and frequent operational matter.

15. It is recommended that governments pay considerably more attention to the quality and variety of national statistics and ensure that analysis of national statistics (particularly of arrivals and departure information; employment) is performed several times each year.

16. FICs should collaborate on re-designing their immigration arrivals and departure cards so that movement of PIC nationals can be tracked (especially within the region) while still containing PICs' individual needs.

17. FIC governments could also collaborate to update and/or revise their immigration laws relative to the issue of work permits. Matters such as workers' rights (such as just wages, sickness benefits, pension payments, and family considerations), arbitration, repatriation for contracted workers and their pensions should be addressed. Restrictions on labour for some work categories, proof that local workers are qualified, and a requirement for visitors on work permits to train local counterparts should be incorporated into those revisions.

18. Monitoring and enforcement activities of immigration laws need to be strengthened in all Forum Island countries.

19. It is recommended that the PIFS support the work of individual FICs to develop national plans for skills training relative to their natural and economic resource strengths. Pacific Rim countries could be asked to assist the development of manpower training plans for FICs.

20. FICs may consider initiating a scheme whereby trained professionals are exchanged with professionals of other FICs (for proscribed periods) on 'train-the-trainer'-type programs, such as controlled intra-regional mentoring programs.

21. With the support of the PIFS, it is suggested that 'centres of excellence' be established in different FICs as a way of improving regional standards while also cost-cutting. There should be no duplication within the region, as different countries 'specialising' in training would reduce training costs and also encourage regional unity – as a block.

Incentives

22. PIC governments should investigate the practice of putting in a system of allowances or 'fringe' benefits *in lieu*. 'Allowances' could take different forms as for instance: performance-based or years-of-service bonuses (for trades people); bonuses for experienced trades people staying to train others ('train-the-trainer'), ; education allowances for workers' children; free courses to upgrade skills, travel to overseas workshops and access to consulting opportunities.

23. FIC governments could appraise the career structure of their public services to enable qualified people to advance in the salary scale commensurate with their experience and qualifications.

24. FIC government could also consider lengthening the bond period for highly-skilled people trained overseas on government scholarships, so that when they are back in their home countries there is sufficient time for them to pass on their skills and experience to less-well-trained staff before they leave

25. FIC governments could approach Pacific Rim countries to encourage their nationals undertaking graduate or post-graduate training in higher professions to perform their internship or practical training year in a Pacific Islands country. Such a measure would be intermediate compensation in situations where FIC-skilled professionals either have permanently migrated or where training of their 'replacements' is underway. The interns' work and programs would be monitored by their home institution and the hosting FIC government. This program as a 'win-win' approach of filling needs in FICs while expanding the learning experience of the expatriate post-graduates.

I. Introduction

The Pacific Ocean covers more than 165 million square kilometres, covering about a third of the surface of the Earth; and the Pacific Islands countries and territories under metropolitan control comprise between 20,000 and 30,000 individual islands. Today most of the Pacific Islands countries belong to 14 independent States and other island groups are identified as territories, governed by individual metropolitan powers.^{1,2}

Pacific Islanders have moved over their ocean for thousands of years and are among the most mobile group anywhere in the world. In 2010, about 10 million Pacific Islanders lived in the Pacific Islands (Bedford and Hugo, 2012) and about 5.1% of the Pacific's people lived abroad (Henning, 2011).

The Pacific Islands region has one of the highest rates of migration in the world, growing at a rate of 2.1% annually (International Organization for Migration (IOM), 2005, cited in Mohanty, 2006). All Pacific Islands States have either a nil or negative migration rate (that is, more people leave than come) except for Guam and New Caledonia (Opeskin and MacDermott, 2009; Hayes, 2010; Russell, 2011). Micronesia has the highest percentage of migrants in the region and is mirroring Polynesia: a steady outflow, growth of relatively permanent urban communities overseas (beyond student groups), a return flow of remittances, and growing domestic interest in migration. Samoa and Tonga are the second- and third-highest emigrating countries globally (World Bank, 2011).

Several themes are relevant to understanding on-going developments in Pacific mobility (Bedford and Hugo, 2008). They include:

- increasing divergence in living standards between 'elites' and the less-privileged in all Pacific Islands countries, and an associated widening gap in opportunities for migration between countries for these groups
- a growing emphasis on skilled migration
- the desire by regional governments to strengthen connections with countries both within and adjacent to the region, especially with a view to gaining better access to markets, capital, labour, students and tourists (for example through trade agreements such as South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) and Pacific Island Countries Trade Agreement (PICTA))
- the massive increase in Chinese involvement in the Pacific
- the growing importance of research on return migration within the Pacific Islands region and patterns of labour market demand
- climate change, environmental and natural resources issues
- awareness of the complex relationship between mobility and two areas of key importance in the region – economic and social development, and national and regional security

Work related mobility between Pacific Island countries is a phenomenon of the past 160 years at the most. The World Bank report's (2011) facts and figures impress the influence of mobility on Pacific Islands countries, where migration is not regarded as a problem but is indeed, an important economic benefit (Doyle et al, 2011), accruing significant contributions to Gross Domestic Product (GDP) through remittances.

¹ In this report, all Pacific Island Countries are given the acronym 'PIC'. All PICs that are members of the Pacific Islands Forum are referred to as Forum Island Countries, or 'FICs. Following Raj (2012) Timor-Leste is not party to discussions pertaining to TIS and TMNP.

² There are 22 island nations in the Pacific Islands region, of which 14 are members of the Pacific Islands Forum. See Table 1 for political and regional affinity of those islands.

For decades, Islanders have moved to Pacific Rim countries, mainly for employment. Many have automatic right of entry to metropolitan States (nationals of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands to the United States; Cook Islanders, Niueans and Tokelauans to New Zealand) (Mohanty, 2006; Luthria et al, 2006; Rallu, 2008; Bedford and Hugo, 2008; Hugo, 2009b); Polynesians migrate to North America to a lesser extent. On the other hand, Melanesian countries, with 85% of the region's people, have very limited (Hugo and Bedford, 2012) outlets for migration with the exception of Fiji, which has a substantial diaspora.

Stahl and Appleyard (2007) classified Pacific Islands nations as 'fully furnished' (Papua New Guinea, Solomon Islands, Vanuatu and Fiji), having enough resources and economic potential to not rely on migration and remittances; 'partly furnished' (Tonga and Samoa), relying on remittances but with potential to achieve enhanced development; and 'unfurnished' (most remaining Pacific Islands nations), that because of resource constraints, rely on either temporary or permanent migration of skilled to unskilled migrants' remittances for their development.

Removing obstacles to the movement of people (as well as goods) has been strongly advocated as a way of contributing to economic development through meeting identified labour shortages, transferring skills and increasing remittances (ADB, 2008; ACP Observatory on Migration, 2012).

However, removal of obstacles to movement of people and labour skills has been slow and determined more by the interest and skills needs of more advanced economies. Pacific Islands countries greatly vary in their access to international migration opportunities for work purposes — from those that have a fairly open access to working opportunities abroad due to either special bilateral agreements (for instance New Zealand and certain Polynesian States) or Compact of Free Association status (Federated States of Micronesia, Republic of the Marshall Islands and Palau) to those with more restricted mobility flows caused by the general immigration policies of destination countries (ACP Observatory on Migration, 2012). As Go (2007) remarked, in an era of increasing globalisation and liberalisation of trade, the free movement of people has been the one significant exception to free markets today.

With the aim to promote trade and other forms of economic interaction between States, the Pacific Island Countries Trade Agreement (PICTA)'s scheme was formulated in 1999. Later, the Trade in Services (TIS) and the Temporary Movement of Natural Persons (TMNP) have been included to the PICTA in order to draw from labour surpluses within the region to meet national skills shortages and to stimulate skills development.

Albeit recognising that labour mobility is a key area of interest for FIC governments because of the opportunities it offers, there are several practical measures that need to be taken to lay the groundwork for implementation of the Temporary Movement of Natural Persons (TMNP) scheme:

- a. securing quantitative and qualitative information on the current skilled and semi-skilled migration and labour market needs in the Pacific Islands region
- b. identifying indications of good practices with regard to job matching schemes and the recruitment and placement of temporary migrant workers
- c. examining existing FIC policy frameworks
- d. assessing how national governments can enhance the capacities and outputs of their different national actors to ensure the scheme can be implemented in an effective manner

This report aims to contribute to the identification and better understanding of the South-South labour mobility needs and current trends in the Pacific region with a view of assessing and feeding into the development of the proposed PICTA Trade in Services - Temporary Movement of Natural Persons scheme.

2. Methodology

An extensive literature review was compiled from analysis of more than 120 reports on migration studies and policy documents spanning migration effects, regional studies, and policies. Much of the regional literature was drawn from studies of individual PICs (mainly Tonga, Samoa, Vanuatu, Solomon Islands and Fiji) with few reports presenting analyses or comment on the dimensions and effects of international migration on the Pacific Islands region as a whole.

Questionnaires were developed for (a) government ministries/ departments, (b) recruiting agencies, (c) migrants themselves (returnee local migrants and migrants from other FICs working away from their home countries), and (c) employers. Following pilot interviews with some stakeholders, and in discussion with student research assistants, the questionnaires were edited and/or refined.

Key stakeholders were contacted in each of the three Pacific regions (Polynesia, Melanesia and Micronesia) for support. However, only the Federated States of Micronesia (FSM) and Tonga stakeholders completed questionnaires.

An additional simple questionnaire was circulated to tertiary students at The University of the South Pacific (USP): the students were asked which country they came from, did they know of any non-national Pacific Islanders working in their home country and in what occupations, and did they know of any of their compatriots working in other PICs and in what occupations (Annex A, Table 1).

Information on regional labour market needs was obtained through (a) searching FIC government websites, (b) searching other websites (such as those of the Secretariat of the Pacific Community (SPC), the ILO, the World Bank, (c) approaching FIC government statistics, national planning, and labour departments, and (d) examining media advertisements for vacancies. Job advertisements from the *Fiji Sun* and the *Fiji Times* were more useful than were website searches as they are current (that is, 'real time'); entries in 'Facebook' were of some use. The ADB's (2008) report on skill needs in the Pacific Islands region also was particularly informative.

Key stakeholders interviews outside of Fiji proved difficult and only few took place. Relevant stakeholders were identified and contacted, although the response was limited for the most part or high consultancy fees were requested for the provision of information.

In Fiji, interviews took place with representatives of relevant government offices (including National Planning, Labour Policy Unit of the Department of Labour, Industrial Relations & Employment, Immigration, Health, Higher Education Commission of the Ministry of Education, the Bureau of Statistics and the Public Service Commission) and tertiary institutions (such as the FNU). A variety of regional and international organisations based in Fiji were also interviewed, including the South Pacific Tourism Organisation (SPTO), UN offices, ILO, ADB, the Pacific Islands Forum Secretariat, Pacific Immigration Directors Conference (PIDC), Oceania Customs Organisation (OCO), international civil society organisations, churches, trades union, and recruiting agents (Annex B).

Unstructured interviews were also carried out in Suva (Fiji) with business people, tradesmen, civil society representatives, foreign (PIC) consulates, and government officers (Annex B).

Focus group discussions were conducted in three PICs (Solomon Islands, FSM and Fiji). Migrants and migrants' household/family members discussed a range of questions (Annex C), including (1) What is/was the effect of working in a foreign country as a migrant worker?, and (2) How/in what way are/were your family(ies) affected by a family member working in another country (including those who accompanied the migrant worker as well as those who stayed behind)?

Mobility schemes of some other regions (Caribbean, Asia) and the MSG's Skilled Movement Scheme (SMS) were analysed and compared to the Temporary Movement of Natural Persons (TMNP). A description of immigration policies pertaining to requirements for work permits and other migrant conditions of the 14 FICs is presented as Annex D, table 1.

Some of the queries forming the bases for our research (mainly on the socio-economic front) applied to workers' rights and protection, roles of governments and recruiting agencies, roles and responsibilities of migrant workers themselves, and the source countries for migrants.

3. Literature review

3.1 International migration: advantages and drawbacks

International migration has had both positive and negative effects in the Pacific, but its positive effects of notably increased standards of living must be contrasted with the limited development potential of many countries and their failure to achieve significant, sustainable economic growth (Connell and Brown, 2005).

3.1.1 Advantages of migration

(a) Benefits for origin countries. Among the benefits of migration to home countries are inflow of remittances (see point (c) below), the role played by diaspora in enhancing growth and development, return of former migrants with enhanced skills and knowledge transfer (Luthria et al, 2006; Bedford and Hugo, 2012), social remittances, foreign direct investment and alleviation of poverty. In Pacific receiving countries, migration helps overcome major labour shortages.

(b) Enhanced personal remuneration and social benefits. Migrants' annual salaries are two to three times (often more) the salaries offered in their home countries (Rokoduru, 2006). Enhanced 'life experience' (improved health, better diets) is another positive factor.

(c) Remittances. Many small island countries in the Pacific region have gained from the outflow of human capital resources through the generation of foreign exchange from remittances. Remittances take many forms (see Stahl and Appleyard, 2007; Brown, 2008): cash, clothing, food, household goods, electronic and household goods, furniture, money spent on airfares for kin, reverse charge phone calls from kin (Alexeyeff, 2009), gifts, payments of school fees, domestic utility charges, property loans, insurance premiums, medical bills – all in the home country (Rokoduru, 2006). Remittances can be as great as 50% of all household income.

Remittances enable a country to pay for imports, repay foreign debt, and improve credit-worthiness (Muliaina, 2001; Mohanty, 2006; Connell, 2007; Brown and Mineshima, 2007); they result in higher levels of savings and investment. The Pacific region's economy is more dependent on remittances than that of any other world region but once goods and other assistances are added, the contribution of remittances to Pacific Islands nations' economies is so far unsurpassed globally.

Remittances fulfil a social role by providing a steady, reliable source of income for consumption in vulnerable households and also contribute to social protection of the poorest populations by improving their health and equity in income distribution (Bedford and Hugo, 2012; Brown, 2008). They induce higher rates of saving; stimulate business activity in home communities, and are associated with higher levels of secondary school and tertiary attainment by increasing the likelihood of other household members going on to higher education.

Although remittance flow is not a major consideration in the Temporary Movement of Natural Persons (TMNP) and Skilled Movement Scheme (SMS) schemes as they do not appear to support higher salaries and benefits additional to those workers would secure in their home countries, the Fiji Government (for example its Foreign Employment Scheme (FORES) and Fiji Volunteer Scheme) has taken the step of facilitating export of its skilled resources (people) so as to recoup benefits for the country through remittance flow.

Negative effects of remittances include where the (domestic) reservation wage increases in those Pacific Islands countries receiving substantial remittances from workers (for example Tonga and Samoa) and with it, the unit cost of labour (Farchy et al, 2011). A more down-to-earth negative effect of remittances is when they are perceived as being 'easy money' and discourage household industry and productivity (ibid.; also Connell and Brown, 2005). Furthermore, remittances do not greatly influence national poverty alleviation, national development, or services as they remain within the family and area (location) from whence came the migrants who earned the capacity to remit

(Connell, 2006b; Luthria et al, 2006; Skeldon, 2008; de Haan and Yaqub, 2009) although they and return migrants contribute to building of schools or other community activities and can help alleviate financial burdens. Migrant remittances also may create new social differences and widen the gap between the rich and the poor (Skeldon, 2008).

(d) Cultural Capital. Shared cultural values, talents and expressions can be utilised by diasporas. In the broadest sense, migrants promote markets for the culture industry — from the arts to tourism and from clothing to culinary dishes (Gallina, 2011) and the migrants themselves are the main consumers of those goods and services.

(e) Opportunities for women. Migration often is women’s chance of getting paid employment — an ‘emancipation tool’ closely linked with education and economic status. For example, in the Asia-Pacific region, 50.9% of migrants are women (Gallina, 2011) and by inference the percentage is boosted by numbers of Pacific women. Women are particularly represented among highly-skilled migrants (Docquier et al, 2007; Mohanty, 2006).

3.1.2 Risks and costs of migration and proposals to reduce them

Migrants who overstay their work or contract permits, arrive in a host country without appropriate visas or work contracts, or take up job opportunities in a host country after (or irrespective of) completing studies or while on visitors’ visas there, are termed ‘irregular’ migrants as they are not protected by formal immigration processes. Such workers are exposed to exploitation and because of their unlawful status, have little or no avenue for legal redress or assistance from either the host or their own country. Human trafficking is a form of irregular migration (UN Development Programme (UNDP), 2010).

Where skilled workers leave relatively poor countries and are replaced by expatriate contractors, the cost may be very great (de Haan and Yaqub, 2009; Connell, 2010). That situation generally is an inhibitor of national development (Bedford and Hugo, 2012) and a common complaint about the economic cost of skilled emigration from Pacific Islands States: it imposes huge costs to those States’ economies in terms of direct low investment in human capital and lost future earnings. Where emigrants have higher skill levels than does the general population, migration intensifies any existing large shortage of skills (for instance loss of medical personnel, engineers, managers) which employers attempt to address by either training ‘on the job’, shortening training programs or employing foreign workers. The mismatch of skills can be pinned down to domestic economies failing to produce, and retain, adequate replacement workers. Erosion of the national tax base because high income earners leave also may hinder government service delivery (Brown and Mineshima, 2007).

Just as importantly, on the home front, loss of working-age people can negatively affect families. Not only do those losses incur social challenges (such as older folk caring for the children of migrants (Maclellan, 2009), civil unrest and political instability (Narsey, 2009a)) and labour shortage (such as for family plantation work: Stahl and Appleyard, 2007), but they also directly affect the potential for development because the dependency ratio increases (Rallu, 2008): low dependency favours economic growth yet migration, ‘youth bulge’, unemployment, and national total fertility rates negatively influence the ratio³. In Melanesian countries the high dependency ratios are not relieved by the countries’ relatively low emigration rates because of the magnitude of the other factors.

On the negative side, emigration adds to skills shortages and drains the country of those with needed skills and work experience required for achieving economic and social progress (Connell, 2009; Bedford and Hugo, 2012): the countries have thus to ‘manage’ on lesser skills – or bring in foreigners on high wages to compensate. Such a climate of ‘less skilled’ does not encourage overseas

³ Individuals between 0 and 14 years, and older than 64 years are classified as dependents, and those in between as net producers. The dependency ratio then, is the number of dependents as a percentage of the number of net producers.

investment and economic growth. Experts warned that bringing in expatriate contractors generally inhibits national development as it imposes huge later costs on investment of human capital and future earnings. Erosion of the national tax base because high income earners leave also may hinder government service.

'Brain drain' represents a costly loss of scarce and expensively-trained human capital. There is a cost in human capital resource loss through, at least, public funds spent on education and training of migrants in acquiring knowledge and skills. Brain drain has increased enormously since the 1970s: indeed, 45% of emigrants from low income countries are skilled; 45% of Melanesian emigrants are skilled, 44% of Micronesians, and 23% of Polynesians (Docquier and Rapoport, 2007). The brain drain appears to be very strong in small countries (ibid.).

Using Latin America and the Caribbean as his example, Castellani (2007) analysed skilled migration ('brain gain', remittances, public finances, labour markets and competitiveness). He demonstrated that every global 'South' region experiences a negative loss of GDP accrued by skilled migration based on expenditure such as education, and that along with externalities, the potential loss of human capital, compounded by education expenses, rising fiscal burden for residents, higher inequality and deteriorating growth prospects combined lead to a general questioning of the benefits of skilled migration.

Skilled migrants acquire their skills partly through government expenditure (such as on education). The money governments use to pay for education comes at least partly from PIC taxpayers (people and businesses). When trained people move overseas therefore, a situation is created where all national tax-payers and businesses are providing a service to overseas people at their own (the countries') expense. Not only that, the people who remain do not have access to the skills they paid for through their taxes. Even when those skilled migrants send remittances to their home country, the remittances go to the migrants' family or community and not to the national taxpayers who paid for his/her training.

Studies (such as by Connell, 2009) have shown that making institutions more 'employee friendly', improving working conditions, increasing the respect for people with higher qualifications and developing career ladders with transparent criteria for advancement do encourage workers to remain. Inducements such as better funding for equipment, increased research grant opportunities, and removal of regulations are other benefits.

When there are less skilled people than the society needs, a government needs to either recruit, or train, replacements.

Vitusagavulu et al's (2012) conclusions confirm that finding: the expected trade liberalisation PICTA's Trade in Services (TIS) should create job opportunities and growth industries and those in turn will lead to an increased demand for skills and training. To be able to service that, FICs must ensure that their nationals are skilled in fields demanded by those industries.

Furthermore, there is a lag-time for training (in years). In absence of highly-skilled professionals, lesser-skilled and experienced people are taking on their roles — a practice that sacrifices quality of service overall, and 'product choice' (Narsey, 2009a). Services such as health and education play a social role and are significant for people's social justice and well-being (Penjueli, 2009): basic human rights on which governments are obligated internationally to provide to their people at an acceptable standard. *FIC governments therefore need to put in place measures that meet their obligations to their societies.*

This report highlights various ways whereby governments could train replacements, have sufficient resources for that training, and encourage replacement skills while that training is taking place.

3.2 Labour

3.2.1 Supply-and-demand for labour in the Pacific Islands region

Because of small domestic markets, relatively little business investment or trade, a narrow industrial base, weak private sector, relatively high unit labour costs and geographical remoteness, jobs do not come easily in the Pacific Islands region (Farchy et al, 2011; Gibson, 2012). The three factors critical in explaining employment and unemployment patterns in the region are limitations of appropriate labour supply, demand for labour, and the mismatch between supply and demand.

Demographic change in developed countries is likely to ensure a continuing rise in demand for migrant workers, including for less-skilled workers. Developed countries' demands are concurrent with demand and migration among PICs themselves. In both situations, the outflow of human capital jeopardises the development opportunities of those left behind, strains national budgets that must then provide replacement skills training, and condemns home country residents to lesser services while the training proceeds.

3.2.2 Impact of youth bulge on labour supply-and-demand

The so-called 'youth bulge' occurs when population mortality falls but while fertility remains high before declining. It results in a large youth (ages 15-24) population which in the Pacific Islands region is more than 20% of its total population (Hugo and Bedford, 2012). Put another way, 40% of the islander population in the Pacific is younger than 15 years of age (Stahl and Appleyard, 2007).

In every Pacific State formal sector jobs are being created more slowly than are school leavers emerging (Connell, 2006a) such that young people account for the majority of unemployment in the Pacific region (Figure 1). Labour markets in many Pacific Islands countries are characterised by high levels of unemployment and the inability of regional economies to generate enough jobs to absorb the number of new entrants to the labour force each year (Prasad et al, 2009). In the mid-2000s, the percentage of working-age populations gaining employment in the formal sector in some Pacific Islands nations (Luthria et al, 2006; Narsey, 2009a) were: Cook Islands – 81.1%; Tonga – 66.9%; Samoa – 62.7%; Republic of the Marshall Islands – 34.8%; Fiji – 25%; Federated States of Micronesia – 24.5%; Papua New Guinea – 5.6%; Vanuatu – 19%; and Solomon Islands – 16%. Narsey (2009a) explains that the rate of growth of formal employment is about proportional to average GDP growth rate, and is small because of low GDP growth rates. That leaves a large percentage of school leavers having to find self-employment, mainly in the subsistence sector.

Figure 1: Unemployment in the Pacific region



Source: Times, 20/1/2013

The passage of the youth bulge into working ages produces a demographic dividend of economic growth because it increases the proportion of working age people in national populations (Hugo and Bedford, 2012). Positive dividends can result if there is a favourable policy environment in health, labour, finance, social security, education and migration (appropriate up-skilling of youth; forging access agreements with neighbouring States; creation of favourable policies for returnees) (ibid.).

3.2.3 Skilled labour within the region

The proportion of skilled and highly-skilled Pacific Islanders among all migrants is increasing as a result of shortages in receiving countries, some of which has led to private sector recruitment in the Pacific Islands (Connell, 2006b). The growing shortage of skilled workers has also contributed to increase intra-Pacific migration, with workers (such as specialist nurses, teachers and tourism workers) migrating to countries offering better work conditions and salaries (Rallu, 2008). Emigration rates of health workers particularly, have increased, resulting in a shortage of skilled health practitioners in almost all island States. Intra-Pacific skilled migration involves also accountants, construction workers, tourism workers, beauticians, soldiers (Solomon Islands and Bougainville), engineering, mechanical and Information Technology (IT) (Reddy et al, 2004; Prasad et al, 2009).

Tuvaluans and I-Kiribati (mainly men, but some women also) are often employed on merchant ships and foreign fishing vessels: i-Kiribati seafarers' remittances have averaged about 14% of GDP over the past decade (Brown and Mineshima, 2007) (15-20%: Borovnik, 2009); and 50% of Tuvalu's GDP (ibid.). Fiji reports a surplus of teachers (being taken up by Kiribati, Republic of the Marshall Islands and Nauru) and a shortage of doctors, nurses and skilled construction workers.

Prasad et al (2009) believe that *temporary* migration has little effect on the supply of skilled works in the Pacific Islands region and that it is possible that island States' skills shortages can be met by intra-regional labour transfers.

3.2.4 Recruiting agencies

Recruiting of semi-skilled labour is more often carried out by private recruiting agencies. The services these agencies offer facilitate migration but because some are less scrupulous, regulation and licensing of recruiting agencies should be a central feature of the monitoring of workers' rights. Even so, migrants are least vulnerable when they are migrating not out of necessity but out of choice.

3.3 Brain Drain: what happens when skilled workers leave?

Between May 2001 and 2002 the Fiji Ministry of Health had to recruit 56 doctors from the Philippines and the Indian subcontinent to fill the gap left by migrating medical doctors (Chandra, 2003, in Connell, 2006b); Fiji and Cook Islands are countries with more than 50% of their native-born doctors living abroad (UNDESA, 2010).

Indeed, 45% of emigrants from Melanesia are skilled, 44% of Micronesians, and 23% of Polynesians (Docquier and Rapoport, 2007). Reddy et al (2004) and Docquier and Rapoport (2007) believe that in the smaller States of Oceania, 'brain drain' will be detrimental to sustainable development in the longer term and it cannot be solved by return migration. In these small countries, skilled human resources are very limited while the demand for skilled manpower exceeds supply – particularly in education and health.

'Brain drain' is perceived by many as being harmful to development in the countries of origin because it deprives them of human resources required for achieving economic and social progress (Connell, 2009; Bedford and Hugo, 2012) and represents a costly loss of scarce and expensively-trained human capital.

The costs of human capital resource loss may include (Reddy et al, 2004; Docquier and Rapoport, 2007):

- the public funds spent on education and training of migrants in acquiring knowledge and skills
- loss of financial capital flow with the migrants, particularly the capital and productive assets lost through business migration
- costs of recruiting expatriate professionals with high wages and all other cumulative direct and indirect costs (if this is done at a significant level)
- impairment of home country's economic performance and growth prospects as skilled labour is not available whereby industry and research-and-development activities can be attracted
- income lost after migration (Reddy et al, 2004)

The global tendency is for migration rates to be much higher for the highly-skilled who receive higher incomes in their receiving country, locals in those countries benefit from their skills, and residents in the origin countries benefit from less competition for few jobs (Docquier and Rapoport, 2007). On the other hand, skilled migrants continue to affect the economy of their origin country after they have left, be it through remittances, return migration, or participating in business, networks, or trade.

3.4 Migration policies and benefits of South-South labour mobility

Migration policy has become one of the most significant constraints on migration (Collyer and de Haas, 2010). Migration policy categories are essential and inevitable as they affect resource allocation, rights, and so on and are central to processes of social control, perhaps particularly in the context of migration.

Immobility has a cost for less-developed countries; and a *positive migration* and development nexus can only exist within a system of international relations that favours *inclusion, cohesion, protection and acceptance* of migrants and their families, considers the *individual rights of migrants*, and *values the positive contributions* that the economic, human, cultural and social capital of migrants make to development (Gallina, 2011). For the full benefits of migration to be realised, a sound evidence base (namely statistics) is needed, and so are better policies and programs to reduce transaction costs of remittances, promote return and circular migration, promote migrant entrepreneurship, protect the rights of all migrants, and facilitate the integration of migrants into host societies (Henning, 2011).

Five key policy challenges face the governments of ACP countries and regional organisations (Gallina, 2011):

- *addressing the weak statistical information available* on flows and stocks. Constraints — such as difficulties in calculating undocumented migrants, the lack of surveys allowing for comparative analysis during the periods between censuses, a lack of coordination of data collection methods in sending and receiving countries, selective collection of country data, a lack of updated historical series, the absence of solid cost and benefit analyses of migration, and lack of timely, quality and relevant data and information — *significantly undermine policy development* in this area (see also Haberkorn and Jorari, 2007);
- *eliminating obstacles to free, regulated and secure mobility*. Measures that secure residence status (dual citizenship, permanent or multi-annual residence permits, for example) should be promoted, especially with an eye towards reversing ‘brain drain’. Better salary and conditions, ease of remittance flow, and a more facilitating role of financial institutions and governments are keys;
- *assuring social inclusion, respect and protection of migrants*. The contribution made by migrant labour to local economies is often significant, and indeed, cultural diversity plays an important role in innovation and growth. Issuing work contracts, granting legal status, conferring rights, ratifying UN treaties relevant to migration (migrant rights, human trafficking, regulating recruitment agencies)
- *coping with environmentally induced mobility* such as in Africa, Caribbean and Pacific (ACP) countries; and
- *integrating human mobility into national development policies*. The debate about increased opportunities for temporary workers must be seen in the broader context of regional labour mobility, economic integration and trade (MacLellan, 2009). Partly because of high unemployment in the Pacific Islands region, labour mobility has become central to negotiations on **trade in services** (Luthria et al, 2006; Stahl and Appleyard, 2007; Poot and Strutt, 2010).

Human mobility as part of national policies for development. Skeldon (1997: 8, in de Haan and Yaqub, 2009) observes that it is ‘impossible to envisage development without migration, and migration is development’. Yet even though a strong market demand for migrant workers exists, national Pacific migration policies continue to restrict legal channels for migration – while at the same time, mostly not discouraging international migration (Connell, 2006b). It is also apparent that the link between international migration and policies of development, trade, aid and human rights is real – and recognised by Pacific Islands States (Stahl and Appleyard, 2007).

If a migration policy is to be meaningful, it will have to include the migration of some low-skill workers because unskilled labour migration contributes more than does skilled migration. Various authors (for example Luthria et al, 2006; Skeldon, 2008) identify the millions of dollars that would accrue to recipient and donor countries in that scenario. The benefits to domestic and regional security, national well-being, States’ economies, and so on, would be immense!

South-South labour mobility entails important opportunities having a positive base (Melde, 2011). They are that

- intra-regional migration entails less distance and less costs (geographic distance and remote locations can increase the costs for migration) and overall greater national earnings
- integration is eased because of cultural and maybe linguistic differences tend to be smaller between neighbouring countries
- regional labour markets could better link local demand and supply
- the costs of migration are reduced
- recognising qualifications may be easier among countries with similar educational systems

Capacity-building elements to address the challenges of migration include (IOM, 2010): stronger partnerships between countries of origin, destination and transit; clear definition of national

migration policy aims; enhanced coherence of policies addressing short-term and longer-term objectives; effective relevant legal frameworks; access to more timely and accurate migration data; development of monitoring systems; and adequate human and financial resources. The weight of empirical evidence is that migration and the mobility of people can potentially be harnessed to facilitate and assist in poverty reduction and positive developmental outcomes (Hugo, 2009b)

Pacific islanders need to explore what they have, and the many different avenues available to give them access to productive employment and the opportunity to create an economically safe future for themselves and future generations (Luthria et al, 2006). Labour mobility **can** make a significant contribution to that ideal and Pacific social stability. The ‘for the good of mankind’ element in migration is **regional integration** (Hau’ofa, 1987; Maclellan, 2009; Melde, 2011) — the potential of personal engagement and encounter.

3.5 Trade agreements

Pacific Islands countries have entered into a variety of trade agreements with better developed nations and although the objectives of these regional agreements are similar (Narsey, 2009b) none have explicit provisions that deal with the movement of people (Poot and Strutt, 2010). That means that labour migration often stays merely as an objective and is rarely implemented (Melde, 2011).

3.5.1 The proposed PICTA TMNP scheme

Pacific Island Countries Trade Agreement (PICTA) preferences in Trade in Goods commenced in January 2007, and the PICTA Trade in Services (TIS) Protocol (that includes services provided by people) was endorsed late in 2012. As at August 2012, ten FICs initialled the PICTA TIS Protocol (Fiji, Kiribati, Papua New Guinea and Solomon Islands did not) and later that month, nine countries (excluding Fiji, Nauru, Niue, Palau and Papua New Guinea) signed the Protocol (PIFS, 2012).

Led by the World Trade Organization (WTO), ‘Trade in Services’ (TIS) is identified as not only trade in goods, but also in services supplied by people (PICTA, 2012). The PICTA Trade in Services and temporary movement of natural persons (TMNP) scheme was formulated in 1999 (Raj, 2012), with the expectation that it will engage all 14 Forum Island Countries (Raj, 2012)⁴. Four modes of supply define ‘trade in services’ under the General Agreement on Trade in Services (GATS) and the last of these, Mode 4, describes mobility as : natural persons from one party supplying services in the territory of another, and by a party’s service supplier through the presence of natural persons to supply a service in the territory of another party. In both circumstances, after the service has been provided, the natural person leaves that territory (country). Mode 4 is understood to include business people, intra-corporate transferees, contractual service suppliers (employees of a foreign company providing a service) and contractual service providers (individuals independently contracted by the host country) (Prasad et al, 2009).

FICs governments’ agreement to expand PICTA to include labour mobility is directed at the eventual aim of establishing a ‘single regional market’ that would include (*ipso facto*) a single regional labour market (Prasad et al, 2009). The obvious implication of that single regional labour market is that all barriers to free and non-discriminatory labour flow would be removed (*ibid.*).

The first round of negotiations on liberalizing Trade in Services (TIS) among the Forum Island Countries (FICs) was held in 2008 and included discussion on the temporary movement of natural persons (TMNP) within FICs (PIFS, 2012) in order to draw from labour surpluses within the region to meet national skills shortages and to stimulate skills development (Tabaiwalu et al, 2009).

⁴ Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu.

The final PICTA Trade in Services protocol was opened for signature in August 2012 (PIFS, 2012). The proposed intra-FIC scheme as it now stands, is a two-tier one (highly skilled for Tier-1; skilled and 'semi-skilled' for Tier-2) open to FIC nationals and permanent residents and offering contracted temporary jobs of up to three years.

The purpose of the PICTA Trade in Services⁵ is to strengthen regional cooperation in accordance with the Pacific Plan, and foster and strengthen trade in services to encourage investment in the Pacific region within a transparent and appropriate framework (consistent with WTO obligations), while at the same time recognise the rights of individual Pacific Island Countries to regulate within their own territories, and to commit to trade liberalisation and expansion of trade in services exports (PICTA, 2012).

The objectives of the PICTA Trade in Services scheme are to promote growth and development of the Pacific Island Countries, the reduction of poverty providing a framework for the progressive liberalisation of trade in services between the Parties, and strengthening the capacity of the Parties to regulate services (notably those relative to development), further economic integration within the Pacific region with a view to the creation of a single regional market among the Pacific Island Countries, and contributing to the integration of the Pacific Island economies into the global economy (ibid.).

Under PICTA, Pacific Islands countries are proposing a two-tier labour mobility program where labour, as a part of 'trade in services', would become part of a single regional labour market (Prasad et al, 2009) where there are no barriers or discrimination to free labour flow. Such 'temporary movement of natural persons' (TMNP) would benefit Pacific Islands country economies (MacLellan, 2009). One tier (Tier-1) in the proposed scheme would be open to professionals having a bachelor's degree (minimum) from a recognised university and appropriate work experience; and the other tier (Tier-2) would be open to trades people or 'semi-skilled' professionals having a diploma or certificate from a recognised institution and appropriate work experience.

The proposed Temporary Movement of Natural Persons (TMNP) scheme hinges on a number of factors: recognition of qualifications, identification of current labour market needs in both the source and host countries (generating quotas of migrant workers), surety bonds by employers in host countries, temporary status in the host countries (of no longer than three years), provision of information by FICs on labour needs, family rights, scheme enforcement and responsibility (by home and host countries, employer and employee), FIC departments (of labour, and immigration) implementing their roles relative to the scheme, and oversight by regional organisations such as the Pacific Islands Forum Secretariat (PIFS), the Pacific Immigration Directors Conference (PIDC) and the South Pacific Board for Educational Assessment (SPBEA) (Tabaiwalu et al, 2009).

Tabaiwalu et al (2009), in response to the draft PICTA Trade in Services protocol stating that each FIC shall determine the numerical limit (quota) of workers under each category (Tier-2 only), went to some lengths to calculate quotas for each FIC (in the absence of up-to-date national labour statistics). They used data and made projections from the number of wage and salary earners, total population, percentages thereof, and arrived at the minimum quotas ranging from 20 where the workforce is less than 5,000 (Niue, Tuvalu and Nauru), 50 where the workforce is between 50,000 and 100,000 (Solomons and Vanuatu), 250 in Fiji and 500 in Papua New Guinea.

Comparison between the PICTA Temporary Movement of Natural Persons scheme, the Melanesian Spearhead Group's Skilled Movement Scheme and the CARICOM scheme [Chapter 6] is presented in Annex D, Table 2. Neither the PICTA Trade in Services Protocol, nor the draft consultants' report on the Temporary Movement of Natural Persons scheme (Tabaiwalu et al, 2009) suggest that migrant

⁵ PICTA defines semiskilled/trades professionals as people having a minimum of a diploma qualification, or a certificate, with an appropriate minimum years of experience (Tabaiwalu et al, 2009).

workers will be remunerated or supported (for instance housing allowance, other subsidies) any differently to local workers of equivalent skills and experience.

3.5.2 The MSG's Skilled Movement Scheme (SMS)

The Melanesian Spearhead Group Trade Agreement's (MSGTA) objective is to promote and facilitate the 'free flow of identified goods and services' under the conditions of fair competition, and to contribute to the harmonious development and expansion of world trade' (Prasad et al, 2009: 397).

The draft Memorandum of Understanding of the MSG's Skilled Movement Scheme (SMS) (2012)⁶ states that the purpose of the Skilled Movement Scheme is to

- strengthen regional cooperation and integration by providing access to employment opportunities and facilitate the movement of Melanesian Spearhead Group (MSG) nationals among the Parties (to the MSG),
- ensure and promote decent work practices amongst the Parties, and
- bring mutual benefits to the Parties by the movement of skilled nationals

The objective of the Skilled Movement Scheme (SMS) is to facilitate temporary movement of Melanesian Spearhead Group nationals within MSG countries to work. Health, safety, minimum working conditions (relative to international laws, conventions and standards) will not be compromised; a specific number of Melanesian Spearhead Group nationals in selected occupations may work in other MSG countries where there are identified worker shortfalls; a procedure and administrative mechanism will be established; certain qualifications will be recognised and MSG nationals will be certified to work in their specified field in other MSG countries; and national laws will not be compromised by the Memorandum of Understanding (MOU).

The Melanesian Spearhead Group Skilled Movement Scheme's Memorandum of Understanding (MSG SMS MOU) contains some thoughtful provisions. In Clause 6.2 it behoves Parties to the agreement to establish transparent, reasonable and impartial criteria that include 'qualifications, and relative skill shortages in the Parties'. Clause 9.11 states that migrant workers will receive legal protection and rights comparable to nationals in similar employ. The effect of 'uncontrolled recruitment' to the public sector of host countries may negatively affect the employment of nationals (Clause 11.1). The agreed common standards of the ILO and the IOM shall influence treatment of nationals in the Melanesian Spearhead Group countries (Clause 12.1) and the human rights of workers will be protected under the International Convention on Human Rights (Clause 12.2). Further, spouses of migrant workers have a right to work in the same country in his/her specific occupation, and in accordance with national legislation.

As with the PICTA Trade in Services scheme, the Skilled Movement Scheme (SMS) does not state that migrant workers will receive remuneration above those of equally-qualified local workers, although there is a hint that conditions could differ from local workers in the MOU standard contract stating that 'other entitlements, where applicable, such as superannuation, housing, use of protective equipment, as well as medical and education allowances' shall be specified in the work contract.

In general, once the need has been established, the admission of workers is generally regulated through visas and work permits, usually limited by quotas – expressed as a percentage of the labour force, perhaps, or of employment in a given sector or enterprise.

Tabaiwalu et al (2009) admitted that having large quota for Temporary Movement of Natural Persons workers is likely to present significant administrative constraints to the host country, so making the

⁶ The MSG defines a skilled worker as one 'who has formal qualification obtained in a recognised institution and/or a worker who has acquired special skills, knowledge and ability to perform work through experience'.

scheme difficult to implement in a timely and efficient manner, and increase the risk of the scheme's failing.

3.5.3 The Fiji Government's employment schemes

Fiji established a National Employment Centre (NEC) in 2009; all school leavers, tertiary graduates and otherwise unemployed workers register in it. The centre liaises with national business, government and industry groups to find employment for workers and is funded by the government. Potential employers in Fiji and abroad are approached to facilitate employment of Fiji nationals.

The Fiji Government also has developed an Overseas Volunteer Scheme whereby teachers and nurses who are nearing (or after) retirement age are being encouraged both by government and trades union to take up employment opportunities in other Pacific island countries, to prolong their working life and also share their skills and experience amongst FICs. Recent examples include engagements in Kiribati, Nauru, Tuvalu and Republic of the Marshall Islands. The volunteer workers are remunerated in fees and/or kind; the Fiji government also may receive remuneration (See: Annex B, Fiji Teachers' Association interview) yet otherwise is providing support to neighbouring Pacific States in need: a 'win-win' for all parties.

The Fiji Government's Foreign Employment Scheme (FORES)^{7,8} commenced also in 2009. Through this scheme, qualified professionals, skilled and trades people are recruited by the Fiji Government to work in other countries. In 2013 (the first year the scheme operated) the National Employment Centre published an Expression of Interest for people seeking employment in the United Arab Emirates under Foreign Employment Scheme. Through this scheme, qualified professionals, skilled and trades people are being encouraged to work in the United Arab Emirates under contract, conceivably to attract remittances back to Fiji.

Closely connected to the National Employment Centre is a Fiji Volunteer Service (FVS) through which the Public Service Commission recruits (among others) retired teachers⁹ and nurses to take up employment opportunities in other Pacific island countries (and beyond). With this effort the Government wants to prolong the working life of retired public servants¹⁰ and share their skills and experience among FICs. Recent examples include engagements in Kiribati, Nauru, Tuvalu and Marshall Islands. A volunteer will be paid a weekly allowance of which 50% of the allowance is paid through the Fiji Volunteer Service and the other 50% by the receiving organization or agency (See: Annex B, Fiji Teachers' Association interview).

⁷ Since 2007 to the present, Fiji has not been a member of the PIFS; hence it is ineligible to be part of the PICTA TIS /TMNP scheme.

⁸ Although the decree that establishes the FORES scheme does not mention it, the scheme has considerable potential to be a source of remittances for Fiji.

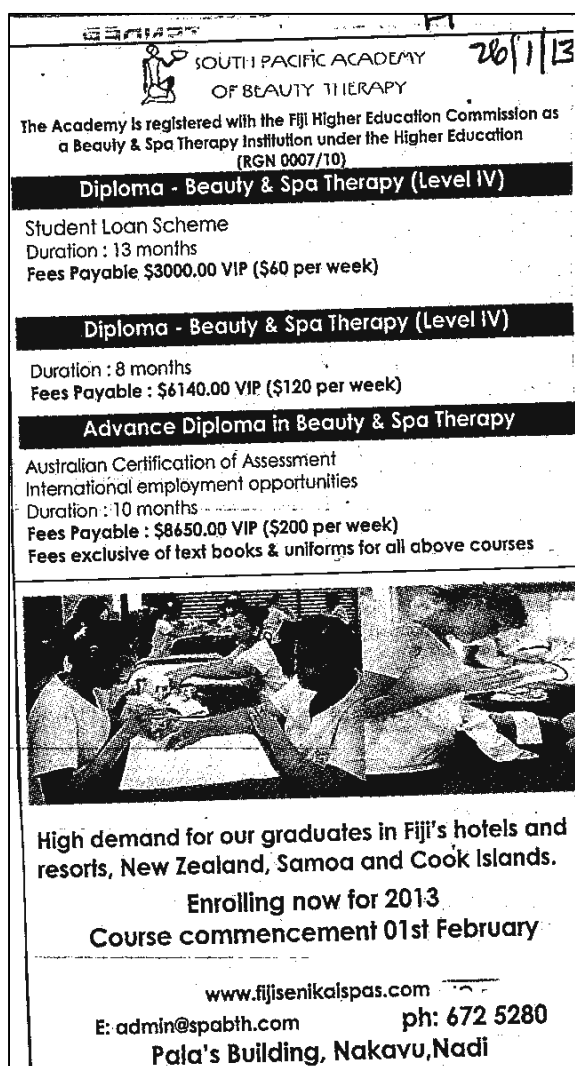
⁹ In 2007 the Fiji Government reduced the retirement age for Civil Servants from 60 to 55 years. Prime Minister Bainimarama told Trade Unionists who wanted to go on strike that 'We have as many as 15,000 school leavers and thousands of graduates looking for jobs each year.' (*Fiji Daily Post*, March 20, 2007).

4. Findings and analysis: labour market needs and skilled migration

4.1 Labour market needs in the Pacific Islands region

In Fiji, the key reasons given (Annex B) by both public and private employers for the lack of needed skills in their workforces were emigration and under-skilling. The wages offered overseas for skilled workers are considerably higher than are those offered in Fiji (for identical trades or professions). The lack of investment in Fiji over recent years (and perhaps in other FICs) also has led to few jobs being available locally in some trades. A converse of that situation is where a demand exists but few locally-trained people can meet the jobs' criteria.

Figure 2: High demand for beauty therapists




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The results of interviews and questionnaires supported the existence of **un-even work opportunities** reported in literature (ADB, 2008): hospitality workers leave Fiji for the higher wages offered in Cook Islands (Figure 2), Samoa (and New Zealand) and Vanuatu (Annex A, table 3); workers with skills relevant to the mining industry depart Fiji for Solomon Islands and Papua New Guinea (Annex A, table 1); air transport workers go to Papua New Guinea; health workers leave Fiji not only for Pacific

Rim countries but to the Compact countries of Republic of the Marshall Islands , Federated States of Micronesia and Palau, and to Nauru and Kiribati; Nauru, Papua New Guinea and Cook Islands openly poach teachers, managers and tradesmen and women (Annex A, tables 1 and 3); hotel workers, mechanics, nurses, teachers, lawyers, dentists, therapists and civil servants work in Kiribati and Republic of the Marshall Islands (Rokoduru, 2006) and not to mention New Zealand: Figure 3).

Figure 3: Study Work and Settle in New Zealand

Study Work & Settle in New Zealand FT 2/2/13

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On the other hand, the quality of graduates from regional skills training institutes (notably, Technical and Vocational Education and Training, TVET) are inadequate to meet the demand in some FICs (ADB’s Group 1 and Group 3) for competency in mining, tourism, management services and construction-related occupations (ADB, 2008; Annex B). In such circumstances, businesses either employ lesser-skilled workers who are then ‘up-skilled’ ‘in-house’ or recruits appropriately-skilled people from extra-regional countries including Indonesia, Philippines, Korea, India, China (Taiwan) and Sri Lanka: many examples in Fiji of businesses engaging such people (and also those from Sri Lanka, Australia and New Zealand) have been found. Some business representatives admitted that they found it easier (meaning, more efficient) to pay higher wages to these workers, return air-fares and allowances such as housing or child education assistance than to engage local, under-skilled workers (for whom no extra costs applied) and ‘up-skilling’ them. Businesses (in Fiji) reported that they also appreciated the reliability of having access to an expatriate contracted for several years rather than being subject to the vagaries of skilled locals leaving their employ with short or no notice to work elsewhere; that the local workers’ allegiances to their employers are fickle. They cited Fiji’s Employment Regulations Promulgation (2008) as the reason for this although such ‘loop-hole’ in that legislation cannot be found.

Expatriate workers – from mainly Australia and New Zealand but also other developed countries – work in FICs in occupations where few FIC nationals have the skills yet where demand is great, particularly in the Group 3 ‘advanced’ island States. Such include project managers, architects, surveyors, veterinarians, pathologists, chiropodists, ships’ captains and engineers (see also Annex A, Table 4). On the opposite side, (there?) are FIC nationals with formal qualifications gained overseas but unable to secure employment back home, even in Group 3 nations. For those people, emigration may be the only (temporary?) means of earning a salary.

‘A nation’s economy runs on the knowledge and skills of its people’ (ADB, 2008), and in Pacific countries where youth numbers are increasing each year, skilling people has become a top priority because job growth and emigration rates are supporting a skills shortage. Employers in 13 Pacific Islands countries (ADB, 2008; Voigt-Graf, 2008) found that of the 64% of them who reported

difficulty in finding staff, the reasons given for the difficulty were insufficient quality of local training (92%), local training institutions training insufficient numbers (85%), emigration (69%), and staff leaving for other organisations (66%).

As part of their degree or post-graduate courses, highly-skilled professionals (such as medical professionals, engineers, surveyors, mid-wives, pathologists, anaesthetists, radiographers) must undertake usually one year of 'internship' or practical training away from their academic institution(s). As the nearest training institutions usually are in Pacific Rim countries, there would be the situation of their having specialists in abundance (local, training, and Pacific Islander migrants) adjacent to a region whose people are in need of services supplied by such specialists. A sustainable 'win-win' situation of cordial relations, experience, and inexpensive though qualified assistance could be created if those foreigners were requested to undertake their practical ('internships') in the Pacific Islands region — that is, filling-in where specialists have left or retired, and while locals are completing their studies. In such a program, PICs would not 'feel' the loss of essential service people so much and the foreigners would learn a lot more 'tasting' the Pacific than they would if they had stayed in their home countries to do their compulsory internship. Their experience would be immeasurable, and in turn, the visitor is filling in a specialist, short-term gap in a PIC (of course, the visitor would need to meet required standards of work).

An added advantage of such a scheme is that the constant presence of quality professionals (such as in the medical field) will support higher standards in national institutions, that in turn could attract donor funds. The presence of those institutions of high standard would save on spending by PICs. In Australia alone (for example), there are over 200 graduates of the Fiji School of Medicine, many of whom are specialists — they may be interested in returning to Fiji if Fiji could provide facilities that will use their expertise well.

Finally, it is important for PICs to improve their medical and related services so that Pacific Island health professionals can be attracted back and serve in the Pacific. Many opportunities exist to develop lower cost medical tourism in the region, as well as room for cooperation between PICs to develop international-standard hospitals and health services which would cater for the Pacific Islands market and for markets in Australia, New Zealand, Asia, USA and Japan at lower costs. Care for aged people and retirees from Pacific Rim countries who may wish to stay in the tropic's warmer climate during the temperate winter period, would be another benefit. Already, care skills exist in the region from the many Pacific Islander care-givers with USA experience.

The interest in emigrating is less for people with adequate income and security (Castellani, 2007; ADB, 2008) and much higher for people with low incomes. People with low incomes therefore, should be trained sufficient to secure higher wages when they do migrate, than what they would receive at home.

Whereas Papua New Guinea offers medical training also, and Vanuatu and Samoa have established Technical and Vocational Education and Training (TVET) training (now associated with Australia Pacific Training College), among other PICs Solomon Islands and Tuvalu are exemplary in the quantity of their national scholarships support. This is even more so when compared with population size and growth rate and GDP.

National reviews of Technical and Vocational Education and Training (TVET) programs (ADB, 2008; more recently in Papua New Guinea and Vanuatu by AusAID) consistently identify lack of resources, frequent irrelevance to the needs of industry, and need for overall re-modelling. Labour market statistics and analysis (if they exist) should be made available; industry and businesses should work closely with governments and training institutions (such as the Fiji National University (FNU), the Vanuatu Technical College, National University of Samoa) to lend their expertise and knowledge to the development of appropriate training programs. Apprentice schemes should be developed by industry and government. Annual skills surveys with businesses would encourage continual appraisal

of Technical and Vocational Education and Training (TVET) schemes and maintenance of their relevance.

It would be appropriate for Australia and New Zealand to aid the development of manpower training plans for PICs: recently, in Fiji, the Fiji National University (FNU) has proposed to AusAID that it funds a partnership between AusAID and the FNU to develop a manpower plan for Fiji. Otherwise, current Technical and Vocational Education and Training schemes in the Pacific will continue to be perceived as mainly aimed at attracting more skilled migration from PICs to those countries. 'All sectors are vulnerable to brain drain' The most vulnerable according to the Fiji Commerce and employers Federation, were professionals like health workers, engineers, pilots, chartered accountants and chefs.

Except for professions such as nursing, medical practitioners, dentists and teachers, few Pacific Islanders who have graduated as architects, engineers, surveyors and the like are working in their home countries or region; and perhaps there are few of them in any case (the access data on course graduates from regional universities and national overseas scholarship boards was denied). Even so, the Fiji National University as one regional example is establishing engineering and technical colleges to train people with related skills to the level of internationally-recognised qualifications. In Fiji National University's medical area, the establishment of a Fiji National University training hospital is expected to attract international medical specialists (including Fijian doctors now living overseas) to serve in that hospital on contracts of various duration, and there the specialists will train graduates, interns and young doctors. This initiative will obviate Fiji funds being taken overseas for expensive medical treatment. The training hospital is expected also to be the hub of a medical treatment facility for people in Pacific Rim nations who cannot afford expensive treatments in their home countries, as well as for people from other PICs. In the future, this development has potential to encourage a 'medical tourism' industry. Until that training hospital is firmly established however, companies employing medical specialists (and those in other fields) will be encouraged to work in the Pacific Islands region. Such companies have huge overheads but their (local) employment capacity is significant. And they pay taxes.

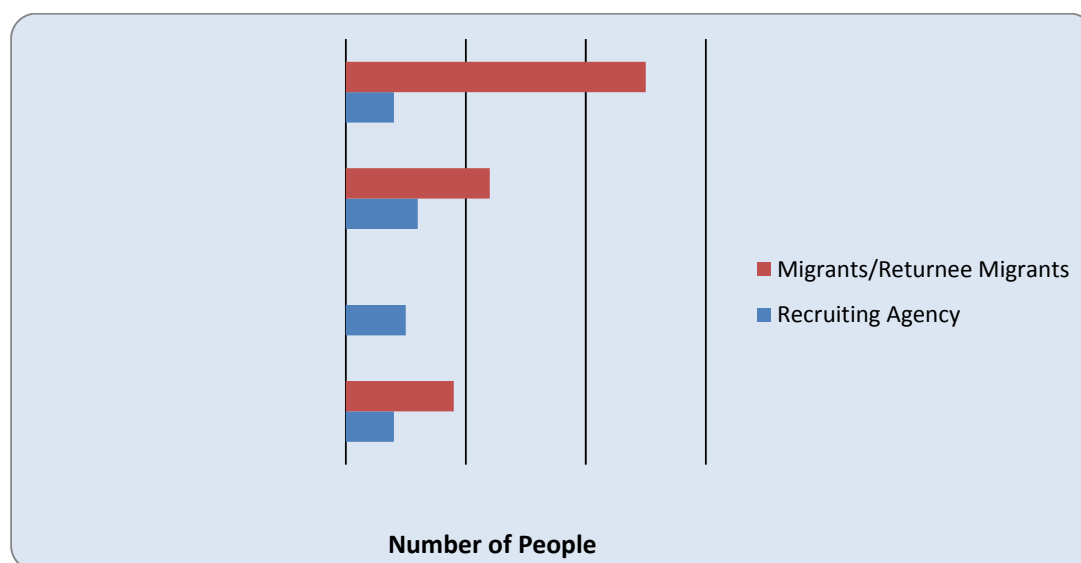
4.2 Skilled and semi-skilled migration in the Pacific Islands region

4.2.1 Access to job availability in the region

Top professional jobs in the Pacific that once were advertised in print media are now more commonly advertised on the Internet. One such regional one is that of 'Eco-Consult', which advertises specialists' positions obtained from regional and international organisations, magazines, newspapers and colleagues to 'more than 4,900' site-registered specialists.

National print media of the larger Pacific countries (Papua New Guinea and Fiji) advertise vacancies for semi-skilled workers (Annex A, Tables 2 and 3) yet the scanning of the online print media of most other PICs reveal that job vacancies are infrequently advertised in them, if at all. Pacific jobs (mainly for semi-skilled positions) can be found on 'Facebook' and similar social media, yet many workers are recruited by word-of-mouth ('coconut wireless') and informal networks, or are brought in as employees of foreign or regional companies: this supposition is borne out by the responses of migrants (Figure 4). The 'coconut wireless' operates regionally also through foreign workers in a country and lets their compatriots know about local job vacancies.

Figure 4: How job information is offered and accessed



Source: Elaborated by the authors.

The draft consultancy report on the operation of the Technical and Vocational Education and Training (TMNP) scheme (Tabaiwalu et al., 2009) identified that information on FIC employment opportunities and workers to whom a Temporary Movement of Natural Persons certificate has been issued must be kept current and shared between FICs, that national authorities should be responsible for collecting and sharing the information, and that a *central information point* would best manage and collect such information; a PIFS-run website would be the initial vehicle to disseminate the information.

While there could be merit in that proposal if it were part of related manpower training planning in PICs, this report reveals however that both skilled professionals and skilled ('semi-skilled') tradespeople in the Pacific have no difficulty at all in finding work. No individual migrants used recruiting agents (which generally are hired by employers (such as fishing companies)) to secure workers. In light of the research, it is suggested that establishing and resourcing a central information point would be very unnecessary because (a) workers have established other means of identifying job opportunities, (b) existing recruiting agencies perform all of the functions identified in the draft Temporary Movement of Natural Persons plan for an information point AND its feeder government departments, and (c) all costs are contained directly with the employer and/or the recruiting agency. Indeed, the opportunity exists for governments to collaborate with recruiting agencies (as do some already – such as in Kiribati) and by such means they would be advantaged at minimal cost.

Highly-skilled professionals are already well-served by internet (Annex A, Table 4) and word-of-mouth employment information. Professionals whose skills are commensurate the world over may move wherever they wish to; they are 'beyond' the manipulation of governments; they are global employees (Annex A, Table 5); they comprise 'the seller's market' and their engagement responds to market needs.

4.2.2 Characteristics and motivations of skilled migrants

Many skilled Pacific workers have no incentive to remain in their home countries on the salaries and wages offered for their skills, poor or 'average' work conditions, unimaginative career paths and work load.

The stagnant career paths in FIC government public services are well-known and are a cause of many people leaving to go into private jobs, or go back overseas. For example, salaries for skilled workers at Suva's main public hospital are many times lower than equivalent positions in private practices (or even in other FICs). With such prospects ahead of them, FICs' Government-bonded skilled workers (such as foresters, agriculture experts, production managers, veterinarians, engineers) return to work off their bonds and then leave (in Fiji, the bond is just 1.5 times the duration of their scholarship's training). This report identified that it is not uncommon for Fijians who have completed post-graduate studies in Pacific Rim countries to not return to Fiji at all, if they are offered a permanent (or contract) position in either the country in which they completed their studies, or in another PIC (and the same probably occurs for nationals of other PICs). The reason for such a selection is obvious. Some of the qualified nationals who do return are engaged by private businesses after completing their bond(s), or are promoted to senior positions (with better remuneration) which effectively removes any outlet for the person to practise his/her skills.

Salaries of Fiji National University (FNU) teaching staff (and it may be the case in other PIC national universities) are on average just 47% of the salaries of the regional university's (the University of the South Pacific, USP) teaching staff. The Fiji Government has forecast that it will be soon taking the step of introducing a tertiary funding formula that will reduce its contribution to the USP and instead increase its contribution to its own university – mainly to meet projected manpower requirements.

Skeldon (2008) observed that once people know about opportunities elsewhere they tend to move towards them. 'Replacement' movement of skilled people in the Pacific Islands region is demonstrated eloquently by the Cook Islands which actively encourages movement by granting work permits to tourism industry workers from Fiji. The Fijian hospitality workers receive higher wages there than they would (for comparable skills and experience) as they would at home, and the local (Cook Islands) hospitality workers depart for New Zealand where they are paid more than at home. Papua New Guinea and Solomons attract miners and air crew from Fiji; Papua New Guinea attracts substantial expatriate skilled labour. And Indonesians, Filipinos, Koreans, Chinese, Sri Lankans and Indians come to the Pacific where they get higher wages, and security, than at home: *a circle of movement, of immigration and emigration – based on demand for skills and what employers will pay for them.*

The situation of better conditions abroad will persist for some time, but increasing unemployment in Pacific Rim countries (such as Australia and New Zealand) will result in their placing greater restrictions on migration from PICs – even on qualified personnel. Hence PICs need to make plans to develop local industries able to absorb more of their own highly-skilled people, those industries (and governments) offering conditions as best as possible comparable to those offered overseas, including dual citizenship.

'Pull and push' factors also account for movement of skilled people within and into Fiji (and almost certainly to other FICs): local employers can handle the 'pull' factors (such as salary, wages, housing, extra allowances) but they cannot deal with the 'push' factors, which include military coups, ethnic troubles (Fiji, Papua New Guinea, Solomon Islands and Tonga), political instability, and discrimination. Employees who feel the 'push' factor more strongly – all other things being equal – are among emigrants to Pacific Rim countries where Pacific skills qualifications are mostly recognised.

In Fiji, political instability such as military coups have compelled mass emigration of skilled people to Australia, Canada, New Zealand and USA (mainly), resulting in skills shortages that are filled by expatriates primarily from Australia, New Zealand and Asian countries such as Philippines, Sri Lanka and India.

5. Assessment of mobility policies and practices among the FICs

5.1 Forum Islands Countries (FIC) immigration laws relative to foreign workers

Immigration policies and requirements for issue of work permits among the 14 FICs are generally similar although there are certain differences (Annex D, Table 1). In eight of the FICs the employer is responsible for applying for work permits, and decisions are made by either Immigration or Labour departments – except in Fiji where a committee representing five different ministries meets each week to assess applications. Only five FICs (Cook Islands, Federated States of Micronesia, Fiji, Tonga and Vanuatu) state that a work contract is required (two, Cook Islands and Vanuatu, state its maximum duration).

Six FICs obligate the employer to demonstrate that no local workers are able to perform the required tasks and only four FICs (Cook Islands, Fiji, Palau and Vanuatu) require that local workers understudy the migrant worker. All except Solomon Islands, Tuvalu and Vanuatu require police clearance (for Fiji, up to 10 years) and medical clearance. Only four FICs address repatriation of the worker (and his/her family – two). Vanuatu specifies reserved occupations (for locals). Just one FIC (Samoa) requires proof of immigrant workers' qualifications.

The immigration laws for about half of the FICs (Kiribati, Republic of the Marshall Islands, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands and Tuvalu) are silent on matters such as work permit length, responsibility, repatriation of worker and local training.

Many countries do not have policies in place to handle skilled labour migration. While the Temporary Movement of Natural Persons (TMNP) framework (and the Skilled Movement Scheme's Memorandum of Understanding, SMS MOU) recommends that responsibility for compliance is shared by the home country, the host country, the employer and the employee, much still needs to be done to ensure effective co-ordination amongst stakeholders.

5.2 FIC governments' domestic skills training capacities

5.2.1 Lack of data to support mobility policies

There are few data – even in Fiji – of labour market needs and even if exists, it has not yet been analysed. In publicly-available information it has been found that the nationality of immigrants/emigrants largely ignored individual PICs (rarely, some were identified), business and employment exits and entries are usually not disaggregated, a significant 'other' (either for nationality, or purpose) is unexplained on most tables, and only Cook Islands, Solomon Islands, Republic of the Marshall Islands and Niue record arrivals/departures by a standard set of occupation descriptors (but not necessarily purpose). It has proved not possible to secure data on work permits issued and the skills of visitors for most FICs (including Fiji). Nor are household labour force surveys and surveys of business needs in any participating FIC publicly available (or may not exist). Even ratios of skilled workers per national population were hard to find and could not be compared because non-matching variables were used.

The Pacific Islands mobility literature consistently identifies the weakness in data gathering and analysis (Prasad et al, 2009; ILO 2008-20; Voigt-Graf, 2008; Duncan and Voigt-Graf, 2008). The persistent lack of data (and its analysis) significantly undermines policy development.

The ILO has carried out 'decent work' programs in seven FICs. It reported (ILO, n.d.) that the state of labour information in Fiji is the most developed in the region, but that analysis and dissemination are less developed, and that there is a lack of reliable labour market data in Kiribati since no labour market survey has been conducted (ILO, 2009a), despite attempts at harmonising and analysing data from different sources; that "there is a severe lack of labour market statistics in Papua New Guinea, as a result of which the Government has found it difficult to formulate effective and targeted labour market strategies" (ILO, 2008: 6); in Tuvalu (ILO, 2010) there has not been a labour force survey and

the dispersion of the population makes data collection costly and time-consuming (even so, Tuvalu is attempting to gather and analyse data); in Vanuatu, capacity and resource constraints limit collection of labour statistics and no systematic way of analysing labour market data and translating it into policy advice exists (ILO, 2009d); there is no complete labour force census in Samoa and no plans for one (ILO, 2009b) although some analysis is done from limited business surveys and household income and expenditure surveys; and in Solomon Islands, the labour market information and analysis (LMIA) “poses significant challenges” as it is limited, scattered, and infrequent and hardly any labour market analysis has been made to provide a basis for policy and decision making (ILO, 2009c: 7). Based on this information, the selection of skilled worker needs in the PICTA and Skilled Movement Scheme (SMS) schemes appear to be unsupported by firm labour market needs analysis.

Publicly available information indicates that two aspects of labour mobility within the Pacific Islands region basic to the success of the Temporary Movement of Natural Persons (TMNP) scheme have not been addressed. They are the information needed to substantiate the quota system for Tier-2 of the proposed TMNP scheme, and an evaluation of a cost-benefit analysis of labour mobility (Prasad et al, 2009).

The TMNP scheme, as developed by Tabaiwalu et al (2009) depends on a quota system and on surplus skills. In the absence of any labour market information and analysis and rare analysis of statistical data, no FIC is in a position to decide what skills are ‘surplus’. A quota-based system for labour market management also will require improved information on the national economies and labour markets and so sector-specific labour market surveys are needed (Tabaiwalu et al (2009). The only way this can be achieved is through sector-specific labour market information and analysis (LMIAs) which include collaboration and consultation between employers, their associations, training institutions/providers and government so that training is aligned with labour market needs. FICs should agree on what data to collect, and which is more important to their management of the Temporary Movement of Natural Persons (TMNP) scheme. They should re-design immigration arrivals and departure cards to more accurately capture data on labour migration. Agreement on a standard (and relevant to the region) set of job classifications would be a good start.

In recent years, the Secretariat of the Pacific Community (SPC) and the ILO have conducted training programs in enhancing national and regional statistical capacities and gathering and analysis of labour market information; there are also staff at both institutions ‘there to assist’. FIC governments are urged to make devoted use of those resources.

5.2.2 Skills training: current practices and recommendations

Current practices:

The Fiji Technical and Vocational Education and Training (TVET) system, as exemplified by the National Training and Productivity Centre (NTPC), is a regional example of skills training for industry and business; it runs training courses for school leavers and trades people (up-skilling), consults with local industry, encourages placements and apprenticeships, and modifies its courses to keep abreast of industry needs.

Australia identified its international aid program in the Pacific as one that would be used to provide skills training for Pacific Islanders to enable them to broaden their employment opportunities to meet domestic needs and to access international labour markets (Australian Government, 2006). That was the basis of the Australian Government establishing a technical training college in the Pacific (ibid.) open to post-secondary and vocational levels. ‘The college will build partnerships with Australian and Pacific industry associations, firms, private providers and education institutions to deliver Australian-standard training in a range of locations and formats across the region’ (ibid.: 39). The Australia Pacific Training College (APTC; www.aptc.edu.au) currently works in partnership with institutions in four PICs (Fiji, Papua New Guinea, Vanuatu and Samoa); it is supported also by the

PIFS. Pacific Islands participants in the scheme gain Australian qualifications — so although trainees' new-formed capacities will support industry in their own countries, it also will enhance individuals' opportunities to migrate to Australia — where there is a strong demand for many of the skills in which Australia Pacific Training College (APTC) instruction is given (see: Australian Immigration website: www.immi.gov.au). Indeed, some PIFS members asked that their nationals be trained but not certified — perhaps in an attempt to retain those tradespeople in their home countries. PICs are suspicious because the Australian Government appears to be promoting the establishment of its own skills training program in the Pacific based on certification standards of Australia, and not putting funds into management planning studies to identify the skills needs of PICs.

Other Australia-sponsored skills training schemes operating in the Pacific region are the Kiribati Australia Nursing Initiative (KANI)¹¹ (where much of the training, to gain either diploma or bachelor of nursing, is conducted in Australia) and the Strengthening Specialist Clinical Services in the Pacific (SSCSIP), which is close to a mentoring program conducted by contracted Pacific Islands region specialists. In partnership with the Tonga Ministry of Health, AusAID also has supported the work of two anaesthetists and four surgeons through its Tonga Health System Support Program (THSSP).

Another relevant training scheme is the International Monetary Fund's (IMF) Pacific Financial Technical Assistance Centre (PFTAC) that provides high-quality technical assistance and training to 16 Pacific Island countries aimed at improving their macroeconomic management. It is a collaborative venture between the IMF, the recipient countries, and bilateral and multilateral donors (<http://www.pftac.org/>).

The Fiji Government is considering the signing of a Memorandum of Understanding with China to enable 'visa-free' access by its citizens to their countries. In practice, this step will result in a significant increase in the number of Chinese emigrants to Fiji rather than the inverse; already the increase in 'middle-level' Chinese-owned shops, restaurants, farms, houses-to-let, and other businesses (having bought out local owners) in main towns of Fiji is remarkable and is also significant in other PICs. (sources: Fiji local news media such as the *Fiji Sun*, the *Fiji Times*, the *FijiVillage* website and the *FijiLive* website).

Throughout the world, China-funded development projects are characterised by their being administered and staffed totally by Chinese — engaging locals (even as labour) is minimal. Chinese influence on Pacific Islands' political leaders and senior levels of island nations' civil service is increasing; for example, the Chinese Government has an agreement with the Fiji Government to establish a leadership training institute in Fiji with the intention of training Pacific Islands leaders at all levels. In addition, China has invited a cadre of upper-level Pacific Islands civil servants for a three-week intense training course on leadership, policy making, and conflict management, held in September 2013.

In the long term, all of this extralimital influence will be followed by increased investment and population settlement in the Pacific Islands region — especially by China, Russia and other major Asian countries like Indonesia, all of them having interest in land and sea resources of the PICs — and therefore will influence the direction of labour migration and industrial development in the Pacific Islands region.

In future, local underlying hostility in the Pacific to increased foreign occupation of positions in the public services and businesses could surface with more political instability (an example of this phenomenon is the riots in Solomon Islands against businesses owned by 'new' Chinese in 2006, where most of those businesses were burnt down).

¹¹ The Kiribati-Australia Nursing Initiative is within the strategic approach to human resource development under the joint country program strategy between Australia, New Zealand and Kiribati. It is in response to the Kiribati President raising the need to educate more I-Kiribati youth for international employment opportunities; the global shortage of skilled nurses was a particular opportunity identified (www.ausaid.gov.au/countries/pacific/kiribati/Documents/kiribati-nursing-design-doc.pdf - accessed 15 Jan 2013)

These are some reasons why more skills exchange *between* PICs would be better than contracting people from outside of the Pacific Islands region – as is now a common practice in a variety of occupational spheres.

Certification or standardisation of skills is identified in the Trade in Services (TIS) Protocol as important. The South Pacific Board for Educational Assessment (SPBEA) is carrying out quality assessment of skills in the Pacific Islands region, and in Fiji the High Education Commission is also conducting skills certification. These programs are excellent and they should be supported throughout the region.

Swapping (exchanging) particularly highly-skilled people around the region on a ‘Mentoring’ program is one area that sparse skills can be utilised effectively, the cost of training can be offset, and lower-skilled people can be guided by other Pacific Island nationals to improve their service delivery. The Australian Government’s Strengthening Specialist Clinical Services in the Pacific (SSCSIP) scheme could be expanded into other areas.

Recommendations:

The PICTA- Temporary Movement of Natural Persons scheme is being proposed without recognising that its primary tools are absent; that is, local manpower. PICS need first to develop their manpower and training plans to underpin schemes such as this. National plans need to be developed for the next five to 20 years that identify the industries that each country will prioritise on the basis of its economic and natural endowments (for example, for Fiji – mining, forestry, fisheries, tourism services; for Kiribati – fishing; for Papua New Guinea – similar to Fiji; and so on). From such planning, PICs can then plan their educational skills need and they could best pool resources for the training of special tertiary and Technical and Vocational Education and Training skills. ‘Sustainable development’ means PICs developing their resources and related skills for their needs in the modern economy. Another example is the training of people for Pacific maritime and fishing industries.

FIC governments should engage heavily in skills training — mainly for Trades. This would mean that when trades people leave, there remains a suitably-skilled workforce to do their jobs without lack of quality. The ADB’s ‘Skilling the Pacific’ (2008) is an excellent resource for decision-making on skills training.

The ultimate aim of Pacific Island countries should be to produce an ‘over-supply’ of skilled tradesmen and tradeswomen so that they are in the position of ‘trading’ their surplus (which is the purpose of the PICTA Trade in Services). Fiji’s National University is embarking along the track of skills training. And at least FIC-supported training would be ‘home grown’ (*contra* the Australia Pacific Training College (APTC) and Kiribati Australia Nursing Initiative (KANI) schemes).

It is not only with the expectation of skilled people leaving that skills training must be pursued. Pacific countries should strive to meet the basic livelihood skill needs of their own people who remain in the islands and cannot migrate. The Fiji Government’s Sustainable Livelihood Program (run by Fiji National University) is designed to meet the basic needs of ordinary people and enable their self-sufficiency; even to their forming small-scale businesses. In its first year (2012), more than 4000 people in rural Fiji were trained and certificated. The program is very popular and continues; and it is relatively inexpensive.

Even so, the overall cost of training is daunting. Establishing ‘centres of excellence’ in different PICs could be a way whereby that cost could be offset. Every country wants to ‘do its own thing’ but replication is expensive. It is better to have ‘centres of excellence’ supported by different FICs by some kind of fees sharing and/or scholarship scheme. It is difficult to know exactly how this scheme would ‘work’ but clearly there are precedents – such as the Maritime Training Schools in Kiribati and Tuvalu, the School of Medicine in Fiji, the Medical School in Papua New Guinea and the Law School at the University of the South Pacific campus in Vanuatu.

5.3. Practices relative to the protection of migrant workers

The protection of migrant workers and their families is faintly addressed in FIC legislations (Prasad et al, 2009).

Generally speaking, migrants who move to other countries without prior contract may lack accurate information about the jobs available, or be poorly informed about the skills required in other countries. This situation happens particularly where workers are recruited via networking, with working relatives/clan members already overseas. The Fiji Department of Labour rules are that the contracts of nationals working overseas must have provision for insurance, repatriation, compensation (for injury; loss of contract) and be transparent in remuneration offered. The Department also provides Operational Health and Safety counselling and can repatriate nationals caught up overseas. The Fiji National Employment Centre (NEC) also provides Life Skills training for young graduates looking for work. Recruiting agents must give copies of work permits for emigrating Fijians so that the government knows where they are going and why.

Mechanisms employed by some sending (origin) countries to protect their workers include (Go, 2007):

1. passing of legislation identifying joint liability between local employment agency and foreign employer
2. selective deployment ban to countries violating workers' rights;
3. countries agreeing on standard model employment contracts;
4. ratification of international migrant worker instruments (ILO and UN); and
5. advocating for migrants' rights and protection standards in international fora.

Most of those points are addressed by Tabaiwalu et al (2009). Furthermore, the host country *must effectively regulate* the work environment and ensure national laws (pay and work conditions) are adhered to. National labour departments should undertake *regular inspections* of workplaces (re: Point 1); and working migrants should have legal status in the host countries and receive the same treatment as do national workers, covering such issues as injury, maternity, sickness, invalidity, death, unemployment and family responsibilities and any other contingency (re: Point 3). Their contracts should include minimum labour standards, job descriptions, remuneration statements, information on working hours and holidays, transportation, compensation for injuries, emergency medical care, and procedures for dispute settlement (most of these are stated in the Trade in Services (TIS) Protocol), repatriation provision and personal insurance.

Relative to point 4, International conventions (notably the ILO Model Agreement on Temporary and Permanent Migration for Employment annexed to Recommendation No. 86 on Migration for Employment (Revised), 1949) are there to protect and assist migrants but *no Pacific Island government has signed any* (except for the conventions on smuggling). Another recent statement is the *ILO Multilateral Framework on Labour Migration: non-binding principles and guidelines for a rights-based approach to labour migration* (2006) that addresses matters such as decent work, means for international cooperation on labour migration, effective management of labour migration, protection of migrant workers (also against poor migration practices) and the migration process.

Benefits provided to certain migrants include within-country travel, leave in lieu, vehicle privileges, paid home leave, study opportunity, education allowance for children, health and/or life insurance, free clothing and food, home air tickets for family every six months, daily subsistence allowance, free or subsidised accommodation, tax-free salary, maternity and annual sick leave.

The Temporary Movement of Natural Persons (TMNP) scheme states that employers should provide bonds for migrant workers. The TMNP scheme recommendation to include family rights is a good move and is in line with relevant United Nations and ILO conventions. The TMNP Protocol is addressing social security benefits – and States could make bilateral (or multilateral) agreements on social security, which could be financed through levies from migrants. The funds also could provide various kinds of emergency assistance. The Protocol also contains considerable information on how

remittances would be transferred to the workers' home countries. Making it easier and cheaper to transfer fund, and lower fees, are important contents of remittance policy.

Benefits awarded to intra-PIC skilled migrants being engaged ranged from 'the same as local employees' (Tonga government; University of the South Pacific) to housing and transport allowance, living allowance, accommodation subsidy, visa sponsorship, free utilities, airfare for employees and dependants, medical cover, optional superannuation, education allowance for dependents, local bank accounts, health insurance, study programs and tuition subsidies. Level and quantity of benefit however, depends on the kind of organisation / institution the employer is (private organisations giving much greater benefits than public ones).

On the negative side and upon their return, some workers in Kiribati for instance receive lower salaries because of a 'freeze' on the salary scale, or the same salary as they had before they left (Tonga), or have to commence at the beginning of their occupation level (and lower salary than they had before they left) "because of government regulations" (Fiji).

Whereas conditions for migrant workers are being addressed in both the Skilled Movement Scheme and Temporary Movement of Natural Persons scheme, there is silence on FIC government policies for return migrants (for example on their re-integration to the work place). Although that measure is a matter for individual FICs, in the interest of workers' welfare and retention, it should be addressed.

6. Evaluation of the PICTA TIS-TMNP scheme and comparison with other skilled mobility schemes

6.1 Relative benefits (or disadvantages) under the PICTA TIS-TMNP scheme

The Pacific Island Countries Trade Agreement on Temporary Movement of Natural Persons (PICTA TMNP) scheme provides the following benefits and incentives:

- a job opportunity in another FIC when there are no opportunities in their own country;
- their spouse being able to seek work in the host FIC also;
- the opportunity to gain skills and experience which may provide them with a chance for career advancement when they return to their home country; and
- the opportunity for skills transfer (to a worker in the host country).

It does not specify that salaries or wages offered will be higher than those offered in home countries however, nor allowances as alternatives. They are the usual incentives for skilled workers migrating, the opportunities identified above perhaps perceived as 'add-ons'; and offsetting them is the opportunity cost of being away from home and community for lengths of time.

Indeed, Article 6 of the Temporary Movement of Natural Persons (TMNP) protocol specifies that in all measures affecting the supply of services, all parties will be treated equally. If formally different or equal treatment is accorded by one Party to services or service suppliers from any other Party or to its own like services and service suppliers, that treatment will be considered less favourable if it modifies the conditions of competition in favour of that Party over other Parties; and no compensation is required to compensate 'for any competitive disadvantages'. In other words the Temporary Movement of Natural Persons is attempting to close off between its Parties any competition for skilled labour. In the circumstance of the 'Sellers Market' that exists in the Pacific Islands region now, Parties to the Temporary Movement of Natural Persons scheme cannot hope to comply – not in either of the proposed Tiers.

Perhaps one reason why negotiations on PICTA's Temporary Movement of Natural Persons scheme take a long time, is FIC governments' concern that they are being asked to agree to the scheme in the face of inadequate research, assessment, and consultation: on the one hand, the FIC government (may) be aware that the research and assessments have not been carried out in their State, yet on the other hand, they do not have the resources to do them (Pacific Trade, 2009). Another reason may be that under the scheme, and in the face of insufficient skilled labour to "go around", Pacific Island countries are openly competing with each other for skilled workers –surely against PICTA objectives. This free movement of labour (and the expectation that PICTA partners will facilitate it) may be a cause also why four FICs (Palau, Nauru, Niue and the populous Papua New Guinea¹²) have not agreed to the Trade in Services - Temporary Movement of Natural Persons (TIS-TMNP) scheme (PICTA, 2012) and/or is a 'sticking point' for many of the smaller PICs (Narsey, 2009a: 353).

TMNP's proposed Tier-2 (trades people). *In the long term*, there is merit in the Tier-2 being managed through a quota system relative to States' populations' needs. However, that 'long term' is a long way away. Within each PICTA member's country, the open market already dictates supply and demand and trades people work within it. While the proposed Temporary Movement of Natural Persons (TMNP) scheme is attempting to reflect collaboration and sharing between PICTA members, in reality members rarely have enough trades people to meet their own demands. Tier-2 for tradespeople should not be abandoned but it *needs to wait for a full appraisal*, significantly increased supply of local (Pacific) tradespeople, and comparison with how the Melanesian Spearhead Group's Skilled Movement Scheme (MSG's SMS) works.

¹² Fiji is not a member of the PIFS.

In most instances, the cost of administering migration schemes is offset largely by remittances received by participating governments. The Temporary Movement of Natural Persons (TMNP) scheme does not demonstrate that that will happen. Although sharing similar outcomes, the Melanesian Spearhead Group's Skilled Movement Scheme proposes to place administration in the hands of independent recruitment agents – and as we identified earlier, they are the obvious vehicle.

Both PIFS (secretariat for the Trade in Services) and mutual arrangement in the Melanesian Spearhead Group territories are able to facilitate and/or repatriate (a) migrant worker(s) in case of natural disaster or warfare, or if the worker is charged with any criminal activity.

6.2 Comparison with other skilled mobility schemes

Comparison of the proposed PICTA- Temporary Movement of Natural Persons (and the MSG's Skilled Movement Scheme) with mobility schemes of extra-regional Small Island Development States (SIDS) is worthy. One such is the Caribbean Community Skilled Migration Scheme, or CARICOM, that has been in operation for some years; there are also various schemes in Asia.

6.2.1 Caribbean Community Skilled Migration Scheme (CARICOM)

Small Island Development States (SIDS) in the Caribbean region share many characteristics of Pacific Island states, and like them, many Caribbean countries fall under the ACP group of States. They already have completed negotiations with the European Union on an Economic Partnership Agreement (CARIFORUM-EU Economic Partnership Agreement (EPA)). In this connection CARIFORUM and Europe have also agreed to allow the temporary movement of natural persons.

For many living in Caribbean island States a crucial question of the betterment of their livelihoods is the question of how they can access labour markets outside their home countries (ECLAC, 2005). Pacific and Caribbean nationals have similar motivations – wishing for regional economic integration and cooperation among its members. Relevant to labour mobility, there are incentives for skilled labour to move within countries of the Caribbean Community (CARICOM). With the establishment of a Caribbean Single Market and Economy (CSME) in 2006 CARICOM also established measures to facilitate the movement of skilled persons within its member countries (Tabaiwalu et al. 2009). Caribbean leaders have agreed to have the integration process completed by 2015. Then a single economy should be fully operational.

This scheme is governed by the Caribbean Community Secretariat, an international organization. It spans the central Americas and participating countries are Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and the United Kingdom. It specifically establishes free movement of Caribbean nationals for the purpose of engaging in economic activity (see: <http://www.csmeonline.org/en/>), and persons of CARICOM or EU countries may enter each others' countries for up to six months (Nurse and Jones, 2009).

The CARICOM scheme also provides for social security rights, including protecting the entitlement of workers to social security long-term benefits when they move from one contracting State to the other. All workers and their dependents in a host country are covered by the scheme. CARICOM as a single market eliminates the requirement of passports for travel within CARICOM for nationals of the Community (most CARICOM states in the meanwhile have adopted a common CARICOM passport), the elimination of the requirement of work permits for CARICOM nationals, and established mechanisms to certify and establish equivalency of degrees (Tabaiwalu et al. 2009).

The CARICOM secretariat is very specific about the skills permitted under the scheme, and reciprocity between States is expected. Today, university graduates, media persons, sports persons, artists, self-employed service providers, teachers, nurses and technical and managerial staff as well as

supervisors from companies by CARICOM nationals established in another CARICOM State are covered by this agreement. For university graduates a copy of their degree is sufficient proof of required qualification, for others a Certificate of Recognition of CARICOM Skills Qualification is needed in case they wish to take up work for longer than six months. All need a police certificate of character.

Tabaiwalu et al. (2009) highlight that in CARICOM just a particular qualification is required to move to another CARICOM country for work. If one has a university degree then an entitlement to move automatically is established, regardless of occupation, work experience and other aspects. Also for other professional categories the sheer possession of particular qualifications are deemed sufficient. This single requirement removes complexity from the scheme and makes it 'user' friendly.

6.2.2 Asian labour schemes

Go (2007) discusses a variety of Asian bilateral labour agreements. As with some aspects of the Temporary Movement of Natural Persons (TMNP) scheme, their overall objectives include addressing manpower needs, cooperating in managing migration, being always able to access labour markets in other countries, easing unemployment issues, protecting the welfare of workers and obtaining foreign exchange through worker remittances. They may focus on the terms and conditions of employment of foreign workers, promoting areas of cooperation, exchange of information to enhance labour administration, enhancing the welfare and protection of foreign workers, and arbitration processes (Go, 2007). Mutual assistance relative to claims, export of social security benefits (to other countries), qualification for benefits and payment of benefits may also be addressed. "The effectiveness of these bilateral mechanisms depends not so much on how legally binding they are as on *how well they are implemented and enforced by the contracting countries*" (Go, 2007: 2).

Yet negotiations to implement and continue the schemes are difficult (Go, 2007): for example, receiving countries may not agree that foreign workers and nationals are covered by the same laws and regulations; governments may not prefer to influence negotiations between workers and private employers or agencies; and host countries may fear that a formal agreement with one country could induce a 'flood' of proposals for similar agreements from sending countries.

Go (2007) lists areas where bilateral agreements can be undermined:

- Weak monitoring and enforcement mechanisms of agreements;
- Economic interests of employers weakening worker welfare and protection rules (including lack of freedom-of-association, confiscation of travel documents, withholding of wages)
- Gender sensitivity not addressed;
- Migrants not treated equally with nationals in the areas of wages, social security and medical care.

7. Conclusions

Pacific Islands Forum members correctly identified that access to skilled services are most important for the development of the Pacific Islands region and its nations' desire to become more engaged members of the global economy. The Pacific Island Countries Trade Agreement (PICTA) members are attempting to address the challenge of skills shortages in all of their countries by utilising the Trade in Services protocol agreed to as part of PICTA. With few exceptions however (Fiji, Tuvalu, Solomon Islands and Papua New Guinea), it seems that Pacific Islands governments are attending to only the 'recruit' element of the statement that 'when there are less skilled people than the society needs, a government needs to either recruit, or train, replacements'.

The PICTA Temporary Movement of Natural Persons (TMNP) scheme is based on the premise of surplus labour. Until there is surplus labour then, it would be unable to be implemented in desired skills. Despite the limits of this study, it produced the clear finding that there is unlikely to be 'surplus labour' in the Pacific — except in some specialist fields. So an appropriate way for Forum Island country (FIC) governments to participate in and benefit from the scheme, is for them to first concentrate on skilling their people — as replacements for those who migrate, to provide services for their people, to support national development and to produce enough skilled nationals that there is a surplus.

Perhaps this need has not been so apparent until the recent past; but with burgeoning population growth in most Pacific Island countries, governments generally are hard-pressed to ensure services are available to their nationals. True, skilled workers overseas are the senders of remittances — and it is perhaps in hope of them increasing that FICs have also agreed to the Temporary Movement of Natural Persons (TMNP) scheme. Yet with no promise in the TMNP protocol of greater salaries and earnings above what skilled workers are already receiving (or could receive if they independently sought work outside of their home countries), remittance flow from and to member countries is unlikely to be significant if it is based only on the PICTA Temporary Movement of Natural Persons scheme.

Additional costs of the Temporary Movement of Natural Persons scheme (such as administration by government Labour and Immigration departments), the need for monitoring, advertising and reporting appear to be burdens for governments because benefits received may not compensate for applied resources. This study recommends that those costs not be encouraged and be borne instead by established businesses.

The primary conclusions from this report are that:

- governments must address skills shortages in their own countries by relevant training; and that
- governments must collect and/or analyse their known significant store-houses of immigration and skills information and perform, with business communities, comprehensive labour market analysis.

People have the right to migrate and cannot be constrained. People move in pursuit of better lives and conditions of work and for new experiences. Mobility and migration can achieve their full potential for development if the following conditions are ensured: *freedom to move* is granted, rights of people who do not move are not affected, and migration takes place in a safe and orderly manner. The opportunity exists now, for the age-old movement of Pacific Islanders, to be retained within the region itself if PIC governments would create better living and work conditions through strong support for skills training and knowledge transfer — particularly for the region's youth.

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Annexes

All the annexes are available at: <http://www.acpmigration-obs.org/Our%20publications>.

- A. Annex A, tables 1 to 5
- B. Interviews conducted in Fiji
- C. Summarised focal group discussions
- D. Comparison of FIC migration policies and Pacific migration schemes (tables 1 and 2)