

TEMPORARY MIGRATION AS A  
DEVELOPMENT TOOL?

THE POTENTIAL OF PACIFIC  
SEASONAL WORKERS TO MEET  
NEW ZEALAND AND AUSTRALIA'S  
DEVELOPMENT GOALS FOR THE  
PACIFIC ISLANDS

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## Abstract

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The concept of temporary migration is commanding increasing attention. As the global community searches for new ways of promoting development in the developing world, and economically-advanced countries continue to experience labour shortages, labour mobility and temporary migration have arisen as potential ‘triple-win’ solutions. This thesis explores the concept of temporary migration as a development tool, using New Zealand’s Recognised Seasonal Employer scheme and Australia’s Pacific Seasonal Worker Employer Scheme as models. It examines the extent to which these two recently-adopted temporary migration schemes have the potential to meet the development goals and objectives of New Zealand, Australia and the Pacific region.

This thesis argues that in fact, temporary migration can potentially provide a development ‘triple-win’ situation – for the countries that receive the workers, for workers who migrate, and for countries that send the workers in the first instance. However, in the case of New Zealand, Australia and the Pacific, the extent of that triple win depends on a number of factors. Some factors relate to the lessons derived from countries with past temporary migration experiences, about how to manage schemes effectively. Others are specific to the Pacific Island context, the development priorities present in the region, and the unique relationships that exist between New Zealand, Australia and the island states. Therefore, this thesis explores how two temporary migration schemes can be formulated, designed and implemented, in a particular context, to potentially address pressing concerns about development. This thesis does not attempt to analyse whether development objectives have actually been achieved through the schemes but rather assess their potential, as a step towards increasing what we know about how to achieve development in the Pacific, and how

other regions of the world can adapt this knowledge in the future.

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# Chapter One – Introduction

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The concept of temporary migration is commanding increasing attention. As the global community searches for new ways of promoting development in the developing world and economically-advanced countries continue to experience labour shortages, labour mobility and temporary migration have arisen as potential ‘triple-win’ solutions. This thesis explores the concept of temporary migration as a development tool, using New Zealand’s Recognised Seasonal Employer scheme and Australia’s Pacific Seasonal Worker Employer Scheme as models. It examines the extent to which these two recently-adopted temporary migration schemes have the potential to meet the development goals and objectives of New Zealand, Australia and the Pacific region.

The challenges facing developing countries are growing, and innovation and cooperation are required to address these challenges. Greater emphasis on the development potential of temporary migration is being lauded, in particular due to the renewed interest in remittances, which has seen temporary migration schemes introduced in parts of the world, including the Pacific region. Following vocal requests from Pacific Island leaders, demands from the horticulture and viticulture sectors experiencing extensive labour shortages, and influential reports from international institutions, New Zealand introduced the Recognised Seasonal Employer (RSE) scheme in 2007. Australia followed soon after, with the announcement of a Pacific Seasonal Workers Pilot Scheme (PSWPS) in 2008.

As always, there are two sides to every debate, and cautions have been made about using a development argument to justify the reintroduction of temporary migration. Those who warn against the development merit of temporary migration point to historical cases, where unintended consequences led to the abandonment of schemes and left countries facing greater challenges than before. However, there is evidence to suggest that new temporary migration



models can provide a ‘win-win’ solution for both migrant sending and receiving countries. This thesis argues that in fact, temporary migration can potentially provide a development ‘triple-win’ situation – for the countries that receive the workers, for workers who migrate, and for countries that send the workers in the first instance. However, in the case of New Zealand, Australia and the Pacific, the extent of that triple win depends on a number of factors. Some factors relate to the lessons derived from countries with past temporary migration experiences, about how to manage schemes effectively. Others are specific to the Pacific Island context, the development priorities present in the region, and the unique relationships that exist between New Zealand, Australia and the island states. Therefore, this thesis explores how two temporary migration schemes can be formulated, designed and implemented, in a particular context, to potentially address pressing concerns about development. This thesis does not attempt to analyse whether development objectives have actually been achieved through the RSE and PSWPS – given that both schemes have been in place less than five seasons, and development is a long term process. Rather, it aims to assess the development potential of the schemes as a step towards increasing what we know about how to achieve development in the Pacific, and how other regions of the world can adapt this knowledge in the future.

This thesis attempts to contribute to the growing field of literature on temporary migration by offering an insight into the development potential of two recent temporary migration schemes in a region of the world that is often forgotten. The Pacific islands face a number of development issues. They are isolated, small in size and population, with high unemployment and an increasing number of youth, an issue considered one of the more imposing challenges confronting policymakers. Their economies are fragile, and economic growth is very slow. The islands are particularly vulnerable to climatic shocks, and many have inherent ethnic and political conflict. As a consequence, they are heavily reliant on their two geographically

closest developed neighbours, Australia and New Zealand. Interest in the development potential of temporary migration has led to increasing research on the subject since the introduction of the RSE and PSWPS; however, this thesis is one of the first attempts to consider both schemes and the development goals of New Zealand, Australia and the region together in a consistent manner and assess them against a criteria based on current knowledge and research. Through the review of literature, policy, media, conferences and interviews, a wider understanding of the complexities involving temporary migration and development, in the Pacific and beyond, can be achieved.

### *1.1 Thesis outline*

Literature on temporary migration has steadily increased in recent years, ranging from authors debating how temporary migration programs can be managed to avoid the issues that have beleaguered schemes in the past, to the construction of temporary migration policy designed to have benefits for all involved. Chapter Two provides a review of this literature on temporary migration, in order to frame and direct the theoretical background of New Zealand and Australia's temporary migration schemes. It examines the concept of temporary migration and what sets it apart from other concepts and theories of migration. This chapter identifies some of the key failings of temporary in the past, and considers the ways that authors have suggested temporary migration be managed to avoid these failings and promote successful outcomes in the future. The literature review discusses the migration and development nexus, with a particular focus on remittances, and the two schools of thought that debate the true contribution of remittances to development. Perhaps most importantly, the chapter reviews the literature that has emerged on temporary migration and development;

this established the need for further research into the potential of temporary migration, which is one of the aims of this thesis.

Chapter Three focuses on the development in the Pacific region. The Pacific islands are characterised by a number of features that impede their development, and as a consequence, have become among the most aid dependant nations in the world. New Zealand and Australia have always dedicated much of their Overseas Development Assistance (ODA) budget towards the Pacific, yet development progress has not been as emphatic as hoped. The chapter discusses how the global approach to development has shifted, represented by the participatory approach and the United Nations Millennium Development Goals (MDGs) as a measure of development. It provides the context for explaining how temporary migration has emerged in the Pacific as a development strategy requiring the cooperation of the region to meet the development goals established by New Zealand, Australia and the Pacific islands Forum, which are also discussed.

In order to examine the extent to which the RSE and PSWPS offer the potential to meet the development objectives identified in Chapter Three, an evaluative framework was necessary. The nature of the literature on temporary migration and development meant that no pre-existing framework was available that could be used for such a purpose. Chapter Four therefore establishes an original framework with six criteria that can be used to draw conclusions. The criteria are based on best practices in temporary migration identified in the literature review; knowledge of Pacific Island culture and development challenges; and a framework established by the International Labour Organisation (2006) to help guide temporary migration and development best practice. The criteria are unique in that they have been designed specially to assess the potential of the RSE and PSWPS in the Pacific context.

Chapter Five outlines the RSE and PSWPS. It identifies key design and development features as well as responses to the schemes by those involved in its conception, design, implementation and those intended to benefit from the impacts. While based on the same premise, with the aim to respond to similar needs, the two schemes do differ in a number of ways that have implications on their ability to function at their intended capacity and promote development. This chapter will contribute to the assessment of the extent to which the RSE and PSWPS have the potential to meet development goals.

Chapter Six uses the evaluative framework to explore the development potential of the RSE and PSWPS. Using a wide range of sources, including interviews, media documents, anecdotal evidence and progress reports, the chapter seeks to provide a comprehensive assessment of the two temporary migration schemes for Pacific workers. Built on an analysis of the five criteria established, the chapter argues that the RSE shows exceeding promise to meet the development goals of New Zealand. Based on the design and structure of the scheme, which seeks to limit the issues that have plagued past temporary migration programmes; the parallels in focus between the development objectives of the scheme and those of the New Zealand Government for the region; the coordination that exists between New Zealand and Pacific Island governments, and a strong cost-benefit analysis that emphasises far greater benefits than costs, the RSE demonstrates strong potential. In contrast, the PSWPS lags behind the RSE. Given the lack of comparable data available on the PSWPS, the thesis argues that Australia needs to facilitate a greater commitment to making its scheme work, if it is to provide the potential to meet Australia's development goals. The chapter offers some suggestions as to how this can be done, as well as some recommendations that could be applied to ensure that the development potential is maximised for both schemes.

This thesis does not attempt to make any assessments on whether the scheme has led to development in the Pacific. Such evaluations require long term research and analysis beyond the capabilities of this student. However, it is hoped this thesis will be able to contribute something of value to the growing field of literature on temporary migration and development, in a region of the world that is clearly in need of innovative development policies and support from its two closest neighbours.

## Chapter Two – Literature Review

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### 2.1 *Introduction*

While there has been a resurgence of interest in the concept of temporary migration, and in the advantages of its use for both sending and receiving countries, discussions on temporary migration are not new. Temporary migration has spawned a body of scholarly literature that is contested and challenged. Described as a term to cover ‘a plethora of chronologically and spatially disparate situations,’ three recurrent themes are evident; debates over the value of temporary migration; the management of temporary migration programs; and temporary migration as a development tool (Miller, 1986, 740). This chapter explores some of the literature in order to frame the background of New Zealand and Australia’s temporary migration schemes. It is by no means an exhaustive study; its aim is to provide an understanding of the past and current debates that exist on temporary migration to establish a theoretical perspective to guide the thesis.

There are some consistent trends evident in the literature on temporary migration. There appears to be a common understanding among authors that the rationale for temporary migration is established. Few attempts are made to expand on it, and most authors use past schemes to illustrate and clarify the development of their own understandings and ideas on the subject. The literature on temporary migration is also affected by the multitude of academic approaches taken to its study ranging from economics, sociology, and political science to geography. This diversity means that the literature can be both insightful and disjointed, and a largely pre-theoretical state of knowledge on temporary migration still exists in the disciplines (Miller 1986, 755). This is mostly due to the different forms temporary migration has and continues to take, creating difficulties for those attempting to make sense of a concept that continues to evolve. The literature tends to be written from a largely

European and American perspective - when studying temporary migration schemes in authors attempt to apply their findings to their particular context of interest. This has created a body of literature on temporary migration that is well-developed on the effects on receiving countries, while limited on the impacts on sending countries.

This chapter will be broken up into a number of thematic sections. Firstly, temporary migration will be defined and characterised; secondly, the value or significance of temporary migration will be evaluated; thirdly, how authors believe temporary migration should be managed will be critiqued; next, the evolving literature on migration and development will be discussed; fifth will be a review of the rapidly growing interest in remittances as an effect of temporary migration; lastly, the increasingly acknowledged interactions between temporary migration and development will be assessed.

## *2.2 Definitions and characterisations - what makes temporary migration different*

There is no single definition of temporary migration, which is part of the reason the literature on the subject suffers from a lack of theoretical coherence. Scholars have however identified a number of characteristics of temporary migration. The defining characteristic is the notion of ‘temporariness’, the migration movement implies a return of migrants to their country of origin and a reintroduction into society. Subsequently, while temporary migration can include a considerable range of movements, it can be defined broadly as relating to the movement of those migrants admitted for a specific time and purpose but not granted residency (Kritz and Keely, 1981). Martin Ruhs, in his work on temporary migration, has taken a step further in assuming a legal criterion in proposing that the core feature of the concept is based on migrants as ‘temporary’ citizens – as employment and the right to reside on the basis of a temporary work visa does not in itself entitle a migrant to permanent residence (2006, 9).

Ruhs' definition has since been adopted and expanded by others to determine whether a form of migration can be regarded as temporary. Heinz Werner, for example, proposed three implications of this definition – firstly, a temporary worker must have a fixed-term contract of employment specifying occupation, geographical area of work and employer; secondly, temporary workers must leave the country at the expiration of their contract; and thirdly, the facilities for family reunion do not apply to them (1996, 5).

Interestingly, although most authors acknowledge temporary migration consists of a range of movements, the literature almost exclusively focuses on temporary labour migration.

### *2.3 The value and significance of temporary migration*

The existence of temporary migration programmes has often been explained by the perceived economic gains for all parties involved: receiving countries may benefit from an increased supply of labour, while sending countries may benefit from remittances and the return of more highly skilled workers (Ruhs 2002, 3). However, it is evident from the wider literature on temporary migration that the aims, value and significance of programs or schemes depend a great deal on perspective. The majority of the literature is written with the view of the effects on receiving countries kept firmly in mind. From the receiving countries' perspective, the value of temporary migration lies in the ability of schemes or programmes to add workers to a country's labour force without adding permanent residents to the population (Martin 2006, 2); and to relieve labour shortages during certain times, without putting pressure on the political system, or social services. Through temporary migration, countries have the possibility of not only increasing the supply of labour during periods of economic growth but also reducing the supply through the return of temporary migrants during periods of recession (Abella 2006, 15). In terms of benefits for labour-sending countries, governments welcome



the relief from unemployment that is provided by programmes; thus, temporary migration schemes allow one country to ‘borrow’ excess workers from another labour force in what has been considered to be a ‘compelling logic’ (Martin 2006, 4). Since the Global Commission on International Migration recommended that attention be given to ‘carefully designed temporary migration programs as a means for addressing the economic needs of both countries of origin and destination’ (2005, 16 in Hugo, 2008, v) there has been considerable debate on the potential of temporary migration. From a critical perspective, opponents to temporary migration point to the denial of migrant rights in destination countries, lack of opportunity for social mobility, and the history of exploitation of temporary migrants (Hugo, 2008, v). This critique is based almost entirely on failures of temporary migration schemes established in the 1950s and 1960s. Germany’s *Gastarbeiter* scheme is commonly documented as a failure, in terms of both neglecting to meet policy objectives and in generating a number of unanticipated consequences. The German system for recruiting workers, developed following World War Two, was considered sophisticated. Based on a high degree of state involvement, the programme recruited workers for a short time, while limiting their rights. The idea was to provide a ‘mobile labour potential’ based on the system of rotation where the labour force of southern Europe could offer a constant supply of workers to Germany without the permanent settlement and creation of social or cultural consequences (Castles, 2006, 2). However, the scheme had many unintended results. By the 1960s, the official recruitment system had broken down, leading to large flows of uncontrolled entry, overstaying and increased family reunion. Many industries and occupations were becoming dependant on migrant labour, with employers attempting to retain workers with experience and skills, and the rotation system broke down. Migrant labour ceased to be a low-cost option for employers and its social and cultural consequences

became evident: officials and politicians who had designed the guest worker system failed to “understand the inherent dynamics of the migratory process” (Castles, 2006, 4).

Another scheme that is frequently discussed within the literature on temporary migration is the United States’ (US) *Bracero* programme. The *Bracero* program was a series of agreements between Mexico and the United States under which some 4.6 million Mexicans were admitted to work on temporary visas on farms between 1942 and 1964. The workers were recruited by the Mexican government and sent to camps on the US side of the border, where employment, wages and conditions of work were established by agencies on behalf of the US government (Galarza, 1964; Samora, 1971; Reichart and Massey, 1982 in Massey and Liang, 1989). During the 1950s, demand for visas significantly exceeded supply, leading to mass undocumented migration and an estimated 5.3 million Mexican illegal apprehensions. A study by Massey and Liang (1989) provided results indicating that as a result of *Bracero*, migrants were likely to make repeated trips, both with and without legal permission. Workers were also more likely to introduce their children into a migratory lifestyle, and in time more likely to settle in the US in substantial numbers. These results led to the authors suggesting that temporary migration and guest-worker schemes have three long term consequences. Firstly, temporary migration schemes shift the motivation of migrants from working to remit and save, to the garnering of consumer and material possessions, which increased the probability of additional trips; secondly, temporary migration schemes lead to the spread of similar behaviour through family and friend networks; thirdly, temporary migration schemes generate a high probability of migrant settlement in the receiving country (Massey and Liang, 1989; 206).

The consequences of temporary migration schemes have been further highlighted in a comprehensive analysis by Martin Ruhs (2002) of six major schemes in the United States, Germany, Switzerland, Kuwait and Singapore. This suggested that despite differing

significantly in design, the adverse consequences of these temporary migration schemes were remarkably similar. Impacts included vulnerability of migrant workers towards exploitation, the tendency of schemes to grow larger than desired, local worker opposition and the emergence of illegal workers (Ruhs, 2002, 5). Temporary migration schemes have been considered to be costly and complicated (Bartram, 2005, 5), inherently flawed (Ruhs, 2002, 45), and a 'mirage' (Martin and Teitlebaum, 2001). The notion that all temporary migration schemes fail, and the aphorism that there is nothing more permanent than temporary workers, is an especially strong undertone flowing through much of the literature prior to the 1990s.

However, the reintroduction of temporary migration schemes across the globe has seen a paradigm shift in approach to much of the more recent writing on temporary migration. That many countries are now returning to temporary migration as a way of meeting their labour demands is reflected in a more positive tone within literature. Rather than disputing the adverse consequences of past temporary migration schemes, current proponents argue that earlier mistakes can be avoided by adopting innovative policy design. Instead of revisiting arguments for and against temporary schemes, most of the literature takes migration as a given and rather ponders the 'points of leverage in a schemes design' that could enhance the benefits for everyone (Barber et al 2005 in Williams 2009, 15). Policy-makers as well as academics are now questioning how to develop policies that meet the interests of parties directly involved. More recent literature has also, to some extent, argued the benefits of temporary migration schemes from a sending country perspective. While reservations must be made about the motives of debating the benefits from this point of view (that is, whether these arguments are being cleverly posited as a justification for developed countries' use of foreign labour) there is growing evidence to suggest new temporary migration schemes can have positive impacts on sending countries. One example frequently highlighted is the Canadian seasonal worker scheme, on which the New Zealand and Australian schemes are

modelled on. Canada's Seasonal Agricultural Workers Program has been bringing seasonal agricultural workers to Canada since 1966. Originally designed to import workers from the Commonwealth Caribbean countries, it expanded in 1974 to include Mexico. Communication is freely maintained by the Canadian and Mexican governments, and workers are well-looked after while in Canada, including being provided with free approved housing, paid a minimum wage and given medical insurance (Basok, 2008, 8). The scheme is intended to be pro-poor; the Mexican Government aims to assist those who may have trouble obtaining employment in the home communications or those with low level of education by giving them preference to the scheme. In order to limit overstaying, Canadian officials also give preference to workers who are married with children, as they have a greater likelihood of returning home (Basok, 2003, 8). Measures such as these ensure that the scheme has benefits for both the sending and receiving countries, minimising the incidence of problems experienced by previous schemes.

#### *2.4 The management of temporary migration – issues in the literature*

As mentioned, more recent literature focuses on how best to manage temporary migration programmes, in order to ensure that issues which drew criticism in past schemes and led to the demise of such schemes are not repeated. Two such issues are dealt with in detail in the literature: the treatment of temporary workers, and illegal immigration.

In the past, little attention had been paid to the intricacies of balancing human and labour rights against economic interests by policymakers designing temporary migration schemes. However, the evolution of a greater global interest in human rights has seen increased attention paid to looking at ways to protect workers and to limit their exploitation. There is now much debate about how temporary workers are provided for while abroad, and further

the ability of temporary migration schemes to work in liberal democratic states. Being away from home, temporary workers are ‘inherently’ more vulnerable to deprivation of their basic human rights than citizens or permanent residents (Ruhs, 2002, 23). One of the main sources of this vulnerability arises from the requirement that while employed in a temporary migration scheme, a migrant must remain with an employer for the duration of their stay, even if they find conditions unsatisfactory – giving employers ascendancy over their workers and increasing opportunities for exploitation. Such circumstances have led to a claim by international migration experts that only less democratic states, which deny rights to workers, can have ‘successful’ schemes (Castles, 2006). Efforts by international organisations to effectively represent and protect the rights of migrant workers have so far had only limited success (Ruhs, 2002).

The other issue discussed in some depth within the literature is the subject of illegal immigration and overstaying. In the past, many temporary workers have been observed to overstay their visas and become undocumented illegal workers. Employers, who have invested time and training into their workers, can also be often reluctant to see them leave. Debate occurs over whether conventional approaches to temporary migration are sufficient to ensure migrants do not over stay their welcome (Abella 2006, 17).

It has been in those countries where governments have adopted and enforced stiff penalties for overstaying such as fines and imprisonment that temporary migration appears to have been most effective in avoiding unintended consequences (Williams 2009, 15). Thus, proponents of temporary migration argue that the best way to ensure migrants’ rights are maintained and to avoid the problems associated with potential overstaying workers is to manage programmes more carefully, with better design and implementation. The evolution of new temporary migration policies reflects the efforts of governments to respond to the

demands of their industries for greater access to skills and labour lacking at home, while ensuring temporary migrants are not exploited and benefit from time spent away from home (Abella 2006, 26). Ruhs argues that just because temporary migration schemes have failed in the past does not mean that the notion should be abandoned altogether. Instead, policymakers need to identify the errors of earlier schemes and design programmes that learn from those errors (2002, 45). Given the increase in temporary migration schemes in the last ten years, it appears that most countries do not have a viable alternative to temporary migration. As Michael Collyer acknowledges, ‘temporary migration schemes appear to offer the best possibility for compromise between the interests of the government and the societies of origin and destination’ (2004, 4-5 in Williams 2009, 16). Subsequently, new contributions are being made to the literature of temporary migration in the form of ‘best practice’ guides for designing programmes that involve some trade off between economic gains and the protection of migrants’ human rights (see Ruhs, 2002; Nyberg-Sorensen, Van Hear and Engberg-Pedersen, 2002; Farrant, MacDonald and Srikantharajah, 2006)

This form of literature promotes various policies for facilitating successful temporary migration programmes based on critiques of past ‘failed’ strategies, such as the *Bracero* and *Gastarbeiter* schemes mentioned earlier.

## 2.5 *Migration and development theory*

Migration and development have always been intimately related in academic debates, and theories on the relationships between them date back many decades. Stephen Castles (2008) has noted that historical discussions on migration and development have fallen into two distinct but intersecting discourses – an academic debate and a policy debate. De Haas agrees, stating that the discourses have ‘tended to swing back and forth like a pendulum from sheer

optimism to sheer pessimism, and back again to optimism in recent years' (2008, 1). The most important factor contributing to these distinct patterns of discussion appears to be the conflict that has occurred at times when theory has been put into practice, with varying effects.

The first scholarly contribution to migration was made by 19<sup>th</sup> century geographer Ravenstein (1885, 1889) in which he formulated his 'laws of migration'. Ravenstein assumed migration to be inseparable from development, and proposed the major contributing cause of migration as economic (in de Haas, 2008, 4). Such ideas on migration and development helped form the basis of early theories on the relationship between the two concepts.

Research began to build solidly following World War Two. The main controversy amongst scholars from the 1950s to the 1980s was between development economists who adhered to the neo-classical theory, and the historical-institutional or structural theory applied by political economists and sociologists.

The neo-classical theory took a positive approach to the impact of migration on development. The theory emphasised the individual, rational decision to migrate, assumed migrants had knowledge of (for example) wage levels and employment opportunities in destination countries, and that their decision to migrate was based predominately on such economic factors. Neo-classical theory saw rural to urban migration as having a consistent role in the development process, depicting development as a linear, universal process. According to the neo-classical model, the existence of economic disparities between particular regions should be enough to create migrant flows, in the long term helping to balance conditions in under-developed regions and create an economic equilibrium. Subsequently, the neo-classical model led to an overwhelmingly positive view as to the effects of migration on development in the 1950s and 1960s (Castles, 2008).

The model was based on a number of assumptions, which have been firmly challenged. Van Naerssen, Spaan and Zoomers argue that neo-classicism fails, firstly by assuming migration as voluntary, rather than induced by necessity. Secondly, it fails because the assumption that the decision to migrate is individual, as opposed to being embedded in social units is inaccurate; and thirdly, by assuming decisions to migrate are made on purely economic grounds, important social, political and cultural considerations are not taken into account (2008, 4-5). The neo-classical theory has also been criticised for being a-historical, Eurocentric (Skeldon, 1997 in de Haas, 2008) and ignorant of structural constraints on development such as government regulations (de Haas, 2008, 6-7). However, what is important to note regarding the neo-classical model is that theory represents a school of thought in which migration and development were considered to exist in a positive relationship.

In the 1960s, the historical-structural approach to migration appeared as a response to the shortfalls of the neoclassical theory and the developmental-modernisation approach to development. The roots of the historical-structural paradigm are found in Marxist political economy, dependency and world systems theory (Castles and Miller, 2003, 25). Historical-structuralists did not develop a theory of migration *per se*, but rather assumed migration largely operated as a way of mobilising cheap labour for capital (Castles, 2008). They interpreted migration as one of the many manifestations of capital dominance and the unequal terms of trade between developed and underdeveloped countries (Massey et al., 1998, 36 in de Haas, 2008, 7). The historical-structural theory was closely associated with the development theory of ‘dependency’, which hypothesised that global capitalism contributed to ‘underdevelopment’ in some countries. This school of thought saw migration as a manifestation of capitalism and not only detrimental to the economies of developing countries but as a cause of underdevelopment with the loss of labour and capital to developed



nations. The world systems approach to migration similarly perceived migration as having negative effects on development. In this theory, the movement of people from the 'periphery' (underdeveloped countries) to the 'core' (capitalist nations) contributed to the dependence of less wealthy countries. In the 1970s and 1980s, this pessimistic perception of development prevailed. Castles conceptualised the links between migration and development provided in these theories as a 'vicious circle' – core-periphery division and dependency leading to migration, creating an increased dependency of less wealthy nations leading to underdevelopment.

Up until the 1980s, the theoretical debate on migration and development tended to be polarised around the two approaches discussed. In more recent times, efforts have been made to move towards a more (holistic) understanding of the complexities of migration and development. Debates have been characterised by an increasing merge of theories from migration theorists of different disciplines and backgrounds.

The New Economics of Labour Migration (NELM) challenged both the neo-classical and historical-structural models, and is one of the most contemporary theories yet at explaining the migration-development link by representing a fundamental change in the way the connection is conceptualised and modelled. In NELM, the origins of migration imply certain outcomes for development. NELM focuses on household income and theorises that migration forms part of household livelihood strategies: by way of migration remittance flows, households are able to diversify their economic base and develop new opportunities (Stark, 1980, 1991 in van Nearssen, Spaan and Zoomers, 2008, 6). Migration is thus assumed to have a positive impact on development in the long term (Massey *et al* 1998, 263). NELM uses methods such as qualitative interviews and household surveys that are similar to those used by anthropologists and sociologists. In his review of the NELM model, Arango notes some

doubts as to whether the factors that make it up are sufficiently integrated to constitute a theory, but does offer the NELM as presenting a number of improvements over the neo-classical model, especially the highlighted role of families, the importance of remittances and the interdependence between migration and the context in which it operates in (23). Taylor sees NELM as moving away from the pessimistic views on migration and development that pervaded literature previously by arguing that migration may set in motion a development dynamic, lessening production and investment constraints faced by households and creating growth linkages (1999, 63).

There is yet to be a comprehensive general theory on migration, and scholars have concluded that there will probably never will be (Salt, 1987; van Amesfoot, 1998 in de Haas, 2008, 3).

The situation is similar regarding work on migration and development. As de Haas sums it up,

‘besides a general lack of awareness of prior theoretical and empirical work, it seems particularly the fragmentation of migration studies and the related inability to embed empirical work into a broader theoretical perspective on development, and, consequently, to reciprocally connect the development causes and consequences of migration, that has haunted migration and development studies so far’ (2008, 3).

This sentiment is shared by other authors. Taylor et al. agree:

‘For most of the past two decades, theory has been inadequate to the task of identifying the multiple means by which international migration affects economic development. Partly as a result of this theoretical underdevelopment, the data gathered to assess the relationship between migration and [development] have been seriously deficient’ (1996, 410).

Despite this, significant renewed interest in the effect of migration on development has grown into a revived international debate. Newland (2007) points to a ‘triangle of concerns’ that underlie the resurgence of interest. Firstly, there are concerns about the influence of the

migration of skilled workers. Secondly, there is an underlying hope that accelerated development might slow migration flows. Thirdly, and most significantly, there is renewed optimism about the positive impacts of remittances that migrants send back to their home countries. Remittances are considered to have potentially strong positive effects for developing countries, as a means of furthering economic growth and as a major factor in poverty reduction. The importance of remittances is reflected in the growing quantity of literature dedicated to their discussion in the last ten years.

## 2.6 *Remittances*

Remittances represent the largest direct impact of migration on origin or sending countries. Through remittances, migrants may directly contribute to the economy in their home country through a greater purchasing ability of goods and services, as well as assist indirectly through the stimulation of production (Stark, 1980, 1982 in Taylor et al., 1996).

The remittance-development link is highly debated (Massey et al., 1998; Taylor, 1999). Two schools of thought have emerged contesting remittances and development. The mainstream perspective is an optimistic view that places a great deal of emphasis on how to maximise remittances' development potential, highlight the positive development outcomes such as the provision of scarce capital to households and scarce savings and foreign exchange to national economies with.

The other school of thought assumes a negating pessimistic position. It describes remittances as a crutch for economies and dismisses their potential development value. Nyberg-Sorensen, Van Hear and Engberg-Pedersen (2002), for example, argue that evidence suggests remittances affect less developed countries in three ways – by first being spent on family maintenance (ensuring there is enough food, clothing and resources available) and

improvement in housing; then on 'conspicuous consumption' (which can result in tensions and inflation); and then as an investment in produce activities (14-15). Skeldon (2008) argues that much of the literature on remittances fails to appreciate the fact that remittances reflect the origin of migrants themselves, which are highly concentrated and flow back to a relatively small number of towns and villages in origin countries. The immediate effect, therefore, is to reinforce or increase inequalities between rural and urban or among rural areas. Unlike aid or overseas development assistance (ODA), which can be targeted at specific groups and towards the eradication of poverty, remittances are potentially negative flows of an entirely different nature. Russell (1993) stresses the social and economic costs of remittances: when used for consumptive, rather than investment purposes, remittances can lead to dependence on external income sources, inequality in household growth, lack of productivity and price inflation (in van Nearssen, Spaan and Zoomers, 2008). Many remittance-use studies conclude that remittances are consumed, instead of invested, and are thus not put to productive uses in migrant-sending areas (for example, Papademetriou and Martin, 1991).

However, Taylor (1999) argues that the pessimism emanating from such studies may be unwarranted. Mares and Maclellan (2006) note that the frequent critique that remittances should be directed to investment rather than consumption ignores the crucial role that remittances play in development that reaches beyond the immediate individual or family, with funds spent on family housing, education and health care also providing community benefit (11).

Remittances are considered to be the 'least unstable' source of financial flow to developing countries, and act as an important insurance mechanism (Kapur and McHale, 2003). They loosen financial and risk constraints on local production, thereby playing an important role in

promoting economic growth and development (Taylor et al., 1996). However, very few studies have examined qualitatively the effect of remittances on specific villages or countries. One example of such research was Adams and Page (2003), who sought to determine the actual poverty influence of remittances on a broad range of developing countries. Their study of 74 nations found that both international migration and remittances have a strong, statistically significant impact on reducing poverty (one of the key indicators of development). However, one limitation of the literature on the effect of remittances is the lack of comparative analysis, which makes it difficult to draw any clear conclusions.

Calculating the true development impact of remittances has also proven difficult due to unreliable figures provided by developing countries and the level of remittances that are sent through informal channels. However, the general consensus in the literature is that remittances contribute positively to family and household incomes – especially in countries that provide a ‘fertile ground for migration and remittances to contribute to broad-based income growth in migrant sending areas’, to promote development from migration (Taylor, 1999, 81). One solution offered is that many communities to which workers return to lack the potential for productive investment – if remittances can be built into local and regional planning, real opportunities for investment may be created (Hugo, 2008, 38-39).

## *2.7 Development and temporary migration*

A small but growing field of research has begun to focus on whether migration can be ‘managed’ to promote development outcomes. This leads to the question of where temporary migration fits into the broader study of migration, development and remittances. Some authors argue that the most effective way of ensuring migration is ‘managed’ to meet certain development goals is to create innovative policy. As Skeldon (2008) explains, ‘policy makers

should be examining development policies they wish to implement and then calculate what the implications of such implementations for migration might be' (8). In this way, migration is not seen as being separate from development.

Studies have shown that there is great scope for temporary migration schemes to promote development, as migrants who intend to return home are more likely to make remittances and send a higher proportion of their income back to their country of origin (Barber, Black and Tenaglia, 2005). This is reflected in the number of countries around the world who are showing an interest in temporary migration, not only for what they can gain through an increased labour force but also for the potential development effects for the countries which export their labour. For example, a 2005 European Commission proposal focused on stimulating the 'development potential' of temporary migration schemes through encouraging circular migration, encouraging temporary seasonal migration and assisting with return migration (CEC, 2005 in de Haas, 2008, 20). Ruhs (2006) sees temporary migration programmes as having the potential to increase remittances in three ways. First, by offering workers better access to labour markets in high-income countries, the number of migrant workers legally admitted and employed in high income countries would increase, as would the amount of remittances received by sending countries. Second, migrants with families in their home countries might be expected to remit more of their wages to countries of origin as well as return home than migrants that are allowed to reside overseas on a permanent basis. Third, if enforced, temporary schemes may facilitate greater protection of migrants' wages and employment conditions than if migrants were employed illegally. One of the more decisive conclusions that can be drawn from the literature on remittances is that their impacts, including potential positive impacts on development, critically depend on their use in sending countries. It can then be argued that temporary programmes could help encourage a productive use of remittances by offering migrants access to legal channels of transferring

money to their home countries, affecting the likelihood of money being saved and used at a later date for investment purposes.

Hugo offers a detailed prescription of the best practices in temporary migration for development. He argues that while context is important, the adoption of ‘development friendly’ migration policies by both sending and receiving countries can lead to temporary migration schemes with successful development outcomes as well as ensuring a commitment to applying and enforcing law strictly to all involved; having the capacity to manage schemes effectively; and integration and cooperation between sending and receiving countries (2008, 40-41).

However, many scholars are still extremely wary of temporary migration schemes. Despite their development potential, they see outcomes dependant on many factors, the most important being the design of the scheme itself. The dominant perspective appears to be that temporary migration can be an effective way of maximising the development impact of migration movements, but only if schemes are developed in conjunction with other policies conducive to development and are assisted by receiving countries creating carefully designed schemes that ensure development goals are kept in focus.

## Chapter Three – Development in the Pacific region

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### 3.1 *Chapter purpose*

The Pacific islands are at a global disadvantage. Their small size, remoteness from larger markets, vulnerability to economic and natural shocks, and limited resources have had an enormous impact on their ability to develop at a comparable rate to their regional neighbours, New Zealand and Australia. The slow rate of development in the Pacific islands has always been a major concern to New Zealand and Australia, as it is in both countries' interests to see the Pacific as an economically stable and prosperous region. The primary solution has been to provide large amounts of aid. However, despite considerable foreign policy attention and substantial sums of aid, progress has not been forthcoming and the Pacific islands continue to pose a development challenge.

This chapter provides a context for explaining why temporary migration has appeared on the agenda as a viable option in New Zealand and Australia's approach to meeting development goals in the region. Pacific Island governments have argued for a number of years that there are significant benefits to be harnessed from the exportation of Pacific Island labour to countries experiencing shortages, such as New Zealand and Australia. These benefits can address some of the issues that face Pacific Island nations, such as lack of finance for investment, limited employment opportunities and an increasing youth population. In particular, temporary migration can potentially address concerns that have been raised about increasing reliance on aid. Pacific Island demands for access into New Zealand and Australia are supported by international institutions such as the United Nations and World Bank, as well as a growing literature on the subject that suggests temporary migration has development potential for sending countries. A study of the changing global approach to enhancing development in the Pacific ensures a deeper understanding of how temporary



migration can potentially be an effective strategy in meeting current development goals and initiatives of the region, which are identified in the chapter.

### *3.2 Why are the Pacific islands in need of development assistance? Issues surrounding being 'sea-locked'*

The Pacific islands (excluding Australia and New Zealand) have a number of features that have a negative impact upon their economic and social development. The small nations, of which many consist of a number of isolated islands, range in size and are sparsely located among the world's largest ocean. According to the calculations of economist John Gibson, the Pacific islands are more remote than island countries anywhere else in the world (2006 in World Bank, 2009, 8). Their small size, limited resources and isolation means they are economically restricted and specialise in a small range of products, relying heavily on the tourism industry.

Several Pacific island countries have also experienced political instability and serious civil disorder in recent years, which has discouraged private investment, decreased employment opportunities and contributed to an inability to generate economic growth and improve development (Yari, 2003, 42). Such civil unrest has been linked to the high population growth rate in the Pacific islands, with young people making up a large proportion of the population. This is an additional concern to the development of the region, as the islands generate few job opportunities, and there is an increasingly large number of unemployed youth with few options and limited training facilities.

Furthermore, due to their location, the Pacific islands are highly vulnerable to the environment impacts, including the effects of climate change (IPCC 1996 in Mimura, 1999, 137). As the Pacific islands, to varying degree, still retain subsistence-based economies,

environmental impacts such as rising sea levels on crops will have a damaging effect on both people and the economy, impeding efforts at development.

### *3.3 Development through foreign aid*

The Pacific islands are among the most aid-dependant countries in the world (World Bank, 2009, 2). A 2005 International Monetary Fund survey found that three Pacific Island nations are in the top ten aid recipients in the world, on the basis of aid per capita: Kiribati (ranked third); Vanuatu (ranked fourth); and Solomon Islands (ranked sixth) (in Jayaraman and Choong, 2006).

The original hypothesis for the provision of foreign aid for development was that lack of capital acts as a constraint on investment in developing countries, and thus foreign aid flows can stimulate development by relaxing those financial constraints and fostering faster economic growth. This is crucial for long-term poverty reduction, as economic growth is necessary for sustained development (Ravallion and Chen, 1997 in Barrett, 2008, 3).

Much has been written about the Pacific islands and the effectiveness of the aid into the region. One of the weaknesses about the literature, and the associated efforts to lift growth, is the sparse empirical data and research available to inform decisions. However, recent improvements in the collection of economic data have paved the way for researchers to gain a better understanding of how aid has affected the development of the Pacific islands. Some observers are of the view that aid has performed poorly in the Pacific, pointing to the development shortcomings that have been present for a long time (for example, Hughes 2003 in Pavlov and Sugden, 2006, 38). Others argue that aid can only contribute to growth in a favourable policy environment (Burnside and Dollar, 2000 in Pavlov and Sugden, 2006, 39). Sugden and Pavlov's 2006 study of the interactions between aid and growth in the Pacific

(based on seven island nations) found that there is a statistically significant, positive relationship between economic growth and aid, but there are declining returns from the aid, which cannot be explained. Their result is consistent with much of the existing international literature on the aid-development relationship (Sugden and Pavlov, 2006, 51). In addition, the effects of aid do not go as far in the Pacific as in other developing regions in the world. According to the head of World Vision Australia, Tim Costello, for every dollar of aid that is delivered to the Pacific, there is almost dollar of overhead, compared to Asia and Africa where you get a ‘much bigger bang for the buck’ (Pacific Beat, 2010a).

It is very important to New Zealand and Australia that the Pacific islands develop and progress at a steady pace. As the closest developed nations to the Pacific region, New Zealand and Australia have accepted and undertaken special responsibility to assist the long term development of the island states. Post-colonial obligation and sentiment have contributed to some extent to Australia and New Zealand’s special relationship with the Pacific islands – as the two most developed nations in the region and as good ‘global citizens’ New Zealand and Australia have focused their development priorities on the Pacific.

Geography and history aside, there is also a large degree of self-interest involved in New Zealand and Australia’s relationship with the Pacific region. Both countries recognise that regional stability and security are necessary for their own security and wellbeing (Hoadley, 2005). In the wake of the 2001 September 11<sup>th</sup> and 2002 Bali terrorist attacks, security has been an even bigger motivation for Australia in the region, and the unrest in a number of Pacific Island nations (such as Fiji, Tonga, Papua New Guinea and Solomon Islands) provides strong incentives for Australia and New Zealand to support development.

New Zealand and Australia have always contributed significant Official Development Assistance (ODA) to the Pacific. With increasingly reliable evidence and research showing

that the aid dollar is not having a consistent effect on development, the two neighbours have had to search for more creative ways of contributing to Pacific Island development.

### *3.4 Current thinking in global development*

There has been a shift in the way the world is now approaching the challenges faced in developing countries, including the Pacific. Neo-liberal development thinking, sometimes referred to within literature as the ‘Washington Consensus’, directed the global development agenda through the 1980s and 1990s. The neo-liberal theory understood the development process primarily in economic terms, with global integration and market success contributing to how the well-being of people was determined (Kihika, 2009, 784).

However, neo-liberalist policies have not been able to efficiently address growing levels of inequality within developing nations, and benefit those most in need of financial aid. In the Pacific, per capita income growth has been less than one percent in the thirty years prior to 2003 (Hughes, 2003, 1).

The inability of the neo-liberalist development policy to achieve sustained development has contributed to the emergence of a new hypothesis. Rather than use economic growth as the sole indicator of development, this new wave of thinking emphasises the reduction of poverty, country ownership and participation in development, partnerships between aid donors and recipients, and human development. This is not to say that the neo-liberal approach has been replaced – rather, there is a greater global focus on the contribution of human development to poverty reduction, as well as economic development.

The new development paradigm’s practical manifestation lies in the creation of the Millennium Development Goals (MDGs). In September 2000 at a United Nations summit,

world leaders adopted the United Nations Millennium Declaration. The Declaration committed nations and institutions to a global partnership aiming to meet a series of targets by 2015 that have become known as the MDGs.

‘The Millennium Development Goals set time bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion — while promoting gender equality, health, education and environmental sustainability — can be measured. They also embody basic human rights — the rights of each person on the planet to health, education, shelter and security. The Goals are ambitious but feasible and, together with the comprehensive United Nations development agenda, set the course for the world’s efforts to alleviate extreme poverty by 2015’

United Nations Secretary-General Ban Ki-moon

<http://www.un.org/millenniumgoals/bkgd.shtml>

The MDGs have come to represent a particular approach to development. Charles Gore, a member of the Expert Group of the UN Millennium Project, argues that the MDGs represent an ‘analytical and policy narrative about how to promote development’ at national level, as well as a new approach to international development cooperation, or the partnership approach (2008). The partnership approach is based on country ownership of development strategies and encompasses a larger degree of involvement and the participation of developing countries in the ‘creation, content and conduct’ of development programs and policies (Jennings, 2000).

### 3.5 *New Zealand and Australia’s development goals in the Pacific*

In the early 21<sup>st</sup> century, the question of how to contribute effectively to the development of the Pacific islands remains a major policy issue for New Zealand and Australian governments (Bedford et al, 2007, 252). In particular, concerns have been raised by the very slow progress

being made by the Pacific islands towards achieving the MDGs. As a consequence, New Zealand, Australia and the Pacific islands have attempted to establish development goals and priorities that reflect the major development issues facing the Pacific, through country development objectives, bilateral measures and regionally coordinated strategies.

### *3.4.1 New Zealand*

New Zealand's development policies focus on the Pacific, and as a consequence there are a number of policy and strategy guidelines dedicated to outlining New Zealand's goals for the region. New Zealand's Pacific Strategy 2007-2015 sets out a framework for achieving NZAID's goals for the Pacific: reducing poverty and hardship (2007a, 14). The MDGs play a role in guiding the direction taken to achieving this, and the Pacific Strategy incorporates the MDGs into its four outcome areas: strengthening governance; achieving broader-based economic growth and improved livelihoods; improving education and health; and reducing vulnerability. The Strategy also uses Pacific islands' progress toward the MDGs to measure where to prioritise assistance and support. In addition, the Pacific Strategy emphasises regional engagement and is committed to helping individual countries obtain their own national objectives (2007a, 5).

The Pacific Strategy was initiated in 2007, under the Labour-led Government. Following the election of the National party in 2008, an overhaul of New Zealand's aid program was undertaken. This included a new mandate for NZAID with a greater emphasis on achieving economic development, as a way of improving human development and reducing poverty. This policy direction is evident in the Ministry of Foreign Affairs and Trade's (MFAT) Statement of Intent 2010-2013. Government priorities for developing countries have a greater focus on the pursuit of sustainable economic development through improving the business

environment; fostering private sector development; and strengthening trade, migration and other international opportunities. The Statement of Intent also identifies the improved advancement towards achieving the MDGs as one way of measuring growth in economic development.

What is significant about both the Pacific Strategy and MFAT's recent Statement of Intent is that both documents identify migration as an important facilitator of development in the Pacific. In assisting the Pacific islands to promote an environment that supports economic growth, the Pacific Strategy aims to 'support free and fair access to developed country markets for Pacific nations, through technical advice and capacity building for negotiations' and to 'explore ways to increase opportunities and benefits of migration flows, while mitigating against associated local social and capacity risks' (2007a, 18). The recent Statement of Intent also indicates that migration is seen as a key part of achieving New Zealand's development goal of sustainable economic development.

Of late, concerns have been raised by New Zealand Non-Government Organisations (NGOs) that the Government has abandoned the partnership approach (nzaid.net, 2010). This concern comes in the wake of the removal of NZAID's semi-autonomous status, to come under control of MFAT, in order to ensure that Official Development Assistance (ODA) was 'closely aligned with and supported foreign policy priorities' (MFAT, 2008, 6 in nzaid.net, 2010). It is not known whether there is any validity to this concern, given MFAT has identified the Pacific as a core strategic focus; it is unlikely that New Zealand's commitment to development in the region will suffer as a consequence.

### 3.4.2 *Australia*

Australia has always been a major aid donor in the Pacific, and the provision of aid continues to be a significant part of the country's development policy. Official Development Assistance (ODA) to the Pacific for 2010-2011 is estimated at AUD1,085.4 million – 25% of Australia's aid budget. The purpose of the aid is to support three main objectives: economic growth, the strengthening of governance, and the building of sustainable communities (AusAID, 2010). However, in recent years, following the election of the Australian Labour Party to government in 2007, Australia has begun to pursue a different approach to the Pacific in an attempt to 'build a deeper spirit of regional engagement' (Smith, 2008). In 2008, the Port Moresby Declaration was signed by the Australian Government, committing Australia to a 'new era of cooperation with the island nations of the Pacific' (AusAid, 2008a). In the past, Australia's development policies have focused more generally on the Asia-Pacific region – the Port Moresby Declaration indicates a renewed emphasis on development in the Pacific. This has been followed by the signing of 'Pacific Partnerships for Development' with eleven individual Pacific nations. The Partnerships is intended to act as a new framework for Australia and Island nations in their attempts to achieve development goals based on country plans. The two fundamental principles underlying the Partnerships are mutual respect, that is, taking country ownership seriously through the respect of the leadership of island leaders, their own priorities and how development assistance can be best used; and mutual responsibility, through the joint pursuit and commitment to development results (AusAid, 2008). Australia has expressed strong commitment to achieving the MDGs in the Pacific, and views them as an appropriate framework to guide development.

Australia recognises the need to adopt a more active role in the development of the private sector in Pacific Island countries and like New Zealand, is committed to pursuing ways of investing and encouraging growth, such as linking economies to themselves and New



Zealand through a regional free trade agreement. At the same time, the Partnerships for Development and the Port Moresby Declaration demonstrate how Australia has attempted to redefine their role in the region and adopt a more collaborative approach with a focus on goals that are aligned with what New Zealand and the island states are seeking to achieve.

### *3.4.3 Pacific Island and regional goals*

As a region, New Zealand, Australia and the Pacific islands have coordinated a number of collective goals and objectives pertaining to the region's development. Many of these goals have been established through the Pacific islands Forum (PIF) which consists of the states and self-governing territories in the region. Through the PIF, New Zealand, Australia and the island states have constructed and implemented a number of compacts and programmes that outline the region's development aspirations and the process by which they will attempt to achieve them.

One of the most recent initiatives is the Cairns Compact on Strengthening Development Coordination in the Pacific. A product of the 2009 Forum meeting, the Compact is an effort to address the concerns that the Pacific remains off-track to achieve the MDGs by 2015. According to the 2010 Pacific Regional MDGs Tracking Report, progress towards the achievement of the MDGs has been mixed, with approximately nine countries either off-track or slightly off-track to achieve at least half of the eight MDGs by 2015. No individual country is expected to meet all the MDGs by 2015, although research shows that some are progressing well against particular indicators (AusAid, 2010a). The Cairns Compact is designed to accelerate progress against the MDGs. It focuses on measures to strengthen ownership and leadership of Pacific islands' own development agendas, and is based on principles that recognise the development needs of the region. Such principles acknowledge

that private sector growth and other aspects of the partnership approach are essential to achieving development progress. A renewed and stronger commitment to the achieving MDGs in the Pacific is also a critical component of the Cairns Compact (PIF Secretariat, 2009).

In the first significant step to implementing the Cairns Compact, Australia and New Zealand have committed to a new 'Partnership for Development Cooperation'. The Partnership aims to deliver development cooperation in the Pacific by 'promoting sustainable economic development and the achievement of the MDGs' (AusAid, 2009). It is founded on principles that attempt to create a 'shared vision' and 'common strategic direction' (AusAid, 2009) for the provision of development assistance in the region between New Zealand and Australia, in order to genuinely propel the Pacific islands forward in their efforts to achieve sustained development.

Identifying the development goals and objectives of New Zealand, Australia and the PIF illustrates three trends in the general approach of the region towards addressing development concerns in Pacific countries. Firstly, the region has endorsed the global partnership approach to development, as reflected in the Cairns Compact and Pacific Partnerships for Development, whereby New Zealand and Australia have committed to ensuring development efforts include Pacific Island states' own programmes, and maintain a cooperative effort to achieving regional goals. Secondly, the MDGs continue to be an important measure of development for the Pacific, and their achievement is a high priority for New Zealand and Australia. Thirdly, economic development, with an emphasis on the expansion of opportunities and investment in the private sector, is receiving substantial attention and has been identified as a strategic development objective by both New Zealand and Australia.

### 3.6 *Labour mobility, temporary migration and remittances in the Pacific*

Pacific leaders have for a number of years been encouraging discussion about increasing labour mobility in the region, as a way of addressing their increasing concerns about the growing youth population, limited employment opportunities and their stagnant economic growth. As global interest in temporary migration and its development potential has increased, so too have debates in regional forums about the possibility of developing temporary migration schemes in New Zealand and Australia for Pacific Island workers. Given that the substantial flows of aid into the region have not had the desired effect on development, and the concerns New Zealand and Australia hold about the Pacific islands and their ability to achieve the MDGs by 2015, a new process of attaining development goals was overdue.

The subject of labour migration from the Pacific islands to New Zealand and Australia had been regularly brought up at Pacific Island Forum meetings since 2005, where Pacific leaders began to express a sense of urgency about their rate of development and look for a solution (Dobell, 2006, 128). That year, Pacific leaders (including New Zealand and Australia) agreed to and endorsed the 'Pacific Plan for Strengthening Regional Cooperation and Integration'. The plan is considered to be a 'living document', to deal with the issues that face the Pacific, and provide solutions to contribute to economic success. Of significance, the plan identifies leaders as having 'agreed to continue to consider the issue of labour mobility' in discussions about economic integration in the Pacific (PIF Secretariat, 2006, 8). Led by Papua New Guinea's Prime Minister, Sir Michael Somare and strongly supported by Fiji, the island states used this reference to press Australia and New Zealand to accept temporary workers from island states (Keith-Reid, 2005). Pacific voices could be heard in other regional forums, advocating for some type of temporary migration scheme. For example, at the Small Islands Summit in 2006, Kiribati President Anote Tong argued, given the vulnerability of the Pacific 'the idea was that we would explore together possibilities for

more unskilled employment into our neighbouring countries...the need not only to confine that to unskilled labourers, but also to develop our own labour force so that they can become even more skilled as a means of enhancing economic opportunities' (in Maclellan, 2008, 30).

The potential of temporary migration schemes in the Pacific was strongly emphasised in 2006, when an influential study by the World Bank on population, remittances and labour mobility schemes in the Pacific was published. The report, titled 'At Home and Away: Expanding Job Opportunities for Pacific Islanders through Labour Mobility', recommends exploring pilot schemes for temporary seasonal labour between Pacific Islanders and nations with a shortage of workers and a development focus on the Pacific region, in particular New Zealand and Australia.. This report argues that in the Pacific, a lack of job opportunities contributes to social and political instability in some countries and that allowing some Pacific Islanders access to jobs in the larger economies of the region could contribute significantly to the economic and social well being of the workers, their families and wider communities and enhance stability in the region. The report also comments that any temporary migration scheme should be regarded as a development opportunity, a mechanism to advance sustainable economic development in the communities where the workers come from (Luthria et al., 2006, 137-138). This was followed and supported by the High-Level Dialogue on International Migration and Development in the UN General Assembly, where extensive acknowledgement of the potential for policies to make contributions to development of 'the coordinated or concerted improvement of economic conditions in both areas of origin and areas of destination based on the complementarities between them' was heard (UN, 2006, 1 in Ramasamy et al., 2008, 172).

### 3.4.2 *Remittances*

Pacific Island leaders and international institutional support for temporary migration schemes is supported by the prospect of greater remittances. Remittances are a major source of income and a 'safety net' for many families in the Pacific islands (McGillivray et al., 2009, 8).

Remittances have raised living standards in the region; they have contributed to employment, especially in the service and construction industries; and they have eased balance of payment issues affecting inflation, particularly in the larger Polynesian economies (Connell and Brown, 2005, 1). There is considerable evidence that in many countries, such as Tonga and Samoa, migrant remittances contribute significantly to disposable income – so much so that they inspired the theorising of a development process known as 'MIRAB.' The MIRAB theory (Migration, Remittances, Aid and Bureaucracy) originated as an attempt to model modern economic development in a number of small Pacific islands (Bertram, 2006, 1) and suggested that it is a realistically sustainable development strategy, as long as the remittances and international aid income can be sustained (Poirine, 1998, 65). Since its conceptualisation in the 1980s, the MIRAB model has stimulated debate; there is reluctance on the part of development officials and economists, from donor agencies and international institutions to accept the model as valid and sustainable. What it does recognise and emphasise, however, is the importance of the role remittances play in Pacific economies. While many observers are still critical that little of remittance income has been invested in economic growth, remittances have made differences to standards of living where in their absence, a number of families would be living in much more difficult circumstances. As a consequence, temporary migration offers a greater opportunity for more Pacific island families to benefit from remittances.

Subsequently, there are a number of reasons why temporary migration of Pacific Island workers to New Zealand and Australia represents an opportunity to potentially address

development concerns and meet the goals established by the region. It is strongly desired by Pacific leaders in the region. It has the potential to address many issues faced by people in the countries, with regard to unemployment and lack of opportunity for youth. It advocates the participatory approach to development endorsed by the international community – developing countries working with their donors in a cooperative approach, where their own development priorities are taken into consideration. Temporary migration is supported by international institutions such as the UN and World Bank. It offers the opportunity to provide skills training and, most importantly, remittances to contribute to economic growth of the Pacific islands. Finally, it can also address economic issues in New Zealand and Australia, who are experiencing labour shortages in agricultural industries. These reasons have contributed to the view that the temporary migration can provide ‘triple wins’ for development in the region (Ramasay et al., 2008, 184). The next step is to establish, through the understanding provided by this chapter, what New Zealand and Australian temporary migration schemes must do in order to offer the potential to meet their development objectives for the region.

## **Chapter Four – A framework to assess the development potential of temporary migration schemes in the Pacific region**

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### *4.1 Chapter purpose*

Given the contested nature of the literature on temporary migration and development, and the under-developed state of theory on how temporary migration schemes can provide governments with the ability to meet development objectives, an original analytical framework has been developed. Its goal is to assess the extent to which the Recognised Seasonal Employer scheme (RSE) and the Pacific Seasonal Workers Pilot Scheme (PSWPS) have the potential to meet the development goals of New Zealand, Australia and the Pacific islands. A literature review of temporary migration and development, and current research on temporary migration ‘best practices’ with regard to successful schemes and development outcomes provide the grounds on which the RSE and PSWPS are assessed, within the Pacific context. The International Labour Organisation’s Multilateral Framework on Labour Migration (2006) offers additional support to the criteria.

### *4.2 Criteria for assessing the RSE and PSWPS*

#### **1. The temporary migration schemes must function at a structural level in New Zealand and Australia, and the Pacific islands.**

- a. Employers need to receive their workers in a timely and efficient manner, and be supported by appropriate agencies while a part of the RSE and PSWPS process.
- b. Workers’ departure, time spent in New Zealand and Australia and return must be facilitated effectively, in a language they understand, with appropriate information,

training and assistance provided concerning the temporary migration process, their rights and the general conditions of life and work in New Zealand and Australia.

c. Workers must be afforded the same employment, health and safety rights as domestic workers in New Zealand and Australia.

d. Workers must abide by the terms of their visas and contracts, and a mix of incentives and enforcement measures must be applied to facilitate their return following the expiration of their visa.

e. The schemes must be run by professional government agencies that have the expertise and resources to provide regular monitoring and evaluation of the schemes so that if any issues or problems arise they can be dealt with in an appropriate manner.

It is important that the temporary migration schemes operate in this way, as the likelihood of the continuation of the RSE and PSWPS and consequently the potential of the schemes to meet development goals of the region is significantly increased if they can supply regular labour to employers and avoid the issues that have plagued temporary migration schemes in the past. Assessing this criteria will involve analysing the RSE and PSWPS policies, and comparing them to outcomes of the scheme thus far.

## **2. The temporary migration schemes must be intra and inter-governmental.**

a. It is important that the management of certain aspects of the schemes are coordinated between the governments of New Zealand, Australia and the Pacific Island nations involved. In this way, any issues that arise can be dealt with and resolved in a more culturally sensitive manner and experiences and wisdom can be shared.

b. Government departments with appropriate knowledge and expertise should be involved in the development, implementation and assessment stages, and use their knowledge



and experience to guide the different aspects that make up the scheme. For example, where one department may have experience in dealing with visas and employment contracts, another may be better equipped at diplomatic interactions with the Pacific if any issues develop.

- c. One agency should be responsible for the overall implementation and evaluation of the scheme for consistency purposes.

Assessing this criterion will require looking at the development of the RSE and PSWPS policies, the agencies that are responsible for the implementation and evaluation of different parts of the policy, and the level of communication and coordination that occurs between New Zealand, Australia and the Pacific Island governments.

### **3. The temporary migration schemes must be recognised and respected by the Pacific Island governments and people.**

- a. Pacific Island people have a sense of ownership about the scheme – they understand and acknowledge their part in its development and implementation, and the outcomes they can receive from participating.
- b. The schemes are responsive to the needs and reflect the voices and aspirations of the Pacific Island people.
- c. The Pacific Island governments recognise the role they must play in facilitating the scheme, and making the most of the opportunities presented to their citizens.

That New Zealand and Australia responded to the growing demands of the Pacific Island governments to establish a labour migration scheme is a positive step – however, for the RSE and PSWPS to provide an opportunity to meet the development goals of the region, the New Zealand and Australian governments must continue to listen and respond to the needs of the

Pacific Island people and ensure that they maintain a sense of ownership in relation to the schemes. Assessing this criterion will involve an analysis of the Pacific Island perspective through worker and government responses to the RSE and PSWPS via documents, speeches and interviews gathered while on field research.

**4. The development objectives of the temporary migration schemes must parallel the broader development goals of New Zealand, Australia and the Pacific islands, and promote development outcomes.**

- a. The RSE and PSWPS development objectives need to complement the broader policy goals that New Zealand and Australia are working towards with the Pacific islands.
- b. New Zealand and Australia must work together as both the RSE and PSWPS gain momentum to coordinate and balance the potential development impacts of their schemes and ensure that the benefits are spread evenly throughout the region.
- c. New Zealand, Australia and the Pacific islands must be committed to promoting the development objectives and outcomes of the temporary migration schemes, including remittances, knowledge and skill gains.

At the most recent Pacific Island Forum held in Vanuatu in August 2010, the attending leaders of the region reaffirmed the continued need for effective and coordinated implementation of policy measures and manageable responses aimed at supporting Pacific Island countries' development efforts (PIF Secretariat, 2010). Assessing this criterion will entail comparing and analysing the development objectives of the RSE and PSWPS to New Zealand and Australia's foreign and development policies and other regional development agendas, such as the Pacific Plan and Development Partnerships to assess the extent of synchronisation that is in place.

**5. The benefits of the schemes for Pacific Island workers must not outweigh the costs involved.**

- a. The financial and skill gains that Pacific Island workers receive through their involvement in the temporary migration schemes in New Zealand and Australia must be greater than the associated financial and social costs.

The potential benefits of temporary migration for labour-sending countries have been documented in recent literature following the revival of such schemes around the world, particularly in the case of Mexican workers involved in Canada's seasonal worker scheme. This example has especially highlighted the positive effects of remittances on households – other benefits include the potential to improve basic standards of living; the opportunity to develop and improve skills (including numeracy and literacy); experience and knowledge of life in a different country; and increased revenue for island economies through greater consumption and purchasing power.

However, there can also be significant costs associated with temporary migration. Such costs include airfares to destination countries; medical insurance; visa costs; recruitment fees and temporary loss of income for families while (in most cases) the primary wage earner is in transit. These examples do not take into consideration other costs to workers while they are away from home, such as sending money and the influence of consumer items not available in their home country. Therefore, this criterion is effectively an analysis of the costs and benefits for Pacific Islanders participating in the RSE and PSWPS. It directly relates to the workers, who are the backbone of both schemes and also stand to gain the most from their involvement in terms of increased development assistance.

## **Chapter Five – The Recognised Seasonal Employer scheme and Pacific Seasonal Worker Pilot Scheme**

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In 2007, New Zealand introduced the Recognised Seasonal Employer (RSE) policy, a seasonal temporary migration scheme designed to allow Pacific Island workers limited employment in New Zealand. The scheme is an innovative gesture for New Zealand, in that it explicitly attempts to achieve a ‘triple win’ – for New Zealand employers, as well as temporary workers and their country of origin (Ramasay et. al, 2008, 172). In 2008, Australia followed New Zealand’s lead and announced the Pacific Seasonal Worker Pilot Scheme (PSWPS).

This chapter seeks to outline both the RSE and PSWPS as background to assessing their potential to meet development goals in the Pacific region. It addresses New Zealand’s RSE scheme and Australia’s PSWPS, beginning with an overview of how each country arrived at the decision to create a temporary migration scheme for Pacific Islanders. This is important; the factors and debates that contributed to these decisions have implications for the attitudes of governments to seeing through the phases of the schemes, and the potential dedication to the longevity of the schemes. This chapter identifies the features of the schemes, and pays attention to any differences, so as to understand how such differences can affect the development potential of the schemes. The chapter in its entirety compiles evidence from a wide range of sources to inform the extent to which the RSE and PSWPS offer the potential to meet development goals in the Pacific.

### *5.1 New Zealand and the Recognised Seasonal Employer Scheme*

The RSE policy has several aims. These include creating a sustainable labour supply for New Zealand employers; the protection of the labour force of New Zealanders and their access to seasonal work; and to contribute to New Zealand's goals in the Pacific region in regard to encouraging 'economic development, regional integration and stability' (Ramasamy, 2010, 5).

The RSE is based on five principles that have been agreed upon by New Zealand and the Pacific Island states involved. These are the equal access and opportunity to seasonal work; a transparent decision making process; the accountability of all parties involved; a development focus, and the mitigation of risks (DOL, 2009). The RSE policy allows for the temporary entry of workers to work in the horticulture and viticulture industries only.

For employers, there are four steps that must be undertaken in the RSE process. The first step is applying for recognition as a recognised seasonal employer. This involves employers meeting several criteria, many of which relate to good workplace practices to prove they are committed to the welfare of their workers, and are in a sound financial position. Once granted, RSE status is valid for two years and an employer is eligible to apply for an Agreement to Recruit (ATR). To obtain an ATR, employers must provide information about where they require workers, how many they need and for what period of time, where they are looking to recruit workers from, and a copy of the employment agreement that they will offer the workers (Immigration New Zealand, 2010). An employer must also show they can provide adequate pastoral care, such as an induction programme, suitable accommodation, transport, and opportunities for recreation. They must also show they can pay workers New Zealand's minimum wage for at least thirty hours each week as well as pay half of the return airfare for workers (Ramasay et. al, 2008, 178)

In addition, an employer applying for an ATR must avoid using a recruitment agent who seeks a commission from workers for securing an employment agreement (Immigration New Zealand, 2010). Once an ATR has been accepted, an employer can begin recruiting workers. They can do this through a registered recruitment agency, or directly from the islands involved. Pacific Island workers under the RSE policy are offered a seven month Limited Purpose Entry visa in an eleven month period; workers from Kiribati and Tuvalu are extended to nine months. The policy also allows for the return of workers in future seasons, on the condition they receive an offer of employment. In the 2007-2008 season of RSE, 126 employers recruited 2883 overseas workers of whom 83 percent came from the five Pacific island states. The bulk of these workers (2247) came from Tonga, Samoa and Vanuatu. Between April 2008 and March 2009, 7158 RSE workers arrived, with 78 per cent from Pacific Island states. New Zealand currently maintains a cap of 8000 visas a year.

## *5.2 Australia and the Pacific Seasonal Worker Pilot Scheme*

The Australian Pacific Seasonal Worker Pilot Scheme (PSWPS) was announced by Prime Minister Kevin Rudd in August 2008. The establishment of the scheme followed years of lobbying from the horticultural industry, academics, journalists, some politicians and Pacific Island governments. It also reflected a new direction in Australian engagement with the Pacific region. Australia's decision to adopt a seasonal work scheme was subject to much greater scrutiny than New Zealand's establishment of the RSE, and its implementation has also received a great deal more attention.

From 2003, when the subject of temporary migration and its potential to provide developmental assistance was receiving a resurged interest, noises were being made advocating a seasonal worker scheme for Australia. A parliamentary committee report into

relations with the Pacific that recommended in favour of developing a seasonal-type scheme, which would ‘advance Australian national interest in so far as it would contribute to the sustainable economic and social development of the region’ (Ware, 2007, 231). In 2005, a paper on the Pacific Island Countries published by AusAID as part of the Core Group Recommendations in preparation for the Australian Aid White Paper suggested the opening of a ‘Pacific window’ for unskilled migration, both permanent and temporary (Dobell, 2006, 135). The following year, a Senate Standing Committee report, looking specifically at the possibility of a Pacific regional labour mobility scheme for Australia reported that ‘there is a strongly held opinion that the entry of Pacific nation workers into the Australian workforce on a seasonal or temporary basis is essential for the economic survival of Pacific nations and to the stability of those societies’ (Troeth, 2006 in Dobell, 2006, 126-127).

Despite the attention seasonal workers were receiving, the Australian Government under John Howard were unwilling to conceive of any type of temporary migration scheme for Pacific Island workers. In response to the earlier Core Group recommendations, of the ‘Pacific unskilled migration window’, Howard responded that there were ‘fundamental issues’ involved with seasonal workers, and Australia did not feel inclined to embrace such a programme (Millbank, 2006, 24). In 2007, Foreign Minister Alexander Downer reemphasised the stance, admitting that the Government has rejected the scheme partly because of concerns about the ‘image of bringing in labour which is, essentially, of course to be frank about it, non-white labour to do jobs that people in Australia simply didn’t want to do’ (Maclellan, 2008).

The Australian Labor Party had a different attitude to seasonal temporary migration. In September, 2005, Labor released a policy discussion paper calling for the creation of a Pacific Community, which included scope for ‘limited labour mobility, vital for improving the skills base in the Pacific islands, and increasing their remittances’ (Sercombe, 2005 in

Dobell, 2006, 136). The proposal was supported by the Australian Council of Trade Unions. Chairman of the 2006 Senate inquiry into Pacific seasonal labour, Gavin Marshall, argued that a Pacific worker scheme was inevitable and that ‘the dual benefit would be providing workers to Australian farmers and providing remittances back to South Pacific economies’ (Dobell, 2006, 137). With the support of an influential sector of Australian society, in 2007 the Labor Party committed itself, if successful in the upcoming election, to the creation of a temporary labour scheme that would allow up to 10,000 unskilled Pacific Island workers into Australia each year.

This announcement followed the introduction of the RSE in New Zealand. The implementation of the RSE provided a benchmark for Australia, and its successful first season gave policymakers a road map to create a similarly designed scheme for Australia.

Like New Zealand’s scheme, the Australian pilot has two main aims - to examine whether a seasonal worker scheme could contribute to the economic development objectives of Australia in the Pacific region and at the same time, assist Australian employers. According to the Department of Education, Employment and Workplace Relations (DEEWR), the pilot aims to ‘enable workers to contribute to economic development in home countries through employment experience, remittances and training gained as part of the Pilot’ as well as ‘examine the benefits to the Australian economy and to employers who can demonstrate they cannot source local labour’ (PITIC, 2009). The PSWPS allows for up to 2500 visas to be granted over a period (ending in June 2012) to Pacific Island workers, giving them the opportunity to work for up to seven months in a twelve month period.

Four Pacific Island nations were chosen to participate in the pilot, one each from Melanesia (Vanuatu), Micronesia (Kiribati) and Polynesia (Tonga) and also Papua New Guinea.



The PSWPS had been divided into two phases. During the first phase, up to 100 visas were allowed to be issued. During this phase, 50 visas were issued to Tongan workers, and six to ni-Vanuatu workers. The Tongan workers departed Australia in September 2009 after working for seven months. In the 2009-2010 season, 67 new visas were issued – 21 were given to Tongan workers returning for a second season. At the end of July 2010, eleven workers from Kiribati and 21 Tongans were working at Robinvale in Victoria, with a further 36 Tongans working in Queensland (Maclellan, 2010).

The second phase is currently in action. A further 2400 visas and those left over from the first phase are available to be issued. Following the recent signing of the Memorandum of Understanding with Papua New Guinea, workers from all four countries originally chosen to participate can be selected. However, with so few visas having been issued the PSWPS can now be considered more of a trial than a pilot. The Australian government commissioned a two-part interim evaluation of the pilot scheme. TNS Social Research studying the domestic impacts of the scheme in the first evaluation, and the World Bank evaluating the development outcomes.

Under the terms of the PSWPS, employment is restricted to the horticultural industry. A demonstrated need for seasonal labour must be proven, like the ‘New Zealanders first’ aspect of the RSE. Pacific Island workers must be employed by an Approved Employer (AE); AEs must pay the initial full cost of the workers’ international airfares and be paid back half by workers through their wages, meet all domestic transport costs, and ensure all workers have private health insurance. Seasonal workers are guaranteed at least six months employment at an average of at least 30 hours per week, and visas are available for up to seven continuous months in a 12 month period.

The structure of the PSWPS is different to the RSE. Four companies have been selected by the Australian Government to recruit and supply workers, and these companies act as the workers' employers, in contrast to the RSE where individual farmers are considered to be the employers. The company that has recruited the workers then places them with growers. Once approved, employers negotiate an agreement with one of the labour recruitment companies to arrange their Pacific workers. The employer must also enter into two agreements with DEEWR and the Department of Immigration and Citizenship, which establish their obligations for the treatment and welfare of their workers (Hooper and Strasiotto 2009 in Ball, 2010, 121).

The response to the PSWPS has been mostly negative, with this commentary overshadowing the initial optimism that the scheme brought. A brief overview of this response is necessary to understand why there is such a lack of information available with which to assess the potential of the PSWPS to meet the development goals of Australia, compared to the RSE.

To begin with, there was a significant delay on the arrival of workers. According to Rochelle Ball, the delay reflected the complexity of the process and the 'poor preparedness' of the Australian and Pacific government agencies regarding developing new policy, bureaucratic processes and procedures (2010, 120). Opposition National Party immigration spokesperson Sharman Stone responded to the delays by commenting that the 'massive bungling and inefficiency' of the seasonal scheme was an 'enormous embarrassment for Australia in the Pacific' and called for an urgent review of the scheme (Narushima, 2009). Executive Director of the Australian Council for International Development, Marc Purcell, has also expressed concerns about Australia's political commitment to the scheme, reflecting on the fact that it has taken Australia two years since the announcement of the PSWPS to sign a Memorandum

of Understanding to allow workers to arrive from neighbour Papua New Guinea (Pacnews, 2010).

The Global Financial Crisis of 2009 and subsequent recession have been the reasons given to justify the unwillingness of Australia to take on Pacific Island workers and meet the demands of the scheme. The Government says this has allowed Australia to more finely tune the PSWPS. However, stakeholders have expressed serious concerns about the role the government has played in developing the structure of the PSWPS. Firstly, there was there was a lack of knowledge of the complex issues surrounding seasonal labour processes, and lack of capacity to set up the 'bureaucratic structures and bilateral mechanisms' necessary to cope with establishing the PSWPS within a short period following the announcement of the pilot; secondly, the rigidities of process the Australian government created, with high levels of centralised control, rather than through local advisory bodies or direct recruitment similar to the RSE has not been a popular option (Ball, 2010, 124). A major concern also relates to the labour hire firms that are responsible for recruiting Pacific Island workers and placing them in employment. Horticulture Australia Council chief executive Kris Newton says the scheme is 'in strife' because of a complex set of circumstances including the global recession, a large increase in the availability of backpackers willing to find seasonal work, and the return of Australian workers to rural areas to take up jobs in horticulture (Callick, 2010). However, Newton says the most significant issue constraining the scheme is the labour hire model, and the tensions between the companies and the growers. Complaints from the industry about workers and growers being exploited by the companies, with growers having to bear the costs, have upset the PSWPS. Newton has suggested a grower co-operative to take on the responsibility of the seasonal workers. 'In a country the size of Australia you can't micro-manage it from Sydney or Canberra. No one is saying the pilot has failed, but we would like to see it tweaked more' (Callick, 2010).

To date, the scheme has been in place nearly two years. With the first phase over, two harvests past, and such a small number of workers having been brought to Australia, the Australian Government continues to defend its seasonal work scheme. Speaking to Australian radio following a national conference on the PSWPS in July 2010, former Parliamentary Secretary for Pacific Island Affairs Duncan Kerr said that, for the small number of workers who have participated, the scheme has been a ‘great success’ and has worked well for the employers who have engaged with it. However, he did emphasise that, despite having been ‘robustly designed’, the PSWPS was not perfect. ‘The key thing about this is that it is a pilot, it’s put in place so that we can learn from its early implementation experiences. It certainly is subject to improvement,’ Kerr said. On whether the scheme was having an effect on remittances and development, Kerr reported that he did not have any data but could provide ‘conversational evidence’ to suggest that the scheme could have ‘big economic benefits for those families and their countries that are able to participate’ (Pacific Beat, 2010).

## **Chapter Six – Temporary migration in the Pacific: assessing the potential to meet development goals**

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*6.1 Criteria One: The temporary migration schemes must function at a structural level in New Zealand, Australia, and the Pacific islands.*

### *6.1.1 Recognised Seasonal Employer scheme*

The RSE has been designed very carefully, with a great deal of consideration regarding past temporary migration schemes and the reasons for their failures. To begin with, the policy has been effective in providing employers with enough workers to meet their seasonal labour shortages. Having access to this reliable workforce appears to be the most important aspect of the RSE scheme for employers, with benefits such as fewer recruitment costs, a greater confidence to expand their business, and less stress. While hiring workers through the RSE scheme is acknowledged as being dearer due to the costs associated with airfares and accommodation, a 2008-09 Department of Labour online survey of 54 RSE workers found that 85% believed that the benefits outweighed the costs involved (Ramasamy, 2010, 55).

The second and third seasons in which the RSE has been in place have seen other positive effects emerge, for employers. There were greater gains in production, mostly owing to the experience of returning Pacific workers who ‘had an edge’ and helped new workers get up to speed (Ramasamy, 2010, 56-57). DOL Immigration Policy Group Manager Lesley Haines has said that feedback from the horticulture and viticulture industries has been overwhelmingly positive, with seasonal shortages having been nearly eliminated.

Furthermore, Lee Alridge, operations manager at Crasborn Farms in Hawkes Bay, has employed hundreds of Pacific Island workers through the RSE and has found that past issues with labour shortages have been eased through the scheme (Nadkarni, 2008). There have been some issues with workers, with one incident in 2008 involving Kiribati workers who

were sent home following reports from their employer that they were ‘disrespectful, lazy and uneducated’ and were ‘ill-prepared by their own government’ receiving considerable negative media attention (New Zealand Herald, 2008). However, that most are happy and are benefiting from the scheme indicates that it is functioning well for employers.

Temporary migration literature has raised a number of concerns about the rights of workers while overseas, and their vulnerability to exploitation by employers. This is an ongoing issue that was addressed early on in the RSE scheme but has continued to arise, following complaints that employers are not always providing basic human rights to their workers, in particular the provision of decent accommodation. In 2008, stories circulated among churches around the country regarding complaints about living conditions and pay. According to church spokeswoman the Right Reverend Pamela Tankersley, feedback was received on workers who were ‘cold and hungry’ and ‘crammed into houses sleeping many per room, each having an exorbitant amount deducted from their pay for rent and power’ (ODT, 2008). However, Peter Conway, Secretary of the New Zealand Council of Trade Unions, has said while there have been some instances where intervention has been necessary on behalf of the workers, the Council has approached these occurrences as exceptions (NZAID, 2009, 19).

The RSE policy has attempted to limit the risk of exploitation by requiring employers to meet a number of requirements that involve being responsible for workers while they are in New Zealand. These include paying workers the market rate for the work carried out; ensuring workers have access to suitable accommodation, food, and health services at a reasonable cost; and providing pastoral care. Pastoral care is emphasised as an extremely important component of the RSE policy, and involves helping workers access suitable accommodation and linking them to community groups and services such as health care, shops and banks. Pastoral care has been provided through a number of measures to workers, including hiring a

Pacific New Zealander from the same nation as the workers to manage them, or having return RSE workers undertake aspects of pastoral care – these options have proven to be the most effective (Ramasamy, 2010, 37).

In terms of the effective facilitation of workers before they depart, as the scheme moves into its fourth season, earlier issues appear to have been addressed. Pacific Island states are responsible for pre-departure briefings to help workers prepare for the general conditions of life and work in New Zealand. In the first briefing sessions, before the RSE began in the 2007-2008 season, workers were given information regarding climate, clothing, taxation, insurance, health and well-being, travel arrangements, budgeting and establishing bank accounts (Ramasamy, 2010, 24). Despite the provision of this information, many workers were unprepared for life in New Zealand, in particular the cost of food and accommodation. As a result, a number of changes were instigated by both New Zealand and the Pacific islands involved regarding pre-departure information. This included the development of information DVDs, closer working relationships between DOL staff and RSE co-ordinators in the Pacific countries, and updating pre-departure information packs provided to workers (Scoop, 2008). As a result, workers, employers and Pacific Island countries reported that workers were much better prepared in the following two seasons, due to better pre-departure training and experience (Ramasamy, 2010, 24).

Some workers appear to have limited knowledge about their rights as workers under New Zealand employment law or where to go for assistance. In theory, New Zealand's Employment Relations Act 2000 gives migrant workers the same rights as local workers, but Pacific workers who gain employment through RSE are not likely to bring up problems, according to Tuifa'asisina Meaole Keil, an organiser of the Service and Food Workers Union. This issue was highlighted in 2009 when twenty Tongans were told they would earn about

NZD\$800 a week, but were not told that they had to work 12 hours a day for six days to earn that figure. They also were not told that they would not be paid if work was stopped due to bad weather conditions, or that NZD\$100 that would be deducted from their pay each week for their accommodation (Samoan Observer, 2010).

Six RSE labour inspectors employed by the DOL are responsible for Pacific Island workers in the different regions of New Zealand. Their role includes ensuring that employers are protecting the rights of their workers; ensuring minimum employment conditions are met; monitoring pastoral care and other aspects of RSE Policy; and investigating worker complaints and facilitating the resolution of disputes between RSE employers and workers (Ramasamy, 2010, 68). However, the extent to which the labour inspectors are accessible to workers is not clear: workers may prefer to raise issues with people they know or through channels where they feel more comfortable (see Criteria Three). Ensuring the rights of workers are fairly maintained remains an ongoing issue for the RSE scheme.

There have not been any significant problems with Pacific Island non-compliance with visa requirements and contracts. As this has also contributed to unsuccessful temporary migration schemes in the past, policymakers have been very clear about how the RSE scheme is designed to deal with any potential problems. Policy mechanism include the attempt to minimise any debts incurred by workers before leaving for New Zealand; providing employers with the ability to choose workers who they believe will return; and by creating competition for places among communities leading to pressure to not put at risk future opportunities for others by overstaying (Gibson and Mackenzie 2010, 5); and limiting employment to a specific length to maintain links with families and homes (Ramasamy, 2010, 11).



New Zealand and the Pacific Island governments have attempted to ensure that workers comply with their visas and contracts by recruiting and sending workers over from the same community or island. This is based on the perception that such workers have a stronger notion of familial or community responsibility, so are less likely to cause trouble in New Zealand. In theory, these groups also have a recognised leader that they trust and respect (Ramasamy, 2010, 38).

In addition, Pacific Island governments have created their own systems of dealing with those who do not comply with their visa or contracts. For example, the Vanuatu Department of Labour has instigated a method whereby any worker who has caused trouble or overstayed has their name placed on a blackboard outside the Labour Department's window for the public to see, leading to a great deal of shame for the worker and their family. According to an official at the New Zealand High Commission in Vanuatu, this is a massive disincentive for workers, and along with other measures such as not being allowed to participate in the RSE scheme the following year, has helped ensure that problems such as overstaying are not endemic (interview with official at New Zealand High Commission, 2010). As it stands, out of the countries involved in the scheme, only Samoa and Tonga have significant communities in New Zealand that would encourage workers' to overstay, and the opportunity to return appears to be a greater incentive than to overstay. As a consequence, the mechanisms that New Zealand and the Pacific Island governments have put in place have been effective – research indicates that less than 1% of all workers have overstayed their welcome (Gibson and McKenzie, 2010, 6).

The RSE scheme in New Zealand is being implemented by the Department of Labour. It has statutory and compliance-based responsibilities for the RSE scheme, but also considers its role as 'facilitative' and 'relationship-based' (Ramasamy, 2010, 65). The DOL governance

structure for the RSE Policy has been considered effective, innovative and successful, with the cross-organisational structure considered as a potential model for future pilots (Ramasamy, 2010, 65).

#### *6.1.2 Pacific Seasonal Worker Pilot Scheme*

That the PSWPS provides dividends for the Australian horticultural industry is absolutely crucial to the continuation of the scheme beyond its pilot phase and its long term potential to meet development goals in the Pacific islands. Yet in terms of effectiveness, the PSWPS has not appeared to have had the same impact as the RSE in New Zealand. When the scheme was announced in August 2008, the Government assured the horticultural industry that workers would arrive in Australia before December. However, the arrival of the first group of Tongan workers under the first phase of the scheme was delayed by several months, and did not land in the country until February 2009, with the harvest well under way.

There has also been little feedback from farmers who have experienced Pacific Island workers through the PSWPS. A review of the scheme by the Swan Hill Rural City Council, where over 50 Pacific Island workers have been employed, noted that ‘the program has failed to receive greater acceptance within the Swan Hill horticultural community’ (Swan Hill Rural City Council, 2009, 78). The council report noted that the Global Financial Crisis had ‘contributed to uncertainty amongst some members of the horticultural community, causing growers to take a conservative stance on farm expenditure’; that an increasing number of people had returned to the region to look for work; and that there was a perception amongst growers that the PSWPS was too expensive to be a competitive source of labour (Swan Hill Rural City Council, 2009, 78-9).

There have been comments made about the quality of Pacific Island workers. At one site, employers were concerned that the lack of fitness of some of the Tongan workers made them unsuitable for some tasks, such as climbing ladders to pick fruit; this occurred when workers selected for Robinvale had to be moved to Mundubbera and were employed for tasks that required a higher level of fitness than expected when they were recruited. Other concerns relate to productivity of workers and a perceived lack of incentive for them to achieve targets when they were paid an hourly rate irrespective of productivity (Reed et al., 2010).

The National Farmers Federation (NFF) has continued to support the PSWPS. Denita Wawn, General Manager of Workplace Relations for the NFF says the PSWPS has not been embraced as strongly as anticipated, due a misconception that Pacific Island workers would be a cheap labour option (Hyland, 2009). However, she was disappointed at the rigidity of controls surrounding the scheme, and the length of time it has taken to be implemented. The Australian Government have also been quick to point this out. When asked in January 2010 when the next group of workers would arrive, a spokesperson for DEEWR responded that ‘the timing of the next intake of Pacific seasonal workers is guided by growers and approved employers and the need to identify demand that cannot be met by local labour. As yet no growers have been able to demonstrate unmet demand’ (Island Business, 2010). However, there is evidence to suggest otherwise. Fruit grower Michael Tripodi, who has been involved in lobbying for an Australian seasonal scheme for a long time, has become increasingly frustrated with the system. He says one of the problems with the PSWPS is that ‘there are too many people with their fingers in the pie all the way. You have to get through the red tape and then pay them ten per cent or more’ [to the labour recruitment firms] (Callick, 2010).

It appears that there is a presumption that because the scheme has been considered a relative economic success in New Zealand for the sectors involved, with evident production gains

from having a reliable labour supply (IMSED Research, 2009, 8 in Ball, 2010, 117) this can also be the case for the Australian horticultural sector. Yet there is conflicting information circulating regarding recruiting workers for the horticulture sector; one side argues that there has been little demand, while another argues that there is demand, but accessing the PSWPS is too difficult. There also seems to have been more issues with workers, though it is difficult to know whether this is because the concerns are over-represented, due to the small number of participants.

Like the RSE scheme, the PSWPS places great emphasis on the provision of pastoral care. The company that recruits the labour (under the terms of the PSWPS, workers must be hired through a company – direct recruitment is not permitted) is responsible for ensuring pastoral care is provided. This is done in conjunction with the local advisory board. The labour hire company is also responsible for providing appropriate training to workers, and negotiating contracts to cover the terms and conditions of employment for the seasonal workers in accordance with the Workplace Relations Act 1996. During the first phase of the PSWPS, there was consistent concern from government and industry stakeholders that pastoral care provisions were inadequate. Local advisory bodies were to provide monitoring, but this was implemented differently in each site hosting PSWPS workers, and varying levels of success occurred where they were active (Reed et al., 2010).

To date, the PSWPS has been described as ‘painstaking in its efforts to ensure the integrity of its protective framework’ (MacDermott and Opekin, 2010, 305). This refers to attempts to ensure the protection of workers in a regulated and safe environment. There have been few incidences where claims have been made about Australian employers exploiting their workers, though concerns have been raised about workers and their lack of sufficient knowledge to judge whether their working conditions are safe, as well as the language barrier

that could make reading and communicating in the workplace difficult (MacDermott and Opeskin, 2010, 300). Given Australia's history of temporary migration in regard to the Pacific Island labourers in Queensland in the late 19<sup>th</sup> century, Australia has been very careful to afford the same health and safety rights to temporary workers from the Pacific. The trade union movement in Australia, which is recognised as being very strong, has been vocal in its efforts to support Pacific Island workers and ensure their fair treatment.

While overstaying is still a concern for the PSWPS, there is the expectation that it is not as likely to occur in Australia. This is due to firstly, the smaller Pacific Island communities that exist in Australia, compared to New Zealand; and secondly, the proximity of workers to larger cities. Most of the Pacific Island workers have been placed in rural communities. As a consequence, it is presumed that there is a lesser temptation and greater difficulty in overstaying. In addition, the PSWPS has been designed to provide incentives for compliance with visa conditions. For example, workers who comply with visa conditions may have the opportunity to return to Australia for future harvest seasons and they cannot bring dependants, so there is an incentive to go home (DEEWR , unknown).

### *6.1.3 Summary*

Despite their best efforts, both the RSE policy and PSWPS have experienced some issues with ensuring the rights and care of Pacific workers. This is a highly contentious part of temporary migration, and despite the attempts of both schemes to pay careful attention to designing features that prevent exploitation and place great emphasis on pastoral care, there are still instances where workers have not received fair treatment. However, evidence shows that these cases are relatively isolated, and when they do occur, are made public through media attention and agency scrutiny. The small amount of negative attention has not affected

the continuation of the RSE scheme, and most employers are happy with the impact of the RSE scheme on their farms. The RSE is showing it has the ability to meet seasonal work shortages and provide employers with a steady and increasingly experienced and problem-free work force. Ongoing issues, such as maintaining the rights and protection of workers, is to be expected but so long as they do not impede on the ability of employers to receive sufficient labour, and workers themselves conduct themselves responsibly, the continuation and expansion of the RSE scheme looks imminent, which is a positive outcome for the potential of the RSE to meet development goals in the Pacific.

On the basis of information available on the PSWPS to date, a number of changes are required before this criterion can be said to have been met. The PSWPS cannot provide the potential to meet Australia's development goals in the region if it is not being engaged with by employers. The scheme needs a positive response from employers, as without offers of employment, Pacific Island workers cannot receive any benefits, and the scheme is likely to fail. The scheme has been designed within a strong regulatory framework, but there are so many barriers currently in place, along with insufficient care to details such as pastoral care that a great deal more effort will need to be made before this criterion can be considered met by the PSWPS.

## *6.2 Criteria Two: The temporary migration schemes must be intra and inter-governmental.*

### *6.2.1 Recognised Seasonal Employer scheme*

There is an attempt to manage the coordination of important measures of the RSE scheme between New Zealand and the Pacific islands that send workers. New Zealand has signed

Inter-Agency Understandings with the countries participating in the RSE scheme and their appropriate government agencies. The Understandings are two-part; an Agreement, and a Schedule. The purpose of the Agreements is to set out the arrangements to facilitate access of Pacific Island nationals to seasonal work in the horticulture and viticulture industries under the RSE policy. The Agreements outline the principles, success outcomes and factors and facilitative arrangements for the management of the RSE policy between New Zealand and the specific countries. While the Agreements differ slightly between countries to acknowledge their desired incomes, there is a very strong development emphasis evident. For example, a critical success factor for New Zealand in all the agreements is ‘contributing to the development objectives in the Pacific by fostering economic growth and regional integration under the RSE’ (DOL, 2009). For Tonga, a critical success factor is that ‘workers acquire sufficient savings and appropriate work skills and experience which may contribute to the development of Tonga’ (DOL, 2009); similar factors are a part of the agreements with Vanuatu, Kiribati, Samoa, Tuvalu and Solomon Islands. The second part of the Understandings are schedules of the requirements for recruitment, work visa processing, pre-departure orientation, pastoral care and compliance of workers. The schedules establish who is responsible for each part of the scheme, and are decided on together by New Zealand and each of the involved islands. New Zealand is, of course, responsible for the workers while they are in the country (see Criteria One). However, to this extent the Department of Labour leaves most of the day-to-day management of the workers to the employers. As a consequence, many are left to engage directly with Pacific Island states regarding best practices in taking care of the workers. One way in which the Pacific Island states and New Zealand employers are attempting to coordinate the management of the RSE effectively is through the use of a pastoral care worker from the same Pacific nation; workers have described this arrangement as very successful. There is evidence that Pacific pastoral care

workers play an important role in providing workers with a voice in the workplace. For example, several employers have hired Pacific New Zealanders to liaise between workers and employers and assist with pastoral care. In the Nelson region five employers utilise the services of one pastoral care coordinator. Their role is to assist with language translation, arrange activities for workers, and liaise between team leaders and five growers and has been successful (Ramasamy, 2010, 37). One issue that has arisen relates to workers from Kiribati, Vanuatu and Tuvalu, who do not have the large communities in New Zealand that support the Tongan and Samoan workers.

The RSE scheme is different from other policy initiatives, in that it involves three government agencies sharing responsibility for aspects of the policy (Ramasamy et al., 2008, 177). The Ministry of Social Development is responsible for making sure employers really do have a need to recruit Pacific workers. As part of the 'New Zealanders first' principle of the RSE scheme, which exists to protect the jobs of New Zealanders, labour market tests are conducted and employers must be able to show that they have attempted to recruit local labour in the first instance; Work and Income New Zealand checks employers' claims against their knowledge of anyone searching for work in the region.

The second agency involved in the RSE delivery is NZAID (which now falls under the management of the Ministry of Foreign Affairs and Trade). NZAID are responsible for overseeing the development outcomes. The development objective of the RSE is emphasised as one of the most important policy outcomes, and was one of the five key principles agreed to by the New Zealand Government, the Pacific states, and employers. The development potential of the RSE was explained by former Minister of Foreign Affairs, Winston Peters, when the policy was announced: '[F]irst and foremost it will help alleviate poverty directly by providing jobs for rural and outer island workers who often lack income-generating work' (2006 in Ramasamy et. al., 2008, 177). NZAID strongly support the development objectives



of the RSE, and see it as having the potential to ‘help build skills in the Pacific, not contribute to the loss of much needed skills by removing highly-skilled people’ (2007). NZAID are working on projects to help the horticulture and viticulture industries develop relationships with communities in the Pacific, and are also providing the funding for skills-based training, the latest Government initiative to support Pacific workers involved in the RSE (see Criteria Four).

The third agency, which is the Department of Labour, has the main responsibility for the development and implementation of the RSE Policy. There have been some criticisms of the DOL’s management of the scheme, where the poor practices of some employers towards pastoral care provision have not been identified and other RSE employers have not been happy with the way such issues have been remedied (Ramasamy, 2010, 68). However, for the most part, the DOL have successfully managed the scheme and the various relationships with employers, other government departments, and Pacific Island countries and their relevant departments.

#### *6.2.1 Pacific Seasonal Worker Pilot Scheme*

Like New Zealand, Australia has signed Memorandums of Understanding (MOUs) with the four countries chosen to participate. The purpose of the MOUs are to set out the conditions to provide access to Pacific Island nations to seasonal work under the PSWPS in the horticultural industry (DEEWR, 2008). The PSWPS also has strong development outcomes emphasised in the MOUs. For Australia, the PSWPS seeks to increase the ‘development of Pacific island communities through new employment opportunities, increased remittance incomes, and options for up skilling of Pacific island seasonal workers’ as well as contribute to ‘economic development in the Pacific by fostering economic growth and regional

integration' (DEEWR, 2008). For Pacific Island countries, the outcomes as identified in the MOUs involve acquiring savings, work skills and experience that can contribute to their communities, countries and personal development (DEEWR, 2008). It is difficult to evaluate the coordination of the PSWPS between Australia and the Pacific islands to the same level of detail as New Zealand, based on facts that indicate only 123 visas have been issued to workers between the introduction of the pilot and July 2010. However, based on the evidence available, the PSWPS heavily emphasises the importance of Pacific Island governments providing detailed pre-departure facilitation, and according to the interim evaluation of the PSWPS, workers were very positive about the amount and type of information they received during the briefing sessions given before they departed. However, no formal arrangements were made to monitor the briefing sessions, and as a result there is no quantifiable data available on the value of sessions, whether they met workers' expectations or the role played by Pacific Island governments or agencies ((Reed et al., 2010).

The management of the PSWPS involves a number of agencies in Australia. Implementation of the Pilot has been undertaken through a coordinated 'whole-of-government' approach that includes the Department of Education, Employment and Workplace Relations (DEEWR) as the lead agency; Australian Agency for International Development (AusAID); Department of Agriculture, Fisheries and Forestry (DAFF); Australian Taxation Office (ATO); Department of Foreign Affairs and Trade (DFAT); Department of Finance and Deregulation; Department of Immigration and Citizenship (DIAC); Department of Resources, Energy and Tourism; Department of the Prime Minister and Cabinet; and the Treasury and the Fair Work Ombudsman (Reed et al., 2010). This is in stark contrast to the RSE management; Australia's facilitation has been described as a 'dense web of government regulation designed to ensure that the scheme does not fail politically' (MacDermott and Opekin, 2010, 284). The involvement of so many different agencies have in fact made the facilitation of the PSWPS

more difficult, and this is one of the reasons some employers have found accessing the PSWPS so time-consuming and confusing.

DEEWR is responsible for the greater part of the management of the PSWPs, in a similar role to DOL in New Zealand. To a great extent, the failure of the PSWPS to take off has been directed at DEEWR, in particular the design of the scheme and its marketing strategy. Horticultural industry stakeholders have issued concerns about the limited promotion of the Pilot to growers; growers and industry stakeholders still do not have knowledge about some features of the Pilot, and current approaches to information gathering, which relies heavily on media and information networks, rather than on electronic media which was where DEEWR provided most of the information (Reed et al., 2010). DEEWR have attempted to respond to this feedback in the latter period of the first phase with a number of advertising activities hosted by the Government. DEEWR is also developing a communication strategy for the Pilot (Reed et al., 2010), although it is unclear why this did not happen at the beginning of the PSWPS.

The intra-governmental coordination of the PSWPS does not appear to be as fluid as has been the case in New Zealand. To some extent, this is not the fault of DEEWR – immigration services are conducted by a separate agency, and AUSAID has greater independence from DFAT, compared to NZAID and MFAT in New Zealand. However, the improvement of communication between involved agencies could result in clearer roles and action being taken to improve the management of the PSWPS, which subsequently could impact upon the coordination that exists between Australia and the Pacific Island states involved.

### *6.2.3 Summary*

It is imperative that New Zealand, Australia and the Pacific islands maintain close contact in regards to the management of the RSE and PSWPS. To this extent, it can be said that New Zealand and the Pacific islands are working well together. The Inter-Agency agreements mean that New Zealand and the countries that have signed the agreements are clear on the principles, outcomes, success factors and facilitative arrangements, and have a formal document that can be referred to if there is a dispute. It is a measure based on mutual respect and understanding that the RSE scheme aims to achieve different goals for New Zealand and the Pacific, and these are addressed. The agreements also establish priorities for the schemes, and this includes a strong emphasis on the development objective. This indicates that New Zealand sees the schemes as having the potential to contribute and meet the development goals established in the region. New Zealand and the Pacific islands involved are also attempting to coordinate the daily management of the scheme, although the responsibility falls more on the employer than government agencies, particularly the DOL, who have a larger task of overseeing the management of the RSE scheme as a part of New Zealand's greater labour and migration policy. It seems that the DOL are at times stretched by the responsibility of the RSE, to the detriment of the care of Pacific Island workers and could benefit from the assistance of more regionally-located staff, or greater assistance from the Ministry of Social Development or Inland Revenue who could offer advice on tax, housing, food, budgeting and other areas that have been of concern at times. The role of NZAID is very important for the RSE to meet development goals in the region – it appears they are doing an excellent job of facilitating the skills training for workers, in particular the financial literacy classes which are of immense importance. This should continue as it will pay off for workers on their return home, and given the oral nature of Pacific Island communication and the sharing of information on the RSE that is undertaken, will pass on the lessons they learn to other workers.

It can therefore be argued that the successful inter and intra-governmental nature of the RSE contributes to the potential of the RSE to meet New Zealand's development goals in the Pacific.

It is difficult to say the same about the PSWPS in the same light, given the lack of progress in the development of the PSWPS. Australia has arranged Memorandums of Understanding with the four Pacific islands chosen for the pilots, and multiple government agencies are involved in the undertaking of the scheme. However, DEEWR have been unable to facilitate effective engagement in the scheme by Australian employers; partly through external circumstances, but also through their own issues regarding the creation of interest in the scheme, but also designing features that were attractive to employers. They have also been slow to respond to the needs of the horticulture industry, and provide sufficient communication to employers'. Consequently, there have not been enough Pacific Islanders involved in the scheme to assess the coordination levels between Australia and the Pacific Islanders. Intra-government effectiveness does not appear to be high. The Australian Government have announced changes to the PSWPS, following an interim evaluation – it is hoped that these will provide the impetus needed for the agencies involved to improve communication among each other, and build relationships with the Pacific islands so the PSWPS is coordinated succinctly and can then contribute to the potential of the PSWPS to meet Australia's development goals in the region.

*6.3 The temporary migration schemes must be recognised and respected by the Pacific Island governments and people.*

*6.3.1 Recognised Seasonal Employer scheme*

Ownership is an important concept in the Pacific islands. When designing programmes and compacts, they are more likely to be effective and acknowledged if Pacific Islanders feel they have been consulted and contain their input. From DOL interviews and my own experiences with ni-Vanuatu people, it appears that Pacific Islanders from countries involved in the RSE scheme truly understand that the scheme is potentially of huge benefit to them. It is very important to Pacific Island governments that the workers they send act as good ambassadors for their countries. This means sending quality workers that employers are happy with and perform to the standards required (interview with Sylvie Kalmet, 2010). There are penalties for workers (and their communities) that are identified as 'letting the side down' (Ramasamy, 2010, 75). For Pacific Islanders, part of owning the RSE scheme and its outcomes is taking responsibility for any mistakes and dealing with the subsequent punishment.

The RSE scheme responds to a major need in the Pacific islands – employment and skills training. As identified previously, there is significant unemployment in most Pacific islands, particularly among young people, and few opportunities to gain skills to improve chances of employment. Seasonal Solutions - a Central Otago cooperative of orchardists and grape growers -employed 600 workers from Vanuatu on Central Otago and Marlborough orchards and vineyards over the 2008-2009 season. Manager Craig Howard said he had been told that made the cooperative Vanuatu's second biggest employer, behind its government (Scoop, 2009) – this is supported by information provided by the New Zealand High Commission in Vanuatu, who believe that the scheme is opening the eyes of Pacific Islanders to a new world of opportunity. An official at the High Commission (2010) said that many Vanuatu workers (and this could be applied to other nations) that have worked in New Zealand for two or three seasons are beginning to see the skills they are learning as the start of a career, rather than a once off opportunity.

Pacific Islanders have also had the chance to have their input into any improvements that they see being necessary to the continuation of the scheme. Such improvements relate to the training they receive before leaving for New Zealand, assistance understanding their rights and financial literacy. As many workers were unemployed in their home country, concepts such as bank accounts and taxation were unfamiliar and daunting. A lot of workers have returned with questions about misunderstandings over how their money is paid, taxation and insurance arrangements, and other particulars (interview with official at New Zealand High Commission, Vanuatu, 2010).

One of the advantages of the RSE scheme is its emphasis on circular migration – this is one of the seven main aspects that guide the scheme. While some Pacific Island leaders have argued that the access to the scheme should be on a rotational basis to provide benefits to a greater number of people, this would lead to the collapse of the scheme, as employers want a mix of return and new workers – they are investing time and skills, and private sector principles still need to be maintained for the scheme to continue to be successful (interview with official at New Zealand High Commission, Vanuatu, 2010). One of the benefits of the circular migration process in the RSE scheme is the way return workers help support and legitimise its positive effects, creating more interest and desire to work in New Zealand, and pass on new concepts and ideas learnt while away. For example, the New Zealand High Commission sponsors an annual public forum on the RSE in Vanuatu, where prospective and return workers, employers, agents, DOL representatives from New Zealand and Vanuatu along with other interested parties attend to provide information and answer questions. The first year saw a lot of questions were asked, concerns raised and complaints made; the second year about half of the questions, concerns and complaints were heard. In 2009, the response to the forum was overwhelmingly positive, with members of the community answering their own questions about the RSE and providing the majority of the feedback. Even specific

concerns about injuries, insurance and contracts were acknowledged by past RSE workers. Through the management of the scheme by the private and community sectors, rather than continuous and obvious government input that can create suspicion, the grass-roots response is far greater and the RSE scheme can become self-perpetuating (interview with official at New Zealand High Commission, Vanuatu, 2010). Similar cases have been identified in Tonga and Samoa, where the sharing of information by workers with experience is greatly respected. As one Samoan worker said, on attending training given to new workers about the RSE process, ‘the training was about things those of us who had come previously knew already, but it was also a useful exercise because some of us were able to discuss our experiences of the RSE with other Samoan people who were coming to work here for the first time’ (Ramasamy, 2010, 26). Government officials from all countries have reported fewer complaints about the RSE experience beyond the first season; particularly because return workers know what to expect, but also because of information shared amongst new and experienced workers who are able to provide realistic expectations and offer assistance in answering questions in more knowledgeable and sensitive ways. In this sense, a sense of ownership of the RSE scheme is evolving within the Pacific Island people involved in the scheme.

Pacific Island governments recognise that the RSE has significant benefits to their relationship with New Zealand, their workers and the development of their country. As a consequence, they are trying very hard to ensure that that they do what is required of them by New Zealand in terms of facilitating the scheme from their end. For example, in Vanuatu the government has been very supportive of the RSE and have been enjoying the benefits it has provided their workers – but now the scheme has been in place for three years, the government has begun to engage its relevant departments (immigration, finance, labour, internal affairs) to ensure that it continues to operate smoothly, mitigate risks and provide



economic benefits (interview with official at New Zealand High Commission, Vanuatu, 2010).

### *6.3.2 Pacific Seasonal Worker Pilot Scheme*

A lot of pressure was placed on Australia by Pacific Island leaders to provide a seasonal employment scheme for their workers. To that extent, it can be said that the PSWPS is responsive to the needs of Pacific Island people. From the small number of Pacific Islanders that have participated in the PSWPS there has been widespread support, despite periods of no or under employment (Reed et al., 2010) and they have provided mostly positive feedback about their experiences, though such feedback is anecdotal rather than based on any surveys of workers.

Like the RSE scheme, the Pacific Island governments are doing all they can to facilitate the PSWPS. For example, the Vanuatu Government is very keen to send more workers to Australia; however at this stage, the impetus is on Australian Approved Employers to request to recruit more workers (interview with Sylvie Kalmet, 2010). Following the signing of the MOU with Australia, Papua New Guinea Foreign Minister Abal said they were looking forward to sending young people to Australia and it was very important to the government to organise the process properly (MacLellan, 2010).

### *6.3.3 Summary*

It is evident from the analysis of both the RSE scheme and PSWPS that Pacific Island workers and governments understand and value the importance of temporary migration for their countries. This is important, as this commitment ensures they are prepared to do what is

necessary to firstly, ensure the continuation of the scheme, and secondly, promote the development outcomes the schemes can provide. There is no doubt that the Pacific Island governments will do anything they are requested of by New Zealand and Australia to maintain the smooth facilitation of both schemes. This is one area that care must be taken; the development objective of the schemes, as well as the maintenance of the pastoral care programmes must continue to be promoted, so that New Zealand and Australia do not begin to take advantage of eager Pacific Island governments and their ready workers. For workers, they acknowledge that they must act as ambassadors for their countries, in order for them to be allowed to return and for others to have the opportunity to experience the schemes. Despite the limited number of workers that have participated in the PSWPS, Pacific Island countries are continuing to support the scheme and push for more opportunities to be involved. The enthusiasm of the Pacific islands for the New Zealand and Australian temporary migration schemes indicates that this criterion is met, and contributes to the extent to which the RSE and PSWPS can offer the potential to meet the development goals of the two countries.

*6.4 The development objectives of the temporary migration schemes must parallel the broader development goals of New Zealand, Australia and the Pacific islands, and promote development outcomes.*

*6.4.1 Recognised Seasonal Employer scheme and Pacific Seasonal Worker Pilot Scheme*

New Zealand's development objectives that are an integral part of the RSE policy do appear to complement and support New Zealand's greater development goals for the Pacific, as outlined in Chapter Three. There are a number of parallels evident in comparing the Government's foreign policy objectives to the RSE's development objectives, to the extent

that the RSE could be considered to exemplify the direction New Zealand is intending to take in terms of achieving its development objectives for the Pacific.

As noted earlier, a critical success factor of the RSE for New Zealand is that it contributes ‘to the development objectives in the Pacific by fostering economic growth and regional integration under the RSE’ (DOL, 2009). This is strongly emphasised in the intent of New Zealand’s broader foreign development policy to pursue economic development in the Pacific through fostering private sector development and strengthening trade, migration and other international opportunities. The RSE can certainly be considered one such international opportunity. While administered by the DOL in New Zealand and similar agencies in the Pacific islands, the RSE has been designed to run as a private sector enterprise, enabled through the process in which New Zealand employers directly recruit their workers from the Pacific islands, and that the money earned by workers is for their own personal use, whether it be for household consumptive measures or investment in private business. Research suggests that growth in the private sector and regional integration is being slowly strengthened by money and skills gained by Pacific workers – for example, in Vanuatu, return workers are starting to invest in small bungalows, transportation and boats for travel between outer islands and the capital Port Vila, as well as investment in small business, such as importing apples they have been picking and selling them for NZ\$1 (interview with official at New Zealand High Commission, Vanuatu, 2010). This suggests that the development objectives and outcomes of the RSE can support the more extensive objectives of the New Zealand Government.

Recently completed research by John Gibson and David McKenzie on the impact of the RSE on Tonga and Vanuatu shows that by and large, the biggest impact of the money earned by workers is on household consumption. RSE participation has proven to raise income and

increased standards of living as well as allowed households to accumulate more assets, improve housing, acquire savings and in Tonga, improve school attendance (2010, 20). These findings indicate that through the RSE, return workers have the potential to contribute to the efforts of their countries to achieve the MDGs and reduce poverty in households that have had family members participate in the RSE.

The development objectives of the PSWPS also appear to be consistent with Australia's broader development objectives. Like the RSE, the PSWPS seeks to increase economic growth and integration in the Pacific. While this is a positive indication of the direction of the PSWPS towards meeting Australia's development objectives, questions are raised over Australia's commitment to the PSWPS doing so. Australia's traditional contribution to Pacific development has been through the provision of aid, rather than through an active encouragement of private sector enterprise and investment. Australia's scheme is also set up differently to the RSE, in that workers are recruited through government-approved agencies. This limits the opportunity for Australian employers to interact and establish contacts with local communities and could constrain the possibility for private investment and enterprise in Pacific islands that could contribute to economic growth and integration. While due to lack of workers who have participated in the PSWPS, it cannot be established to the same extent as the RSE whether any development outcomes have occurred to support Australia's broader development objectives for the region; however, the experience of workers returning from New Zealand suggests that the PSWPS could also have the potential to promote development outcomes that can support economic growth and the achievement of the MDGs, two of Australia's biggest development goals for the Pacific. Australia needs to recognise this, and support employers to engage with the scheme.

There are still challenges that could be overcome to ensure the development objectives of the RSE and PSWPS are met. One is presented in balancing employers' desire for return workers with experience, and offering opportunities to new workers so that the benefits continue to be spread. This is something the New Zealand and Australian policymakers and employers and the Pacific Island governments should be looking to address if they want to ensure that the development potential is expanded. Another is maintaining equal opportunity for workers from different parts of the countries involved to participate, to ensure the benefits are offered to those most in need. This requires a greater effort and involvement from Pacific Island governments. In the Pacific, rural islands where people are poorer are often isolated and many people may miss out on the opportunity due to not having the funds to attend information sessions that are generally held on main islands, or even being unaware that the RSE and PSWPS exist. It is in the interests of New Zealand and Australia to support the Pacific Island governments in their efforts to make the RSE and PSWPS an opportunity for those who would benefit most, in their pursuit of their goal of economic growth in the region.

It is important that New Zealand and Australia coordinate and work together to ensure that both the RSE and PSWPS are successful in allowing the benefits of both schemes to be spread among the region. One way this can be achieved is by allowing workers from different countries fair access to both countries' labour markets. New Zealand has allowed all PIF countries access to the RSE (excluding Fiji), but provided extra facilitation measures to the 'kick start' states of Samoa, Tonga, Vanuatu, Kiribati and Tuvalu. Australia announced Kiribati, Tonga, Vanuatu and Papua New Guinea as the PSWPS countries included in their pilot. In 2008, New Zealand decided that the Solomon Islands would be added to the initial 'kick start' Pacific states. This was received warmly by the Solomon Islands, who had expressed displeasure at being excluded by both the RSE and PSWPS in the first instance. On a visit to New Zealand in 2009, Minister for Development Planning and Aid Co-ordination,

Steve Abana said he was happy with the way the scheme had extended its benefits to the Solomon Islands, given the number of unemployed in the country, and the workers that had spent time in New Zealand had used the money they earned to pay for education for themselves and their children, improve their standard of living, and purchase items such as solar panels and chainsaws that were not available readily in the Solomon islands (Fisher, 2009). Earlier this year, Australia finalised the Memorandum of Understanding required to start recruiting workers from Papua New Guinea. The Solomon Islands and Papua New Guinea are two of the Pacific nations recognised as being most behind in achieving the MDGs, so their involvement in the RSE and PSWPS to receive the benefits offered is particularly important. As both schemes grow and more opportunities open up for workers, it is likely that workers from other countries could begin to be included in greater numbers. However, while in theory this should help distribute development opportunities more evenly, the reality that the PSWPS has not provided the same number of opportunities for workers in Australia that the RSE has means that benefits have thus far not been spread as equally as intended.

Since its introduction in 2007, the New Zealand Government has initiated a new measure to promote and expand the development potential of the RSE scheme. In 2009, in an extension of the RSE scheme, the Government announced the establishment of a programme to deliver skills training to Pacific Islanders taking part. NZD\$500,000 was provided for a pilot package, to be invested by NZAID in skills training for up to 300 RSE workers across the Bay of Plenty, Hawkes Bay and Marlborough over the 2009-2010 and 2010-2011 seasons, with the prospect of including more workers in future seasons if successful (Beehive.govt.nz, 05/08/09).

A pilot of this programme called ‘Vakameasina – Learning for Pacific Growth’ ran in the Hawkes Bay and Bay of Plenty over the 2009 season. 312 workers took part in the programme, which consisted of five modules: personal financial goal-setting; budgeting; remittances; health and safety; and payslips, deductions, rights and responsibilities (NZAID, 2009, 19). The skills that were covered in the training are identified as crucial to maximising the benefits of the RSE. For example, financial literacy is considered to be very low in Vanuatu – workers return with less than what actually earned because they are unsure how to measure their earnings, give so much away, or spend more than they realise in New Zealand. Furthermore, the different cultural norms regarding expenditure of money in the Pacific can cause tension– family and friends expect to receive a share (interview with official at New Zealand High Commission, Vanuatu, 2010). These cultural differences have been another challenge for workers, in particular gaining an understanding of how to budget, but feedback from both workers and teachers on the pilot training has been positive (NZAID, 2009, 19).

In addition, following consultation with Pacific Island communities, Australia and New Zealand have cofounded a website called [www.sendmoneypacific.org](http://www.sendmoneypacific.org). The website is aimed at ensuring workers make the most of the value of the remittances they earn while working in New Zealand and Australia by promoting competition in the money transfer service business, which should decrease the cost of remitting to the Pacific - in Australia and New Zealand, the cost of sending money to the region is between thirteen and thirty percent higher than other regions in the world (AusAid, 2009a). It has been estimated that lowering the transaction costs associated with remittances will result in a more than proportional increase in the amount of money that is sent home (Gibson et al., 2006 in Hayes, 2010, 52). These initiatives show the commitment of both countries to the development benefits offered by the RSE and PSWPS.

#### 6.4.2 *Summary*

The development objectives of the RSE and PSWPS do parallel the broader policy goals of New Zealand and Australia in the Pacific. This is extremely important in answering whether the RSE and PSWPS have the potential to meet the development objectives of New Zealand and Australia. Both New Zealand and Australia have a strong emphasis on supporting and achieving economic development in the Pacific, and this goal is echoed in the objectives of the RSE and PSWPS. There are examples of the RSE actively contributing to New Zealand's policy goals, through promoting private investment and economic growth in the RSE outcomes, and the achieving of the MDGs in some countries through the reduction of poverty, increased household income, sustainable development and increased education. This is less obvious in the case of the PSWPS, though.

Due to Australia's limited number of visas offered to Pacific Island workers, the opportunities have not been distributed as evenly through the region as hoped. While both countries do have specific country plans (such as Australia's Pacific Partnerships for Development), New Zealand and Australia's broader development objectives and particularly those signed off in recent times, such as the focus on the Pacific region are also important. Evidence indicates that both schemes at this stage are working in isolation. That New Zealand and Australia have also signed a declaration to work more closely together on development progress in the Pacific indicates that a closer integration and understanding of the potential of their temporary migration schemes could have better distributed benefits. For example, as a cooperative measure New Zealand could extend a number of visas to Papua New Guinea while assisting Australia make the required changes to the PSWPS, so that workers from the country do not miss out on the opportunity of seasonal labour. Australia could then extend visas to countries not included as RSE 'kick start' nations, such as Nauru.



In this way, the RSE and PSWPS could potentially meet the development objectives of New Zealand and Australia – both the individual countries’ goals of helping the Pacific Island states promote economic growth and assist towards the achievement of the MDGs, as well as their regional development goals. Australia, and especially New Zealand, have shown good initiative in establishing measures to support the development outcomes of the schemes. The pilot training programme for workers in New Zealand was a success, having been identified as an area that could substantially boost the skills learnt by Pacific Islanders while participating in the RSE. This pilot, and the money transfer programme administered by New Zealand and Australia, shows a commitment to achieving their development goals for the region.

*6.5 The benefits of the schemes for Pacific Island workers must not outweigh the costs involved.*

*6.5.1 Recognised Seasonal Employer scheme and Pacific Seasonal Worker Pilot Scheme*

For the RSE and PSWPS to meet the development goals of the region, the schemes must be of greater value to workers and their countries than the cost to them of participating, for in any temporary migration scheme there are financial and social costs that must be absorbed. As labour migration theories such as the NELM suggest, choosing to migrate even for a short period of time is a decision that takes into consideration family – and in the Pacific, family is of fundamental importance, with ‘considerable pressure to ensure family obligations are met regularly, and to maintain one’s status as well as that of one’s family’ (Bedford, Bedford and Ho, 2009, 7). Thus, the decision to participate in schemes such as the RSE and PSWPS is not taken lightly. The financial costs to Pacific Islanders who want to partake in the RSE and PSWPS can be a challenge, potentially limiting the extent to which some workers can be

involved. Costs involve pre-departure security and medical checks, recruitment fees, and travel – from outer islands to where such checks are taken, and to New Zealand and Australia. Employers are required to pay half of the return airfare to either New Zealand or Australia, but for some workers, providing the funds to get to main islands can be an insurmountable challenge. Some countries have provided ways to assist workers in meeting this challenge – for example, the National Bank of Vanuatu has begun offering loans to workers to cover the initial costs, and non-government organisations, community groups and local councils have assisted where they can (Bedford, Bedford and Ho, 2009, 32). However, for other countries, such as Kiribati and Tuvalu, banks have been reluctant to cover costs, resulting in some workers missing out due to not being able to raise funds in time to meet their employer's deadline for arrival (Bedford, Bedford and Ho, 2007, 31-32).

There are also social costs that must be taken into consideration when conducting a cost-benefit analysis of the RSE and PSWPS. The migration of men can have both positive and negative effects on women who remain at home. While women gain greater responsibility, and may develop new skills, they may also struggle with the burden of managing a household alone, in particular the task of managing remittance income (Bedford, Bedford and Ho, 2009, 7). For the most part, however, the close-knit extended family and community structure that typifies many Pacific Island countries means that strong support networks exist to ensure family can cope with the temporary loss of crucial family members (Hugo, 2002). Some communities have found innovative ways to mediate the cost of losing men who make up the main source of labour, and whose absence can affect income through loss of agricultural production. For example, in some villages in Samoa, young men selected to work on the RSE are required to plant five thousand shoots of taro before they depart for New Zealand to ease the burden caused by their absence (Bedford, Bedford and Ho, 2009, 37). Another example is the community of Lamien Bay in Vanuatu, where there is a cap of 110 workers in any one

season that may be permitted to partake in seasonal work so that village-based activities are not significantly disrupted (Bedford, Bedford and Ho, 2009, 41). While research suggests that there may be other potential social impacts caused by temporary migration, such as a negative effect on children and changes to diet and health, these impacts are not widespread (Rohorua et al., 2009 in Bedford, Bedford and Ho, 2009, 40) and most Pacific Island countries have adjusted well to the loss of workers and have developed positive strategies to cope with the disruption to their daily life.

Benefits to Pacific Islanders participating in the RSE and PSWPS are in the form of increased earnings, and knowledge of new skills. RSE workers were attracted to the scheme by the potential to earn five to eight times more than they would in the same period of time in their home countries – while studies have suggested that actual earnings were somewhat less than expected, after deductions were made for accommodation, airfares and food, an average of NZ\$5,764 was earned by workers in seventeen weeks (MacLellan, 2009 in Hayes, 2010, 50). According to John Gibson and David McKenzie, who completed a multi-year evaluation of the impact of participation in the RSE on households and communities in Tonga and Vanuatu, involvement led to raised incomes in both countries, allowed households to accrue more assets, increased comparative standards of living, and in Tonga, improved school attendance (2010, 20). In addition, communities have received monetary benefits; for example, in Vanuatu, workers have been required to contribute a small amount to go into a community fund for local projects, such as a water tank (Hayes, 2010, 50). Accordingly, community leaders have overwhelmingly perceived the RSE as having a positive impact (Gibson and McKenzie, 2010, 20). Interestingly, research conducted by Gibson and McKenzie (2010) and the DOL (2010) show only Tongans have sent significant sums of money home as remittances. There is much literature dedicated to the subject of remittances in the Pacific, and the use of remittances for ‘conspicuous consumption’ and ‘altruistic motives’ (Browne

and Mineshima, 2007 in Hayes, 2010, 50). However, findings so far indicate that both remittances and earnings saved have for the most part gone to improving standards of living (Gibson and McKenzie, 2010; interview with Sylvie Kalmet, 2010). It is possible that in future seasons, return workers may start to look to invest their earnings in small business opportunities, once they have made necessary improvements to their homes and communities.

The other main benefit to participating in the RSE (and PSWPS) is the opportunity to learn new skills and gain experience. Skills include not only those that they directly gain from experience in horticulture and viticulture industries, but skills related to saving and budgeting, and understanding different ways of how business is conducted. For example, in an interview with an official at the New Zealand High Commission in Vanuatu, it was observed that many workers have returned from participating in the RSE with a greater understanding of what they call ‘white-man’s time’ – a reference to the concept of working for an hourly wage (2010). This kind of mind-set is supported by the Vanuatu Government, who want to encourage the perception that time and money are resources – the current attitude to work is a ‘hand-brake’ on development, and the potential for workers to travel to New Zealand and Australia and have their eyes opened to a new work ethic and culture and increase their aspiration for development (interview with official at New Zealand High Commission, Vanuatu, 2010). Subsequently, there is scope to learn a number of skills that can be applied in a variety of contexts on return.

### *6.5.2 Summary*

The evidence presented is based on a cost-benefit analysis related to the RSE. It is presumed that the context could also be applied to the PSWPS, given the similar circumstances of the

scheme in terms of costs to workers and their families, and skills and money earned. On this basis, it can be argued that the benefits to participating in the scheme are overwhelmingly greater than the costs involved with temporary migration.

## *6.6 Evaluation*

The extent to which the RSE and PSWPS show the potential to meet New Zealand and Australia's development goals in the Pacific has been evaluated using a framework that takes into consideration an understanding of the literature on migration and development, best-practice examples, consideration of the context of development in the Pacific, and an awareness of the operation of the schemes themselves. Based on the analysis of the five criteria, it can be said that the RSE has very strong potential to meet New Zealand's development objectives – the PSWPS, less potential to meet Australia's respective goals. However, that is not to say that the PSWPS cannot in the future be of value in contributing to Australia's role in the Pacific. The following points offer some perspective into the strengths, weaknesses and improvements that could be made to the schemes to maximise their development potential.

The strength of the RSE lies in its structure. The way the scheme is designed makes it straight-forward for employers to recruit workers and engage in the scheme, allowing the RSE to achieve its desired outcomes. Such outcomes have a strong focus on achieving development outcomes for the Pacific, and these are also supportive of the Government's broader development desires. The scheme is supported strongly by the current National Government, having been introduced by the previous Labour government. That the RSE has the support of both the Government and the Opposition suggests that the RSE is here to stay, which means the scheme can continue to build upon its development outcomes and Pacific

Island governments can start to think about integrating the impact of the skills learned and money earned into development plans. The RSE is managed properly by the DOL, and has grown in strength through the past four seasons it has been in place. DOL have been responsive to issues that have arisen – while there were some early concerns raised about the treatment of workers, following seasons have recorded few issues with non-compliance. There has also been success experienced by the pilot skills training sessions that were conducted for RSE workers. This sort of innovative thinking highlights the potential of the RSE – as explained, there is a serious lack of understanding of financial literacy on the part of many Pacific Islanders, and increasing the knowledge of finance and earnings through the RSE is a positive step towards improving Pacific Island development.

The only weakness of the RSE that may in the future need to be addressed is the desire of employers to retain the same workers in following seasons. While, from an economic standing point, this is not an unrealistic or irrational request, as employers do put time and energy into training their workers and want to see a return from them, it does mean that the benefits of the RSE may not be spread as evenly throughout the countries that participate. Related to this issue is the difficulty some Pacific workers have found in meeting the costs of participating. New Zealand, employers and Pacific Island governments need to work together to find a way to ensure that workers who wish to participate are not disadvantaged by having not taken part before, or not having the required funds to get to New Zealand. One possible solution is having a quota system, whereby employers can opt for a certain percentage of past workers who have proved themselves to be of supervisory standard, and are paid slightly more to train new workers, which could be subsidised by New Zealand. Another option to ensure the benefits are evenly distributed, where one employer takes a number of workers from one community, could be a rotation system and skills sharing sessions, so that while those who miss out might not gain financially, they still can gain value from others who

participate. There is huge scope for the RSE to meet New Zealand's development objectives, improve economic growth in the region and contribute to the achievement of the MDGs – but it is important to ensure the scheme continues to learn from each season past and that Pacific workers make the most of the opportunity.

Australia needs to show a greater commitment to the PSWPS. The PSWPS has not had enjoyed the same successes as the RSE; as the assessment of the criteria indicates, this is due to a number of reasons. In terms of political context, the RSE has enjoyed bi-partisan support, introduced by the Labour Party in 2007, and continued and expanded by the National Party following their victory in the 2008 election. In contrast, despite interest from Australian employers and Pacific Island governments, it was not until the Australian Labor Party became the Government in Australia that the PSWPS was established. The political context is important, as it gives an impression as to the potential longevity of the scheme, and the extent of support the scheme has. Employers will be more likely to be interested in becoming a part of the scheme if they have an assurance, if not a guarantee that the time they spend in training workers will pay off when they can return in future years. The Australian Government needs to put more effort into promoting the PSWPS – the small number of Pacific workers that have spent time in Australia have had a positive experience and employers have been satisfied with the arrangement. This needs to be publicised, because the PSWPS cannot contribute to meeting Australia's development goals if only a few hundred workers are provided with the opportunity to work in Australia each year. Equally, the Government needs to make sure the scheme is accessible to both employers and workers – issues have been identified with the structure of the scheme, particularly how workers are recruited. Australia could look to the success of the structure of the RSE for guidance, where workers are directly recruited by employers, which effectively presents opportunities for development and engagement with the communities the workers come from, provides employers with the ability to recruit

workers from different communities, and ideally spread the benefits of the RSE across the region.

In the past, Australia has been perceived in a less-than positive light by the Pacific region. The PSWPS presents an opportunity for Australia to work in closer partnership with the Pacific by offering people the chance to earn skills and improve their own, their families' and their communities' livelihoods, as well as providing the potential for Australia to meet its development goals for the region, through greater regional engagement and contributing to the achievement of the MDGs. It is crucial that the Australian Government persists with the PSWPS, as ceasing the scheme will not bear well on its efforts to be seen as a partner in cooperation with the Pacific, and the achievement of Australia's development goals depend on Australia maintaining good relationships with the countries in the region.

It is imperative that the Pacific islands support New Zealand and Australia. The region has embarked upon the partnership model of development, emphasised in initiatives such as the Pacific Partnerships for Development and the Cairns Compact. The Pacific Island governments were vehemently vocal in their requests for New Zealand and Australia to allow temporary access to their workers – they must continue to play an important and supportive role to ensure the continued success of the scheme. As identified in the criteria, ownership is an important concept in the pursuit of any new initiative in the Pacific, and it is the responsibility of the Pacific Island governments to ensure that they send workers who understand the potential of the scheme, and act as good representatives of their country. For the RSE and PSWPS to meet the development goals of New Zealand and Australia, the Pacific Island governments need to be involved in the schemes. This is because the achievement of New Zealand and Australia's development objectives are to some extent tied to the development agendas of the Pacific islands. Part of the partnership and participatory



approach to development that New Zealand and Australia have endorsed involves measures to strengthen the ownership and leadership of Pacific islands own development goals, and is based on recognition of the development needs of the region. New Zealand and Australia primarily want to see improved economic growth and accelerated progress towards the MDGs in the region – however, they also support the priorities that Pacific Island governments have established. Therefore, the development process in the Pacific is circular, and the potential of the RSE and PSWPS to meet New Zealand and Australia’s development goals depends on the willingness of the region’s governments to support their endeavours through good development practice; through ensuring that they provide opportunities for the benefits to be spread most effectively; providing adequate pre-departure clearance and training; ensuring workers are aware of the penalty for overstaying, responding to issues and punishing misbehaviour fairly and responsibly; promoting opportunities for workers to make the most of their skills and earnings; and ensuring a smooth transition back to life in their home communities. In return, Pacific Island governments need to have reassurance that their workers will be treated fairly while in New Zealand and Australia – Pacific Islanders can be particularly vulnerable, especially when many have limited English language skills, no experience of culture outside the Pacific, and little understanding of the concept of a working day. To date, with the exception of the first season of the RSE, there have been few instances of exploitation, and equally few instances in the experiences of PSWPS workers. This indicates that the schemes are avoiding the mistakes that challenged temporary migration schemes of the past - if the Pacific Island governments can act as partners with New Zealand and Australia, this will strengthen the potential of the RSE and PSWPS to also meet the development goals of the region.

Development is a long term process, one that requires commitment, coordination and the sharing of knowledge between development partners that work together. The RSE has shown

that it has the potential to be of much value to the Pacific, offering workers the opportunity to earn money, send home remittances that can contribute to the improvement of their well-being, and develop new skills to expand their opportunities to build careers. The PSWPS, if a greater commitment is made by the Australian Government and employers, can also be of value, given that Australia has a larger population and therefore has the potential for more workers to participate. For the RSE and PSWPS to create more opportunities for development, New Zealand, Australia and the Pacific islands must continue to work in the partnership that they have established through other development initiatives. By taking a collaborative approach, ensuring the development goals of New Zealand, Australia and the Pacific are mandated in the approach of the RSE and PSWPS, then the two temporary migration schemes may turn their potential to meet the development objectives in the region into successful outcomes.

## Chapter Seven – Conclusion

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The link between migration and development has long been established. While scholars have struggled to conceptualise theories on the relationship, a resurgence of interest on the impact of migration on development has grown into an international debate. In recent years, the notion of temporary labour migration has re-entered the debate, in light of growing interest in development outcomes, remittances and the benefits that temporary migration can provide for both developing countries that can provide labour, and developed countries that are experiencing shortages.

The Pacific islands, as a region, are amongst the most aid-dependant and least progressive developing nations in the world. As their closest neighbours, New Zealand and Australia have taken it upon themselves to support the development of the region. Until of late, the two countries have attempted to boost the economic growth of the island nations through large flows of development assistance-orientated aid, to little effect – the majority of Pacific islands remain steadily off course to achieve the Millennium Development Goals by 2015.

However, in recent years New Zealand, and to a greater extent Australia, have looked to embrace the participatory approach to development, which seeks to address developing countries own priorities and agendas by working cooperatively in a partnership with their donors. New Zealand and Australia have committed themselves to working with the Pacific islands through initiatives such as the Cairns Compact, in order to promote greater economic development and accelerate progress towards the MDGs. This new approach has seen both countries aim to be more attentive to the development aspirations of the region.

It was therefore of little surprise that in 2007, New Zealand announced the establishment of a temporary migration scheme for Pacific Island countries, the Recognised Seasonal Employer

policy (RSE). Governments in the region had been aware of the opportunities that such a scheme could present, and had been vocal in their requests for New Zealand and Australia's labour markets to be made more accessible. The following year, Australia announced that they would be creating the Pacific Seasonal Worker Pilot Scheme (PSWPS).

This thesis has explored both the RSE and the PSWPS and their development potential, to meet the goals and objectives that New Zealand and Australia desire for the Pacific. It contributes to growing interest in research on the ability of temporary migration to act as a development tool. It is one of the first pieces of literature to contrast the RSE and PSWPS, and look at the interface between temporary migration, development policy, and the Pacific region. There have been challenges in constructing a comprehensive analysis, given that both schemes have been operating less than five years, and as a consequence there were limitations to the extent of information available. However, this thesis has not attempted to analyse whether development outcomes have been achieved, but rather the potential of the RSE and PSWPS to meet the development goals of New Zealand and Australia.

The goals of both countries focus on the Pacific – the pursuit of sustainable economic growth, and greater progress towards the achievement of the MDGs. To evaluate the extent of the potential RSE and PSWPS to meet these goals, it was necessary to establish an innovative framework that drew upon current research on temporary migration, including international best-practice literature, the context of Pacific Island development, and a cost-benefit analysis of what the RSE and PSWPS could provide for Pacific Island workers, their communities and countries.

Using this framework, the thesis has argued that temporary migration can be an effective way for policymakers to integrate development policies with domestic policies. To this extent, it can be said that the RSE has the potential to achieve the 'triple win' – for employers seeking

a reliable labour source, for Pacific Island workers, and their countries who benefit from workers with greater financial prowess and relevant skills and experience. This thesis argues that the RSE can go beyond achieving the ‘triple-win’. It is structured in a way that avoids the two issues most commonly cited in literature on temporary migration – the exploitation of workers, and overstaying. It has allowed employers to easily access a reliable and efficient source of labour, without taking jobs away from New Zealanders. The RSE policy has a strong focus on ensuring development outcomes, and these complement New Zealand’s foreign policy development objectives, allowing for a consistent approach to the Pacific. An early assessment of the social and financial costs of participation in the RSE shows that the benefits, in terms of savings, skills and analysis, easily outweigh any losses suffered. As a result, the thesis regards the RSE to have strong potential to meet New Zealand’s development goals, and in the future even be considered as a best-practice model in the use of temporary migration as a development tool.

There is scope for greater research into the PSWPS. This thesis has identified that the PSWPS has not been engaged with anywhere near the same extent as the RSE; reasons provided by the Australian Government refer to the Global Financial Crisis of 2009, a larger number of overseas holidaymakers and Australian workers requiring employment, and a lack of interest and demand shown by employers. However, contradicting evidence abounds, with complaints from employers about the difficulties created by the structure of the PSWPS, which means they have to rely on recruitment companies to access workers on their behalf. This is a major flaw in the PSWPS, as the scheme cannot provide the potential to meet Australia’s development goals if there are no workers being given the opportunity to participate. In assessing the PSWPS through the evaluative framework, it was difficult to make any firm judgements or evaluations, with so few workers having been involved – the

only definite conclusion that can be drawn is that the PSWPS will need to increase participation of Pacific workers to show the potential to meet Australia's goals.

Development is a long term process, and the impacts of any initiatives can not be measured until time has passed. While the immediate influence of the RSE is evident, it is important that the greater implications for development in the Pacific are monitored and observed. If Australia strengthens its commitment to PSWPS, and streamlines the scheme so that it reflects the positive features of the RSE, it is anticipated that it can also be of potential in meeting Australia's development goals. Subsequently, both schemes can offer an example to other regions considering temporary migration as a development tool that the application of careful structure and design, consistent development policy and engagement with regional partners can make the concept a success.

# Appendix One

## Interview Information

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### **Participant Information Sheet for Research on New Zealand and Australia's temporary migration schemes for Pacific Islanders.**

**Researcher: Stacey Kwant, School of History, Philosophy, Political Science and International Relations, Victoria University of Wellington.**

I am a Masters student in Political Science at Victoria University of Wellington. As part of this degree I am undertaking research to assist the writing of a thesis. The research examines the extent to which the temporary migration schemes created by New Zealand and Australia for Pacific Island workers provide temporary migration models that meet the development goals of sending and receiving nations, thus potentially providing a model suitable for replication in other countries or regions. This is a relevant and contemporary subject, and the research findings will be informing and beneficial to many beyond the academic community. The University requires that human ethics approval be obtained for research involving human participants.

If you agree to participate, you will be asked to provide answers to questions relating to your involvement in, and experiences and thoughts of the temporary migration scheme developed for Pacific Island workers. The interview will take approximately 45 minutes, during a time and place suitable to you.

It is envisaged that responses, opinions and information given during the interview will be attributed to you. Any information provided that is not included in the final thesis will not be viewed or released to anyone but my supervisor and me without your permission. After the thesis is handed in, interview information will be retained for one year, and then destroyed.

As a participant, you have the right to check interview notes and read any transcript made, and also withdraw any comments made at the time, before July 1<sup>st</sup> 2010. If you wish to withdraw, your information will be returned to you. Feedback (on how the information you have provided will be used in the thesis) and a transcription of the interview can be provided, electronically.

Information gained from interviews will contribute significantly to my research project, helping me form conclusions and to make evaluations. The thesis will be submitted for marking to the School of History, Philosophy, Political Science and International Relations and deposited in the main University library. It is possible that one or more articles will be submitted for publication in scholarly journals, and parts of the research presented at academic conferences.

If you have any questions about the project, please contact me at [staceykwant@hotmail.com](mailto:staceykwant@hotmail.com) or my supervisor, Dr. Kate McMillan at [kate.mcmillan@vuw.ac.nz](mailto:kate.mcmillan@vuw.ac.nz). I can also be contacted by telephone on +64 4 463 5233 ext 8641 or by post to MY 816, Murphy Building, Kelburn Parade, Wellington, New Zealand.

## **Consent to participate in research on New Zealand and Australia's temporary migration schemes for Pacific Islanders**

I have been provided with adequate information relating to the objectives of this research project, and my participation in it. I have understood this information, have had the opportunity to ask questions, and have had them answered to my satisfaction.

I understand that I may withdraw any information I provide from the research project before July 1<sup>st</sup> 2010 data without having to give reason. I understand that if I do withdraw, any data I have provided will be returned to me.

I consent to information or opinions being attributed to myself by name in reports on this research. I understand that the information I provide will be kept confidential to the researcher and their supervisor, will be used only for this research project and any further use of it will require my further consent.

I have been provided with the opportunity to receive feedback on the information I have given, and to check the transcription notes of my interview. I understand that I can request to receive both feedback and a transcript at a later date if I have not requested so before.

I do wish to receive feedback on my interview ☐

I do wish to receive a transcription of my interview ☐

I understand that when this research is complete, my information will be retained by the researcher for a year following the handing in of the thesis, and then destroyed.

I agree to take part in this research.

Name:

Signed:

Date:



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