

Enhancing the Development Impact of Labour Mobility in Pacific Island Countries: The Role of the Seasonal Worker Program and the PACER Plus

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Abstract

The migration-development discourse has been subject to much policy and academic debate in the past decades. In recent years, there is growing consensus that migration can deliver 'triple wins' for migrants, sending countries and receiving countries, yet there is also caution that these 'wins' are not automatic and may remain elusive unless conducive policies are present in both sending and receiving countries. Deducing this nexus is particularly important for Pacific Island Countries (PICs) as labour mobility presents one of the few viable opportunities for sustainable development in the region. From an international trade perspective, the gains from trade lies in the exploitation of differences in factor endowment ratios and preferences, and the largest difference that PICs can exploit is in the export of its workers, particularly Pacific low-skilled workers. This thesis seeks to contribute to the understanding of the migration-development nexus by determining how the development impact of labour mobility in Pacific Island sending countries can be enhanced.

Drawing on the static theory of the effects of international trade on household livelihood and the New Economics of Labour Migration theory, this thesis uses a case study of Tonga's participation in the Australian Seasonal Worker Program (SWP) to examine the exogenous factors which affect the generation and transfer of the economic development gains from labour mobility in Pacific Island sending countries. The research adopts a mixed-methods research strategy consisting of quantitative surveys of over 520 SWP households and migrants, 76 informant interviews of key stakeholders in Australia and Tonga, and secondary data analysis of migration and development data in the region.

Key findings indicate that the development gains from labour mobility are channeled through the remittances that migrants transfer and the skills they acquire during migration. These returns were found to be linked closely with the sending country's stock of migrants yet the size of these flows was affected by a number of exogenous factors prevalent in both the sending and receiving countries. The research also identified that the returns from labour mobility were largely private transfers and therefore the positive impact of these returns on economic development in sending countries is contingent on the transfers made by migrant households for the

productive capacity development of sending economies, through household income diversification. Analysis of qualitative and quantitative data obtained from SWP households and migrants in Tonga and Australia revealed that the rate of household income diversification facilitated by the SWP is low thus suggesting that the positive impact of the programme on economic development in Tonga is limited.

The research found that enhancing the development impact of labour mobility in Pacific sending countries require targeted policies to: address labour market access barriers to Pacific workers, particularly low-skilled and semi-skilled labour migrants; reduce constraints to the flow of remittances to households and the transfer of skills acquired during migration; and facilitate higher rates of household income diversification including through increased labour participation and business investments. Addressing these constraints necessitates effective cooperation between Pacific Island sending countries and receiving countries such as Australia and New Zealand. Regional Trade Agreements (RTAs) such as the PACER Plus, and Bilateral Labour Agreements (BLAs) such as the SWP, are proposed as important opportunities for forging and developing this required level of cooperation. The research found that these agreements can interactively contribute to enhancing the development impact of labour mobility in Pacific sending countries through a framework where their complementary roles are developed to effectively respond to development needs in the Pacific.

Declaration

I, Alisi Wenonalita Kautoke Holani, certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide.

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Dedication

This thesis is dedicated to my Lord and Saviour, Jesus Christ, who renews my strength and enables me to soar on eagle's wings; who allows me to run and not grow weary; to walk and not be faint.

“For in Him I (we) live and move and have my (our) being”

Acts 17:28a

List of Acronyms

ACP	African, Caribbean and Pacific
ACTU	Australian Council of Trade Unions
ADB	Asian Development Bank
ADF	Australian Dairy Farmers
AIMS	Atlantic, Indian Ocean, Mediterranean, and South China Sea
ANZCERTA	Australia – New Zealand Closer Economic Relations Trade Agreement
AQF	Australian Qualifications Framework
ATR	Agreement to Recruit
BLA	Bilateral Labour Agreements
CAFTA-DR	Dominican Republic-Central America Free Trade Agreement
CHAFTA	China-Australia Free Trade Agreement
DFAT	Department of Foreign Affairs and Trade
DFID	Department for International Development
DIBP	Department of Border Protection
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
EEA	European Economic Area
EEZ	Exclusive Economic Zone
EU	European Union
FDI	Foreign Direct Investment
FIC	Forum Island Country
FSM	Federated States of Micronesia
FTA	Free Trade Agreement
GATS	General Agreement of Trade in Services
GDP	Gross Domestic Product
HIES	Household Income and Expenditure Survey
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IIT	Institute for International Trade
ILO	International Labour Organisation
IMF	International Monetary Fund
IOM	International Organisation for Migration
LDC	Least Developing Country
LHC	Labour Hire Company

MCCTIL	Ministry of Commerce, Consumer, Trade, Innovation and Labour
MDG	Millennium Development Goals
MFA	Multi-Fiber Arrangement
MFN	Most Favoured Nation
MIRAB	Migration, Remittances, Aid, Bureaucracy
MRA	Mutual Recognition Arrangement
MTO	Money Transfer Operators
NAFTA	North American Free Trade Agreement
NBNPL	National Basic Needs Poverty Line
NELM	New Economic Labour Migration
OCTA	Office of the Chief Trade Adviser
OECD	Organization for Economic Co-operation and Development
PACER	Pacific Agreement on Closer Economic Relations
PIC	Pacific Island Country
PNG	Papua New Guinea
PSWPS	Pacific Seasonal Worker Pilot Scheme
RMI	Republic of the Marshall Islands
RPL	Recognition of Prior Learning
RSE	Recognized Seasonal Employment
RTA	Regional Trade Agreement
RTO	Registered Training Organisations
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SLF	Sustainable Livelihoods Framework
SME	Small and Medium-sized Enterprises
SPC	South Pacific Community
SVE	Small Vulnerable Economies
SWP	Seasonal Worker Program
TASWA	Tonga Australia Seasonal Workers Association
TBEC	Tonga Business Enterprise Centre
TFN	Tax File Number
TMNP	Temporary Movement of Natural Persons
TVET	Technical Vocational Education and Training
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational Scientific and Cultural Organization
UNOHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing State
WDI	World Development Indicators
WHM	Working Holiday Maker
WTO	World Trade Organization