

REGIONAL INITIATIVE TEMPLATE

Please complete each section below.

1. Contact Details

Please provide the following contact details:

Name of individual or group submitting initiative	<i>State, Society and Governance in Melanesia Program, The Australian National University</i>
Name and position of primary contact	<i>Dr Rochelle Ball</i>
Email address	<i>rochelle.ball@anu.edu.au</i>
Alternate email address	
Phone number	<i>612 61254344</i>
Fax number	
Mailing address	State, Society and Governance in Melanesia Coral Bell School of Asia Pacific Affairs ANU College of Asia and the Pacific Coombs Building, 9 Fellows Road The Australian National University ACTON ACT 2601

2. Name of Initiative

Labour Mobility: Lifting our Ambition, Lifting our Ability to Grasp Opportunities

3. Background and Rationale

You may consider: What is the issue being addressed by this initiative? What are the causes of this issue? Are there relevant studies that have been carried out to support the issue? Are there links to national, regional or international goals/policies?

Please limit your response to no more than 750 words.

The evidence shows that labour mobility has helped to drive economic growth...

Increased labour mobility is a key facilitator for regional integration and economic growth. Labour mobility provides participating countries with the opportunity to significantly improve national income and financial flows to poor households through lowering the barriers to the movement of people across the region.

The existing seasonal worker schemes in Australia and New Zealand have expanded work opportunities for Pacific

islanders. Since the establishment of New Zealand's RSE and Australia's SWP a number of significant number of evaluations and studies¹ have shown overall positive effects for Pacific families and communities participating in the schemes. Evidence has shown that incomes from seasonal labour mobility has provided capital for the establishment of micro businesses in the Pacific and has enabled new employment opportunities for those who do not participate in labour mobility.

The underlying problems won't go away soon...

Many Pacific Island countries remain challenged by youthful populations, high population growth rates, and need to generate employment opportunities for Pacific people. The World Bank highlighted this in a recent report:

"Many Pacific island countries (PICs) face important upcoming challenges in providing adequate employment opportunities to young, increasingly urban, and often rapidly growing populations. Population growth and rapid urbanization in small Pacific Island Countries is causing understandable concern in the context of weak economic and employment growth".

And there is potential for labour mobility to grow...

In contrast to Pacific island countries, OECD countries have ageing populations. They require people to fill increasing labour shortages across a range of industries. There is likely to be significant growth in opportunities for Pacific island countries to expand labour mobility to developed countries. The recent announcement by Australia that it is removing the national cap on the number of workers participating in the SWP simply underlines this point. Australia has also flagged that it will be creating opportunities for low skilled as well as unskilled employment under the Seasonal Worker Programme.

The potential for development of labour mobility is substantial. Seasonal workers annually remit over \$71 million from employment in Australia and New Zealand. More broadly, remittances are in the top five sources of export income and for many Pacific countries exceed bilateral aid.

Remittances could grow significantly with expanded seasonal work opportunities, and drive economic growth across the region. In 2014 World Bank projections found that increased labour mobility could be a major driver of economic growth in the region. Given these assumptions, total remittances from the Australian and New Zealand schemes could reach **US\$390 million by 2025**, equivalent to 10 percent of GDP of currently participating small Pacific island countries or 60 percent of their total aid flows. These estimates rely heavily on an expansion of low participating Pacific island states into available labour mobility markets.

BUT Forum countries are missing out on existing opportunities, and risk missing future opportunities

In terms of systematic labour exports **the Pacific lags behind many other parts of the world.**

Already, some Pacific island countries are not making good use of existing labour mobility opportunities. And for all Pacific island countries, capitalising fully on the opportunities that exist now, and the opportunities that will arise in future will require them to match the capabilities of large Asian labour exporting countries such as the Philippines, India and Indonesia.

¹ From the World Bank, ILO, the New Zealand Ministry of Business, Innovation and Employment, New Zealand Ministry of Foreign Affairs and Trade, the evaluation of Australia's pilot seasonal labour mobility program (the Pacific Seasonal Worker Pilot Scheme), and various academic researchers

While Australia and New Zealand have given special access to particular parts of their labour markets to Forum island countries, they can choose to bring in more foreign workers from Asia. Up to a quarter of RSE workers are already from Asia.

The barriers to successful long-term engagement of Pacific island countries in labour mobility are substantial. Studies show that Pacific Island countries vary considerably in the resources their governments devote to labour movement, and in the barriers that exist to participating in labour schemes. The poorest, and the smallest, countries in the region are the ones benefitting least from Australia's SWP: Kiribati, Tuvalu, Nauru, Timor-Leste, Solomon Islands and Papua New Guinea have each sent less than 100 workers to Australia under the SWP since 2012.

The smallest PICs face the common disadvantage of remoteness, fewer resources to establish labour mobility offices and effectively staff them, market themselves, and identify opportunities to participate in labour mobility. Furthermore, they have fewer support mechanisms abroad (ie diaspora communities) to support the placement of their citizens to access labour mobility opportunities.

Papua New Guinea and Solomon Islands have both struggled to take advantage of opportunities through a combination of inefficient labour sending processes, poor worker selection and anecdotal evidence of scams. This has done nothing to enhance their reputation as labour-sending countries, which negatively impacts increased participation.

Pacific Island Countries need stronger systems, and better skills, to support the export of labour

It is essential – both for the credibility of Forum Island Countries and for the future expansion of labour mobility - that Pacific labour export systems work as effectively as possible. Existing national systems can work more effectively than they do at present.

The challenge for Pacific island countries is to **develop stronger labour exporting and skills development systems** that build confidence of employers in Australia and New Zealand that they can supply appropriate workers for the job and meet competency demands efficiently.

Strong political leadership is required to achieve the objective of expanding Pacific labour mobility. Successful labour mobility frameworks require governments that are prepared to invest in national capacity. But donor assistance is also critical. Since the establishment of New Zealand's Recognised Employer Scheme (RSE) and Australia's Seasonal Worker Program (SWP), capacity building for labour sending states has been approached on a case-by-case, country-by-country basis by Australia and New Zealand, as well as the World Bank and the ILO. It is understood that the soon to be implemented Australian Labour Mobility Initiative will increase Australian support over the next three years.

Pacific island governments also need to understand more about the development impact of labour mobility

Existing labour mobility schemes are already benefitting individuals and communities. But do governments understand enough about the development impacts of labour mobility? Are there unintended consequences? Are opportunities for labour mobility being shared equitably in national populations?

Managed carefully, labour mobility can contribute to national development objectives. For instance, disadvantaged groups such as women and remote communities can be given opportunities to participate in labour mobility schemes that they would otherwise miss out on. Managed out-migration can be encouraged, provided governments make the right investments in training and skills-development.

In order to maximise the benefits of labour mobility, governments need to consider these issues as part of their broader national planning processes.

There are advantages in taking a regional approach

A key risk to increasing labour mobility flows in the region is lack of coordinated, functioning national and regional governance to support it. Addressing this risk requires strong visionary leadership that brings parts of national and regional bureaucracies to work together.

There is one existing regional mechanism for considering labour mobility issues. This is the Pacific Islands Labour Sending Forum (PAILS), which first met in 2013 and is scheduled to meet again later in 2015. While it serves a useful purpose, the PAILS forum does not address the key issues highlighted in this proposal: it is a biennial conference rather than a practical, hands-on capacity-building process.

What has been absent in the Pacific, so far, is a regional approach to building capacity in labour mobility aimed at understanding and overcoming the supply-side barriers to the export of labour, and at helping governments understand and to manage the development implications of labour mobility. The proposed Pacific labour mobility capacity building project (see detailed description in Section 4) will promote regional collaboration, and strengthen public sector capability by assisting improved Pacific island countries' labour mobility policy, planning and delivery through a series of five day workshops for senior officials.

A regional initiative such as this would be more cost effective than country-by-country initiatives and would promote cross-country learning. The initiative would specifically target and address barriers identified by key stakeholders to the greater movement of people.

This regional initiative would complement and enhance existing in-country work and investment provided by the Australian and New Zealand governments, the ILO and the World Bank. It will complement Australia's *Labour Mobility Initiative*, which is expected to continue to deliver assistance on a country-by-country basis.

This is a Leader-level issue

This proposal **requires the endorsement and the support of Leaders**, both collectively, and at the national level. Many parts of government have a stake in labour mobility issues – for instance Labour, Finance, Planning, Education and Foreign Affairs Ministries all have an interest. In this situation, Leaders can play a critical role in supporting and demanding strong cross-government coordination. In a practical sense, Leaders can ensure that the lessons garnered from the workshops suggested in this proposal are given appropriate priority in national budgets, in national development planning and in discussions with development partners.

Noting the above stipulations, as part of this initiative Leaders may wish to direct their Labour Ministers to meet in order to launch this process.

4. Description

Please provide a brief overview of this initiative. Try to address the following: Does this initiative contribute to a positive change to the region? What makes this initiative of importance to the Pacific region as a whole? Who would implement this initiative? Who are the main beneficiaries? Are regulatory or legislative changes required at the national level to implement this initiative? How would the initiative be funded? Has this initiative been carried out previously? What are the key risks in implementing this initiative? Are there any complementary projects and programmes currently active? What is the proposed timeframe for this initiative? How would the initiative be sustained over the proposed timeframe?

Please limit your response to no more than 750 words.

Ultimately, this initiative aims to enhance national economic growth and sustainable livelihoods through strengthening labour mobility flows across the region. It will do so in two ways: by **identifying and addressing the supply-side barriers** to greater participation in existing (and future) labour mobility opportunities, and by **helping governments to understand and to manage the development implications** of labour mobility.

This regional approach will provide Forum countries the opportunity to look ahead and strategically identify and forge what they wish to get out of expanded labour mobility, and how they can leverage it for national development. Still at the early stages of their labour export programs, Pacific Island countries are uniquely placed to stand on the shoulders of leading labour exporting countries, such as the Philippines, and to learn from their experiences and mistakes.

Specifically, what is proposed is **a series of eight five-day workshops over three years**. Each workshop would be attended by 40-45 senior officials from partner governments, delivered on rotation across those partner countries. The workshops could be run back-to-back with existing regional labour mobility gatherings such as PAILS.

Key workshop themes would include: identifying key labour mobility and development objectives and strategies; challenges to increased participation in labour mobility identified by partner governments; the findings of policy research; and the experience of successful labour exporting developing countries.

Training components at the workshops will form the basis of small group scenario planning facilitated discussions led by a professional scenario planner, in which key ideas and solutions to problems identified both at national and regional levels will be worked through. These exercises will provide government officials in labour export units the opportunity to combine key learning with their professional experiences, to develop national goals and articulate plans, timelines and objectives.

Key issues to be addressed could include structuring accessible, efficient and equitable labour sending arrangements that provide opportunities for those in regional areas, for women, and for those with the most need; and the provision of informed advice to citizens seeking to become a labour migrant, and to plan for the use of remittances.

Outcomes will include the development of detailed regional and national work plans and objectives through professionally facilitated scenario building and work plan development workshops.

This initiative will improve economies of scale for Pacific labour exporting governments. Building labour export capacity that can readily adapt to international labour market shifts is complex. Through a series of intensive and outcomes-focused workshops, this initiative will provide key lessons learnt and the opportunity for officials to work together to solve common problems, in a way that would be unaffordable on an individual country basis.

A collaborative approach...

This regional initiative will require strong government, multilateral and policy research partnerships to bring world-class expertise to address the challenges of expanding labour mobility from the Pacific. Apart from Pacific island countries themselves, key partners would include regional organisations including the Pacific Islands Forum Secretariat and the SPC; government agencies in Australia, New Zealand and leading labour exporting countries; the Australia Pacific Technical College; the private sector; international and multilateral bodies (ILO and World Bank); and relevant academic partners including of course from the region itself.

The Australian National University (which has authored this proposal) would propose to take a key role in developing and rolling out the workshops. The State, Society and Governance (SSGM) Program at ANU includes Australia's largest concentration of Pacific labour mobility specialists.

5. Alignment to Regional Vision, Values and Objectives

Briefly describe how your initiative supports the vision, values and objectives set out in the Framework for Pacific Regionalism. These can be found in the Framework for Pacific Regionalism document or in the submissions guideline document.

Please limit your response to no more than 500 words

This proposal aligns closely to the regional Vision, Values and Objectives as set out in the Framework for Pacific Regionalism. It does so by promoting:

- Economic growth through greater opportunities and choice for Pacific Islanders
- Inclusive and equitable growth by sharing learning among Forum countries, by understanding and addressing barriers to participation by poorer FICs, small FICs, and by disadvantaged groups including women and remote communities
- Strengthened governance, particularly in the burgeoning field of labour export systems, and in improved national development planning which takes account of labour mobility as a growing part of national economies
- Regional integration through greater mobility of persons, not just between Forum Islands Countries and Australia and New Zealand, but within the region as well
- A cooperative regional approach to an issue of growing importance.

6. Additional Information

Please provide or attach additional information in support of this initiative.

Please limit your response to no more than 5 pages.

The following are some indicative topics for the proposed workshops (2016-19) which will be determined following consultation with Forum Island Countries. These initial suggestions are derived from key priorities identified through biannual consultation with Pacific States by the Department of Employment and key research policy findings (e.g. Ball 2009):

- How labour mobility can promote development
- Barriers, impediments and key lessons from successful labour exporting nations: developing strategic national

priorities

- Structuring recruitment systems to improve development outcomes
- Remittances: leveraging remittances for development
- Building Pacific women's participation in labour mobility
- Skills development and building migration pathways to targeted labour markets
- International best practise models for increasing participation in the SWP
- Worker and family wellbeing, PDT, and improving communications
- Building data collection capability; presentations by partner governments on key outcomes and future directions