

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into Pacific region seasonal contract labour**

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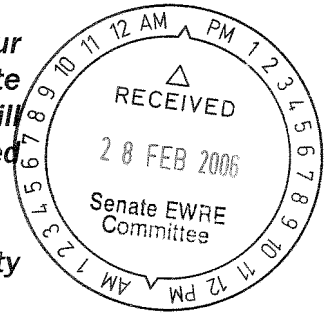
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*This submission outlines the context in which labour mobility was raised by the Forum Island Countries (FICs) in late 2005 and demonstrates the importance labour mobility will play in assisting FICs to develop within a more globalized environment.*



*Importantly it urges the Senate to consider:*

- 1. that the diversity presented by the Island community requires diverse responses, and*
- 2. that labour mobility's potential to address the needs of that diverse community will only be fulfilled if labour mobility programs are tied to economic growth sectors and not limited to the use of unskilled labour.*

*It recommends:*

- 1. That Australia acknowledges the effectiveness of remittances to alleviate poverty in Forum Island Countries (FICs);*
- 2. That Australia makes a clear distinction between migration for work and migration for permanent settlement;*
- 3. That Australia recognizes the value of low-skilled workers to sustain its high skilled economy;*
- 4. That Australia also acknowledges the importance of circular migration for reskilling and upskilling FICs' workforces in those sectors that will assist most in integrating FIC economies into regional and global economies.*

#### **The Pacific Plan:**

The Pacific Plan is a regional strategy to establish an enabling framework to assist Forum Island Countries (FICs)<sup>1</sup> deal with a changing global environment, whose interface with the FICs is already set with the 1993 Melanesian Spearhead Group Trade Agreement (MSGTA), the 2001 Pacific Island Countries Trade Agreement (PICTA), the European Union Regional Economic Partnership Agreement (REPA) due in 2007, and Pacific Closer Economic Relations (PACER) to follow after 2007<sup>2</sup>.

The Plan's link with national development lies in its use of regionalism to offset many of the anticipated problems trade liberalization poses for FICs, particularly the loss of preferential markets and the costs of adjustments to the

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<sup>1</sup> The Pacific Islands Forum is comprised of 14 FICs: Cook Is, Fiji, FSM, Kiribati, Marshall Is, Nauru, Niue, Palau, PNG, Samoa, Solomon Is, Tonga, Tuvalu, and Vanuatu and 2 Forum Developed Countries (FDCs): Australia and New Zealand. The territories of French Polynesia and New Caledonia are associate members while Timor Leste has special observer status. The Forum began in 1971 and is serviced by the Pacific Islands Forum Secretariat (PIFS), headquartered in Suva, Fiji.

<sup>2</sup> The MSGTA is a free trade agreement between Fiji, Papua New Guinea, Solomon Is, and Vanuatu. PICTA is a similar agreement applicable to all the FICs. PACER relates to free trade in goods between the FICs and FDCs, but could be extended to include services and labour. The REPA is a development agreement between the European Union and different regional blocs of the Africa Caribbean Pacific (ACP) signatories to the former Lomé preferential trade agreements and its 2000 Cotonou successor.

freer trade environment. National development is no longer regarded as something that occurs as a result of actions taken solely within national boundaries. Hence the importance of trade in goods and services and the agreements above which the FICs have already committed themselves to. But the FICs also recognize that there are advantages in extending trade to labour mobility, just as Australia has long done with regard to its ANCERTA<sup>3</sup> partner, New Zealand. However, in the case of the FICs, there is also the recognition that labour mobility possesses an important development capacity, a capacity in fact that goes far beyond the use of unskilled labour.

In this regard the Pacific Plan is a challenge to all Forum members. To Forum Developed Countries (FDCs) –Australia and New Zealand- the Plan challenges them to engage as equal Forum partners rather than as just another set of international donors. Indeed, the Pacific Plan's message to FICs and FDCs alike is that connectivity makes the difference. Hence, it is regional integration that the Plan most seeks to facilitate.

### **Why deeper regional integration is the central focus of the Pacific Plan.**

The FIC region faces challenges, not least because of its special nature. What most distinguishes it from many regions is its lack of connectedness, in part due to the fact that its countries are scattered across the world's largest ocean. Remoteness from each other and from major trading nations, high transportation costs, and scattered populations, all serve to raise the cost of services and business. As a formal region it is also distinguished by its membership: 14 developing countries and 2 developed countries.

In global population terms the region is very small with only 9 million people (34 million including FDCs), of whom 88% (excluding the FDCs) are in Melanesia<sup>4</sup>. Melanesia also comprises 98% of the land mass of FICs. Five countries (in ascending order: Niue, Tuvalu, Nauru, the Cook Islands and Palau) have populations under 20,000; 4 (the Marshall Islands, Kiribati, Tonga and the Federated States of Micronesia (FSM)) between 50,000 and 110,000, 4 (Samoa, Vanuatu, the Solomon Islands, and Fiji) between 170,000 and 1 million, and 1 (PNG) has nearly 6 million.

This diversity is repeated in many other forms:

- The region possesses over 1,000 different languages;
- Land area varies widely from 462,840 sq km in PNG to 21 sq km in Nauru;
- Population growth rates range from 3.6% in the Marshalls to -3.4% in the Cooks;
- Life expectancy ranges from 73 years in Samoa to 54 years in PNG;
- Adult literacy ranges from 99% in Tonga to 56% in PNG;
- Per capita GDP ranges from US\$5,708 in Palau to \$421 in Kiribati;
- Poverty ranges from 38% in Kiribati to 0% in Niue;
- Child mortality/1000 live births ranges from 88 in PNG to 12 in FSM;
- Household access to improved water ranges from 100% in Niue to 30% in the Solomons;

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<sup>3</sup> Australia New Zealand Closer Economic Relations Trade Agreement

<sup>4</sup> Melanesia comprises Papua New Guinea (PNG), the Solomon Islands, Vanuatu, New Caledonia and Fiji.

- ODA as a proportion of GNP ranges from 48% in the Marshalls to 1.8% in Fiji;
- Goods & services exports as a proportion of GDP range from 69% in Fiji to 7.9% in the Marshalls; and
- Remittances as a proportion of GDP range from 55% in Tonga to 0.8% in Palau (UNDP, 2004).

Of course FICs also share features that are common to many developing regions globally, most notably poor communications infrastructure, poverty, and the lack of political will and critical mass to drive change. These features sometimes translate into considerable national threats, for example to health from communicable and lifestyle diseases<sup>5</sup>.

They also translate into threats to livelihoods from unsustainable resource management. During the 1990s, 97% of all forests in the Solomons were licensed for harvesting (ADB-CS, 2005: 31). Cross-border crime also poses threats to national security; a problem particularly for PNG, Bougainville, and the Solomons.

Additionally, poor governance combined with a lack of internal security carries particular threats to the region's political voice. In some states rapid population and urban growth together with high proportions of young people (on average 50% of the region's population is under 25 years), increase the risk of political manipulation, especially when many states have failed to build a national consensus. The consequences can be catastrophic. PNG's per capita income has declined 10% since 1975. In the Solomons civil strife between 1997 and 2000 reduced GDP per capita by 40%, and in Fiji three coups cost the country US\$4.3b or \$5,456 per capita (nearly twice annual per capita income) between 1987 and 2000 (ADB-CS, 2005: 13-14).

The region's environments are also threatened by pollution, due to poor waste management practices, and from climate change, especially the atoll island countries, many of which are less than 5 metres above sea level.

Low economic growth, globalizing markets, and the loss of preferential market access also threaten the viability of many island communities. In part this is due to the failure of postcolonial strategies, such as import substitution, which has produced many inefficient and uncompetitive industries, and left governments dependent on tariffs for income at a time when trade practices and commercial competition demand different sources for revenue collection.

All these threats contribute to a decline in FIC social well being. Five countries are classified by the United Nations as Less Developed Countries (LDCs): Kiribati, Samoa, Tuvalu, Vanuatu, and the Solomons). Even in Fiji and PNG, poverty levels exceed 25% of populations. Ironically, resource poor states often do better. UN Human Development Indices rate Palau at 0.77, the Cook Islands 0.78, Samoa 0.72, and Niue 0.74 compared with 0.65 for Tuvalu, 0.59 for Kiribati, 0.59 for Vanuatu, 0.54 for PNG and 0.41 for the Solomon Islands (UNDP, 2006). The difference, as we shall see, lies in connectivity.

We could also add to this list of threats, a fear of regional imbalance and dominance by one or more of the FICs or FDCs. Such fears are common in all

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<sup>5</sup> AIDS could reduce PNG's workforce 40% by 2020. Currently 2% of its adult population has HIV-AIDS, a proportion increasing by 30% pa. Lifestyle illnesses also pose a serious threat to the well being of FIC peoples. In Fiji 15% of the population has diabetes; 13% of infants, 15% of children & 18% of adults are considered obese (ADB-CS, 2005: 27; The Australian, 2005; Prasad, 2006; FT, 2006).

regions. But the issue should not be dominance but how regionalism can transform dominance to the benefit of all parties. This too is a goal of the Pacific Plan.

However, as with many other regions<sup>6</sup>, the key difficulty will be maintaining political support for regionalism from national leaders and citizens alike (Brewster, 2003; Aryeeteey, 2001; Malamud, 2001). Indeed the legitimacy of the Plan depends to a large extent on its appeal to the citizenry, and labour mobility is an important means to win popular support for restructuring. Much of the nature of the Plan is shaped by an awareness of that need.

#### **The premises on which the Pacific Plan is based**

In 2004, when an Eminent Persons Group (EPG) recommended a Pacific Plan of action to strengthen the existing Forum and to promote greater engagement with Pacific territories and civil society groups (EPG, 2004), it was aware that if trade issues dominated the agenda, regionalism could suffer. Liberalization alone could not reduce disparities between nations or create opportunities for convergence. It could not compensate for the lack of diversification in domestic economies and meet the costs of change.

The Pacific Plan is a response to that recognition and contains three premises. First: to be successful the Plan must address the fundamental challenges facing the region. Hence its 24 initiatives for the greater provision of regional services to overcome capacity constraints, improve governance, and promote the fundamentals for increased economic growth (for example, quarantine & customs services) (PIFS, 2005). These initiatives are designed to be implemented quickly and to deliver immediate benefits of a magnitude capable of sustaining the momentum for regionalism (\$14 billion over 10 years) (ADB—CS, 2005: 154), something lacking in many other regional plans. The Forum meeting in Port Moresby in October 2005 focused on these initiatives but since these initiatives are largely economic or institutional in orientation, their capacity to generate grassroots support is limited<sup>7</sup>.

Second, a regionalism of small and relatively similar markets can only stimulate economic growth so far. In fact it is likely that the costs of integration could outweigh benefits, at least in the short term as we have already witnessed with the implementation of MSG and PICTA<sup>8</sup>. It is the absence of offsetting benefits that make asymmetrical flows politically unpalatable. Hence the importance of including Australia and New Zealand; after all, FDCs increase the regional market from US\$20billion (or \$33billion if territories are included) to \$700billion and make more possible the opportunity to gain offsetting benefits with popular appeal (ADB-CS, 2005: 159-160).

Third, regionalism must focus on those offsetting benefits that only FDCs can provide. Labour mobility presents one opportunity to deliver benefits that reach ordinary people.

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<sup>6</sup> For example the Economic Community of West African States (ECOWAS), the Caribbean Community (CARICOM), and the South American Mercado Común del Sur (Mercosur).

<sup>7</sup> The Plan does include a regional volunteers initiative, a regional sports institute, and a regional congress on youth and leadership, but clearly the Plan's public relations strategy has to give these and gender and health initiatives much more attention.

<sup>8</sup> Similar consequences have been experienced by the Organization for East Caribbean States (OECS), CARICOM, and ECOWAS, thereby delaying the completion of regional agendas

## Labour mobility

Labour mobility already has precedents in the Island region, and –as noted earlier- is one reason why Human Development Indices are often higher in Micronesian and Polynesian countries that have free labour access to metropolitan economies.

But other forms of labour mobility have become increasingly available to FICs in recent years. Some like the application of the United Kingdom's Commonwealth Holiday Makers Scheme to PNG youth<sup>9</sup> have limited economic and social impact. But other opportunities have become increasingly important for many countries, especially smaller Polynesian and Micronesian states. The EU has quotas for seamen from Tuvalu and Kiribati on offshore vessels. Taiwan is planning a similar quota scheme for Tuvalu. Tonga earns approximately US\$100million pa in remittances, 55% of its GDP (PacNews, 05a).

The larger Fiji has found remittances increasingly of value at a time when two of its most important economic sectors (sugar and garments) are experiencing rapid economic decline. Nurses and teachers migrate in large numbers, mostly to FDCs, EU, US and to other FICs. Fiji soldiers have a long record of global peacekeeping service, notably for the UN, but in recent years the British Army has absorbed at least 2,000 Fijians. In addition, over 1,000 Fijians are currently employed privately in security and related activities in Kuwait and Iraq. Not surprisingly, remittances to Fiji are now worth a conservative US\$262million pa (approximately 10% of GDP), up 500% since 2000.

Of course labour mobility is not confined only to FICs. It is a feature of FDC economies also, both of whom have on average around 10% of their workforce overseas. In addition, immigrants form a substantial proportion of FDC labour forces: 20% in both New Zealand and Australia compared with only 12% in the US and 7% in the EU (Özden & Schiff, 2006: 11). It is worth noting that both New Zealand and Australia have relatively low population growth and have aging populations. These create special problems for most developed countries, especially in health, education and business sectors. Given that higher educational levels reduce the attractiveness of unskilled and trades-related occupations, both countries also require additional labour in critical areas such as in construction, personal services, farm work, mines, and armed forces which cannot be outsourced as can some service and manufacturing activities or for which labour cannot be substituted by capital<sup>10</sup>. Current immigration regulations could therefore be said to impede FDC economic growth<sup>11</sup>.

Although both FDCs and FICs are engaged in different ways with an increasingly globalized workforce, there has been little attention given to how that engagement might be employed for development purposes. Australia, for

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<sup>9</sup> This scheme allows youth to work in the UK for up to 2 years under certain conditions.

<sup>10</sup> The 53,000-strong Australian Defence Force loses 1,000 personnel pa and only recruits three quarters of its annual target (Nicholson, 2005). The CEO of Fruitgrowers Victoria estimates that a shortfall of 1000 workers costs the industry \$25 million pa in lost fruit (Eastley, 05). In August 2005 Australia launched a hunt for 20,000 skilled Europeans and Asian to replenish its shortages in trades people, engineers and doctors among others (Colman & Maiden, 2005).

<sup>11</sup> This is the argument of the Royal Society of Arts Migration Commission in Britain. It claims that high skilled economies require low skilled support (RSA Migration Commission, 2005). If such support is obtained from developing countries, it would serve also to remove one major obstacle to the relief of poverty in those countries, namely income that enables families to escape the poverty trap.

example, is still wedded to what its leaders refer to as a 'non discriminatory' policy of permanent migrants<sup>12</sup>. Despite its claims, Australia's policy is discriminatory and, unlike Europe, promotes a "brain gain" for Australia and a "brain drain" for the migrants' home countries. Its ratio of immigrants with tertiary education to native population is higher than in the EU and the US. (Özden & Schiff, 2006: 11). Australia's preference for skilled migrants undoubtedly resonates with its electorate, particularly during a time of considerable debate over the nature of multiculturalism and the integration of immigrants, but it does little to assist its nearest neighbours<sup>13</sup>.

It is also worth noting that the two FDCs do not restrict the movement of labour between themselves; yet when it comes to their regional partners they do. They fear overstayers and the consequent formation of a disadvantaged underclass. But is that fear justified, since most studies suggest that overstaying increases in direct proportion to restrictions placed on labour mobility<sup>14</sup> (Maclellan & Mares, 2005: 19; Chand, 2005: 73-74; RSA Migration Commission, 2005; Button, 2006)? Or permissible, given that at least one FDC prime minister<sup>15</sup> believes the region as a whole needs "to take a quantum leap forward in enhancing cooperation" and sees PACER as the cornerstone for integrating regional trade in goods and services (*Fiji Times* 2005)?<sup>16</sup> The definition of services under GATS Mode 4, which both countries endorse, includes labour mobility.

Foreign Minister Alexander Downer justifies Australia's reluctance to embrace temporary labour migration on the grounds that the solution to the Pacific's economic problems lies solely in domestically generated growth. He does not believe that labour mobility can play a role, particularly the labour mobility of unskilled labour (PacNews, 05b)<sup>17</sup>. The World Bank says otherwise.

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<sup>12</sup> Australia anticipates 140,000 migrants in 2005-6 with a skilled stream of 97,500. Its 150,000 temporary migrants come from some 18 mostly European and North American countries on 12 month working holiday visas, recently extended to 2 years (Vanstone, 05). But as Prime Minister Howard concedes, Australia's preference is for permanent settlement (Dusevic, 05). 'I think you either invite somebody to your country to stay as a permanent resident or citizen, or you don't', he argued (Banham, 2005). This preference could pose problems for any future temporary migrant scheme. As Winters notes, temporary mobility requires trust that the host nation will honour quotas and enforce contracts, not screen temporary migrants for permanent places (Winters, 2005: 100).

<sup>13</sup> New Zealand's policies are very similar, although it does give more attention to migrants from FICs. It grants open access to Cook Islanders, Niueans, and Tokelauns, and has a quota system for permanent migrants from Fiji, Tonga, and Samoa. In 2005 half of its immigrants came from the FICs. But like Australia it also takes in 40,000 working holiday makers (again mostly from Europe and North America) pa (Tait, 2005; PacNews, 2006).

<sup>14</sup> Prior to the US fortification of its border with Mexico, it received 4 million illegal migrants, most of whom stayed 3 years. After fortification in the late 1990s numbers increased to 11 million and length of stay to 9 years (Button, 2006).

<sup>15</sup> Helen Clark.

<sup>16</sup> A further hurdle is that Australia and New Zealand have no incentive to underwrite the costs of regionalism or economic reconstruction because, although they are the regional hegemons, the Pacific is not essential for their exports in the way Europe was to the US after WW2. Certainly Australia has security concerns, but they do not provide quite the same internal consensus for action as economic interests might.

<sup>17</sup> His Prime Minister shares this view. In Moresby, John Howard claimed that 'The answer to unemployment in the Pacific Islands is to be found in building the economies of those countries, not in guest worker programs in Australia' (AAP, 2005).

Indeed, a World Bank report (Özden & Schiff, 2006) argues that remittances from migrants should be regarded as an aspect of development. Globally migrants remit \$167billion pa, between 2 and 3 times the level of development aid, and the largest source of foreign income for many small countries<sup>18</sup>.

Growing at 8% pa, remittances boost disposable family income and investment in human capital (education and health), reduce poverty, reduce child labour and raise child education<sup>19</sup>, and have multiplier effects that could make them more important than trade liberalization. Indeed labour migration helps reduce the impact of increasing dependency ratios in developed countries (due to aging; in the US, migrants in high skill jobs also boost innovative activity) and generate global welfare gains. If migrants equalled 3% of the OECD workforce, they would generate welfare gains greater than the removal of trade barriers (Özden & Schiff, 2006: 2).

Clearly the design of migration policies is important to ensure these results, particularly given the Caribbean experience (50% of its university graduates live abroad) or the Sub-Saharan African experience (with the exception of South Africa, 20% of its skilled workers who make up only 4% of the workforce have migrated)<sup>20</sup> (Özden & Schiff, 2006: 11). The design of temporary migrant strategies is a central component of Maclellan and Mares' 2005 paper on Pacific seasonal work programs<sup>21</sup>.

Temporary migrant schemes should be seen as means to advance social and economic development, a development opportunity that builds popular confidence in regionalism, provides immediate benefits, delivers directly to families, and fosters important inter-country relationships which can strengthen Forum regional identification and harmony. At just 1% of the FDC workforce,

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<sup>18</sup> The top recipient countries of remittances are China (\$21.7billion), India (\$21.2billion), and Mexico (\$18billion) (Lamont, 2005).

<sup>19</sup> There can be negatives if programs are not prepared to counsel families how to cope with the absence of a breadwinner and parent for a substantial period of time.

<sup>20</sup> The Pacific shares a similar experience with 75% of all graduates from Tonga and Samoa and 62% of Fiji's having migrated (Editor's Notebook, 2005).

<sup>21</sup> Maclellan & Mares cite the Canadian Seasonal Workers Program as a model and propose certain requirements:

- Programs must not undercut host country wages and conditions.
- There needs to be an independent disputes mechanism.
- Workers should not be tied to employers.
- Workers must receive training in and work in compliance with occupational, health and safety laws.
- Bilateral agreements should be reached on respective responsibilities and costs, taxes, ethical recruitment practices, the desired targets of programs, and on ways to reduce the costs of remittances. Programs could be trialed with easily monitored small scale projects.
- In addition, workers should receive pre departure training and their families advised on budgeting, the costs of which could be funded by levy on both employers and applicants. A special program could also be established to assist the families of migrants. In addition the development of host community 'sister' linkages with home communities could help cement deeper cross regional relationships.
- Employers should assist migrants by making phone or email services available.
- Trust funds could be established to ensure that the bulk of wages are remitted and tax refunds could be made after workers return.
- Reengagement in programs should be conditional on workers returning home.



temporary migrants could deliver \$1 billion in remittances to FICs (ADB-CS, 2005: 99).

### **Temporary migrant schemes for skilled workers**

Nonetheless, the impact of temporary migration schemes could be far greater if also used to address the brain drain of skilled workers. For many FICs the migration of skilled workers is as much a problem as finding employment for unskilled workers, more so when one considers that growth in some FIC economies is dependent directly on the retention and expansion of skills in a broad range of sectors: health, education, construction, tourism, ICT, management, agriculture, forestry, fishing, manufacturing, minerals and transport. The Senate must recognize this. Ways need to be found to encourage the retention of skilled workers in FICs and at the same time raise their level of skills. Temporary migration schemes for skilled FIC workers might assist in this regard. Indeed, if the Senate's intention is to focus on regional and rural Australia, then temporary migration schemes that encourage circular labour flows of skilled workers to regional and rural areas could clearly be mutually beneficial.

The Pacific Plan suggests trialling nurses. Every year the equivalent of 65% of Fiji's output of graduate nurses from the Fiji School of Nursing migrates. This has a tremendous impact on Fiji's health services. For nurses as much as for doctors there are strong push factors driving this exodus that need to be directly addressed in conjunction with a temporary labour mobility scheme. Consequently, temporary migration could assume the character of a sabbatical (for example 1 year out of every 3), thereby minimizing the risk of permanent loss and ensuring that upgraded skills are retained in the sending country and impact positively on the health sector as a whole. In this regard the temporary movement of health professionals such as nurses should be part of a wider reform agenda that raises the status and working conditions of all health professionals. Linkages with Australian rural health campuses could be encouraged also, with mutual benefits for both host and sending countries.

Such a scheme could be extended to include virtually any trade or skill which FICs currently need to upgrade or gain more recruits. This is particularly important for countries like Fiji making a painful transition from a postcolonial economy based on preferential access for products such as sugar and garments to a modern service-based economy with niche manufacturing in health products, water, garments and furniture and commercial agriculture servicing its growing tourism sector and urban population. Temporary labour mobility schemes targeting nurses, doctors, secondary teachers, construction workers, hospitality workers, virtually all trades, ICT technicians, designers, managers, market gardeners, loggers, cabinet makers, carpenters, and mine workers would be the most practical assistance Fiji could receive to upskill or reskill its workforce, raise labour productivity, transform attitudes to work, increase employment opportunities, and improve working and living standards.

Australian Prime Minister John Howard has proposed new technical training institutes in the Pacific. While this might be a useful intervention in some instances, where possible capacity-building will be better achieved if existing facilities are upgraded and the principle of connectivity incorporated for trainer and trainee qualifications alike. Skills are best learned where they are best practiced. Skilling workers solely in an environment which does not value the work practices required is unlikely to induce the kind of workplace changes

the growing proportion of returning temporary migrants might be more likely to insist on, having experienced for themselves the benefits such practices bestow on both the workplace and their careers<sup>22</sup>.

Fiji has been successful in producing soldiers and rugby players in demand globally. The skills these soldiers and sportsmen possess have not been honed within Fiji, but on the global stage. That opportunity is denied most other members of their workforce. The workforce in FICs is mostly isolated from best industrial practices and design possibilities. Its members need specially tailored temporary migration schemes to help them integrate successfully into the global economy. Only when they achieve such integration can we say that we behave as a region and not as a set of disparate disconnected countries.

#### **Conclusion:**

Labour mobility is one part of the Pacific Plan that can address FIC development needs and simultaneously impact directly on the grassroots. Popular support is necessary to sustain regionalism, but popular support also requires accountable and transparent institutions, greater consultation and involvement with civil society, and debate on the future political governance of regionalism. If labour mobility helps raise popular expectations, forces politicians to deliver on good governance, enables FICs to transform their underperforming economies, and encourages resolution of destabilizing land issues, then it will have achieved much.

But to have any impact at all, labour mobility necessitates a prior commitment on the part of FDCs to help FICs integrate their economies globally. To do this requires FDCs like Australia to recognise:

- 1. that the diversity presented by the Island community requires diverse responses, and*
- 2. that labour mobility's potential to address the needs of that diverse community will only be fulfilled if labour mobility programs are tied to economic growth sectors and not limited to the use of unskilled labour.*

It also requires FDCs like Australia to recognise:

- 1. That a clear distinction in policy needs to be made between temporary migration for work and migration for permanent settlement;*
- 2. That a regular supply of low skilled workers is essential for the maintenance of high skilled economies;*
- 3. That remittances are an extremely effective way to alleviate poverty in FICs;*
- 4. That temporary migration schemes are of mutual benefit to both sending and receiving countries;*
- 5. And that circular migration can also be extremely effective for reskilling and upskilling FICs' workforces, particularly in those sectors that will most assist to integrate FIC economies into regional and global economies.*

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<sup>22</sup> Foreign Minister Downer argues instead that an Australian Technical College will provide Pacific Islanders the skills necessary for permanent migration or temporary entry into Australia; it will 'give them opportunities to make substantial contributions to their countries' prosperity whether at home or by remitting funds from abroad' (PacNews, 2005b).

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