Migration and labor mobility from Pacific Island countries

Background Paper for the *World Development Report 2023: Migrants, Refugees, and Societies*

April 2023

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**Abstract**

This paper provides a review of the existing evidence relating to migration and labor mobility across the Pacific Island countries. It explores *why* migration is so critical for the region, determining that the economic geography of the islands make it a necessity to maintain reasonable living standards. It covers *how* Pacific migration has evolved from the initial colonial histories and alliances through to the full suite of temporary and permanent migration pathways currently provided by the three largest receiving countries (Australia, New Zealand, and the United States). It covers the mechanics of *what* each of these pathways looks like and the development outcomes that have been realized since their inception. Finally, it assesses *who* has benefitted from migration and labor mobility, pointing to significant variation in outcomes across countries, and suggesting that such outcomes in the case of temporary migration opportunities are strongly influenced by institutional arrangements in Pacific Island countries.

**Keywords:** Pacific Island countries, Pacific migration, seasonal migration, labor mobility, economic geography, small island developing states

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Introduction

Migration and labor mobility are critical to supporting living standards throughout much of the Pacific Islands. Most Pacific Island countries have a significant diaspora population residing overseas. They also receive very significant flows of remittances; the remittance-to-GDP ratio of some Pacific Island countries is among the highest in the world. The movement of people is not new in the region. Migration has been integral to the livelihoods of Pacific Islanders since before modern times, with Polynesians being particularly well known for long ocean voyages. In the contemporary era, migration in its various forms has continued to be a source of economic opportunity for the citizens of island states, though with a shift toward migration to larger countries on the rim of the Pacific Ocean where there are more employment and other opportunities.

This paper provides an overview of Pacific Island migration and labor mobility. It explores both temporary and permanent migration pathways and trends. The first section focuses on why migration is so important for Pacific Island countries and their citizens. It explores what it is about the context of Pacific Island states that makes migration so important. The second section is focused on how Pacific migration came to be important in the contemporary era. It examines, how, historically, migration from Pacific Island countries to high-income countries came about, and how diasporas were formed. The third section examines what migration pathways used by Pacific Islanders look like (their design), and what their impacts have been, including the well-documented impacts of more recent pattern of temporary economic migration, or labor mobility. The fourth section describes who has benefitted from migration and labor mobility, outlining how both the context in Pacific Islands countries and the design of the migration programs of larger destination countries have determined the extent and allocation of benefits from migration.

The importance of migration for Pacific Island countries (the why)

International migration offers the potential for a “triple win,” delivering gains for migrants, origin countries, and destination countries. For migrants, migration generates significant employment opportunities. For labor-sending countries, remittance flows contribute to increased income and consumption at the household level, reducing poverty, loosening credit constraints, and providing insurance against negative shocks. Remittances are often invested in education and health, with positive flow-on effects for human capital development. There are also spillover benefits at the macro level (by buffering foreign exchange reserves, improving debt sustainability, and so on) and through the transfer of innovative ideas, skills, and knowledge to others in the origin country. Labor-receiving countries benefit from the filling of labor shortages and by using migrants’ access to their country as a major policy lever to lift the prosperity, security, and stability of their low-growth neighbors. Migrants also contribute significantly to the economy of the labor-receiving country, in terms of consumption spending, payment of taxes, and participation in the local community.

Migration is driven by a combination of push and pull factors. The decision to migrate is inevitably complex, and is made on the basis of interrelated economic, social, and cultural reasons. Push factors that can motivate economic migration include livelihood pressures, lack of employment opportunities, low income, and discrimination. Often these are linked to demographic and environmental pressures, both of which are of increasing importance in island states adversely affected by climate change. Pull factors that encourage or attract a migrant to move typically include better employment opportunities and income outcomes, as well as better services, including education and health care.

Economic geography is key to explaining the challenges faced by Pacific Island economies, and in turn, the reason that migration is so important for Pacific Islanders in the contemporary era. The Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu have a combined population of about 2.3 million people, which is spread out over about 640
inhabited islands and atolls. Papua New Guinea, the largest Pacific Island country, has more than 600 islands. A unique geography—extreme dispersion, small size, and remoteness from larger markets—differentiates Pacific Island countries not only from other nations, but also from other small states (see figure 1). These attributes prevent Pacific Island economies from competing on world markets, except in niche areas such as small-scale tourism and natural resource extraction. They also undermine the ability of these countries to create sufficient jobs for their relatively youthful populations.

Figure 1. Population and distance from major markets for Pacific Island countries, Caribbean countries, and all countries

It is within this context that migration and labor mobility are so important for Pacific Island countries. Small size translates into a lack of economies of scale in both public and private production. Remoteness entails high transport costs that prevent the Pacific Island countries from overcoming small size through specialization and trade. This results in a situation where sources of economic growth are limited to activities where scale economies and transport costs are less important, or those that generate sufficiently high returns to overcome such high costs (Winters and Martin 2004). Among the economic activities that meet those criteria are: (1) activities involving natural resource rents, including fisheries, mining, logging, and small-scale tourism; (2) inflows related to sovereignty, including foreign aid, internet domains, company and ship registries, and domiciliation; and (3) incomes and remittances from access to overseas labor markets through permanent or temporary migration (World Bank Group 2017).

The economic importance of migration for Pacific Island countries is well established in the literature. Migration and remittances have been used to explain how citizens in these seemingly disadvantaged economies have on average enjoyed a reasonable standard of living (with exceptions). Such arguments were
made famous by the MIRAB (Migration, Aid, Remittances, and Bureaucracy) model, which pointed to remittances among other income sources as a means through which Pacific Islanders could achieve relative prosperity (if not high incomes) (Bertram and Watters 1985). A cursory glance at remittances as a percentage of GDP illustrates why such arguments are convincing: Pacific Island countries are generally recipients of significant remittance income, with countries that enjoy higher incomes and living standards also commonly being the recipients of significant remittances.

A history of contemporary Pacific migration (the how)

The migration of Pacific Islanders outside of the Pacific Islands subregion is a recent phenomenon. How has it occurred? In 1950, there were fewer than 15,000 Pacific-born migrants in developed countries. By 2020, Pacific-born migrants resident in OECD countries numbered approximately 434,000 (OECD 2020) (table 1). The majority of this Pacific diaspora is situated in three countries situated on the rim of the Pacific Ocean: the United States, New Zealand, and Australia. In the case of the northern Pacific Island states, migration to US territories such as Guam and the Northern Mariana Islands has also been significant. Together, these three destination countries (the United States and its territories, New Zealand, and Australia) account for 94 percent of the total Pacific diaspora living outside of the Pacific Islands.

Table 1. Pacific diaspora populations living in OECD countries as of 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Stock of emigrants</th>
<th>Resident population</th>
<th>Emigrants/population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonga</td>
<td>53,247</td>
<td>105,139</td>
<td>50.6%</td>
</tr>
<tr>
<td>Samoa</td>
<td>87,949</td>
<td>190,390</td>
<td>46.2%</td>
</tr>
<tr>
<td>Micronesia, Fed. States</td>
<td>40,642</td>
<td>103,718</td>
<td>39.2%</td>
</tr>
<tr>
<td>Palau</td>
<td>6,855</td>
<td>20,919</td>
<td>32.8%</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>11,841</td>
<td>52,786</td>
<td>22.4%</td>
</tr>
<tr>
<td>Fiji</td>
<td>189,571</td>
<td>880,487</td>
<td>21.5%</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>1,816</td>
<td>9,876</td>
<td>18.4%</td>
</tr>
<tr>
<td>Nauru</td>
<td>837</td>
<td>10,830</td>
<td>7.7%</td>
</tr>
<tr>
<td>Kiribati</td>
<td>4,324</td>
<td>108,544</td>
<td>4.0%</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>1,768</td>
<td>560,685</td>
<td>0.3%</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>17,464</td>
<td>7,308,864</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Note: Estimates are based on data from the OECD International Migration Database 2020 with adjustments made to incorporate migrants in US territories such as Guam and the Northern Mariana Islands. Migrant stocks for Kiribati, Papua New Guinea, the Solomon Islands, and Vanuatu have also been adjusted to record only migrants in Australia who claim their ancestry is indigenous to their country of birth (given the colonial history of these countries). OECD = Organisation for Economic Co-operation and Development.

Migration patterns from the Pacific Islands reflects colonial histories and alliances. In the North Pacific, the Micronesian countries of the Federated States of Micronesia, the Marshall Islands, and Palau are in Compacts of Free Association (CFAs) with the United States. These CFAs were established in the early 1980s and reflect the former status of the independent Micronesian states as the Trust Territory of the Pacific Islands, a trusteeship established by the United Nations (UN) and administered by the United States from 1947 to 1986 (and until 1994, in the case of Palau). The CFAs were established as an extension of the US–UN trusteeship agreement, which required that the United States promote the development of the Trust Territory and provide guaranteed financial assistance. In exchange, the United States maintained full international defense authority and responsibilities. The CFAs allow for unrestricted migration of members of the former trust territories to the United States, which have facilitated large migration flows.
Nonsovereign territories have similar arrangements for labor migration with metropolitan powers, as is the case for French-administered New Caledonia, Wallis and Futuna, and French Polynesia, and the US territories of American Samoa, Guam, and the Northern Mariana Islands.

The CFAs have been critical to facilitating the migration of citizens of the Federated States of Micronesia, the Marshall Islands, and Palau. More than 94,000 Compact migrants (citizens of the Federated States of Micronesia, the Marshall Islands, and Palau) along with their US-born family members now reside in the United States and its territories. According to the US Census Bureau, the migrant populations from the Compact countries grew by 68 percent between the 2009 and 2017 censuses, from 56,000 to 94,000. Approximately half of these migrants are living in Hawaii, Guam, and the Northern Mariana Islands, while the remainder are spread across the US mainland (US GAO 2020). Setting aside the substantial number of Compact migrants, the broader Pacific diaspora in the United States has been built through waves of migration linked to nonpreferential paths.¹

New Zealand’s administration of Samoa from 1920 until 1961 similarly opened opportunities for Samoans to travel to New Zealand. In the aftermath of World War II, the League of Nations divided Samoa, a former German colony, into American Samoa and Western Samoa. The former became (and remains to this day) a US territory. In the case of (more populous) Western Samoa, the League of Nations mandated the administration of Western Samoa by New Zealand from 1920 until Western Samoa gained independence in 1962. At the time of independence, Western Samoa and New Zealand signed a Treaty of Friendship emphasizing the close relationship of the two countries and enshrining their ongoing commitment to working together, including through preferential migration arrangements.

The most critical preferential pathways for longer-term migration from the Pacific region to New Zealand have been the Samoa Quota (SQ) and the Pacific Access Category (PAC) Both these visas fall under the International/Humanitarian stream and have extremely high retention rates—about 80 percent of those arriving on a PAC/SQ visa in 2005 still resided in New Zealand more than a decade later (Kantar 2019). The Samoa Quota is based on the 1962 Treaty of Friendship between New Zealand and Samoa.² With 1,100 places available each year, it has strongly skewed the composition of the Pacific diaspora in New Zealand, with Samoans comprising the largest diaspora grouping of any Pacific Island country. The Pacific Access Category was established more recently as a means of opening up permanent migration opportunities for countries that share strong cultural and historical ties with New Zealand. A total of 650 places are available through the PAC annually (250 for Tonga, 250 for Fiji, 75 for Tuvalu, and 75 for Kiribati). Both the Pacific Access Category and Samoa Quota pathways remain significantly oversubscribed. As a result, the number of arrivals is tightly linked to the annual caps that Immigration New Zealand puts in place.

In contrast to the United States and New Zealand, Australia has not provided a permanent preferential pathway for Pacific migrants. The Pacific diaspora in Australia has largely been built through two pathways: (1) those migrating through the skilled migration stream; and (2) those who have become New Zealand citizens first and then migrated through the Trans-Tasman Travel Arrangement, which facilitates free movement between Australia and New Zealand. The Fijian diaspora in Australia has largely been built through successive waves of skilled migration, which have been linked to political events in Fiji. Meanwhile, the Tongan, Samoan, and Cook Islander communities have predominantly come by way of New Zealand through the Trans-Tasman Travel Arrangement pathway (Lee 2008).

Access to migration opportunities has not been uniform across Pacific Island countries, and colonial ties and administration have not always necessarily guaranteed such opportunities. Melanesian countries have been largely excluded from Compacts and other agreements: specifically, Vanuatu (which as the New Hebrides Condominium was governed by both the United Kingdom and France); the Solomon Islands (historically governed by Britain); and Papua New Guinea (which Australia administered as the territories
of Papua and New Guinea from 1949 to 1975, and which were formerly administered by Britain and Germany). Indeed, until the establishment of the temporary labor migration schemes (discussed later in the paper), migration from these three Melanesian states was largely internal, and international migration was rare. Papua New Guinea has one of the lowest emigration rates of any country in the world. Migration from Kiribati has been limited for the same reason.

Beyond permanent pathways, a critical development shaping Pacific migration dynamics since the turn of the century has been the rollout of preferential temporary migration programs. Both Australia and New Zealand have established low- and semi-skilled temporary migration programs that specifically target Pacific Islanders. In both countries, the objectives of these programs are twofold: to meet labor shortages in rural industries, and to contribute to development outcomes in Pacific Island countries. Pressure from Pacific Island countries played an important role in the establishment of such schemes, with the push for such opportunities being particularly notable during negotiations for the regional Pacific Agreement on Closer Economic Relations Plus (PACER Plus) trade agreement between Australia, New Zealand, and Pacific Island states.

The Recognised Seasonal Employer (RSE) scheme was the first of these programs to be established and was announced by New Zealand at the 37th Pacific Islands Forum Leaders’ meeting in 2006. The establishment of the RSE scheme coincided with the World Bank’s 2006 report, Pacific Islands at Home and Away, which focused attention on the challenges facing the region, including population growth, economic stagnation, and limited employment opportunities. Labor mobility was promoted by the report as a potential tool for addressing such issues through its facilitation of employment and remittances. The RSE was initially trialed as a pilot in the district of Central Otago in New Zealand’s South Island. The World Bank sponsored the pilot and facilitated recruitment from rural villages in Vanuatu by connecting employers with chiefs in Vanuatu. Vanuatu was a deliberate choice because employers believed the lack of a significant diaspora meant workers were unlikely to abscond and jeopardise the future of the scheme (Curtain 2018). Following the success of the pilots, the RSE scheme officially began on April 30, 2007. Recruitment of Pacific workers was permitted only if employers could not meet their labor needs locally. Employers had to register with the New Zealand Department of Labour as Recognised Seasonal Employers. The scheme was capped at 5,000 workers initially, and subsequently raised to 8,000 workers. Caps on worker numbers continued to increase every year up until the COVID-19 pandemic.

Australia was initially reluctant to establish a program similar to the RSE—despite decades of industry pressure and recommendations for such a scheme from the foreign policy and development community. By 2008 the context had changed, with the RSE in New Zealand widely seen as a success and pressure from Pacific Island governments increasing as part of regional PACER Plus trade negotiations for Australia to follow New Zealand’s example and provide employment opportunities for low- and semi-skilled citizens. It was in this context that a newly elected Australian government announced a Pacific Seasonal Worker Pilot Scheme (PSWPS), which would run from February 2009 until June 2012 (World Bank Group 2017).

This pilot was formalized by the Seasonal Worker Programme (SWP), which commenced in 2012. The number of workers allowed to participate in the program each year was increased, with the cap on worker numbers eventually removed entirely. Eighty percent workers were to be employed in horticulture, while three new trial sectors (aquaculture, cotton, and cane) were allocated 20 percent of places. Worker numbers rose slowly in the first years of the scheme, due to competition from another scheme, the Working Holiday Maker program; limited knowledge of the scheme among employers; and the administrative burdens associated with the scheme (Doyle and Howes 2015). Growth accelerated over time, however, driven by ongoing labor shortages and tweaks to program rules that reduced administrative requirements for employers.
Success of the SWP led to Australia’s establishment of the Pacific Labour Scheme (PLS) in 2018. The PLS reflected changing political sentiment in Australia toward guest work and was promoted as a key part of Australia’s the Pacific Step Up program intended to promote ties between Australia and the Pacific Island countries. The PLS focuses on semi-skilled industries including meat works, tourism, aged care, labor hire, and aquaculture, and allows workers to work in Australia for up to three years. Though affected by the COVID-19 pandemic, the number of workers under the PLS has risen rapidly, with 4,491 workers travelling to Australia in 2020/21 (despite COVID-19–related travel restrictions). In 2022, the PLS and SWP were consolidated as two streams within a single program, called the Pacific Australia Labour Mobility (PALM) scheme (discussed later).

The programs’ focus on low-skilled labor has facilitated temporary migration of Pacific Islanders unable to migrate through skilled programs. In doing so, migration under these programs has supported households and groups that are less well off, and for which remittances and formal sector employment opportunities are especially valuable. While such programs are open to most Pacific Island countries (with the exclusion of northern states, which have access to the US labor market), only a handful of countries have benefited at scale since their inception. Vanuatu, Tonga, and Samoa account for 84 percent of total workers sent under the two main programs (the SWP and the RSE scheme) since 2012. Countries such as Papua New Guinea, despite a significantly larger population base (9.3 million), have struggled to send significant numbers. The reasons for these diverse outcomes are discussed in the fourth section on trends in Pacific migration.

**Design and development impacts of existing migration pathways (the what)**

What do current migration pathways look like, and what development impacts have they had?

**Permanent migration pathways**

The design of migration pathways has an impact on who can migrate, and on migrant outcomes. As was noted in the previous section, citizens of many (but not all) Pacific Island countries have preferential access to permanent migration pathways to both the United States and New Zealand (table 2). In the United States, Compacts of Free Association with North Pacific Island states allows citizens of these Compact states to migrate freely. Migrants can work, study, and live in the United States with no restrictions, and are eligible for many (but not all) federal and state benefits. Significant portions of the populations of the Federated States of Micronesia, the Marshall Islands, and Palau have taken advantage of this opportunity. Rates of migration have also increased in the last decade (Levin 2017). Between fiscal year 2003 and fiscal year 2013, 7,228 Marshallese emigrated to the United States—equivalent to 13.9 percent of the population of the Marshall Islands over the period (Graduate School USA 2018). The recent nature of migration is evidenced by the composition of the diaspora. In the case of Marshallese migrants, about 58 percent of Marshallese residing in the United States were “foreign” born (mostly in the Marshall Islands); the percentage was moderately higher (61 percent) among the Marshallese living in the two main destination states in the United States, Arkansas and Hawaii (Levin 2017).

In New Zealand, similar opportunities are provided by the Samoan Quota Resident Visa scheme and the Pacific Access Category. With demand exceeding places under these migration programs, registered applicants are selected through a ballot to submit their application. Both programs have significantly increased Pacific migration to New Zealand, with the Pacific Island ethnic group now the fourth largest group in New Zealand and is projected to account for 10 percent of New Zealand’s population by 2026.
<table>
<thead>
<tr>
<th>Pacific Access Category</th>
<th>Samoan Quota</th>
<th>Skilled migration visas</th>
<th>Pacific Engagement Visa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country</td>
<td>New Zealand</td>
<td>Australia and New Zealand</td>
<td>Australia</td>
</tr>
<tr>
<td>Eligible Pacific Island countries</td>
<td>Fiji, Kiribati, Tonga, Tuvalu</td>
<td>Samoa</td>
<td>All nationalities</td>
</tr>
<tr>
<td>Annual cap on number of visas granted</td>
<td>250 Fijian citizens 75 Kiribati citizens 250 Tongan citizens 75 Tuvaluan citizens</td>
<td>1100 Samoan citizens</td>
<td>Australia: National and state-specific quotas&lt;sup&gt;a&lt;/sup&gt; New Zealand: uncapped</td>
</tr>
<tr>
<td>Visa granting mechanism</td>
<td>Ballot system</td>
<td>Ballot system</td>
<td>Points-tested system and nomination-based system</td>
</tr>
<tr>
<td>Age range</td>
<td>18–45 years old</td>
<td>18–45 years old</td>
<td>55 years old or under</td>
</tr>
<tr>
<td>Status</td>
<td>Suspended due to the COVID-19 pandemic until further notice</td>
<td>Suspended due to the COVID-19 pandemic until further notice</td>
<td>Active</td>
</tr>
</tbody>
</table>

Sources: Immigration New Zealand; Australian Department of Home Affairs (DHA); Australian Department of Foreign Affairs and Trade (DFAT) 2023.

Common across the Compacts of Free Association, Samoan Quota, and the Pacific Access Category is the limited premium placed on the skills of migrants.<sup>6</sup> Such programs have facilitated migration by a broad segment of the population in these countries. They stand in contrast to skilled migration pathways, which have limited the number of Pacific Islanders able to migrate—especially those from low-income backgrounds (competing as they must with skilled migrants from around the world).

The requirements of these visa pathways have affected the profile of Pacific Island migrants in the United States and New Zealand, as well as in Australia, given the migration corridor between New Zealand and Australia. The Pacific diaspora generally has low levels of education and occupies low-skilled and casual jobs. In Australia, for example, laborers, machine operators, and drivers account for between 19 percent and 43 percent of the main occupations of Pacific diaspora groups, markedly higher than the national average of 16 percent for Australians. Similarly, laborers, machine operators/drivers, and sales workers constitute between 33 percent and 45 percent of the main occupations of Pacific workers in New Zealand, as compared to 26 percent among the general population. In the United States, Pacific migrants have fared particularly poorly. Marshallese migrants, for example, have a median household income that is only 60 percent that of the overall US population. The poverty rate among Marshallese families in the United States is 40 percent (Levin 2017). Poor outcomes are partly due to lower minimum wages in the United States (compared to Australia and New Zealand), and in part due to the absence of any requirements for migration (for example, English-language skills of Compact migrants are poor, whereas this is not the case in New Zealand, where there are some minimum requirements even for preferential migration pathways).

Australia has historically not provided a preferential migration pathway for Pacific Island migrants, although a significant number of Pacific Islanders migrate through New Zealand. The historical absence of such a preferential pathway in Australia explains both the very small number and relatively more developed
The skills profile of Pacific Island migrants entering Australia directly (not through New Zealand). This is the case for countries that have no preferential migration access to New Zealand. The most extreme but also significant example is Papua New Guinea, a former Australian colony, Australia’s closest neighbor, and the Pacific Island country with the largest population (9.3 million). Papua New Guinea has a diaspora of only 18,785 citizens in Australia, compared to Samoa (population 201,132), which has a diaspora of 75,764 (Australian Census 2016). Nearly 50 percent of the Papua New Guinea adult diaspora has a diploma-level qualification or higher, compared to approximately 35 percent of Samoans. However, this is set to change with the introduction of the Pacific Engagement Visa, which is a lottery being introduced in 2023. It aims to bring 3,000 Pacific workers into Australia each year and provide them with a pathway to citizenship. It will involve a two-step process whereby those who succeed at the first stage must secure a job offer in Australia and meet tests to check their health, character, and basic English-language proficiency before they are able to depart. The visa at the time of writing has been announced but has not yet been introduced.

**Temporary migration pathways**

Temporary migration schemes for Pacific Island migrants are a recent development in both Australia and New Zealand, but have become an important source of employment and remittances for Pacific Island countries (figure 2). Australia’s Seasonal Worker Programme (SWP) and New Zealand’s Recognised Seasonal Employer (RSE) scheme provide favored access to Pacific workers to undertake low-skilled seasonal jobs for a period of 7 to 11 months each calendar year. By 2021, 54,000 Pacific Islanders had been employed under the SWP, and 94,000 under the RSE. As noted in the second section on the contemporary history of Pacific migration, Australia more recently established the Pacific Labour Scheme, which provides employment for semi-skilled Pacific workers in agriculture, meat work, hospitality, and aged care, with contract durations ranging between one and three years.

**Figure 2. Numbers of Pacific Island workers participating in temporary migration programs, 2007/08 to 2019/20**

![Figure 2. Numbers of Pacific Island workers participating in temporary migration programs, 2007/08 to 2019/20](image-url)

*Sources:* Immigration New Zealand; Australian Department of Foreign Affairs and Trade (DFA).

*Note:* PLS = Pacific Labour Scheme (Australia); RSE = Recognised Seasonal Employer scheme (New Zealand); SWP = Seasonal Worker Programme (Australia).
The SWP and PLS were consolidated in April 2022 into a single scheme called Pacific Australia Labour Mobility (PALM) with both seasonal and longer-term options (table 3). While key features of the SWP and PLS streams remain unchanged, the consolidation delivers some important improvements. For workers under the PLS, the new visa is now valid for a longer period of up to four years (up from the previous three-year limit). The consolidation makes it easier for seasonal workers to extend their stay and employment in Australia by allowing them to apply onshore for a longer-term visa (if nominated by their employers). These changes are expected to facilitate greater workforce stability for employers and more time for workers to develop their skills and earn income. Other notable changes include the removal of recruitment caps for employers with a good track record, the removal of restrictions on sectors and industries eligible to participate, and a relationship manager on the ground to cover every Australian state and territory.

Table 3. Key design features of New Zealand’s and Australia’s temporary migration schemes for Pacific Islanders

<table>
<thead>
<tr>
<th></th>
<th>RSE</th>
<th>SWP (now seasonal stream under PALM)</th>
<th>PLS (now long-term stream under PALM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country</td>
<td></td>
<td>Australia</td>
<td>Australia</td>
</tr>
<tr>
<td>Year of establishment</td>
<td>2007</td>
<td>2012</td>
<td>2015</td>
</tr>
<tr>
<td>Eligible Pacific Island countries</td>
<td>Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu</td>
<td>Up to 9 months in any calendar year, except workers from Tuvalu and Kiribati, who can stay for 11 months because of the distance from Australia and the cost of travel.</td>
<td>1–4 years</td>
</tr>
<tr>
<td>Annual cap on number of visas granted</td>
<td>First set at 5,000 in 2007 but has steadily increased to 16,000 for 2021/22 intakes.</td>
<td>No cap</td>
<td></td>
</tr>
<tr>
<td>Visa duration and work entitlement</td>
<td>Up to 7 months during any 11-month period, except workers from Tuvalu and Kiribati, who can stay for 9 months because of the distance from New Zealand and the cost of travel.</td>
<td>Up to 9 months in any calendar year, except workers from Tuvalu and Kiribati, who can stay for 11 months because of the distance from Australia and the cost of travel.</td>
<td></td>
</tr>
<tr>
<td>Industrial sector</td>
<td>Horticulture and viticulture industries</td>
<td>Agriculture, tourism, accommodation, meat work, aged care</td>
<td></td>
</tr>
<tr>
<td>Cost incurred by workers</td>
<td>50% of airfare, predeparture costs, health insurance while in host countries</td>
<td>Airfare, predeparture costs, health insurance while in host countries</td>
<td></td>
</tr>
<tr>
<td>Cost incurred by employers</td>
<td>50% of airfare, quarantine costs during the COVID-19 pandemic</td>
<td>50% of airfare, quarantine costs during the COVID-19 pandemic</td>
<td></td>
</tr>
<tr>
<td>Safeguard mechanism in place for workers</td>
<td>Vetting of employers and stringent criteria for participation, including meeting required accommodation standards, providing sufficient hours of work, pastoral care, and other provisions. Monitoring and compliance framework, including site visits and spot checks, regular reporting requirements, support service hotline. Pastoral care services provided by employers. Relationship managers in place.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wage rates</td>
<td>Employers are legally required to pay migrant workers the same wages as nationals.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Immigration New Zealand; Australian Department of Foreign Affairs and Trade (DFAT).
Note: PALM = Pacific Australia Labour Mobility; PLS = Pacific Labour Scheme; RSE = Recognised Seasonal Employer scheme; SWP = Seasonal Worker Programme.
The establishment and success of these schemes centers around the critical balance between domestic industry focus and development objectives. The schemes were designed to fill labor gaps in the host countries, particularly in the agriculture sector. The recent abolishment of not only restrictions on sectors and industries eligible for the PALM scheme but also recruitment caps for employers with a good track record is one step in that direction, partly motivated by the COVID-induced shortage of temporary workers.

At the same time, the design and implementation of the schemes have been hailed as good practice examples of low-skilled migration for development programs, with the schemes closely linked to Australia and New Zealand’s diplomatic and development objectives in the region. Significant safeguard mechanisms are in place to protect the rights and well-being of participating workers. Not only do migrant workers have the same minimum wage rates and worker rights as local workers, but they are also protected by various additional mechanisms built into the design of these temporary migration programs. Such measures recognize the inherent vulnerability of low-skilled migrant workers to exploitation. The programs in question require strong vetting of potential employers, including a requirement that participating employers have worker welfare embedded into their systems and practices to create positive, productive working environments. Employers are required to provide pastoral care to seasonal workers. Partnerships between the government and regional Pacific councils are in place to support workers, improve cultural understanding, and enhance the workers and their local communities. The Australian government also conducts check-ins with workers and employers to ensure employers are taking good care of their workers, and that all required conditions are being met. Workers with concerns about their work conditions can contact their country liaison officer or the Fair Work Ombudsman, or call the PALM scheme support service line for help and advice. A similar mechanism is in place in New Zealand.

Training embedded in the schemes allows workers to gain more than on-the-job training and work experience. As a part of the SWP implementation arrangements, for example, labor-sending countries are required to ensure that seasonal workers have access to a predeparture briefing. While the content and quality of these can vary across participating countries, information on wages and pay deductions is provided for all departing workers who undergo this briefing (Doyle and Sharma 2018). In addition, Add-on Skills Training has been incorporated into the SWP to provide seasonal workers with an opportunity to gain additional skills in the areas of basic English literacy, numeracy, information technology, and first aid. The training takes place during quiet periods of work, after hours, or on weekends, depending on the arrangements between the training provider and the employer. Similar arrangements are in place for the RSE and the newer PLS (now integrated with SWP as PALM).

**Development impacts**

Although small in absolute numbers when compared to migration in other parts of the world, the relative scale of Pacific migration is very significant. The Tongan diaspora of 53,247 people is equivalent to over half the resident Tongan population (105,139); the Samoan diaspora is equivalent to about 46 percent (potentially more, if measured differently); in the Federated States of Micronesia, it is close to 40 percent.

Migration facilitates employment and income-earning opportunities for migrants, while also allowing migrants to support family and community in their countries of origin by sending remittances. The importance of remittances in countries such as Tonga cannot be overstated. It is readily visible in aggregate economic statistics. Seven of the top 10 remittance recipients by share of GDP in the East Asia and Pacific region are Pacific Island countries. Tonga tops the list, with remittance inflows equivalent to nearly 44 percent of its GDP in 2021, followed by Samoa at nearly 32 percent and the Marshall Islands at 12 percent (figure 3). At a household level, remittances are an important source of income; in Tonga and Samoa, four out of five households receive remittances from abroad.
Remittances serve as an important form of (private) social protection in a context where social insurance and social assistance coverage are limited. Following the economic impacts of the COVID-19 pandemic, which devastated tourism-dependent Pacific Island economies, remittances provided an important source of support to affected households. Remittances were more resilient than expected. As the economic impacts of the COVID-19 pandemic continued to unfold, World Bank estimates of the reduction in remittances to the Pacific Islands were revised to be less pessimistic on numerous occasions, with an initial estimate of a reduction of 16.9 percent in April 2020 upgraded to a reduction of 4.3 percent in October 2020—a limited decline, given the context. This better-than-expected performance of remittances was not unique to the region. The pattern has been similar across Asia, Latin America and Africa, and points to the countercyclical support that remittances can provide (Ratha et al. 2021).

**Figure 3. Remittance inflows as a percentage of GDP, selected Pacific Island countries, 2021**

![Remittance inflows as a percentage of GDP, selected Pacific Island countries, 2021](image)

*Source: Migration Data Portal.*

In the case of temporary migration programs, there is good micro-level evidence of the positive economic impacts of migration for workers and labor-sending households. This body of evidence has been developed across multiple evaluation exercises over more than a decade (Bedford and Bedford 2017; Bedford, Bedford, and Nunns 2020; Doyle and Sharma 2018; Gibson and McKenzie 2010; Gibson and McKenzie 2011; MBIE various years; World Bank 2021). The provision of formal employment opportunities alone is significant, in a context of high informality and limited employment opportunities. In Samoa, Tonga, and Vanuatu, workers employed through these programs accounted for 6.0 percent, 14.7 percent, and 8.1 percent of the workforce in 2018–19, respectively (figure 4). In total, approximately 24,000 workers found jobs in the SWP, RSE, and PLS programs in 2019, with many gaining experience in formal employment for the first time. The fact that these temporary migration programs offer employment opportunities to low- and semi-skilled workers is particularly significant, and points to the pro-poor nature of impacts of such programs—something established in past impact evaluations (see, for example, Gibson and McKenzie 2011, 2014).
Figure 4. Seasonal and temporary migrant workers as a share of the workforce, selected Pacific Island countries, 2018–19

Source: Doyle and Sharma 2018.
Note: In 2018–19, PLS has only recently commenced, so worker numbers were low. PLS = Pacific Labour Scheme (Australia); RSE = Recognised Seasonal Employer scheme (New Zealand); SWP = Seasonal Worker Programme (Australia).

Income earned by migrant workers under these programs is also significant. SWP workers earn three to six times more than they would in their countries of origin, although the figure varies across nationalities (Doyle and Sharma 2018). RSE workers earn a slightly lower amounts, while PLS workers generally receive higher wages due to their higher skill requirements. Figure 5 compares average incomes and remittances under the SWP and RSE scheme with formal sector wages in Papua New Guinea (most participants from Papua New Guinea are not in formal sector employment, so actual earnings in Papua New Guinea are often lower).

Work experience and the training embedded in the design and implementation of the schemes provide a skill boost for workers. Tongan and ni-Vanuatu workers have highlighted the “new skill sets” or “social remittances” they have gained as part of their exposure to the SWP (World Bank 2018). Female seasonal workers have highlighted positive changes emanating from gaining new skills and knowledge, including increased levels of financial literacy, English-language proficiency, and leadership and entrepreneurial skills. Because of this, the women have reported as part of qualitative studies improved ability to control and manage household finances when they return to their origin country (World Bank forthcoming).

For households that send migrant workers under the temporary migration schemes, remittances are an important source of income. Survey data from 2020 suggests that in Vanuatu in the period when the COVID-19 pandemic was affecting worker earnings, remittances approximately doubled regular household income for labor-sending households. Remittances from seasonal workers were fundamental to financing essential household consumption. The main uses of remittances were to cover everyday expenses, including food (35 percent of households), school fees and other educational expenses (20 percent), and health care (7.5 percent) (World Bank 2021). Feedback from surveyed households also revealed that some daily expenses such as bus fares and lunches were also related to sending children to school, hence further
emphasizing the role of remittances in supporting investment in child education. It is important to note that in areas where subsistence farming is prevalent and the cash economy is limited, remittances are often the primary source of fiat money to finance goods and services that require monetary payment, such as school fees, health care services, or housing renovation or construction.

**Figure 5. Net earnings for Papua New Guinean migrant workers through the SWP and RSE scheme**

![Graph showing net earnings for Papua New Guinean migrant workers through the SWP and RSE scheme]

*Source:* World Bank staff calculations based on the World Bank phone survey on Pacific migrant workers 2020; World Bank World Development Indicators (WDI).
*Note:* GNI = gross national income; PNG = Papua New Guinea; RSE = Recognised Seasonal Employer scheme (New Zealand); SWP = Seasonal Worker Programme (Australia).

More than providing income and a buffer during times of hardship, there is evidence that temporary migration and remittances help boost human capital formation and investment in longer-term well-being, both for the migrants themselves and their labor-sending households. An impact evaluation of the SWP by the World Bank finds that labor-sending households were far more likely to have made improvements to their dwellings with 16 percent more households upgrading in Tonga and 14 percent in Vanuatu. In addition, the proportion of school-age children attending school was 7.7 percent higher among labor-sending households in Tonga and statistically significant at the 90 percent level, although in the case of Vanuatu, the impact on education outcomes was not statistically significant (Doyle and Sharma 2018).

There is also evidence that seasonal and temporary employment schemes have empowered female workers. A recent study on workers from Kiribati, Tonga, and Vanuatu suggests that participation in the schemes increases self-confidence, self-esteem, agency, and independence of female workers; and encourages sharing of domestic responsibilities when women migrate (World Bank forthcoming). These findings were corroborated by an earlier evaluation of the SWP, which found that through seasonal work opportunities, Tongan and ni-Vanuatu participants are able to negotiate their traditional gender roles (World Bank 2018). Thanks to new skills and knowledge that they gain through the scheme, female workers are able to better oversee household finances when they return to their origin country, and better coordinate with their spouses on the way money is spent. Community and household responses in this study also suggest that it is now acceptable for men to help in domestic chores, including taking care of children and other family members when women participate in the SWP and manage the earnings from SWP. Similar findings are recorded in evaluation of the RSE (Bedford, Bedford, and Nunns 2020).
Trends in Pacific migration (the who)

The Pacific migrant diaspora is growing, but remains unevenly distributed, as does the distribution of benefits from migration. Of the total stock of Pacific-born migrants resident in OECD countries, Fiji accounts for nearly half of the total diaspora. As noted in the second section on the contemporary history of Pacific migration, when accounting for population size, there are significant differences across countries, with Samoa, Tonga, and the northern Pacific Island states having significantly higher rates of migration than the Melanesian states of Papua New Guinea, the Solomon Islands, and Vanuatu, as well as Kiribati.

There is some correlation between migration rates and income levels in the Pacific region (figure 6). The Pacific Island countries with the lowest levels of labor mobility are also the poorest. Papua New Guinea, the Solomon Islands and Kiribati have the lowest rates of outward mobility and lower gross national income (GNI) per capita. The upper-middle-income countries have the highest rates of mobility (Tonga, Samoa, Fiji). Meanwhile, the high-income countries have relatively low rates of outward mobility. (In the case of Palau, which has access to the US labor market, migration is high, but there is also a significant foreign workforce employed in Palau, and remittance income is low). In mapping migration rates against income level, the relationship bears some resemblance to the inverted-U shape that has been well documented in the literature—migration rates effectively expand up to $US7,000–$US8,000 in purchasing power parity terms before declining. It is certainly the case that the lowest-income countries (particularly Papua New Guinea and the Solomon Islands) have not been afforded the same set of preferential migration opportunities as others. Meanwhile, upper-middle-income countries such as Fiji have generated impressive rates of outward mobility, largely as a result of skilled migration (rather than through preferential pathways).

However, historical linkages remain the strongest determinant of outward migration. The three largest labor-receiving countries for Pacific migrants (Australia, New Zealand, and the United States) account for 94 percent of the total Pacific diaspora. Each has some form of historical linkage in the region, which has paved the way for the current migration flows from the Pacific. As a Pacific Island diaspora has formed and grown, this network has facilitated further migration, with diaspora groups supporting the migration of relatives—a pattern that is well established in the migration literature. Such network dynamics are clearly at play in locations such as Springdale, Arkansas, which is home to the largest concentration of Marshallese outside of the Marshall Islands (nearly 9,000 Marshallese live in Springdale, comprising more than 10 percent of the town’s population, and equivalent to 20 percent of the population of the Marshall Islands itself).7
Preferential temporary migration programs have also benefited countries to varying extents. As was noted in the second section, Vanuatu, Tonga, and Samoa have accounted for the majority of workers sent under the seasonal work programs, accounting for 84 percent of total workers sent under the SWP and RSE since 2012 (figure 7). History again has played a role, with a certain path dependency observable in the growth of worker numbers. The countries that have achieved the most success have had strong first-mover or early-mover advantages. In the case of New Zealand’s RSE scheme, Vanuatu was chosen as the participating country under the World Bank-supported pilot and scaled from that base. Meanwhile, Tonga and Samoa had sizeable diaspora communities in both Australia and New Zealand (some members of which already worked in horticulture) and built on these existing linkages (Curtain and Howes 2020). Other countries, such as Papua New Guinea, the Solomon Islands, and Nauru, sent initial groups of workers that were mismatched with employer needs’, impairing their reputation among employers and opportunities to scale participation subsequently (Curtain and Howes 2020).
Institutional sending arrangements adopted and used by Pacific labor-sending countries have also had an impact on their participation in temporary migration programs. Each labor-sending country has a unique model for recruiting workers, which may include: (1) a work-ready pool, where job seekers preregister and government officials select workers directly according to the criteria nominated by the employer; (2) a licensed agent model, whereby employers engage a licensed recruitment agent in-country to select workers; or (3) direct recruitment by employers. Some countries employ a hybrid model, adopting multiple methods for recruiting migrant workers (table 4). Vanuatu has adopted a “government-light” approach, which is unique in its reliance on licensed agents. The government plays a minimal role, with most responsibilities delegated to the private sector (Curtain and Howes 2020). While this has proved efficient and played a role in elevating Vanuatu to become the largest labor-sending country, it has come at the cost of an equitable distribution of worker recruitment, with workers from urban areas over-represented. It has also been associated with worker welfare issues, with poor preparation and support for worker allegedly common, along with payments of agents by workers (a practice that is in violation of program rules and illegal in Vanuatu). Tonga has also employed a “government-light” approach, relying predominantly on direct employer recruitment, but without the use of licensed agents, with returning workers instead informally facilitating recruitment for employers (Curtain and Howes 2020). In contrast, countries that have achieved less success have often relied on government management of a work-ready pool alone, and have been burdened by poor management of that pool. Coupled with labor-sending units that are unresponsive to employer demands, and mobilization of workers which are not timely, such countries have sent limited numbers of workers.
Table 4. Recruitment models for different Pacific labor-sending countries

<table>
<thead>
<tr>
<th>Labor-sending country</th>
<th>Work-ready pool</th>
<th>Direct employer recruitment</th>
<th>Licensed agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanuatu</td>
<td>*</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tonga</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samoa</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>X</td>
<td>X*</td>
<td></td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>X</td>
<td>X</td>
<td>*</td>
</tr>
<tr>
<td>Kiribati</td>
<td>X</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>X</td>
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<tr>
<td>Tuvalu</td>
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<td>Nauru</td>
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</tbody>
</table>

Source: Curtain and Howes 2020.

Reform of labor-sending arrangements is nevertheless possible. The development of new schemes (such as the PLS) has also opened up opportunities for countries that previously struggled to send workers (figure 8). In particular, the Solomon Islands and Fiji have been notable beneficiaries. Since 2019, the Solomon Islands has been working with key training partners (Solomon Islands National University, Rural Training Centres, and the Australian Pacific Training Coalition) to develop a pipeline of suitable mid-skilled workers for the sectors that are the focus of the PLS. It has also outsourced administration of selection and mobilization of workers. This strategy seems to have paid dividends, with the Solomon Islands becoming the largest labor-sending country and recruiting some 1,250 workers for the fruit and vegetable processing and meat product manufacturing sectors in 2021. Meanwhile, Fiji has rapidly expanded its share of workers as a relative latecomer to the scheme (joining in April 2019).

Figure 8. Total migrant workers sent under Australia’s Pacific Labour Scheme, 2019–22

Source: Data from the Australian Department of Foreign Affairs and Trade (DFAT).
Migration, both permanent and temporary, is an important source of employment and income for Pacific Islanders. It has facilitated higher levels of consumption and standards of living than would otherwise have been possible, in light of the geographical impediments to economic growth faced in the region. This paper has provided an overview of Pacific Island migration and labor mobility, discussing why migration is important for Pacific Island countries and their citizens and how Pacific migration came to be important in the contemporary era. It examined what migration pathways are available and are used by Pacific Islanders, and how these have influenced both the scale and impacts of migration. It discussed the importance of preferential (nonskilled) pathways and the rise in the last decade of temporary migration programs. The final section of the paper assessed who has benefitted from migration and labor mobility, pointing to significant variation in outcomes across countries, and suggesting that in addition to opportunities made available by larger countries, such outcomes in the case of temporary migration opportunities are strongly influenced by institutional arrangements in Pacific Islands countries.

Notes

1 In this context, non-preferential suggests that some Pacific countries had to compete with migrants from countries across the globe, rather than having a pathway set aside (as is the case for, say, Samoan migrants to New Zealand under the Samoan Quota).
2 Western Samoa changed its name to Samoa in 1997.
3 In the case of New Zealand’s Recognised Seasonal Employer (RSE) scheme, the scheme is also open to citizens of several Asian countries, but Pacific Islanders comprise the bulk of participating workers. In the case of Australia’s Pacific Australia Labour Mobility (PALM) program (previously the Seasonal Worker Programme and Pacific Labour Scheme), participation is restricted to Pacific Islanders and citizens of Timor-Leste.
4 In 1984, the Jackson Review of Australia’s aid program recommended that Australia should consider a migration program targeting the South Pacific. This recommendation was echoed in every subsequent aid review undertaken. Industry was also supportive. The National Farmers’ Federation (NFF) released a labor shortage action plan in 2005 that explicitly proposed a guest worker visa targeted to Pacific Island countries. The proposal was rejected by the Australian government following an inquiry in the same year.
5 Participants in this scheme were mainly young adults from high-income countries, who were granted a 12-month stay to study and work in Australia and provided with incentives to work in rural areas in the form of a visa extension.
6 There are some minimum requirements, such as minimum English-language skills and completion of high school in the case of the Pacific Access Category, but these are far less significant than those required in skilled visa categories.
7 This wave of Marshallese settling in Arkansas followed the first settler, John Moody, who emigrated in the 1970s and obtained employment in the poultry processing sector in Springdale. As a result of this network effect, many Marshallese in Springdale continue to work in the poultry sector to this day.
References


