



# The Gains and Pains of Working Away from Home

The Case of Pacific Temporary  
Migrant Workers in Australia  
and New Zealand

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# List of Acronyms

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ABS	Australian Bureau of Statistics
AE	Approved Employer
DASP	Departing Australia Superannuation Payment
DEWR	Department of Employment and Workplace Relations
DFAT	Department of Foreign Affairs and Trade
FWO	Fair Work Ombudsman
ILO	International Labor Organization
LSU	Labor Sending Unit
MBIE	Ministry of Business, Innovation and Employment
MTO	money transfer operator
NAWPP	Northern Australia Worker Pilot Program
OOP	out-of-pocket
PALM	Pacific Australia Labour Mobility
PICs	Pacific Island Countries
PLF	Pacific Labour Facility
PLS	Pacific Labour Scheme
PLMS	Pacific Labor Mobility Survey
PNG	Papua New Guinea
RSE	Recognised Seasonal Employer
SPJ	Social Protection and Jobs
SWP	Seasonal Worker Programme

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# Executive Summary

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**There are few places in the world where migration is more important than the Pacific Island countries.** At the macroeconomic level, migration (both temporary and permanent) helps support macroeconomic growth and stability through foreign exchange and has become an increasingly important pillar of bilateral and regional relationships. Seven of the top 10 remittance recipients by share of GDP in the East Asia and Pacific region are in the Pacific (World Bank, 2021), while Tonga and Samoa are often among the top five globally. At the household level, migration provides job opportunities, supports livelihoods, and cushions many Pacific Islanders against income shocks. As some of the world's most vulnerable countries to natural disasters and climate change, international labor mobility and remittances also provide a crucial tool for adaptation and to help manage climate-related shocks (Clemens and Ogden, 2019; World Bank, 2021).

**Facing limited formal job opportunities at home, a large and increasing number of Pacific Islanders have found formal employment in temporary labor mobility programs in Australia and New Zealand.** New Zealand's Recognised Seasonal Employer (RSE) scheme, established in 2006, was the first of these modern programs. Australia followed with the Seasonal Worker Programme (SWP) in 2012 – after the success of the Pacific Seasonal Worker Pilot Scheme during 2008–2011, and the Pacific Labour Scheme (PLS) in 2018. The RSE and SWP offer seasonal low-skilled work in the agriculture sector under short-term contracts of 6–11 months, while the PLS offers longer-term employment of between one to four years in meat processing, aged care, hospitality and some other industries. In 2022, the SWP and PLS were consolidated into one program called the Pacific Australia Labour Mobility (PALM) scheme. In 2022-23, approximately 30,300 workers found jobs in the PALM scheme and another 17,400 in the RSE. For the three largest participating countries – Samoa, Tonga, and Vanuatu – seasonal workers employed through these schemes in 2022-23 accounted for 6.4 percent, 11.4 percent, and 11.5 percent of the working age population (20–59 years old), respectively (Bedford, 2023).

**The development impacts of the SWP and RSE schemes on Pacific Island countries have been examined in several studies** (Underhill-Sem and Marsters, 2017). Income gains, while varying by country, are significant: participating SWP workers from across the Pacific more than quadrupled their income, with workers from Tonga increasing their incomes by a factor of more than six (World Bank, 2017b). At the household level, the seasonal schemes have been found to have positive impacts on household consumption, goods ownership, expenditure, and standards of living (Gibson and McKenzie, 2014). Remittances sent from workers are important for sending countries in the Pacific, supporting household livelihoods, and providing a cushion against shocks, such as the COVID-19 crisis (World Bank, 2021).

**Yet in recent years, the growth of the Pacific labor mobility schemes has coincided with an increase in allegations of worker exploitation in host countries,** which threatens the schemes long-term viability. There are also concerns about the adverse impacts on labor-sending families and communities, often directly related to workers' absences from home, such as marriage breakdown, neglect of children, increased alcohol abuse, and losses of skilled workers ('brain drain') in sending countries. While anecdotal evidence and media coverage based on individual stories exist, there has not been any independent, rigorous, and large-scale study to collect data and examine these concerns, until now.

**The Pacific Labor Mobility Survey (PLMS) is the first comprehensive data collection exercise on Pacific temporary labor migration, with several novel features.** First, designed to be longitudinal, the PLMS will facilitate examination of dynamic issues that cannot be rigorously studied using existing cross-sectional data, such as migration patterns, long-term changes in household livelihoods, labor market outcomes, and human capital investment. The first wave of the PLMS, conducted between November 2021 and March 2023, can also serve as a baseline to monitor and assess outcomes of recent reforms in the Pacific labor mobility schemes. Second, the survey is the first to consistently cover all three labor mobility schemes in Australia and New Zealand – in fact, the first to comprehensively cover PLS workers since the introduction of the PLS. The survey also provides an important empirical update on the other two schemes, especially on worker satisfaction and welfare. With a large sample – 2,085 workers and 4,241 households interviewed in the first wave – the survey allows for disaggregation and reliable comparative analysis both within and across schemes and labor-sending countries. Third, by covering a generous sample of non-labor sending households (i.e., 'control group'), the survey data can be used to calculate statistics not otherwise available and perform counterfactual-based causal analyses of scheme impacts. In addition, many labor-sending households<sup>1</sup> and workers surveyed in the PLMS can be linked, thus the data can shine important light on measurement and reporting issues associated with only focusing on either in isolation. This report documents some key descriptive findings from the first wave of the PLMS.

**The PLMS reveals many important and interesting new facts.** Some of these new facts overturn popular misperceptions. Some provide updated statistics confirming and elaborating what we already knew.

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<sup>1</sup> Labor-sending households are households with at least one household member who was working in either the RSE or PALM scheme at the time of the survey, or who had worked in either of the schemes and had returned. Non-sending households are households without any household member participating in either the RSE or PALM schemes. These households might have members who had applied for but were not selected for any of the schemes. This report uses the terms 'labor-sending households', 'sending households', 'migrant-sending households', and 'participating households' interchangeably. Likewise, the report uses the terms 'non-sending households', 'non-participating households', and 'non-migrant households' interchangeably.

## Key Findings

**Overall, the data present a positive story about the impacts of these schemes on workers, their households, and communities, as well as how workers and people in the Pacific feel about them.** Despite the COVID-19 pandemic, most workers are very satisfied with their experience across many dimensions, including earnings, employment, and accommodation arrangements. The survey finds no evidence of any meaningful deterioration of worker experiences and satisfaction following the COVID-19 crisis or during recent growth in the number of participating workers and ad-hoc changes in implementation arrangements of the schemes. The majority of workers across schemes and nationalities reported being treated fairly by both their employers and host country; most would like to participate in the schemes again after their current job placement, typically for as many times as possible.

**In contrast to common assumption, data from the PLMS reveal net social gain from the labor mobility schemes: participation generally strengthens family relationships, empowers women, and shifts gender-related norms.** The potential social impacts of labor mobility have been a cause of concern in sending and host countries alike. A common assumption has been that, while the schemes are economically beneficial, workers' prolonged periods of absence from home are detrimental to their marital relationships, childcare, and the workload of family members who remain at home. Yet about four in five interviewed workers reported improvements in their relationships with their children, and two-thirds reported improved marital relationships, often thanks to increased income and material goods decreasing arguments between partners, especially where money stress was previously a source of conflict. Improved communication, understanding, and respect among family members also play a role.

**The schemes are widely perceived as beneficial to Pacific communities, both by participating and non-participating households.** Various reasons were identified by the surveyed households for their positive perception, with the most common ones (identified by at least 85 percent of respondents) being higher household incomes, better family relationships, improved educational outcomes for children, and greater contributions to local churches. Negative perceptions do exist, although much less common, especially among households in Vanuatu that participate in the PLS scheme and to a lesser extent ni-Vanuatu SWP and Tongan RSE participants. This may reflect community perceptions that the schemes have negatively affected the domestic supply of workers, given the large number of workers from these two countries. In Vanuatu, localized labor shortages had reportedly arisen, especially for physically demanding work such as construction or planting subsistence gardens, due to men being away (World Bank, 2023). Alcohol abuse, poor relationships with household members, and less motivation to work locally are three common reasons for the perception, and more so among non-sending households.

**Findings from the survey not only reinforce existing evidence of significant economic gains in terms of income and remittances, but also demonstrate a continued transition toward digital remittance transfers since the COVID-19 pandemic, and improved savings over time.** Participants in the schemes earn significantly more than what they would at home – between three and four times for Tongan workers and up to nine to 10 times for ni-Vanuatu ni-Vanuatu workers. On average, workers surveyed in the PLMS earned over \$A 800 per week, net of taxes and deductions (such as airfares to the destination country and health insurance, which are often paid upfront by their employers and later deducted from earnings). After taxes, deductions, and living expenses, close to 60 percent of their earnings, on average, can be saved and sent home, either through remittances, a lump sum amount, or bringing back goods at the end of their job placement. Compared to earlier findings based on data collected during 2015-17 on SWP workers (World Bank, 2017b), workers appear to be able to save a slightly larger share of their earnings thanks to a lower budget share of deductions and expenditures. Importantly, remittances support more than just the workers' immediate families but also siblings and relatives. Around half of Tongan households, a quarter of those in Vanuatu, and 10 percent in Kiribati reported receiving remittances from someone outside their households. Workers send money home more frequently now than during the pre-COVID-19 period and remittances have become more digital. The transition away from over-the-counter money transfer services toward digital transfers observed during the pandemic is still continuing. Only about 40 percent of workers opted for online and digital transfers during the COVID-19 lockdown period. Slightly more than three years later, the figure is 62.3 percent among workers surveyed by the PLMS. The survey also shows that remittance incomes are associated with larger household expenditure and do not lead to adverse impacts on household education or labor supply, despite primary earners being abroad.

**Yet the survey also highlights several issues that need addressing.** A small but not negligible portion of workers (7 percent) reported dissatisfaction with their experience in the host country, most often due to earnings not meeting expectations, deductions being excessive or untransparent, and inconvenient working hours. For the one in 10 workers who expressed specific dissatisfaction with their accommodation, overcrowding and a lack of amenities are often their main concerns. Dissatisfaction is most prevalent among ni-Vanuatu workers and in the SWP. There is also strong demand from workers for more portability and freedom. Between a quarter and half of workers, depending on the scheme and country, prefer to work for a different employer; and about 37 percent of those currently paying salary deductions would rather pay the costs associated with the deductions themselves. Although not common, conflicts and disagreements between workers and employers do exist, with some variation across schemes and nationalities. About 8 percent of all surveyed workers reported having such incidents; and the highest prevalence is reported by ni-Vanuatu workers in the SWP (17.3 percent). When issues do arise in the host country, workers tend to seek help from those who they can easily reach out to, with their team leaders and employers being the most common sources of advice, followed by family members and friends. Country Liaison Officers also offer valuable support, however their individual contact with the workers is less consistent and their responsibilities so far reaching they may have little time to provide for all the workers' needs.

## Recommendations

**Findings from the PLMS presented in this report point to three broad areas for improvement.** The first is a new expansion agenda for Pacific labor mobility: expand growth and improve equality of opportunity to participate, especially amongst women and under-represented sending countries. The second is building on recent reforms to address certain concerns relating to worker welfare, while not undermining the schemes' growth. The third is related to strengthening the evidence base, transparency, and learning agenda, and ensuring data-driven evaluation informs investments in, and improves the design of, labor mobility schemes.

### Expand opportunities

- **Introduce a scheme in New Zealand that is equivalent to the Pacific Labour Scheme.** The PLS has proven popular and successful. Building on this success, New Zealand should consider introducing a long-stay companion to the RSE scheme to provide more and better opportunities to Pacific countries.
- **Remove or limit the specified work requirement for Working Holiday Maker backpacker visas in Australia.** The primary issue for demand for SWP workers in Australia is the existence and promotion of alternative, poorly regulated work visas. Removing or limiting specified work requirements remain important steps to improve SWP growth prospects.
- **Carefully monitor employer demand in both countries.** Australia and New Zealand have recently undertaken major reforms focused on improving worker welfare, which place additional burdens on employers. Such changes may reduce demand for workers, and ultimately undermine the continued growth and success of these schemes which should remain a priority.
- **Expand opportunities for women.** All Pacific labor mobility schemes disproportionately employ men, but recent success from purposeful recruitment shows that gender-based recruitment biases can at least partially be overcome. Promoting stronger growth in sectors that are conventionally female dominated, such as care services, is also encouraged.
- **Diversify participation amongst labor-sending countries.** Participation in the schemes has been skewed towards initially successful countries. One key way to both expand opportunities and ease the potential pressure on local labor supply in major sending countries is to strengthen recruitment from countries with lower levels of participation, such as Papua New Guinea. The shift from traditionally successful countries in the SWP and RSE to the Solomon Islands and Fiji in the PLS demonstrates how this can be done.



- **Labor sending countries should look beyond the PALM and RSE schemes to diversify migration opportunities for their citizens.** While Australia and New Zealand are close and reasonably large markets compared to Pacific countries, immense opportunities are also offered by other countries, like Canada, the United States, and Korea. Labor-sending countries should look towards these countries to increase competition and opportunities for workers.

### **Boost worker welfare**

- **Address dissatisfaction with salary deductions.** A key area of dissatisfaction for workers is their salary deductions. This dissatisfaction can be better addressed firstly by ensuring that all potential workers are fully informed and have realistic expectations about deductions and earnings in the host countries, and that workers are aware of and can exercise their options to manage their deductions themselves. Also, the schemes should consider options to lower the levels of these deductions, either on the pre-departure side or while workers are on job placement.
- **Make it easier for workers to change employers.** Pacific labor mobility schemes are all employer driven, where workers are tied to their employers as part of their visa requirements. On the one hand, this demand-driven structure is crucial to the schemes' success. On the other hand, such a power imbalance makes workers intrinsically vulnerable to exploitation, even though the findings in this report indicate that this is less widespread than suggested. COVID-19 has demonstrated that employer- and government-initiated movements of workers are possible without undermining the success of the schemes. The next step is exploring more ambitious measures that empower workers and give them more choice, while being careful to not undermine employer demand.
- **Improve health insurance arrangements.** The COVID-19 pandemic and the associated increased focus on worker health has highlighted some of the gaps in the current system where workers need to maintain their own personal health insurance as a condition of their visa. Addressing gaps in dental and pregnancy care should be a priority, and access to public health care should be seriously considered. More broadly, given that workers in these schemes are a uniquely vulnerable group, they should be considered for the same safety nets and protections available to Australian workers.

## **Prioritize data, transparency, and learning**

- **Regularly survey workers and employers.** A strong and up-to-date evidence base to guide support in sending and host countries for temporary labor mobility should be built by regularly collecting survey data from both employers and workers, similar to the PLMS.
- **Make data publicly available.** Basic information on participants by sector, location, and sending country, should be made publicly available and regularly updated. Similar information on approved employers should also be made available. All administrative data should be accessible in a de-identified form, for example in the ABS DataLab, the NZ equivalent, or in the Pacific Data Hub at the Pacific Community (formerly the Secretariat of the Pacific Community). Any data collected with public money should be required to be open access, at least in de-identified form.
- **Establish a centralized worker contact database.** A database should be established with contact information of current and prospective migrants and their families to help facilitate regular communication and outreach, and to enable independent research and data collection. This would make it easier to routinely collect data from a random sample of workers on salient issues.



# Chapter 1: Introduction

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**There are few places in the world where migration is more important than the Pacific Island countries and territories.** Historically, the region has had sluggish growth and relatively weak domestic demand (World Bank, 2017a). With large informal sectors and limited job opportunities, international migration offers jobs when domestic opportunities are lacking. Within the region, countries with a higher emigrant share of the population – usually those with arrangements for freer movement of people and thus greater labor mobility opportunities – are generally more prosperous. As some of the world’s most exposed countries respond to natural disasters and climate change, international labor mobility and remittances provide not only an important source of income for well-being (Khanna et al., 2022; Mobarak et al., 2023), but a crucial buffer and tool to help manage these shocks, and for adaptation (Clemens and Ogden, 2019; World Bank, 2021).

**Temporary labor mobility schemes in Australia and New Zealand are responses to long-standing calls from the Pacific for increased labor mobility opportunities to the region.** The schemes are designed to serve labor market demands in the host countries, as well as broader development, foreign policy, and strategic objectives (Gibson and Bailey, 2021). Participation in Australia and New Zealand’s labor mobility schemes has grown from 4,486 in 2007, when New Zealand’s Recognised Seasonal Employer (RSE) scheme was launched, to almost 50,000 workers across both countries today. The RSE is widely recognized to have brought large benefits for employers, workers, and their families (Gibson and McKenzie, 2014). Australia introduced a pilot Seasonal Worker Programme (SWP) modeled on the RSE in 2008. After a slow start, the SWP reached over 12,000 workers in 2019, overtaking the RSE in size (Lawton, 2019). A comprehensive assessment of the SWP similarly found positive benefits for workers and farmers, and offered recommendations on how the program could be improved to increase the benefits flowing back to the Pacific – most have been adopted, or are still being worked towards (World Bank, 2017b). With repeat visits common and the domestic impetus shifting to longer-term labor market challenges, the Australian government launched the longer-stay Pacific Labour Scheme (PLS) in 2019, providing employment for between one and four years. The PLS and SWP were later merged into the Pacific Australia Labour Mobility (PALM) scheme in 2022 which is now the Australian Government’s flagship temporary migration program for meeting domestic labor shortages and a central part of its foreign and development policies.

**This era of rapid change has not been without challenges.** The increasing number of workers participating in these schemes has raised concerns of 'brain drain', as often the case in migration policy discussions in developing countries, especially small states. The recent growth of the schemes has also coincided with an increase in allegations of worker exploitation in host countries, threatening the schemes' long-term viability. Yet there has not been any independent, rigorous, or large-scale studies to collect data on these concerns, until now.

**The PLMS is the first comprehensive data collection exercise on Pacific temporary labor migration, with several novel features.** First, unlike earlier one-off labor mobility surveys, the PLMS is designed to be longitudinal, tracking migrants and households over time. This feature will facilitate examination of dynamic issues that cannot be rigorously studied using cross-sectional data, such as those on migration patterns, long-term changes in household livelihood, and labor market outcomes. The first wave of the PLMS, conducted between November 2021 and March 2023, can also serve as a baseline for longer-term tracking of outcomes of recent reforms in the Pacific labor mobility schemes. Second, the survey is the first to consistently cover all three labor mobility schemes in Australia and New Zealand – in fact, the first to comprehensively cover PLS workers since the introduction of the PLS. The survey also provides an important empirical update on the other two schemes, especially on worker satisfaction and welfare. With a large sample size, the survey allows for disaggregation and reliable comparative analysis both within and across schemes and labor-sending countries. Third, by covering a generous sample of non-labor sending households<sup>2</sup> (i.e., 'control group'), the survey data can be used to calculate basic statistics not otherwise freely available and perform counterfactual-based causal analyses of scheme impacts. In addition, the linked household-worker data can shine important light on measurement and reporting issues associated with only focusing on either in isolation. Finally, the PLMS will be open access: de-identified data will be made freely available with the goal of engendering broader positive change in the Pacific data ecosystem.

**The PLMS has two parts: a worker survey and a household survey.** Both cover the two largest participating countries in the labor mobility schemes, Tonga and Vanuatu, as well as Kiribati, which is set apart by its small size and long distance from the host countries. The worker survey, implemented during December 2022 to March 2023, covers i-Kiribati, Tongan, and ni-Vanuatu workers in the RSE, SWP and PLS schemes. Its sample includes 2,085 workers: 248 from Kiribati, 762 from Tonga, and 1,075 from Vanuatu. By scheme, the sample includes 881 SWP, 537 PLS, and 667 RSE workers. The household survey covers two groups: the households of workers participating in the three schemes and non-participating households in each of the three sending countries. The household survey was first conducted face-to-face in Tonga in November

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<sup>2</sup> Labor-sending households are households with at least one household member who was working in either the RSE or PALM scheme at the time of the survey, or who had worked in either of the schemes and had returned. Non-sending households are households without any household member participating in either the RSE or PALM schemes. These households might have members who had applied for but were not selected for any of the schemes. This report uses the terms 'labor-sending households', 'sending households', 'migrant-sending households', and 'participating households' interchangeably. Likewise, the report uses the terms 'non-sending households', 'non-participating households', and 'non-migrant households' interchangeably.

and December 2021, covering 543 migrant sending households and 606 non-participating households. Due to COVID-19, it was conducted in Kiribati and Vanuatu via phone interviews in 2022. The final household sample includes 2,010 labor sending households and 2,231 non-labor sending households in total across all three countries.

**Questions asked in the PLMS are omnibus in nature.** The worker questionnaire spans demographics, health, labor, income, expenditure, and more specific topics like remittances, migration history, and attitudes towards and perceptions of the schemes and their impacts. The household questionnaire provides rich individual-level data on household members such as demographics, education, children, income, as well as household-level information on housing, assets, remittance senders, migration knowledge, perceptions towards the schemes and gender norms. This allows the survey data to be used for a wide range of purposes and analyses.

**The PLMS adheres to strict quality control and confidentiality criteria to ensure reliable and objective data collection.** The sample was designed based on a total survey error framework, aiming to minimize sample selection bias at every step of the process. Due to the complexity of the survey implementation, different sampling strategies were employed, with workers and households selected through probability-proportional-to-size – with an extensive sample frame – and random digit dialing approaches. Participation was completely voluntary and all personal information is kept strictly confidential. All interviews were conducted in the national language of the respondents by qualified enumerators. See Appendix A for details about the design and implementation of the PLMS.

**Using data from the first wave of the PLMS, this report documents a detailed quantitative picture of temporary migrant workers' and their households' well-being post-COVID-19, and rigorously analyzes contemporary policy issues.** Importantly, the report provides the first large-scale evidence on worker welfare since the recent increase in concerns about worker exploitation, and most likely the first to go beyond examples of individual cases and anecdotes to look at these issues systematically and rigorously in a large and relatively representative survey. The PLMS reveals many important and interesting new facts. Some of these new facts overturn popular misperceptions. Some provide updated statistics confirming and elaborating what we already knew.

**Overall, the data present a positive story about the impacts of these schemes on workers, their households, and communities, as well as how workers and people in the Pacific feel about them.** Despite the COVID-19 pandemic, most workers are very satisfied with their experience across many dimensions, including earnings, employment, and accommodation arrangements. The survey finds no evidence of any meaningful deterioration of worker experiences and satisfaction following the COVID-19 crisis or during recent growth in number of participating workers and ad-hoc changes in implementation arrangements of the schemes. The majority of workers across schemes and nationalities reported being treated fairly by both their employers and host country; most would like to participate in the schemes again after their current job placement, typically for as many times as possible.

**In contrast to common assumption, data from the PLMS reveal net social gain from the labor mobility schemes: participation generally strengthens family relationships, empowers women, and shifts gender-related norms.** The potential social impacts of labor mobility have been a cause of concern in sending and host countries alike. A common assumption has been that, while the schemes are economically beneficial, workers' prolonged periods of absence from home are detrimental to their marital relationship, childcare, and the workload of family members who remain at home. Yet about four in five interviewed workers reported improvements in their relationships with their spouse and children, often thanks to increased income and material goods decreasing arguments between partners, especially where money stress was previously a source of conflict. Improved communication, understanding, and respect among family members also play a role. The schemes are widely perceived as beneficial to Pacific communities, both by participating households and those who do not. These findings were corroborated by findings from in-depth qualitative interviews of workers, their households, and key local informants in the three countries, presented separately by the World Bank (World Bank, 2023).

**Findings from the survey not only reinforce existing evidence of significant economic gains in terms of income and remittances, but also demonstrate a continued transition toward digital remittance transfers since the COVID-19 pandemic, and improved savings over time.** Participants in the schemes earn significantly more than what they would at home – between three and four times for Tongan workers and up to nine to 10 times for ni-Vanuatu workers. After taxes, deductions, and living expenses, on average, close to 60 percent of their earnings can be saved and sent home, either through remittances, a lump sum amount, or bringing back goods at the end of their job placement. Compared to earlier findings based on data collected during 2015-17 on SWP workers (World Bank, 2017b), workers appear to be able to save a slightly larger share of their earnings thanks to a lower budget share of deductions and expenditures. Importantly, remittances support more than just the workers' immediate families but also siblings and relatives. Around half of Tongan households, a quarter of those in Vanuatu, and just over 10 percent in Kiribati reported receiving remittances from someone outside their households. Workers send money home more frequently now than during the pre-COVID period and remittances have become more digital. The transition away from over-the-counter money transfer services toward digital transfers observed during the pandemic is still continuing. Only about 40 percent of workers opted for online and digital transfers during the COVID-19 lockdown period. Slightly more than three years later, the figure was 62.3 percent among workers surveyed by the PLMS. Remittance incomes are associated with large expenditure gains and do not lead to adverse impacts on household education or labor supply, despite primary earners being abroad.

**Yet the survey also highlights several issues that need addressing.** Earnings not meeting expectations, deductions being excessive or untransparent, and inconvenient working hours are the most common reasons underlying reported cases of workers' dissatisfaction. Overcrowding and a lack of amenities in accommodation are reportedly the main concerns with respect to workers' living conditions. Dissatisfaction is most prevalent among ni-Vanuatu workers and in the SWP. There is also strong demand from workers for more portability and freedom. Between a quarter and half of the surveyed workers, depending on the scheme and country, prefer to work for a different employer; and about 37 percent of those currently paying salary deductions would rather pay the costs associated with the deductions themselves. While not common, conflicts and disagreements with employers were reported by about 8 percent of all surveyed workers, with some variation across schemes and nationalities, and most prevalent with ni-Vanuatu workers in the SWP.

**The survey findings naturally point to new policy opportunities.** The significant benefits, both economic and social, from the schemes call for expanding opportunities to participate, especially to women and under-represented labor-sending countries. Worker welfare can be boosted by addressing dissatisfaction with salary deductions, making it easier for workers to change employers, and improving health insurance arrangements. A common theme here is the need to shift the balance of power and responsibilities from governments and employers, back to workers themselves. There is a need to offer them more agency and flexibility, in return for more responsibility in managing their own affairs such as accommodation in the host country. They should also be considered for the same safety nets and protections available to any Australian worker, noting that this a uniquely vulnerable group of workers. The third broad area for improvement relates to data, transparency, and learning – not in the traditional program monitoring and evaluation sense, but more broadly. Regular surveys of employers and workers, as have been done in the PLMS, should be conducted, and anonymized data should be made publicly available, regularly. A database should be established with contact information for current and prospective migrants and their families to help facilitate regular communication and outreach, and to enable independent research and data collection.

**Finally, as this analysis is based on only the first wave of the PLMS, it is constrained in a few important ways.** First, some issues are difficult to measure and understand at just one point in time, although the team structured the questions to address these concerns as best as they could. An obvious example is remittances, where the recall period and timing of remittance flows can be important. Being the first wave of the survey, any analysis of impacts is necessarily retrospective, and, without a randomized controlled trial, potential bias cannot be ruled out. The addition of future waves of data and the introduction of a lottery with the Pacific Engagement Visa will help ameliorate these challenges.





# Chapter 2: Pacific Labor Mobility – Rapid Growth, Uneven Opportunities

*The establishment of the temporary labor migration schemes in Australia and New Zealand marked a critical development in Pacific migration dynamics. This chapter provides an overview of the Pacific labor mobility schemes, their evolution, governance and recruitment arrangements, and a brief profile of the participating workers.*

## 2.1 A Brief Overview of the Pacific Labor Mobility Schemes

**The Pacific labor mobility schemes resulted from a combination of demand for greater labor mobility in the region and labor shortages in the agriculture sector in Australia and New Zealand.** Since the mid-2000s, Pacific Island country governments have increasingly lobbied for greater labor mobility between Pacific Island Countries (PICs) and Australia and New Zealand through the Pacific Islands Forum (Whatman, Bedford, and Bedford, 2017). These calls coincided with calls for more low-skilled workers for planting, picking, pruning, and packing work for harvest in horticulture and viticulture by Australian and New Zealand employers. New Zealand established the Recognised Seasonal Employer (RSE) scheme in 2007. Australia followed suit with the Pacific Seasonal Worker Pilot Scheme (PSWPS) in 2008, which became the Seasonal Worker Programme (SWP) in 2012. In 2016, Australia commenced the Northern Australia Worker Pilot Program (NAWPP) for non-seasonal roles, which became the Pacific Labour Scheme (PLS) in 2018. These two schemes (SWP and PLS) merged into the Pacific Australia Labour Mobility (PALM) scheme in 2022. From the outset, these circular migration schemes aimed to achieve 'triple wins': allowing receiving countries to fill labor shortages to benefit employers, workers to benefit from higher incomes and developing skills, and sending countries to benefit from remittances (Gibson, McKenzie, and Rohorua, 2013).

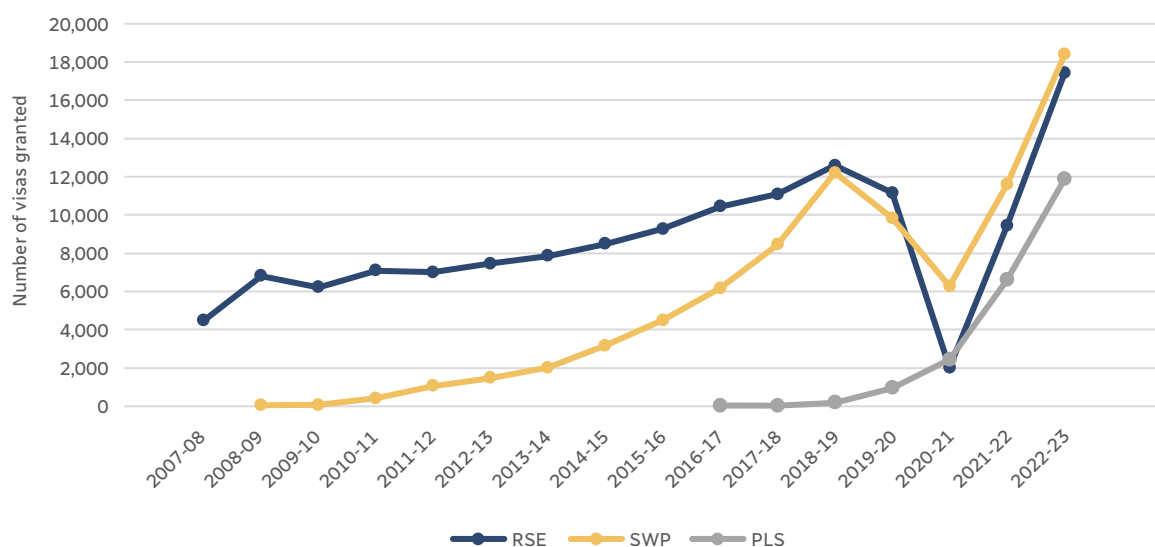
**Each scheme has different governance arrangements.** The RSE scheme is managed by the New Zealand Ministry of Business, Innovation and Employment (MBIE). The SWP has historically been managed by the Australian Department of Employment and Workplace Relations (DEWR) and its predecessors, while the PLS has been managed by a private company, Palladium International, contracted by the Department of Foreign Affairs and Trade (DFAT). Since the consolidation of the SWP and PLS into the PALM scheme, it has been jointly managed by DEWR and DFAT, with responsibilities divided into onshore and offshore delivery.

**Standard minimum selection criteria for participants exist across all the labor mobility schemes.** Workers must hold a valid passport, have private health insurance, and meet a range of medical checks and character requirements (normally through a police clearance) to participate. In Australia, workers must be at least 21 years old to participate while in New Zealand, workers must be over 18 years old. Some sending countries impose their own age criteria.

**Each participating labor-sending country has its own local mechanisms to select workers.** This is often organized through some combination of in-country private recruitment agents, direct recruitment by Australian or New Zealand employers, and a government-screened work-ready pool (Curtain and Howes, 2020a). As a result of intercountry diversity, there are varying levels of government intervention and control over the selection and recruitment of workers in different sending countries, primarily through Labor Sending Units (LSUs) (Box 1).

**Since their inception, the schemes have expanded greatly.** Despite a temporary plunge in 2020 due to the COVID-19 pandemic, the numbers of visa grants under the RSE and PALM schemes have bounced back and exceeded their pre-COVID-19 levels by 2022–2023 (Figure 1).

**FIGURE 1.** Number of visas granted under the RSE and PALM schemes



Source: Bedford (2023).

**The development impacts of seasonal labor mobility on Pacific Island countries have been examined in several studies** (Underhill-Sem and Marsters, 2017). Income gains, while varying by country, are significant: participating SWP workers from across the Pacific more than quadrupled their income, with workers from Tonga increasing their incomes by a factor of more than six (World Bank, 2017b). At the household level, participation in seasonal work schemes has positive impacts on consumption, goods ownership, expenditure, and standards of living (Gibson and McKenzie, 2014). Remittances sent from workers are important for sending countries in the Pacific. For example, in Tonga, labor mobility to Australia is more important than aid and trade combined (Howes and Orton, 2020).

### **Box 1: Recruitment arrangements in Kiribati, Tonga, and Vanuatu**

**In Kiribati, recruitment is organized through the government's work-ready pool but processes are slightly different for the different schemes.** For the SWP and RSE, interested workers register at the Island Council. After this, they must pass a fitness test and undergo five weeks of English language training; eligible candidates can then enter the work-ready pool. For the PLS, interested workers must register at the Ministry of Employment and Human Resource, undertake an English test, and can then enter the work-ready pool. Workers undertake pre-departure training or other relevant courses at the Kiribati Institute of Technology and undertake medical examinations at the Marine Training Centre. Employers can also conduct their own recruitment in-country, and virtual interviews were used during COVID-19. Pre-screened worker profiles and CVs are sent to employers for final selection. While employers can theoretically directly hire if they are licensed, in practice, all hiring is through the work-ready pool. While employers can decide who to hire from this pool, they cannot nominate workers to join that pool, and all interested workers must go through the government process (Bedford and Bedford, 2021).

**Tonga allows employers to hire either directly or through the government's work-ready pool.** Direct recruitment often takes place through intermediaries such as agents, members of the diaspora, team leaders, or returned or existing workers (Curtain and Howes, 2020a). Workers are required to complete a Tonga Mobility Registration Form and meet the Tonga Labour Mobility Selection Criteria. Before leaving Tonga, workers undertake a three-day pre-departure workshop which covers first aid, family welfare preparation, and information about life overseas.

**In Vanuatu, there are multiple recruitment methods.** Employers can hire directly through the LSU or via team leaders, after being issued with a permit. Employers can also recruit through agents, who are licensed to recruit on behalf of potential employers. Vanuatu is one of the only country to rely on licensed agents and they are responsible for most recruitment. Vanuatu also has a smaller work-ready pool which is primarily used for the selection of workers for the PLS. The implementation of labor mobility schemes is governed under Vanuatu's Seasonal Employment Act 2007, which provides details of the conditions imposed on licenses and permits. Before leaving Vanuatu, workers attend a pre-departure briefing run by the LSU. Workers must also provide consent letters from their family, community, or church leaders for them to go on seasonal work. For example, married people must gain consent from their spouse.

## 2.2 Recognised Seasonal Employer Scheme

**New Zealand's Recognised Seasonal Employer (RSE) scheme came into effect from April 2007, after a successful pilot in the year before.** In response to labor demand from New Zealand's horticulture and viticulture industries, the New Zealand government introduced arrangements to allow employers to hire workers on seasonal permits during the 2005-06 harvest season. Under these initial arrangements, around 80 workers from the Pacific came to New Zealand, including a small pilot of 45 workers from Vanuatu (Gibson and Bailey, 2021). The RSE scheme formally commenced with five Pacific countries: Kiribati, Samoa, Tonga, Tuvalu, and Vanuatu; with the Solomon Islands joining in 2010, Papua New Guinea in 2013, Fiji in 2014, and Nauru in 2015 (Bedford, Nunns, and Bedford, 2020). Unlike in the PALM scheme, a few other Asian countries have also participated in the RSE but accounted for only a small share of participating workers, as priority is given to PICs.

**To hire labor mobility workers, employers must be accredited as a Recognised Seasonal Employer.** This requires that certain standards are met, such as evidence of good workplace and human resource practices, and evidence of training and employing New Zealanders (Ministry of Business, Innovation and Employment, 2023). RSE employers must also meet minimum pastoral care requirements – specifically paying half of the worker's return airfares – in addition to paying the market rate, guaranteeing minimum payments to workers of at least \$NZ 22.10/hour for a minimum of 30 hours per week, and providing suitable accommodation and transport. Worker wages are tax at source at a concessionary flat rate of 12.5 percent, including their 2.5 percent contribution to Accident Compensation Corporation.

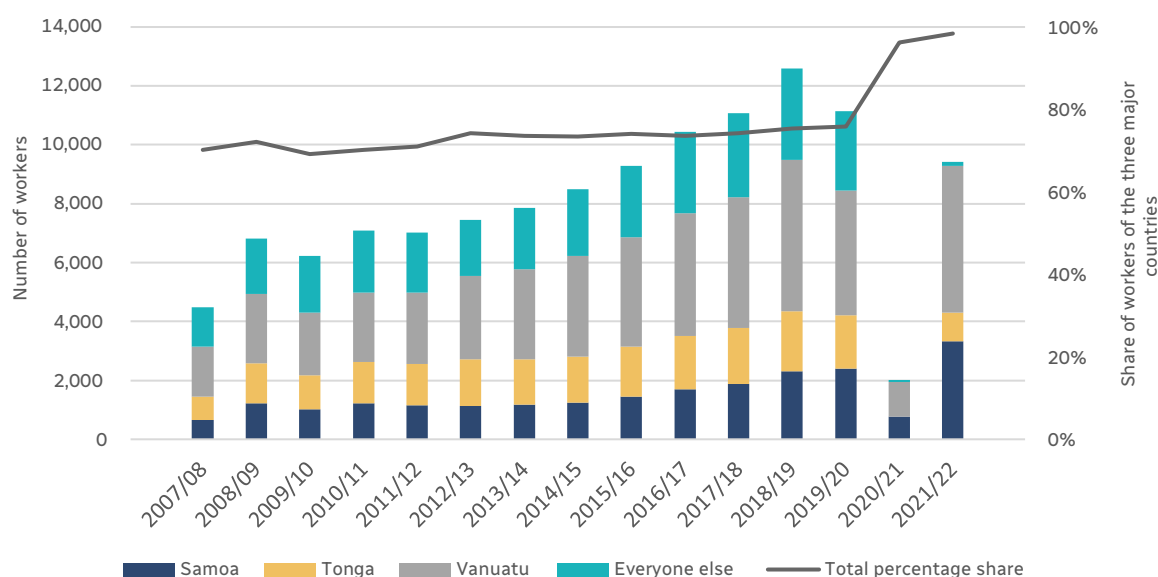
**Each year, there is an administrative cap on the maximum number of RSE placements.** The cap was initially set at 5,000 in 2007, was lifted to 8,000 in 2008 and held constant until 2014 and since then has been increased gradually in response to employer demand, reaching 19,000 in the 2022/23 season. The annual increase was

negotiated on a tripartite basis for the first time in 2022 with government officials, industry, and union representatives. Sick leave was also introduced at the same time, commencing on the start date of a worker’s employment contract (Ministry of Business, Innovation and Employment, 2022).

**Labor mobility workers are issued a permit allowing a maximum stay of seven months within any 11-month period, with a four month stand down between seasons.** Exceptions are made for workers from Tuvalu and Kiribati, who can stay for up to nine months due to distance and higher migration costs (Ministry of Business, Innovation and Employment, 2023).

**Since the inception of the RSE scheme, three sending countries have dominated participation: Vanuatu, Tonga, and Samoa.** About 76 percent of all RSE workers have been from these three countries. This dominance has gradually increased over time and spiked during COVID-19 border closures (Figure 2). All three of these countries had an early-mover advantage, from their success in the early stages of the scheme (Curtain and Howes, 2020a). Within these countries, unequal distribution of opportunities to participate has reportedly led to widening inequalities between participating and non-participating households and communities (Bedford et al., 2020).

**FIGURE 2.** Number of RSE workers by sending country



Source: Immigration New Zealand (2023).

## 2.3 Seasonal Worker Program

**The predecessor of the SWP was a four-year Pacific Seasonal Worker Pilot Scheme (PSWPS), established in August 2008.** An early study examining the development impacts of the PSWPS over its first two years found that Tongan participation led to gains per participating household of approximately \$A 2,600, a 39 percent increase in per capita annual household income (Gibson and McKenzie, 2011). Workers were “reasonably content” with their experiences, and all “would recommend the program to

other workers from their villages” (Gibson and McKenzie 2011). While growth was low initially, the final evaluation of the PSWPS was positive and recommended the establishment of a low-skilled seasonal labor mobility scheme for Australia’s horticulture industry (Reed et al., 2011).

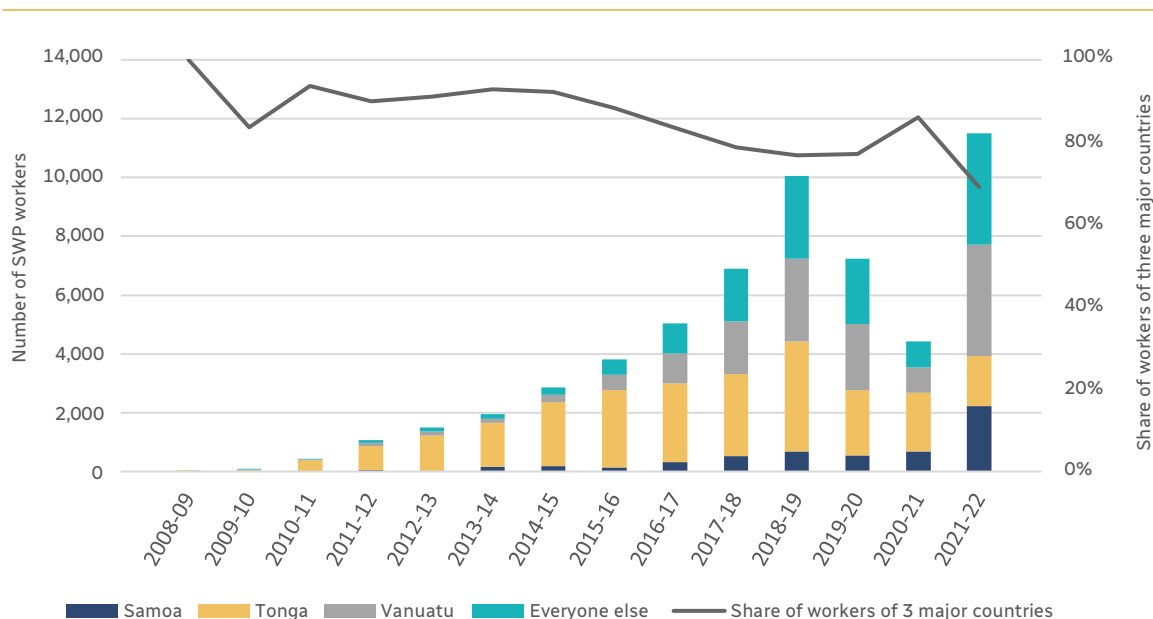
**The success of the PSWPS led to the establishment of the SWP in 2012.** The SWP started with a 12,000-worker annual cap for its first four years, but this limit was removed in 2015 and the scheme has remained uncapped since (World Bank, 2017a). Ten countries, including nine from the Pacific, are eligible for the scheme: Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu, and Timor-Leste.

**To recruit seasonal workers, direct employers, contractors, or labor hire companies must first be vetted and approved by the Australian government to become an Approved Employer (AE).** SWP employers must take on a range of pastoral care responsibilities: providing appropriate accommodation and transport; an average of at least 30 hours of work per week over the placement; and mandatory arrival briefings with relevant unions and the Fair Work Ombudsman (FWO) (DFAT, 2022). Employers must also pay for workers’ international and domestic travel costs upfront and can deduct these costs from workers’ wages, minus a \$A 300 mandatory employer contribution to international travel costs.

**Visas granted to seasonal workers are valid for a maximum work period of up to nine months in a 12-month period.** More recently, seasonal workers have also been offered multi-year visa sponsorship for up to four seasons. Workers are taxed at a flat rate of 15 percent, must maintain adequate health insurance, and pass character and medical checks prior to arrival in Australia.

**Tonga and Vanuatu have been the two largest suppliers to the SWP.** During the earlier years of the scheme, Tonga was the largest participant, making up 74 percent of SWP workers in 2013-14. Since 2017-18, however, Vanuatu has taken over the top spot (Figure 3). The success of these two countries has been attributed to their flexible, private-sector oriented approach towards the scheme (Curtain and Howes, 2020b). In the case of Tonga, intermediaries – particularly through the diaspora in Australia – play an important role in securing access to new employment opportunities (Curtain and Howes, 2019), whereas around 80 percent of ni-Vanuatu workers are recruited through private licensed agents. Having a greater number of returned workers is also a reinforcing advantage. Employers are more likely to recruit new workers through returning workers, or from places where they have had positive recruitment experiences in the past (Doyle and Howes, 2015).

**FIGURE 3.** Number of SWP workers by sending country



Source: Australian Department of Home Affairs.

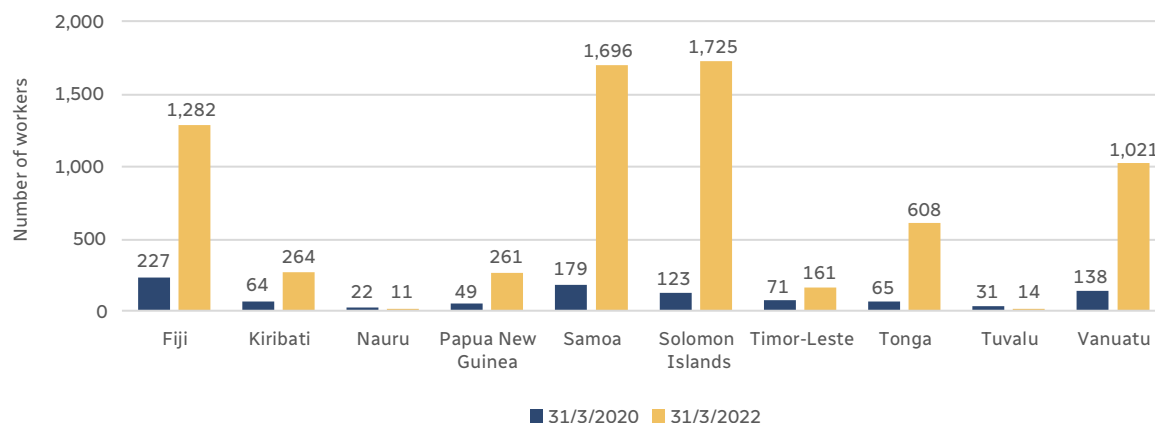
## 2.4 Pacific Labour Scheme

In 2016, the Northern Australia Worker Pilot Program (NAWPP) commenced with about 80 non-seasonal tourism, hospitality, and personal care workers from Kiribati, Nauru, and Tuvalu travelling to the Northern Territory. This new approach to labor mobility was formalized by the commencement of the Pacific Labour Scheme (PLS) in July 2018, as a part of the Australian Government’s broader Pacific Step-Up initiative. The PLS initially enforced a cap of 2,000 workers from Kiribati, Nauru, and Tuvalu to take up non-seasonal low and semi-skilled positions in rural and regional Australia for one to three years. The cap was later removed, and Pacific Island country participation expanded. The Solomon Islands, Samoa, Fiji, and Vanuatu have so far been most successful in terms of number of participating workers.

**The PLS is demand driven.** Like the SWP and RSE, the PLS also requires participating employers to become an Approved Employer, with labor market testing required to ensure that the employers give priority to local workers in Australia for available jobs. Employment is limited to positions classified as low-and semi-skilled (i.e., equivalent to Australian and New Zealand Standard Classification of Occupations skill levels 3–5).



**FIGURE 4.** Increase in the number of PLS workers between 2020 and 2022



Source: Department of Home Affairs 2023a.

**Like the SWP, the initial growth of the PLS was slow, with only 203 workers, mostly from Kiribati, initially participating as of mid-year 2019.** Most of this first cohort of workers were employed in hospitality, and many (39 percent) were women (Howes and Lawton, 2019). The PLS expanded rapidly during the pandemic (Figure 4), with particularly strong growth in meat processing, and increased employer interest from the horticulture industry (Lawton, 2021).

### Box 2: Health care arrangements in the RSE and PALM schemes

**PLS and RSE workers are entitled to mandatory sick leave.** This includes up to five days of sick leave once they have worked for an employer for six months, as well as three days bereavement leave should a close relative pass away during their placement (ILO, 2015). SWP and RSE workers must pay for their own private Overseas Visitor Health Cover for the duration of their placement (as part of their visa conditions). Though dental work is usually excluded from these policies, the RSE cover in New Zealand does include emergency dental care (ILO, 2022). PLS workers are protected by Australian workplace laws in the same way as Australian residents. PLS workers are not entitled to access public health care under the Australian Medicare system, but can apply for an exemption to the Medicare levy which otherwise is 2 percent of workers' taxable income.

## 2.5 Responding to COVID-19

**On 19 March 2020, the Australian and New Zealand governments announced the effective closure of international borders to non-citizens and non-residents, with all participating labor sending countries closing their borders in response to the sudden threat of the COVID-19 pandemic.** Pacific labor mobility stopped abruptly, with efforts to control COVID-19 limiting movement of Pacific labor mobility workers, both to and within destination countries (Edwards, 2020). Many workers were suddenly unable to return home as commercial flights became unavailable or had future work overseas cancelled.

**The immediate priority was to ensure that stranded temporary migrant workers still had a way to continue working while there were limited options to return home.** In New Zealand, all temporary visas were initially issued a blanket extension, which was later extended (Bedford and Bailey, 2022). In Australia, in April 2020, the 12-month Temporary Activity (subclass 408) visa was introduced, allowing Pacific workers to legally continue working. While workers were required to still work for vetted employers, greater flexibility was introduced for the first time to allow employer-managed worker movement. Within the scheme during COVID-19, over 15,000 worker movements took place – some being the same worker moving multiple times. Some long-term PLS workers lost their jobs at the start of the pandemic and were redeployed to new industries and regions. Hospitality and tourism were particularly affected by the early stages of the pandemic and saw a sudden sharp decline in Pacific worker numbers (Shilito, 2022).

**Keeping workers employed was challenging for all stakeholders.** For example, movement between different states and territories within Australia was at times heavily restricted by lockdowns, posing new challenges like quarantine, testing, and isolation requirements. In June 2020, overseas seasonal workers were explicitly classified as “high risk” and banned from entering New South Wales (ABC Rural, 2020).

**During the period from March until August 2020, more than 30 percent of SWP workers and 54 percent of RSE workers spent at least one week without any work during the pandemic,** according to a World Bank phone survey undertaken as part of this broader analytical work program during the early stages of the pandemic. More than two-thirds of workers across both schemes reported having fewer work hours than they had before the pandemic. This led to substantial reductions in earnings for 68.4 percent of surveyed seasonal workers, however, only 46.8 percent of workers remitted less (World Bank, 2021).

**The resumption of Pacific labor mobility began with quarantine pilots to manage health risk, before expanding to more regular movement as vaccination became widely available.** In August 2020, the Australian and Northern Territory governments announced a small pilot to bring in an initial cohort of 170 ni-Vanuatu fruit pickers under the SWP for the mango harvest. Workers were kept in a ‘biosecurity bubble’ and

required to undergo mandatory 14-day managed quarantine upon arrival (Australian Government, 2020). In November 2020, the first group of seasonal workers from Tonga returned to Australia and were able to quarantine on-farm. From late 2021, under the Pacific Pathways Plan, fully vaccinated workers from low COVID-19-risk countries could travel quarantine-free to Australia (Australia Government, 2020). In 2021, the New Zealand government allowed two border exemptions for new RSE workers to enter the country and these workers largely replaced existing workers who returned home (Bedford, 2021). With predicted harvest workforce numbers dropping to far below industry demand, New Zealand commenced One Way Quarantine Free Travel from Vanuatu from 4 October 2021, and from Samoa and Tonga from 12 October 2021. Vaccinated RSE workers were not required to undertake self-isolation or COVID-19 testing on arrival (Rovoi, 2021).

**Over the course of the pandemic, more complex worker welfare issues emerged due to workers having spent extended periods of time away from home.** The pandemic exacerbated longstanding issues around access to enough work, isolation from local communities, and the social costs of family separation.

**Since the COVID-19 pandemic, both sending and receiving countries have been reflecting on how to sustainably grow labor mobility into the future.** Several issues highlighted during border closures have become the focus of post-pandemic reform, including: the impacts of extended family separation; sector expansion; health and well-being; impacts on domestic workforces; ensuring workers have enough work hours; greater flexibility for redeployments; a greater focus on the importance of labor mobility and remittances for COVID-19 recovery; and moving towards more permanent pathways (Bedford and Bailey, 2022).

## 2.6 Pacific Australia Labour Mobility Scheme

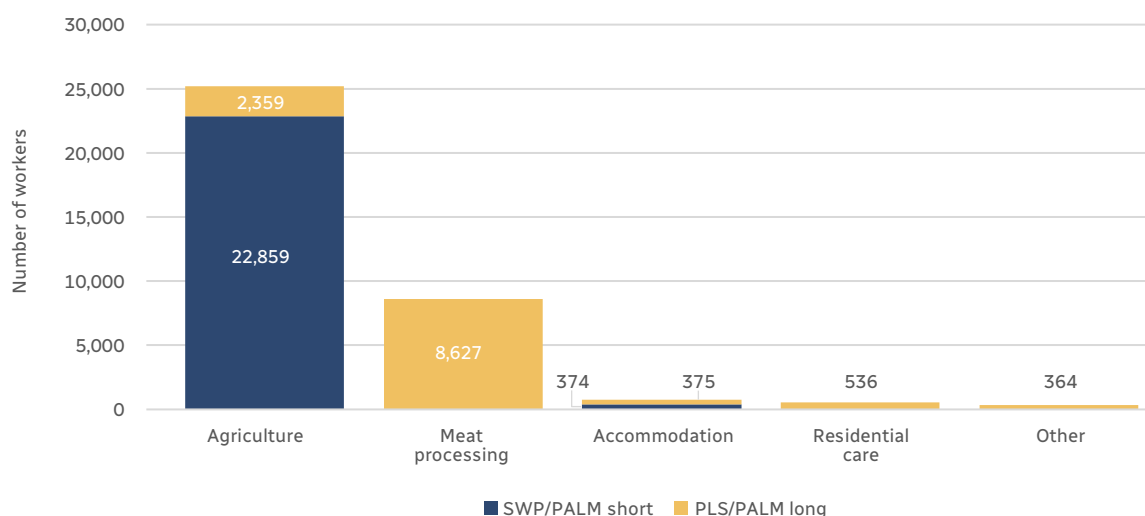
**In April 2022, the Australian government commenced the consolidation of the SWP and PLS into a single scheme, called the Pacific Australia Labour Mobility (PALM) scheme.**<sup>3</sup> Program settings for the PALM scheme were significantly revised from June 26, 2023 by Australia's Department of Employment and Workplace Relations, reflected in a new Approved Employer Deed and Guidelines. There remains a short-term seasonal stream and longer-term stream, similar to the SWP and PLS (Figure 5). The most significant change in this revision is a minimum requirement to provide short-term workers with at least 30 hours of work, every week, rather than on average over the entire placement (Doan et al., 2023). This particular requirement is being phased in up to 1 July 2024.

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<sup>3</sup> As the consolidation happened during the data collection for this report and the short-and long-term streams are conceptually quite different, they are referred to separately as the SWP and PLS in this report, which reflects how the survey was designed at its outset.

**Under the PALM scheme, longer-term workers, formally known as PLS workers, are now able to remain in Australia for up to four years (previously it was three), with multiple entries into Australia.** Workers who originally came to Australia as seasonal workers can now be nominated by employers to transition onshore to become long-term workers. The PALM scheme is open to all sectors and industries where employers can demonstrate an unmet need for unskilled, low-skilled, and semi-skilled labor with regional and rural postcode restrictions for all industries except agriculture and meat processing.

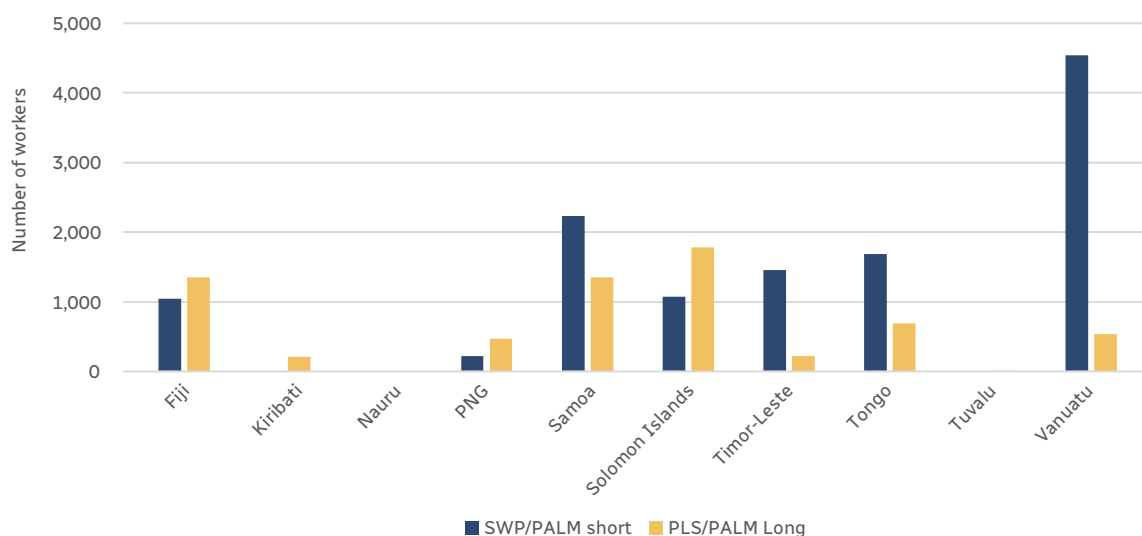
**FIGURE 5.** Number of PALM workers by industry, 2023



Source: Source: DEWR 2023.

**Almost all short-term PALM workers, formally known as SWP workers, (98 percent) are employed in agriculture, with a small number working in accommodation.** The meat processing sector accounts for around 70 percent of long-term PALM scheme workers, with agriculture accounting for 20 percent. The remaining workers are mostly in residential care, accommodation, and other industries (Shilito, 2022; DEWR, 2023). Reflecting the make-up of the two previous schemes, current PALM scheme workers are mostly from Vanuatu (30 percent), Tonga (16 percent), and Fiji (13 percent) (DEWR, 2023). As of the end of January 2023, there were about 35,500 Pacific workers in Australia through the PALM scheme (Figure 6) (Howes et al., 2022).

**FIGURE 6.** Number of PALM workers by sending country, as of January 2023



Source: Pacific Labour Facility 2023.

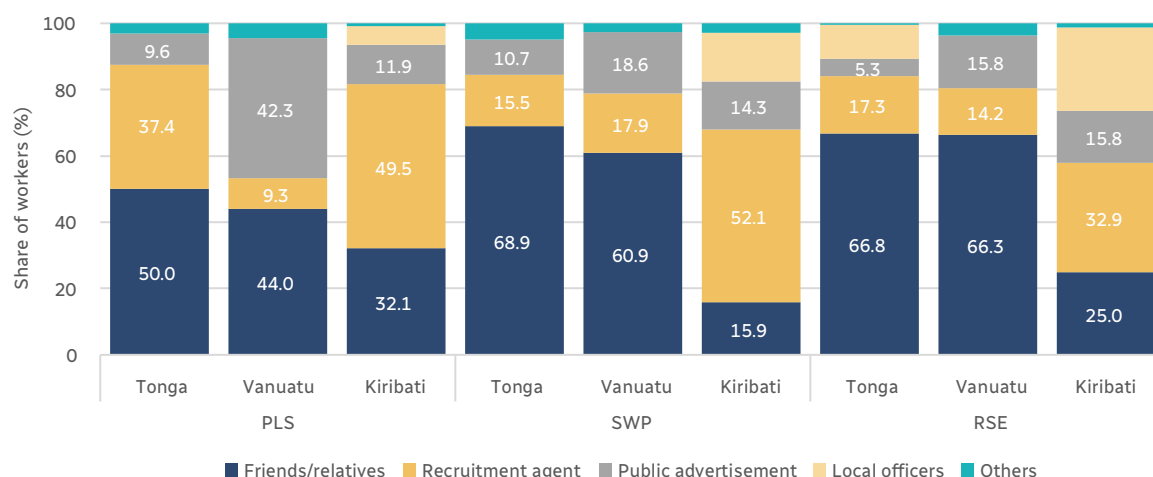
## 2.7 Recruitment and Worker Characteristics

**All the three schemes have been heavily male dominated, with female participation even slightly declining over time in the RSE and PLS.** Part of this is related to the dominance and relatively stronger growth of male-dominated industries, such as meat processing. In the RSE, about 12.4 percent of workers from the Pacific have been women, ranging between 11 percent among Tongan workers and 36.7 percent among i-Kiribati (Bedford, 2023). In the SWP in 2019-20, females accounted for 26 percent of workers from Tonga, 18 percent from Vanuatu, and 12 percent from Kiribati. At the end of 2021, only 10 percent of PLS meat industry workers and 37 percent of horticulture workers were women, resulting in an overall female share of the PLS workforce of around 19 percent (Sharman and Howes, 2022).

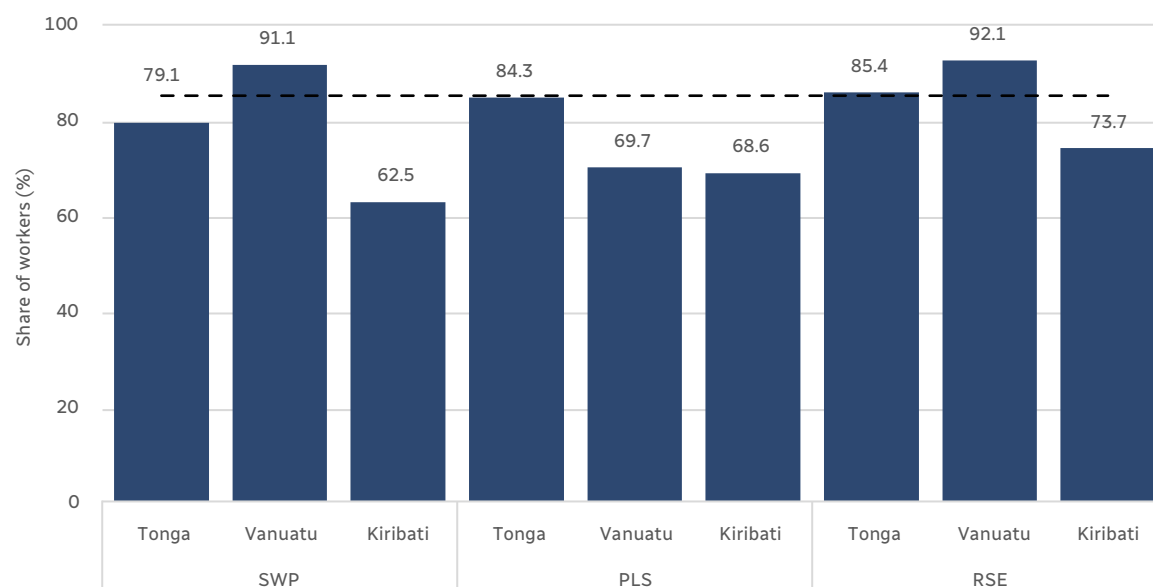
**Potential workers learn about the schemes through various channels, but often through friends and relatives, especially among Tongan and ni-Vanuatu.** About two-thirds of Tongan and ni-Vanuatu seasonal workers heard about the schemes this way (Figure 7). Most of the friends and relatives who informed new workers about the labor mobility schemes had participated themselves (Figure 8). This shows the role of personal networks in accessing the schemes (for prospective workers) and recruiting subsequent rounds of workers (for employers). In the PLS, personal networks still significantly matter but not as overwhelmingly, informing about 50 percent of Tongan, 44 percent of ni-Vanuatu, and 32 percent of i-Kiribati workers in the scheme. The relatively weaker effect of personal networks in the PLS could be explained partly by the fact that it is newer and smaller than the seasonal schemes in terms of number of

workers. Another significant source of information for prospective workers is recruitment agencies, particularly in Kiribati (across all schemes) and Tonga (for the PLS). Overall, workers from Kiribati are most likely to learn about the schemes through recruitment agents, and much more so than those from Tonga and Vanuatu. Other sources of information exist but tend to play a minor role, except public advertisements on the PLS in Vanuatu and local community leaders, namely island clerks and town mayors, in Kiribati (for the SWP and RSE).

**FIGURE 7.** How workers learned about the labor mobility schemes

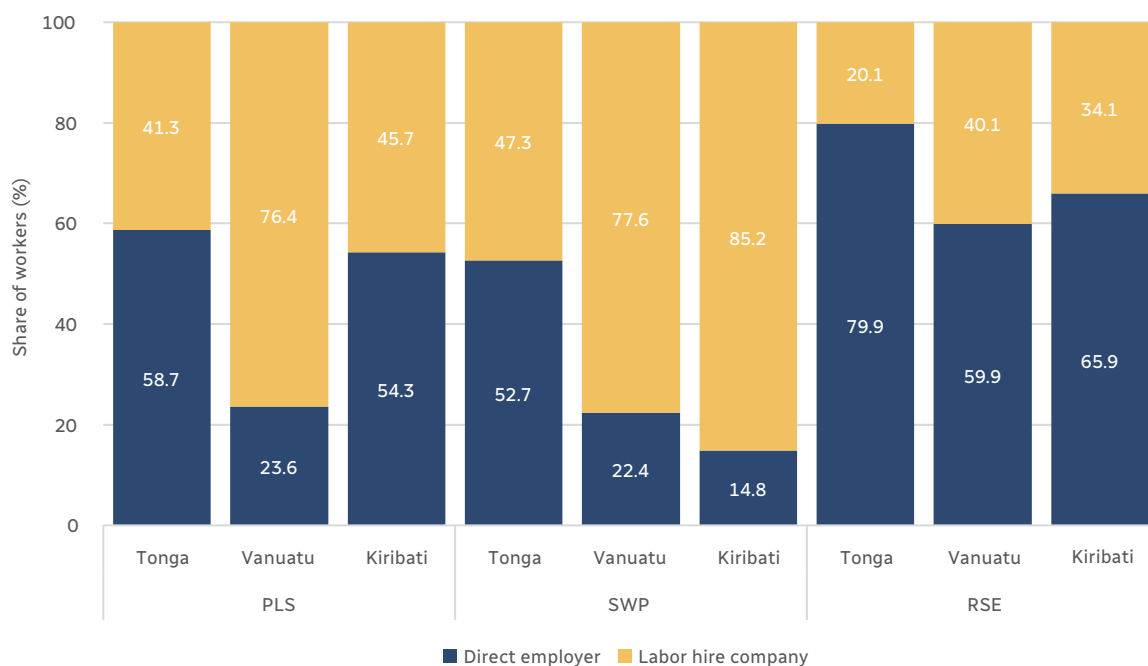


**FIGURE 8.** Share of friends and family members who recommended the schemes based on their own experience

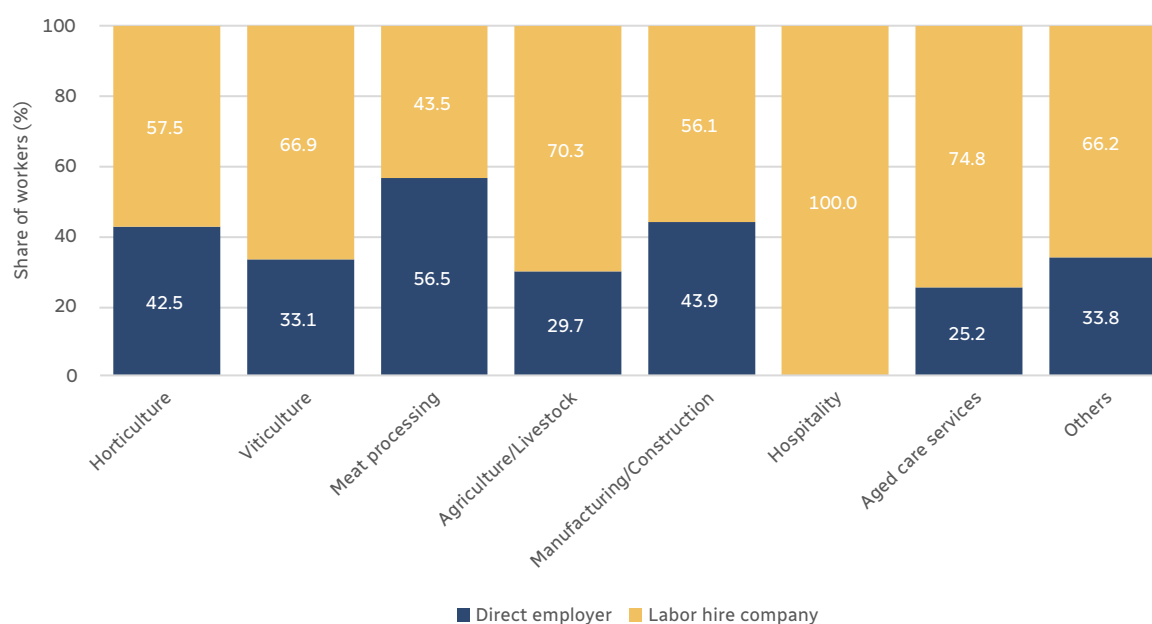


**RSE workers are most often hired directly by the employers, whereas SWP workers are largely employed by labor hire companies and employment in the PLS is a mixed bag.** Data from the PLMS illustrate this pattern. For instance, among the surveyed PLMS workers, labor hire companies account for 76 percent of ni-Vanuatu workers, yet only 41 percent and 46 percent of Tongan and i-Kiribati, respectively (Figure 9). There are also differences across participating industries in terms of reliance on labor hire companies for worker recruitment, with the hospitality industry getting their temporary migrant workers entirely through labor hire companies (Figure 10).

**FIGURE 9.** Recruitment of workers by direct employers and labor hire companies



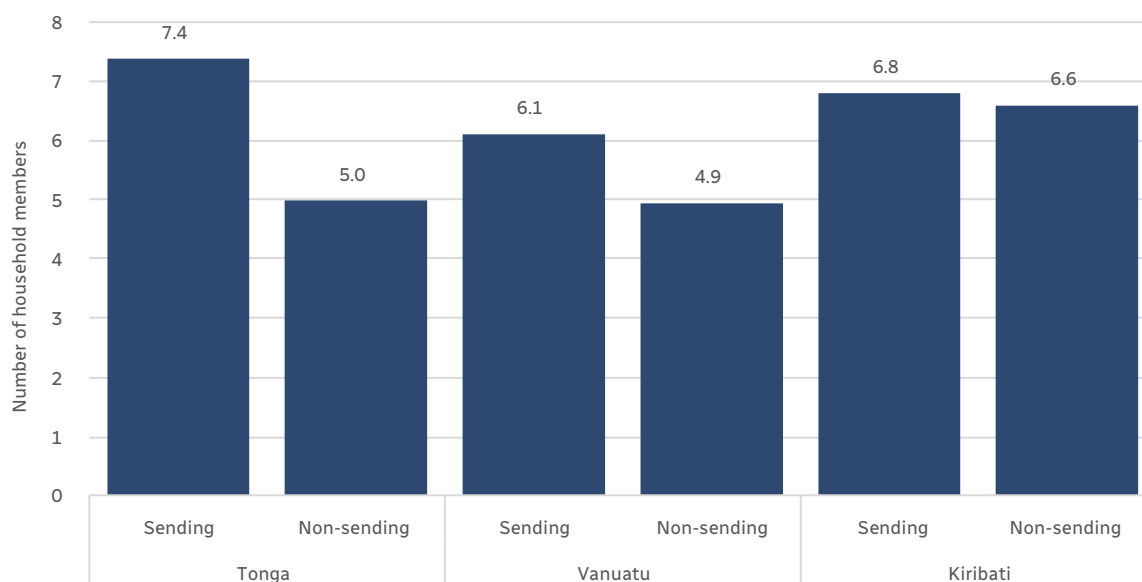
**FIGURE 10.** Share of recruitment channels by industry



**Few migrant workers surveyed in the PLMS had prior experience living overseas before joining the schemes.** The lack of overseas experience highlights the need for welfare support to workers during their job placement, which would include the roles of liaison officers, employers, and team leaders.

**Workers from Tonga and Vanuatu tend to come from larger households, whereas there is no meaningful difference in household size between labor-sending (households who had, or currently have, someone ever or current in one of the three schemes) and non-sending households in Kiribati.** Excluding the workers abroad, sending households in Tonga and Vanuatu on average have 7.4 and 6.1 members, respectively, markedly more than non-sending households (about five members) (Figure 11).

**FIGURE 11.** Average size of sending and non-sending households







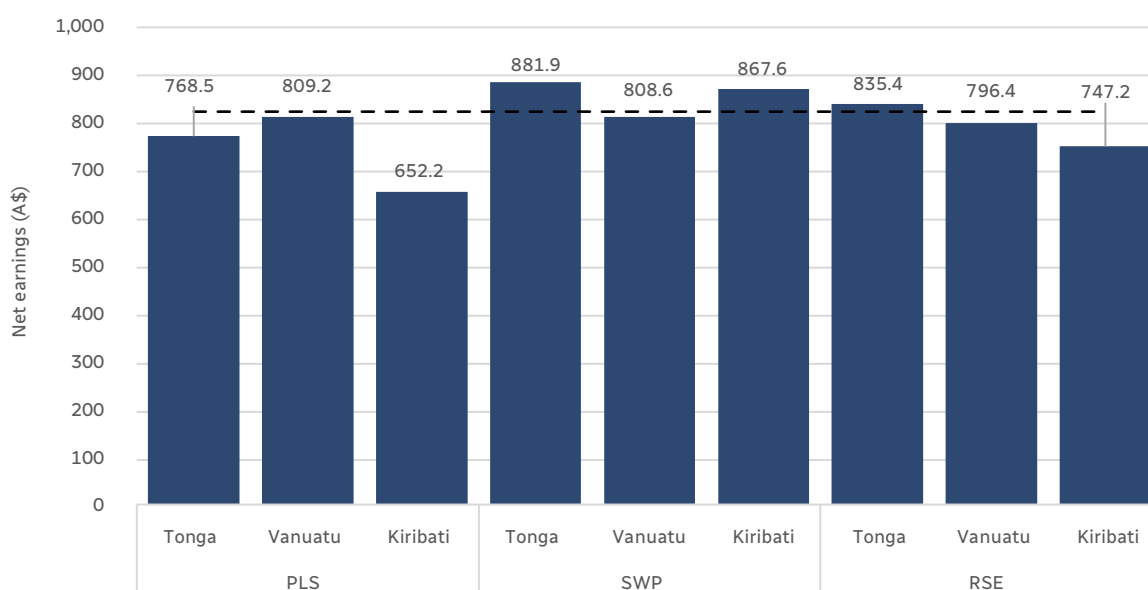
# Chapter 3: Economic Impacts

This chapter demonstrates the significant economic benefits that participation in the schemes has brought to workers, households, and communities. Results from the PLMS not only corroborate earlier findings of the income gains through earnings and remittances, but also shed new light on how the schemes are perceived by those involved, and how they have fared after the COVID-19 pandemic.

## 3.1 Earning Gains

**Pacific workers in the PALM and RSE schemes earn significantly more overseas than they would at home.** On average, workers surveyed in the PLMS in late 2022–early 2023 earned over \$A 800 per week, net of taxes and deductions (Figure 12) (such as airfares to the destination country and health insurance, which are often paid upfront by their employers and later deducted from earnings).<sup>4</sup> By scheme, average earnings are \$A 835 (SWP), \$A 759 (PLS), and \$A 801 (RSE). Workers' earnings are estimated to exceed potential earnings at home by three to four times in the case of Tongan workers, and nine to 10 times among ni-Vanuatu (Box 3). This new finding updates an earlier estimate of a Pacific-wide increase in income from participating in the SWP of 4.3 times compared to earnings in the origin country (World Bank, 2017b).

**FIGURE 12.** Net weekly earnings by scheme and sending country



<sup>4</sup> Workers employed under the RSE and PALM schemes incur several costs, such as airfares to the destination country and health insurance, which are often paid upfront by their employers and gradually deducted from their earnings once they start working.

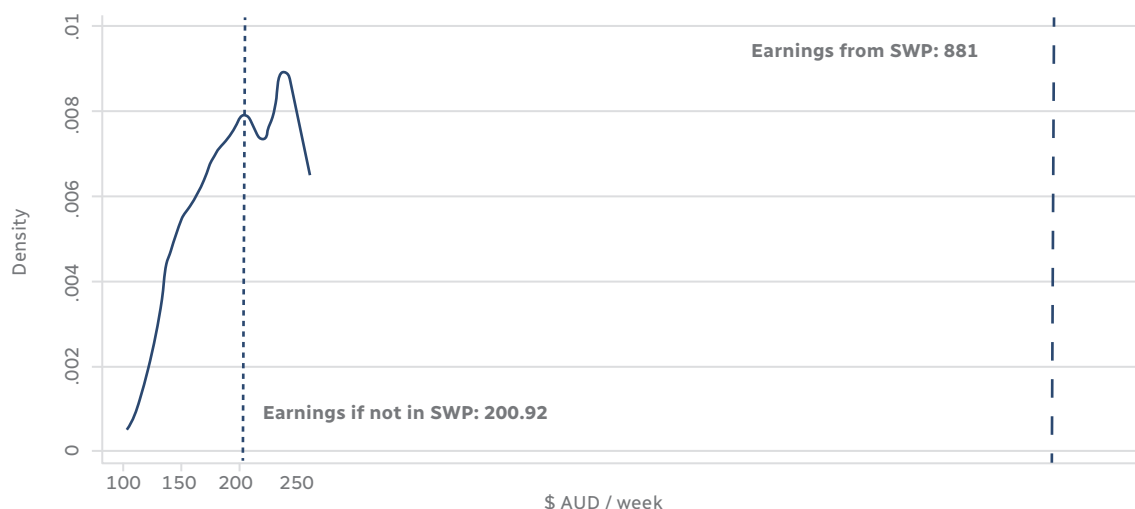
**The earning gains that migrant workers in the PALM and RSE schemes experience are consistent with broader evidence on the 'place premium' and the economic gains from liberalizing labor markets across borders.** The premium refers to an increase in earnings that someone can reap from simply moving to a location where, with the same skills, abilities, and other characteristics, they are more productive and make more money (Clemens et al., 2019). Similarly, the gains from liberalizing labor markets across borders are estimated to be one to two times the magnitude of removing all remaining barriers to trade and financial flows (Clemens, 2011). In the case of countries with limited domestic formal job opportunities, each job offered abroad is effectively an additional job that was not there in the local market, excluding any demand for labor that remittance flows may generate.

### **Box 3: Estimating the place premium for Pacific migrant workers**

**The place premium for Pacific workers can be estimated using the PLMS in three simple steps, using a similar approach to Parey et al. (2017).** First, a Mincerian earnings model is estimated for people working in each sending country, including as explanatory variables: workers' years of education, gender, age, and age squared (as a proxy for experience) using the individual data from the household survey. Kiribati is excluded from this analysis, as counterfactual earnings for workers in Kiribati cannot be reliably estimated. Second, the estimated model is applied to workers in the PALM and RSE schemes, using the worker survey data, to predict what each worker abroad would instead earn if they were working back home, based on their education, gender, and experiences. Third, these predicted earnings at home are compared to their actual earnings abroad to understand the rough magnitude of the potential income gains across schemes and countries. Figure 13 shows the results of this exercise for Tongan SWP workers. Note that the actual earnings reported here are net of tax and deductions, which are significant and make important contributions to workers' living costs (see Section 3.2), so the large differences are best viewed as lower bounds.

**Workers' earnings abroad are consistently several times larger than the median earnings back home.** These income gains differ slightly across the labor mobility schemes yet significantly between the two sending countries. While PALM and RSE workers tend to earn a relatively similar amount abroad, the gains are markedly larger for ni-Vanuatu workers, who experience a nine-to-ten-fold increase as compared to three-to-four-fold increase among their Tongan counterparts. This notable difference could be attributed to the significantly lower amount that ni-Vanuatu workers would make as compared to Tongan workers, should they remain in their respective domestic markets. Extrapolating this finding to other participating countries in the schemes, one could expect the income gains to be larger for workers from lower-income countries and lower socioeconomic backgrounds.

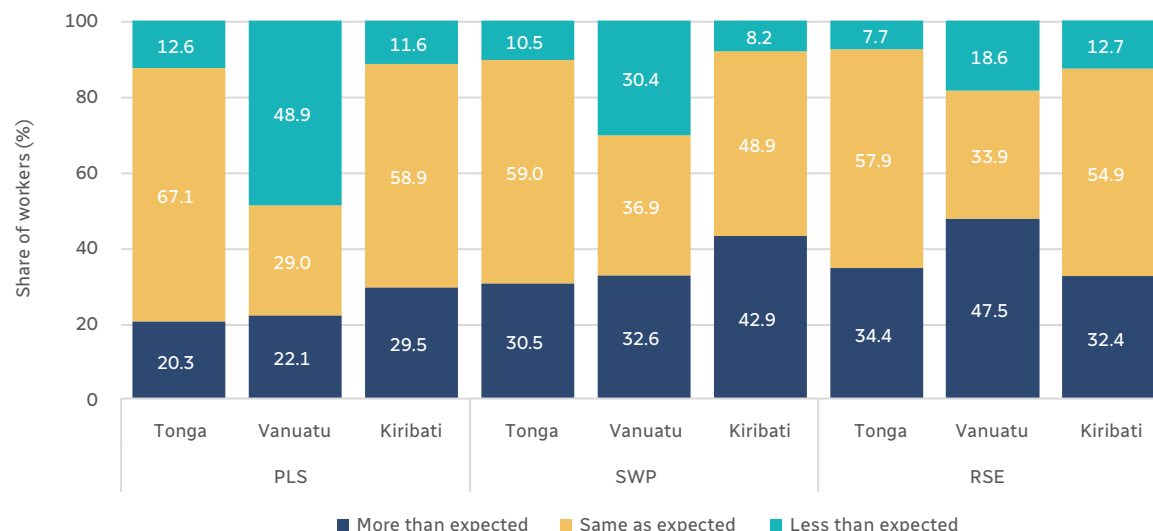
**FIGURE 13.** Estimated place premium for Tongan SWP workers



**Note:** This figure shows the difference in the average earnings of a Tongan SWP worker, net of tax and deductions (long dash line on the right) compared with the distribution of what all SWP workers in the PLMS are estimated to earn back in Tonga according to the individual data in the PLMS household survey (the navy curve; short dash line is the median).

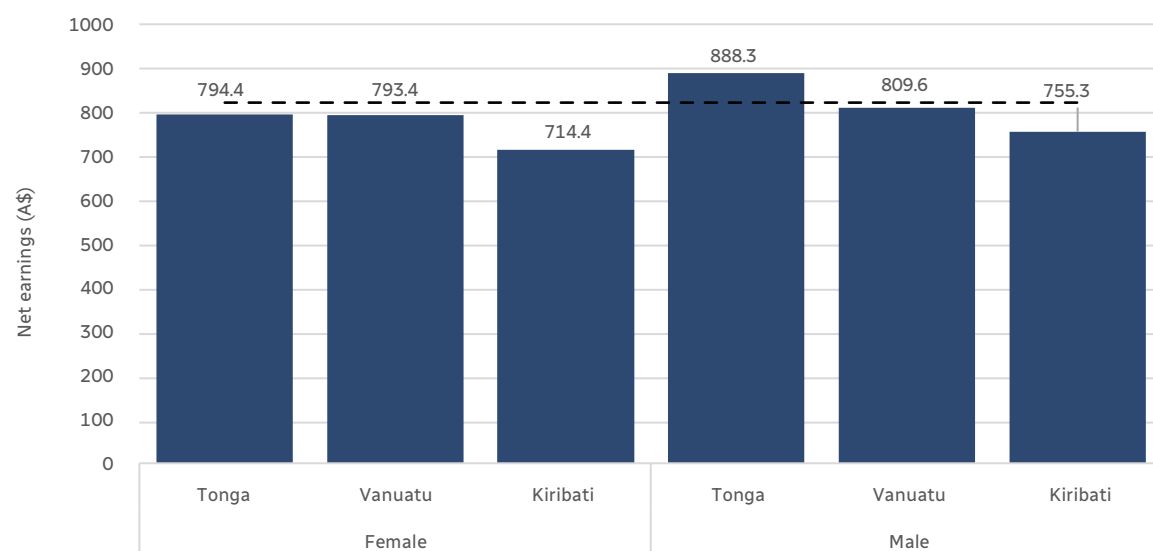
**Most workers are satisfied with their earnings from the schemes, especially those from Tonga and Kiribati.** Seventy-nine percent of workers surveyed reported earning as much or more than expected (similar to the 78 percent reported in World Bank (2018)), and 21 percent reported earning less than expected. Across nationalities, more than 85 percent of Tongan and i-Kiribati workers were earning either more than expected or as expected (Figure 14). Interestingly, despite their large earning gains, ni-Vanuatu workers were more likely to express dissatisfaction, particularly amongst those on the PLS scheme, with nearly half of the overall ni-Vanuatu cohort reporting less-than-expected earnings. It is important to note that earnings not meeting expectation does not necessarily reflect poor earnings in absolute terms – as shown above, the income gains that migrant workers experience in these schemes are large and unambiguous – rather, this is likely a matter of workers’ expectations and could be addressed through pre-departure preparation and training. There is little difference between the sexes regarding satisfaction with their earnings.

**FIGURE 14.** Workers' satisfaction with earnings in host country



**Female workers appear to earn slightly less than their male counterparts across all nationalities.** Figure 15 shows the average weekly net earnings, post-tax and deductions, separately for male and female workers for each country. Differences in earnings are mostly explained by different working hours and sectors of work, and men and women have quite different patterns.

**FIGURE 15.** Net weekly earnings by gender and sending country

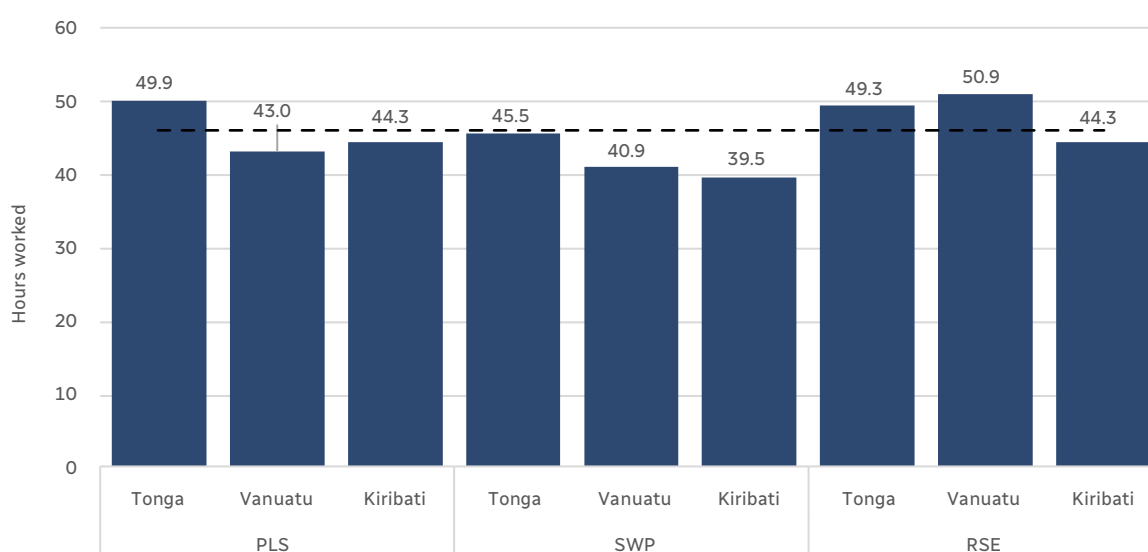


**The hours worked and sector of employment explain much of the earnings variation.** Earnings from full-time jobs under the PLS stream might be less prone to short-term irregularity and hence lead to a higher average. Workers that have been in the host country for some time may also have paid back more of their deductions or opted out of employer accommodation, leading to more net pay after deductions and tax.

**Workers are working an average of 46 hours per week, according to data from the PLMS, with those employed in viticulture reporting the longest working hours.**

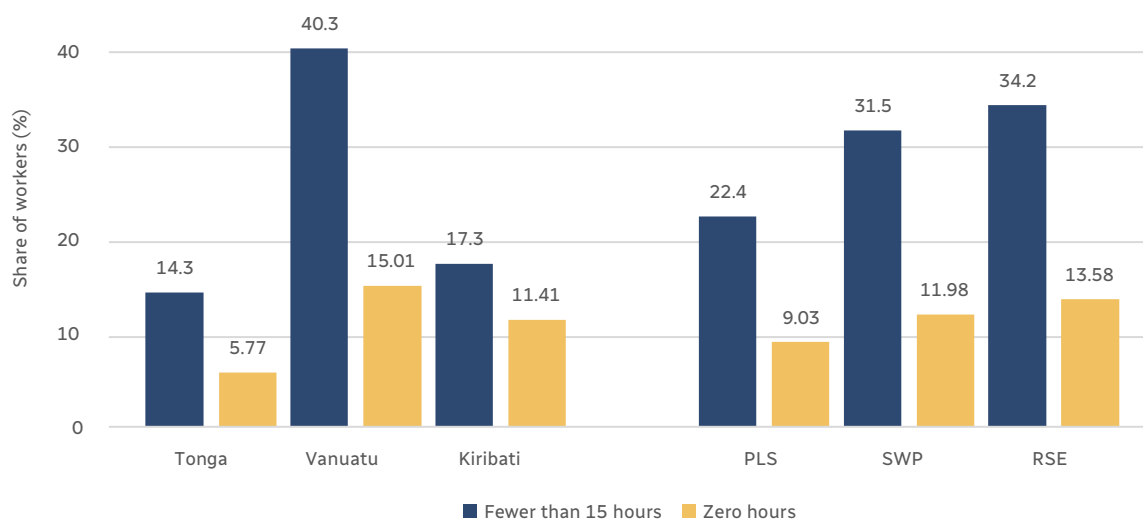
Working hours for RSE workers (50 hours on average) are generally higher than those of workers in the PALM scheme (44.5 hours), both the short-stay SWP and long-stay PLS components. RSE employers must guarantee their workers a minimum of 30 hours per week, whereas SWP employers had to provide a minimum average of 30 hours a week over the duration of employment – this policy has recently changed, see Doan et al., (2023). PLS workers hours cluster around a full-time week, reflecting their contractual arrangements. Tongan workers in both the PLS and SWP schemes reported significantly longer hours than their ni-Vanuatu and i-Kiribati counterparts (Figure 16).

**FIGURE 16.** Number of working hours in the past week



**Insufficient or lower than expected working hours is a specific area of dissatisfaction for ni-Vanuatu workers.** About 40 percent of the ni-Vanuatu workers across all schemes reported that at some stage during their current placement they had received less than 15 hours of work in a week, far more prevalent than among Tongan and i-Kiribati workers. Notably, a small not nontrivial proportion of workers reported there had been at least one week where they did not have any work, particularly among ni-Vanuatu workers and in the seasonal schemes SWP and RSE (Figure 17). Reductions to workers' hours can occur due to a number of external factors, including weather conditions and natural disasters.

**FIGURE 17.** Share of workers experiencing reduced working hours



**Putting together hours and earnings gives reasonable estimates of net hourly earnings.** SWP workers receive the highest hourly net earnings of an average \$A 20.98/hour (after tax and deductions) (Table 1). SWP workers from Kiribati report the highest take-home pay, however PLS workers in the aged care sector receive the highest net hourly earnings of all. Workers employed on the RSE scheme in New Zealand receive a lower average hourly rate which is in line with the slightly lower minimum wage. Workers employed in the Australian manufacturing and construction industries report the lowest take home pay. Wages in the Australian horticulture sector under the SWP scheme fall under the Horticulture Award and Wine Award which require workers to be paid a minimum of \$A 21.68 and \$A 21.38/hour before taxes, respectively. SWP workers are also paid as casuals, attracting a casual premium. Workers on RSE in New Zealand were required to be paid a pre-tax minimum wage of \$NZ 22.10/hour, which at the time of data collection was equivalent to \$A 20.65. This has since risen to \$NZ 24.97 from 1 October, 2023, when additional sick leave entitlements were also introduced.

**TABLE 1.** Hourly earnings (\$A/hour)

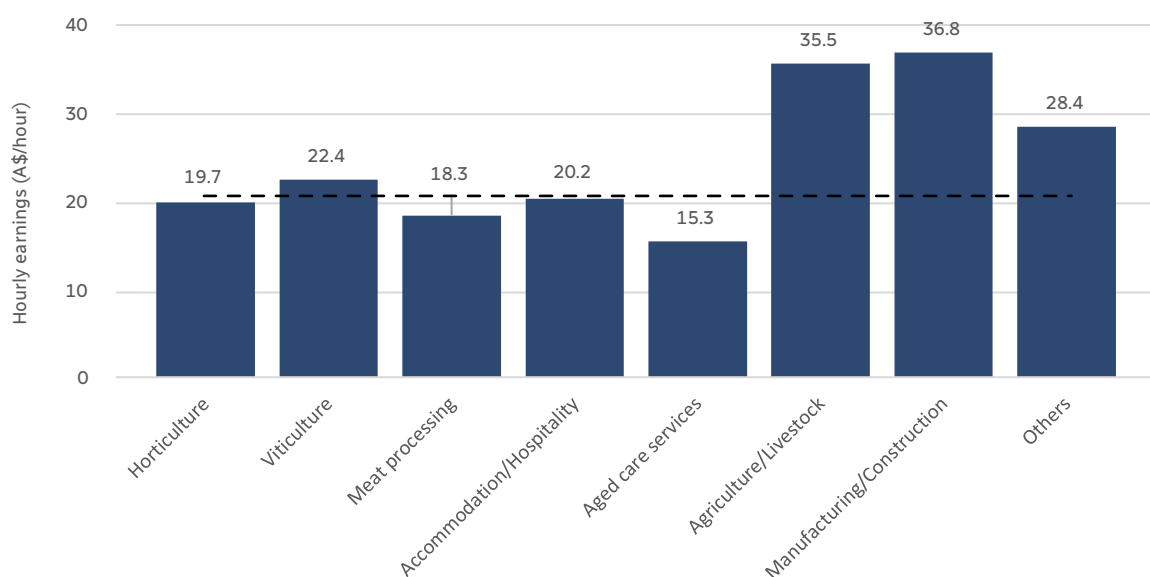
	Scheme		
	PLS	SWP	RSE*
<b>Tonga</b>	17.48	19.69	18.24
<b>Vanuatu</b>	22.88	21.47	18.17
<b>Kiribati</b>	19.22	25.74	22.90
<b>Average</b>	20.06	20.98	18.42

\* \$NZ values converted to \$A using an exchange rate of 0.92

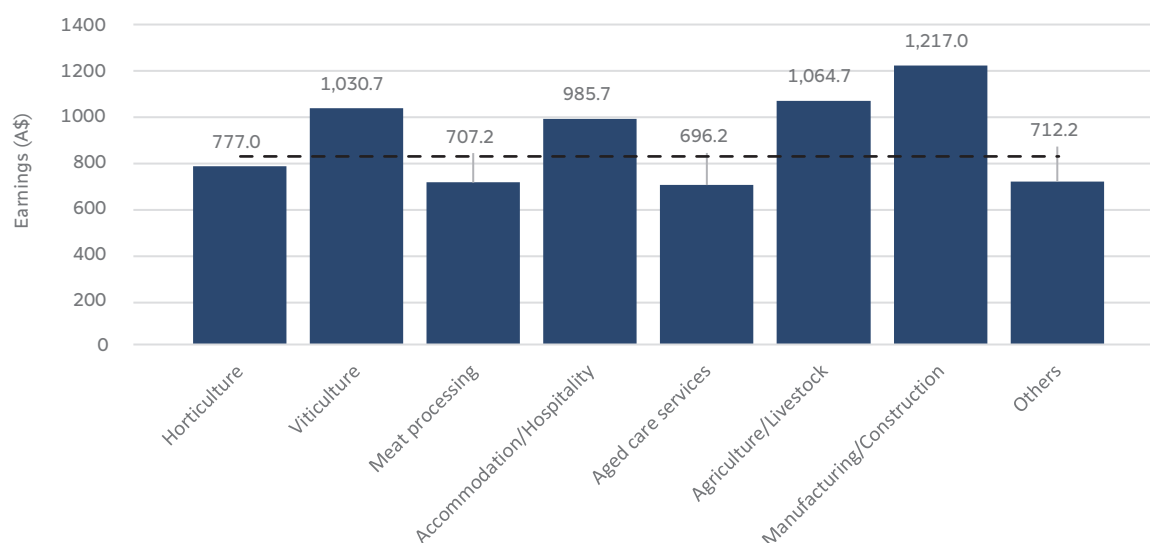
**Despite the high variability in net earnings across schemes, the industries demanding the highest number of working hours each week provide the highest weekly earnings.**

Workers in viticulture do not earn the highest hourly wage, yet these workers report working some of the highest number of hours and are able to raise their weekly earnings this way. Similarly, despite the SWP offering a higher hourly rate, RSE workers tend to work longer hours than workers in the SWP due to the variance in the contracts stating RSE workers must work a minimum of 30 hours per week and SWP workers only an average of 30 hours per week. RSE workers consequently report higher weekly wages. Overtime for workers on the RSE scheme enables them to work up to 50 or 60 hours during the busiest periods, for the SWP workers these busy periods are balanced out by less productive weeks at quieter times. Returning workers with experience are paid a higher rate than less experienced workers. Other factors which may affect pay rates include the schedule of pay – whether hourly or piece-rate – and potential unpredictable weather shocks which can impact agriculture production. The average net hourly and weekly earnings by industry and their standard errors are presented in Figure 18 and Figure 19, respectively.

**FIGURE 18.** Net hourly earnings by industry





**FIGURE 19.** Net weekly earnings by industry

**The different rates of income tax on the different schemes also affect how much the workers take home.** All workers are taxed by the Australian and New Zealand tax offices depending on which scheme they are on, and each scheme has a different structure. PLS workers are taxed as Australian residents: the first \$A 18,200 of income is tax free, thereafter tax is applied at 19 percent up to \$A 45,000, and higher rates beyond. SWP workers are taxed 15 percent on all earnings (ATO, 2023). RSE workers are taxed 10 percent on all earnings up to \$NZ 14,000 and 17 percent thereafter on earnings up to \$NZ 45,000. Workers in Australia are entitled to superannuation contributions of 10.5 percent, which RSE workers in New Zealand do not receive. The superannuation contributions are not available as funds to workers at the time of their employment; Pacific workers can access their superannuation through the Departing Australia Superannuation Payment (DASP) once they have left Australia. However, RSE workers receive holiday pay at a rate of 8 percent, which is often paid as an inclusion on weekly wages or a lump sum at the end of workers' contracts. As casual workers, SWP workers do not receive holiday pay.

### 3.2. Expenses in Destination Countries

**Workers' average expenses in their host countries are similar across the three schemes once different levels of deductions are considered.** Average monthly spending is just over \$A 2000 – slightly higher for PLS workers. Average monthly deductions account for more of workers expenses than out-of-pocket expenses, and are somewhat consistent across countries. The average total deduction is \$A 1207 for all workers, \$A 1178 for SWP workers, and \$A 1266 for PLS workers. The difference in total monthly deductions reported by workers is not trivial, ranging from \$A 674 for RSE workers up to \$A 835 for PLS workers. Table 2 presents a summary of worker expenditure, salary deductions, and earnings in host countries.

**There are some key differences in major expenditure items across schemes.**

Weekly expenditure for all workers is predominantly spent on food. However, PLS workers tend to spend more on food than workers in the other schemes (\$A 89 per week, relative to \$A 78 for seasonal workers). RSE workers tend to spend more on accommodation, combining out-of-pocket expenses and deducted costs, and the least on transport. They also tend to spend about \$A 50 less on everyday consumption each month than workers in the two schemes in Australia.

**Total monthly deductions reported by workers account for, on average, 25 percent of workers' post-tax income.**

These shares are higher for PLS workers at 28 percent, compared to 24 percent for the SWP and RSE. For all workers, accommodation is the single largest deduction, but there is no clear evidence that these arrangements are excessive or above market rates, with workers in each scheme paying well under \$A 100 per week on rent, on average. The second largest deduction item is flight costs that were pre-paid by employers, which are \$A 272 per month for SWP workers and \$A 219 per month for RSE workers. Average flight-related deductions for PLS workers are naturally lower as many have been paid off, and RSE workers report lower out-of-pocket expenses on accommodation, health insurance, and transport and flights, which deductions also contribute to. Overall, paying back pre-departure costs is a significant burden on workers' monthly budgets, on average costing them \$A 732 each month.

**There are monthly deductions from workers' salaries over the first three months of employment.**

This allows employers to be reimbursed for initial starting costs including airfares and visas which they cover in advance for their workers. PALM guidelines state that PLS and SWP employers contribute towards the pre-departure expenses by paying the first \$A 300 towards each employee's return airfare (although this varied a little during COVID-19). RSE employers must pay half the worker's return airfare. RSE workers surveyed overall recorded lower flight repayment deductions than the SWP workers, consistent with these policies.

**While the RSE workers appear to have lower out-of-pocket expenditures than their SWP peers, they also earn higher average wages through longer working hours (Table 3).**

RSE workers thus spend the lowest share of their post-tax income of the three schemes: 39 percent of their post-tax monthly income, compared to 41 percent for SWP workers and 48 percent for PLS workers. More than half of workers' incomes are saved, much of which is remitted. Strikingly, across all three schemes, the average worker reports, each month, spending just 42 percent of their income. Despite growing concerns about the cost of living in host countries, workers on average have 58 percent of their income left after expenditures to save or remit back to families, friends, and communities in the Pacific.

**Comparing these results to those from the earlier survey on the SWP, we see some significant changes for SWP workers.** Note that these are at current (c.f., constant) prices, not adjusted for inflation which has been very high during this time. Monthly deductions have risen, but so has monthly expenditure (excluding deductions, from \$A 306 to \$A 827 per worker. Total post-tax earnings (including deductions) has risen from \$A 3402, on average per worker per month, to \$A 4832, while the total expenditure share of these earnings has fallen from 44 percent to 41 percent. Thus, the total left after living costs, both in current price levels but more importantly as a share of post-tax earnings, has increased over time from 56 percent to almost 60 percent. At the same time, the deduction share of post-tax earnings for SWP workers has fallen from 34 percent down to 24 percent.

**TABLE 2.** Worker expenditure, salary deductions, and earnings in host countries

A\$	PLS	SWP	RSE	All
<i>Last week</i>				
<b>Food</b>	89	79	78	81
<b>Phone and internet</b>	25	23	18	22
<b>Entertainment</b>	10	11	11	11
<b>Cigarettes</b>	10	12	11	11
<b>Alcohol</b>	16	16	12	14
<b>Other</b>	17	25	25	22
<b>Total weekly consumption</b>	167	165	155	162
<i>Last month</i>				
<b>Total monthly consumption</b>	725	715	670	703
<i>Accommodation</i>				
<b>Out-of-pocket</b>	63	36	22	38
<b>Deduction</b>	290	305	365	320
<i>Health insurance</i>				
<b>Out-of-pocket</b>	16	15	9	13
<b>Deduction</b>	73	60	81	70

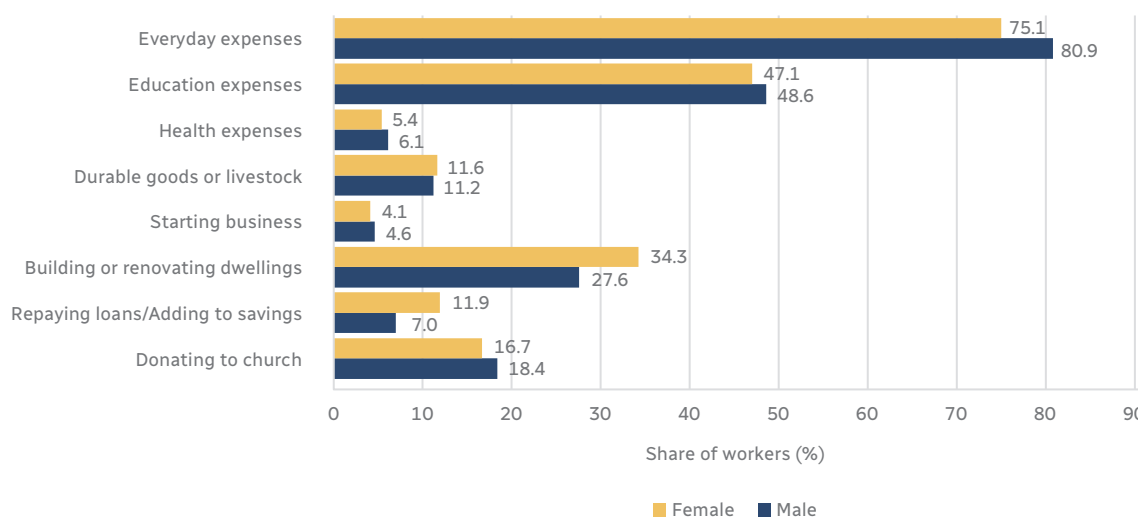
<i>Flights</i>				
<b>Out-of-pocket</b>	78	45	23	46
<b>Deduction</b>	74	272	219	203
<i>Transport</i>				
<b>Out-of-pocket</b>	42	16	9	20
<b>Deductions</b>	69	100	77	85
<b>Deductions related to pre-departure costs, inc. flight</b>	835	713	674	732
<b>Total monthly deductions</b>	1,266	1,178	1,197	1,207
<b>Total monthly expenditure inc. deductions</b>	2,190	2,005	1,930	2,029
<b>Total monthly expenditure excl. deductions</b>	924	827	733	822
<b>Post-tax earnings, before deductions</b>	4,527	4,832	4,965	4,796
<b>Post-tax earnings, after deductions</b>	3,261	3,654	3,767	3,589
<b>Expenditure, as share of post-tax earnings</b>	48%	41%	39%	42%
<b>Deduction, as share of post-tax earnings</b>	28%	24%	24%	25%
		<b>World Bank (2017)</b>	<b>PLMS</b>	
<b>Deductions related to pre-departure costs, inc. flight</b>		N/A	713	
<b>Total monthly deductions</b>		1,040	1,178	
<b>Total monthly expenditure inc. deductions</b>		1,326	2,005	
<b>Total monthly expenditure excl. deductions</b>		306	827	
<b>Post-tax earnings before deductions</b>		3,402	4,832	
<b>Expenditure, as share of post-tax earnings</b>		44%	41%	
<b>Deductions, as share of post-tax earnings</b>		34%	24%	

### 3.3 Remittances

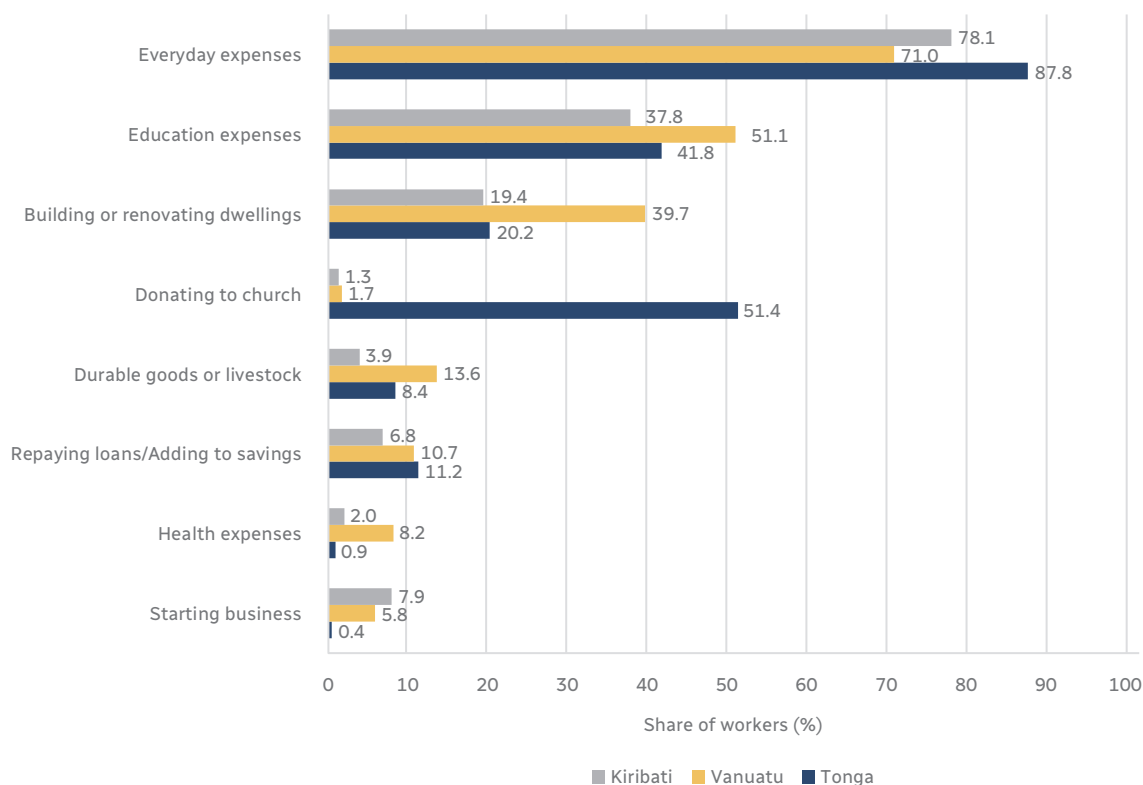
**Remittances provide an important source of finance for essential household daily expenses and investment in human capital.** When asked what they intended their remittances to be mainly spent on, the majority of migrant workers pointed to everyday expenses such as food, school fees, and other educational expenses (Edwards and Maeda, 2023). Regardless of nationalities and schemes, workers also intend for the funds to go towards building or renovating dwellings. This echoes earlier findings on how migrant-sending households actually spend their remittance income (World Bank, 2021). Daily expenses related to sending children to school (such as bus fares and school lunches) were also significant, emphasizing the role of remittances in supporting investment in children’s education. In areas where subsistence farming is prevalent and the cash economy is limited, remittances were often the primary source of fiat money for cash-based purchases of goods and services.

**The reasons for sending remittances are generally consistent across countries and between the genders of the remitters, with only some notable differences.** Female workers are relatively more likely to send money for daily expenses at home, whereas male workers are more likely to remit to improve their household’s dwelling (Figure 20). Across the three sending countries, Tongan workers are the only group that often remit to donate to churches, with about half of them reporting so, compared to about 1 percent of workers from Vanuatu and Kiribati. Ni-Vanuatu workers are significantly more likely to report remittances being used on educational expenses or to renovate homes (Figure 21).

**FIGURE 20.** Remittance use by gender of migrant workers

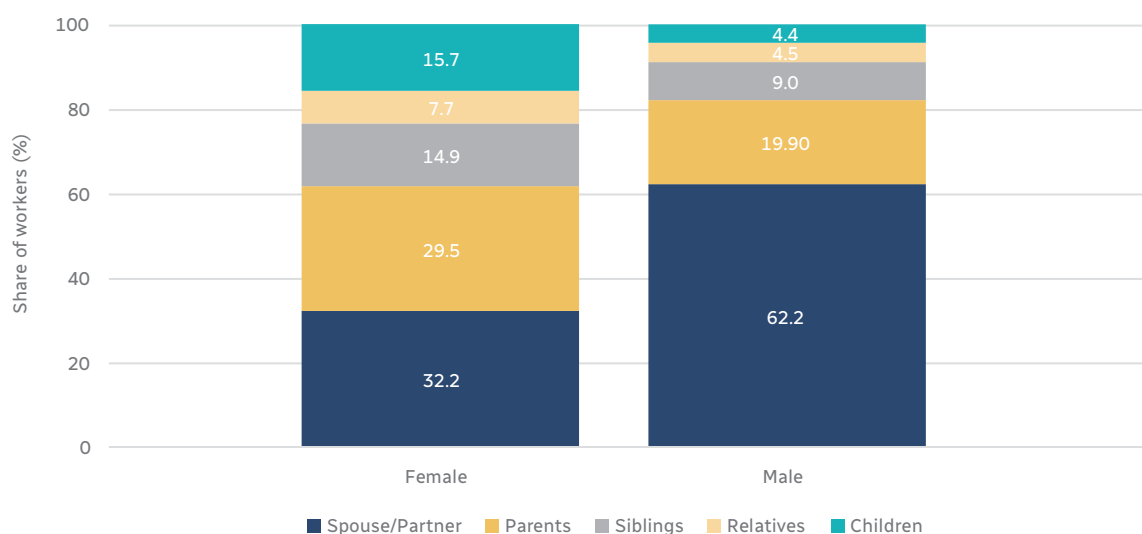


**FIGURE 21.** Remittance use by nationality of migrant workers

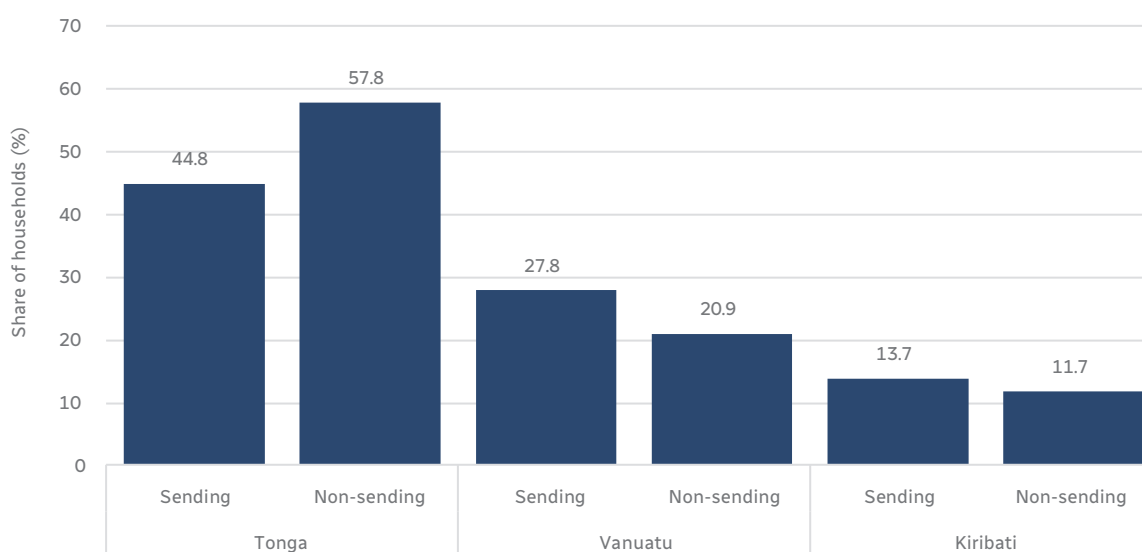


**Remittances support more than just the workers’ immediate families.** While spouses and parents back home are most often receivers of remittances from Pacific migrant workers, siblings and relatives are also among those to whom they usually send money (Figure 22). Interestingly, among married workers, while 78 percent of married men usually remit to their spouses, the figure is only 42 percent among married women. Across households, a significant share of both sending and non-sending households report receiving remittances from non-household members – around half of Tongan households, a quarter of those in Vanuatu, and just over 10 percent in Kiribati (Figure 23). This highlights the importance of remittances in supporting household livelihoods in the Pacific, as well as the fact that participating in labor mobility directly benefits not only the immediate households of the workers, but also others.

**FIGURE 22.** Recipients of remittances by gender of migrant workers



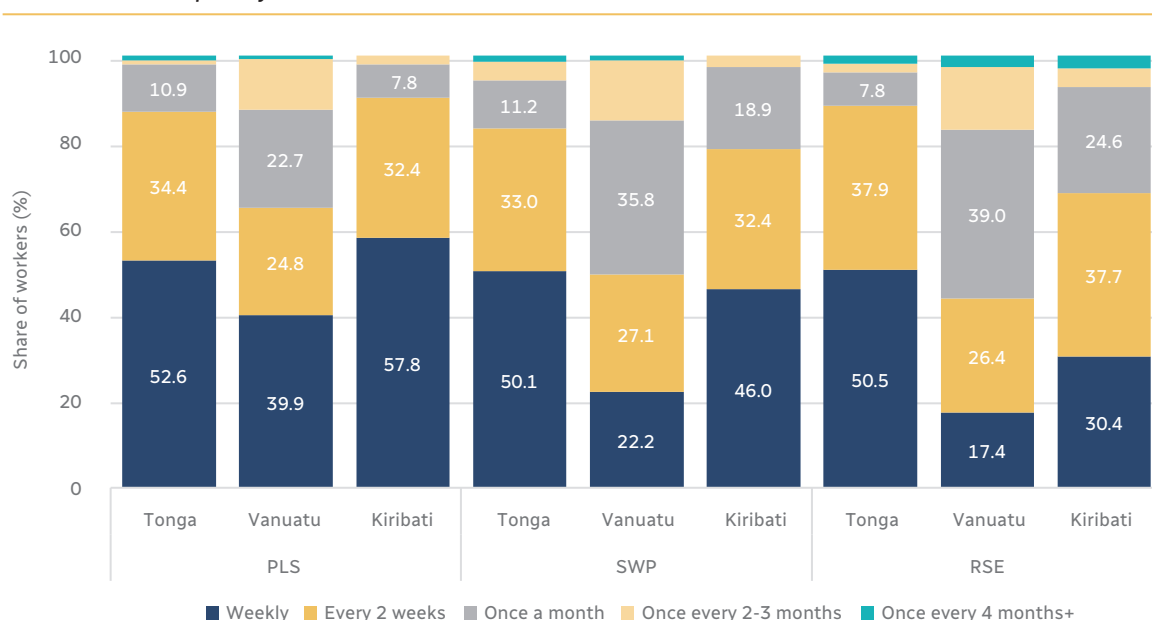
**FIGURE 23.** Share of households receiving remittances from non-household members



**The role of remittances in supporting household livelihoods became more pronounced during the COVID-19 crisis.** Labor-sending households whose workers were unable to travel for seasonal work, due to the suspension of international travel during the pandemic, reported significantly higher financial anxiety than households whose workers were employed in the schemes, whereas the share of labor-sending households relying on remittances from seasonal workers as their main source of income increased by 5–17 percentage points compared to the pre-COVID-19 period (World Bank, 2021). In response to increased need for support from home during this period, many Pacific workers, both seasonal and longer-term, adjusted their own savings and consumption to maintain or even increase the money sent home (World Bank, 2021).

**The majority of workers remit money home not only on a regular basis but also more frequently now than during the pre-COVID-19 period.** During the early months of the pandemic, remittances by seasonal workers decreased both in magnitude and frequency due to the economic fallouts and restricted mobility (World Bank, 2021). Comparing remitting behaviors before and after COVID-19-related lockdowns, the share of seasonal workers remitting on a weekly or bi-weekly basis fell sharply from 62.3 percent to 45.4 percent, compensated by an increase in the share of workers remitting once a month or less frequently (World Bank, 2021). The PLMS records an important recovery from this dip – the share of seasonal workers remitting at least twice a month, when surveyed in late 2022, was 67.3 percent, exceeding the pre-COVID-19 level. While data on pre-COVID-19 remittance frequency of PLS workers are not available, in the PLMS this group of workers sent money home even more frequently than their seasonal counterparts (Figure 24), most likely thanks to their more regular, longer-term employment.

**FIGURE 24.** Frequency of remittances

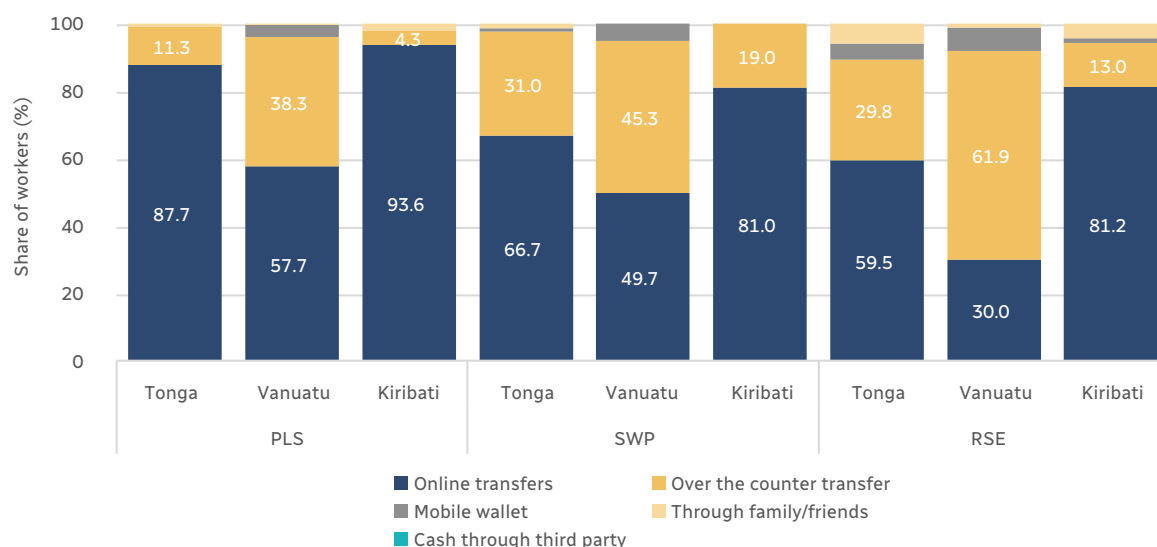


**Remittances have also become more digital since the COVID-19 crisis.** During the pandemic there was a slight switch away from over-the-counter money transfers toward digital options, such as those offered by banks and money transfer operators (World Bank, 2021). The transition was likely due to social distancing measures and restrictions on in-person interactions to curb the spread of COVID-19 in both remittance sending and receiving countries. It was also part of a broader increase in usage of digital remittance services across the PICs, with monetary authorities recording a surge in digital crediting in both bank accounts and other digital wallets. It appears that the transition has continued beyond the pandemic. Only about 40 percent of workers opted for online and digital transfers during the COVID-19 lockdown period. Slightly more than three years later, the figure was 62.3 percent among workers surveyed by the PLMS (in all three schemes pooled together). The only group of workers who still predominantly uses over-the-counter transfers is ni-Vanuatu workers in the RSE scheme (Figure 25). Online services not only allow workers to remit money more conveniently, but also often come with lower fees than previously preferred over-the-counter money transfer operators (MTOs).

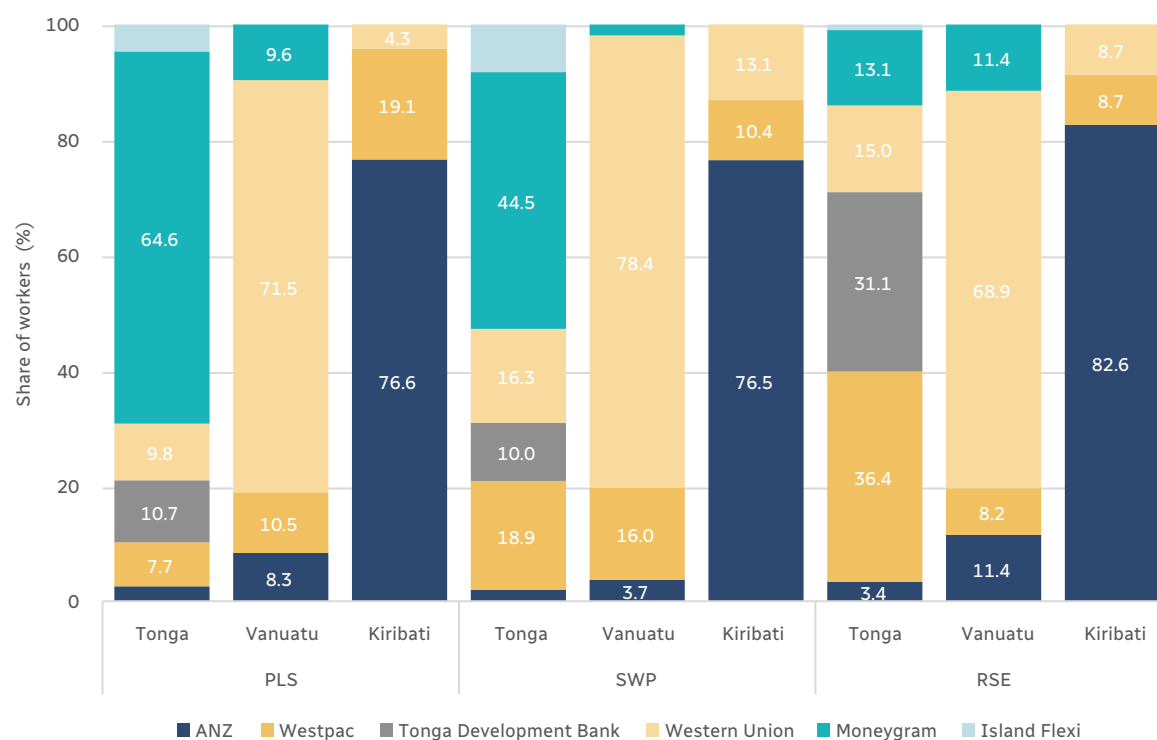


The choices of MTOs varied widely across nationalities, possibly correlated to the availability of remittance receiving services in each sending country. Tongan workers are exposed to a more diverse pool of providers, while those from Kiribati and Vanuatu are largely confined to ANZ Bank and Western Union, respectively, regardless of which scheme they are in (Figure 26). The pool of MTOs used and their relative dominance among i-Kiribati and ni-Vanuatu workers also remained largely unchanged between the pandemic and the recent post-COVID-19 period.

**FIGURE 25.** Remittance sending channels used by migrant workers

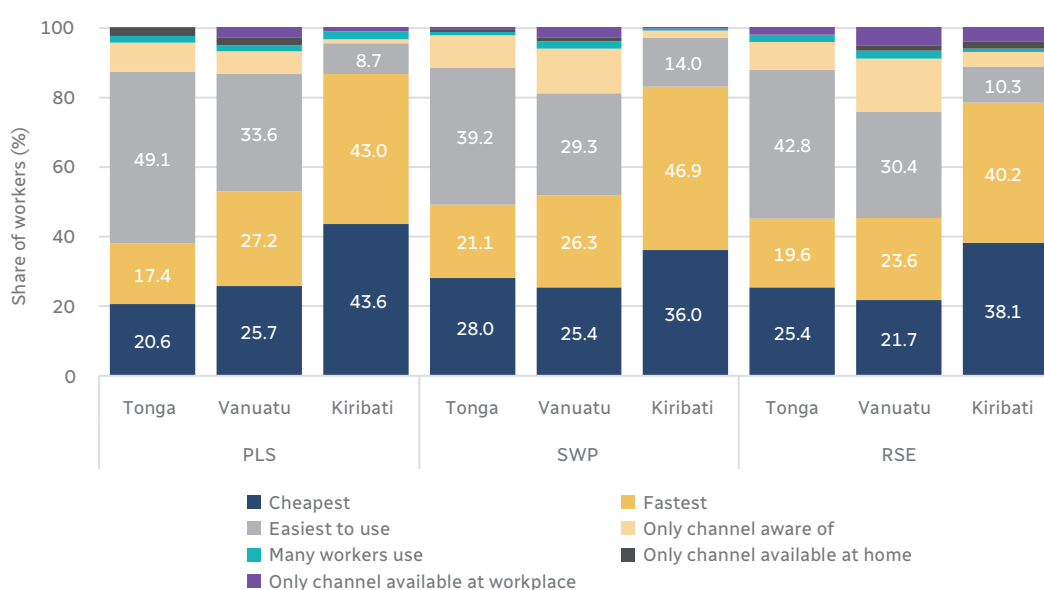


**FIGURE 26.** Remittance operators used by migrant workers



**Workers' consideration on choosing a transfer operator is often based on three main factors: speed, ease, and cost of transfer.** Workers from Kiribati mostly prefer services that are low cost and fast, Tongan workers predominantly look for ease of transfer, while ni-Vanuatu workers seem to value all three factors roughly equally (Figure 27). Yet notably, a considerable portion of ni-Vanuatu workers on seasonal employment choose their remittance service provider because it is the only one they are aware of. Across the schemes, seasonal workers are also more likely to cite “only channel aware of” as their reason. This signals disparity in not only in access to, but also awareness about, different remittance transfer options across different worker groups.

**FIGURE 27.** Reasons for choice of remittance service provider



**Remittance transaction sizes differ less than one might expect across different frequencies.** The most common regular amount sent each transaction is \$A 500. The average fee charged for remitting to Tonga and Vanuatu is about \$A 7.5–13.5 (for sending \$A 500 from Australia) and \$NZ 9.5–14 (for sending \$NZ 650 from New Zealand). These remittance prices do not take into account exchange rates applied to Tongan and Vanuatu transfers, and Kiribati transfers from New Zealand, which can add significantly to the total cost. As a reference point, average exchange rate margins which would be included in the full price of remittance transfers are shown in Table 3. Transfers to Kiribati from Australia are not subject to an exchange rate since the Australian dollar is the official currency of Kiribati.

**TABLE 3.** Average exchange rate margins

	Australia	New Zealand
<b>Kiribati</b>	0.00%	N/A
<b>Tonga</b>	4.96%	5.83%
<b>Vanuatu</b>	5.79%	5.2%

**Source:** Remittance Prices Worldwide database.

**Note:** The margins are for sending \$A 500 from Australia and \$NZ 650 from New Zealand in the second quarter of 2023.

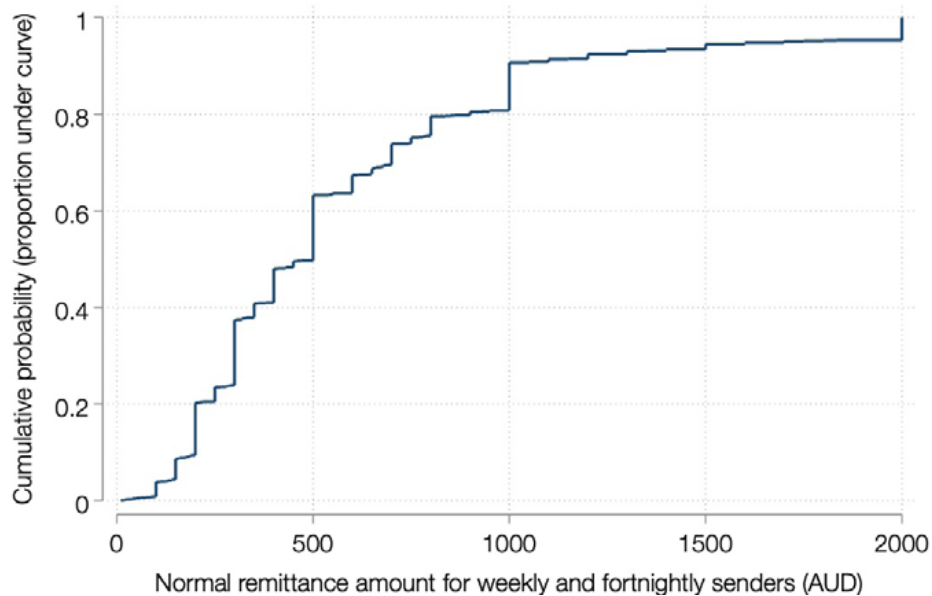
**A rough calculation of how much is sent overall could be done by multiplying reported frequency with the most common transfer amount.** However, this approach does not account for the irregularities of sending amounts that are common among migrant workers. Even amongst regular weekly senders, they often send a larger amount when needed, or save additional money, or post in-kind gifts, and so forth. Many workers are not 'regular' senders, rather, they remit irregularly, and there are slight differences across countries and schemes (Table 4). Tongan and ni-Vanuatu RSE workers' most regular transfer amount is more than workers from those countries based in Australia, consistent with the earnings and expenditure figures presented above.

**TABLE 4.** Median remitted transaction amount (A\$)

	SWP	PLS	RSE	All
<b>Kiribati</b>	300	250	250	250
<b>Tonga</b>	500	500	600	500
<b>Vanuatu</b>	400	450	500	500
<b>All</b>	500	400	500	500

**Figure 28 takes workers who remit weekly or fortnightly and plots their most regular transaction amount.** This is a cumulative distribution function, showing the probability of being under the curve on the vertical axis as you move to higher remittance values on the horizontal axis. Large values over 2000 are assigned 2000 to make the graph more readable. Only 10 percent of workers regularly send just \$A 200 dollars or less. The rest of these frequent remitters report sending much larger amounts. Indeed, 25 percent regularly send \$A 750 or more every week or fortnight. These large, remitted amounts align well with the differences between earnings and total expenditures reported above. Although the survey did not explicitly ask about savings, the gap between remittances and what is left after deducting expenditures from income is indicative of large amounts of money also being brought back in case, consistent with the qualitative anecdotes elsewhere. None of these figures account for superannuation, which is an additional large windfall workers access as they leave the host country.

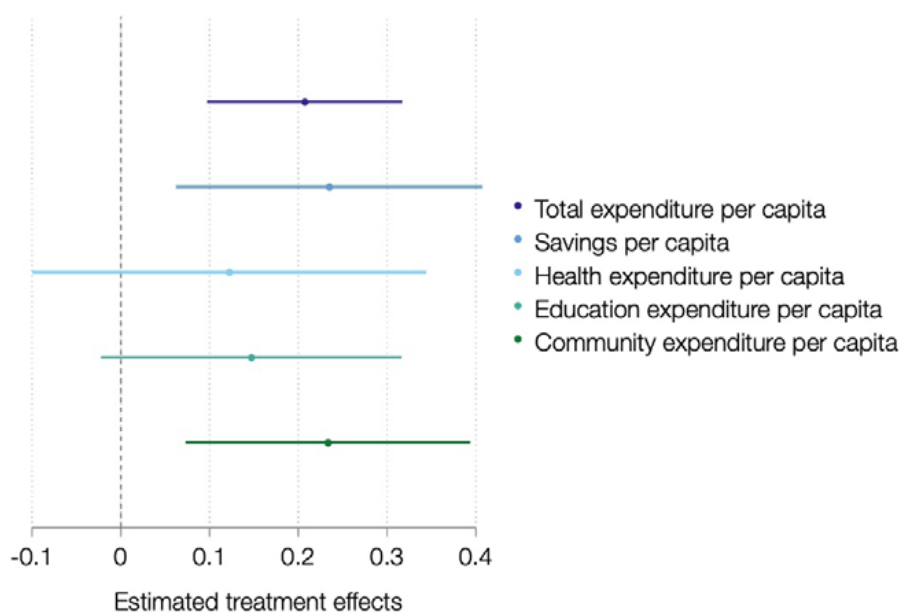
**FIGURE 28.** Cumulative distribution of remittance transaction amount



### 3.4 Economic Wellbeing and Impacts on Migrant-Sending Households

**Labor mobility boosts household spending while workers are abroad.** Simple comparisons between the spending patterns of labor-sending and non-sending households are not helpful in understanding how migration may be affecting economic well-being in sending households for two main reasons. The first reason is selection: different people want to work overseas, and employers do not recruit people randomly. Secondly, composition issues: with the primary earner being away, looking at an income or expenditure level might be misleading. It is possible, however, to use a simple impact evaluation strategy (Appendix A) to adjust comparisons for observable differences between households, especially related to participation. Figure 29 presents these estimates for the impact of scheme participation on household expenditure per capita (excluding the household member away in the household size count).

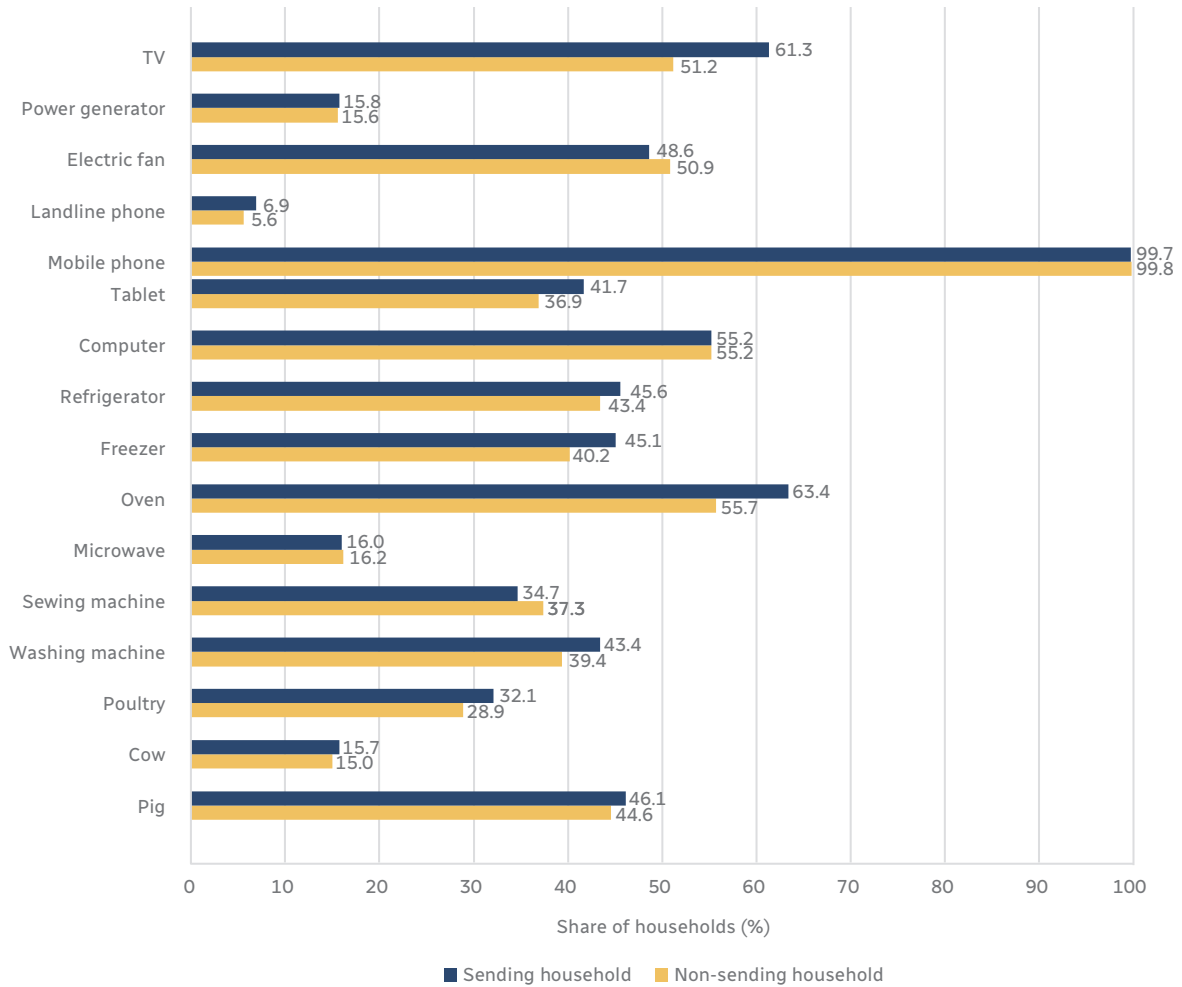
**FIGURE 29.** Estimated impacts of participation in labor mobility schemes on household expenditures



**Note:** This figure reports treatment effects of household participation in labor mobility on log per capita household expenditures. Estimation was based on household data collected via phone interviews in the PLMS. The dots in the center of the lines are the treatment effect point estimates and the lines represent 95 percent confidence intervals. Estimation follows the approach detailed in Appendix 2, and interpretation of the point estimates. All treatment effects are positive and those for total, savings, and community spending per capita are statistically different from zero. Those on education and health spending are not discernible from no effect. The effect sizes are large: the impact on total expenditure in per capita terms is a 21 percent increase in spending in migrant sending households compared to those away. Note that there are no statistically significant differences if adjustments are not made for household size.

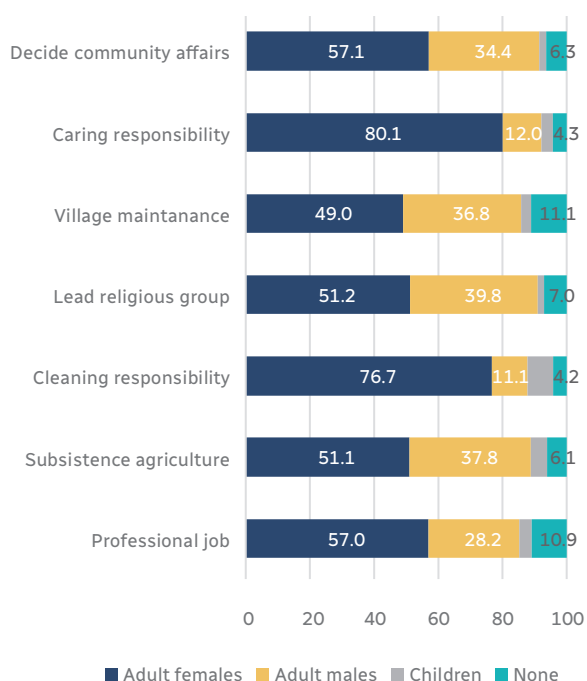
**There is no discernible difference between labor-sending and non-sending households in durable asset ownership.** Labor-sending households appear slightly more likely to own assets such as TVs, freezers, ovens, and washing machines (Figure 30). The most common assets owned by households include mobile phones (almost all households surveyed), TVs, computers, and ovens. Estimating impacts on asset ownership similarly reveals no major impacts, and the estimates are not statistically distinguishable from zero using either the total count of assets or a normalized index.

**FIGURE 30.** Household asset ownership

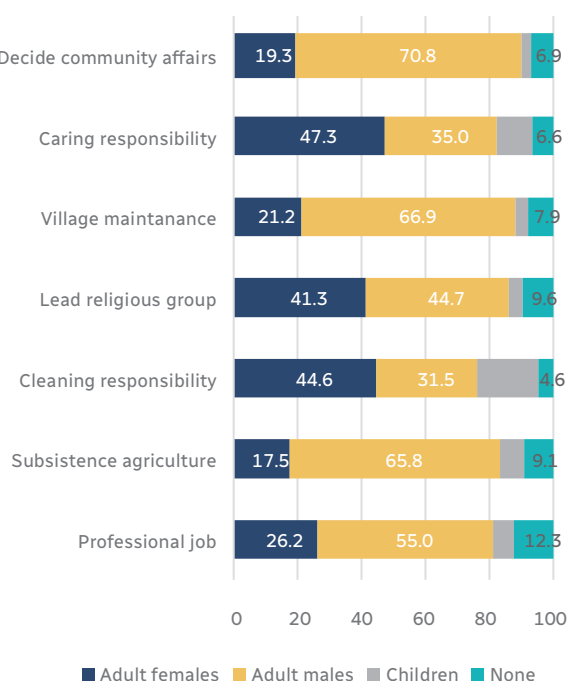


**Participation in labor mobility appears to change the division of household responsibilities between the sexes.** While men are working abroad, women usually take on their responsibilities and vice versa; yet there are some gendered differences in how the additional workload is taken up by remaining household members. When a male worker migrates, their caring and cleaning duties are most often picked up by women in the household – in 80 percent and 77 percent of cases, respectively. Yet when a female worker migrates, in many cases it is still the remaining women in the household who pick up the burden. In particular, caring responsibilities of a female worker are left to other women in 47 percent of cases and to men in 35 percent of cases. Similarly, cleaning duties are taken up by other women in 45 percent of cases and by men in 32 percent (Figure 31 and Figure 32). In contrast, community-related tasks, such as deciding on community affairs, leading religious groups, and village maintenance are more likely to be taken over by men, even when such roles had been played by a female migrant worker before. Children are also reported to shoulder some of the burden, particularly in cleaning and subsistence agriculture, regardless of the gender of the migrant.

**FIGURE 31.** Replacement of male migrant workers in the household

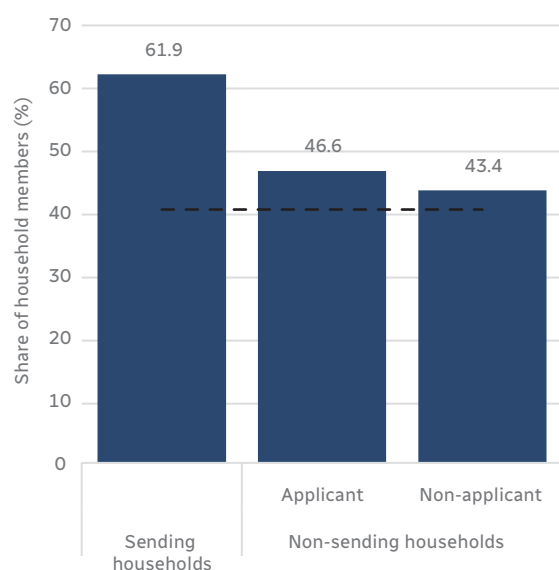


**FIGURE 32.** Replacement of female migrant workers in the household

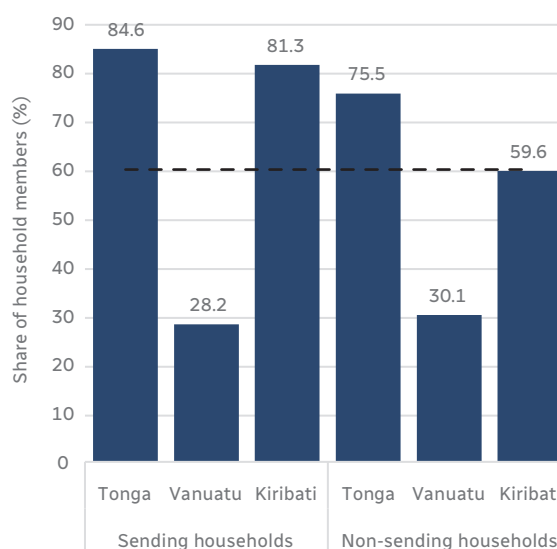


**The remaining members in labor-sending households are generally more likely to engage in paid work than those in non-sending households (Figure 33).** The pattern is driven mostly by Kiribati and to a lesser extent Tonga, whereas in Vanuatu there is only a small difference between sending and non-sending households in terms of paid employment of the remaining household members (Figure 34). The most common reason for not working is family duties, followed by studying (Figure 35). Households in Vanuatu, regardless of whether they participate in the labor mobility schemes or not, have the lowest employment rates, and non-migrant households there are more likely to be working than migrant households.

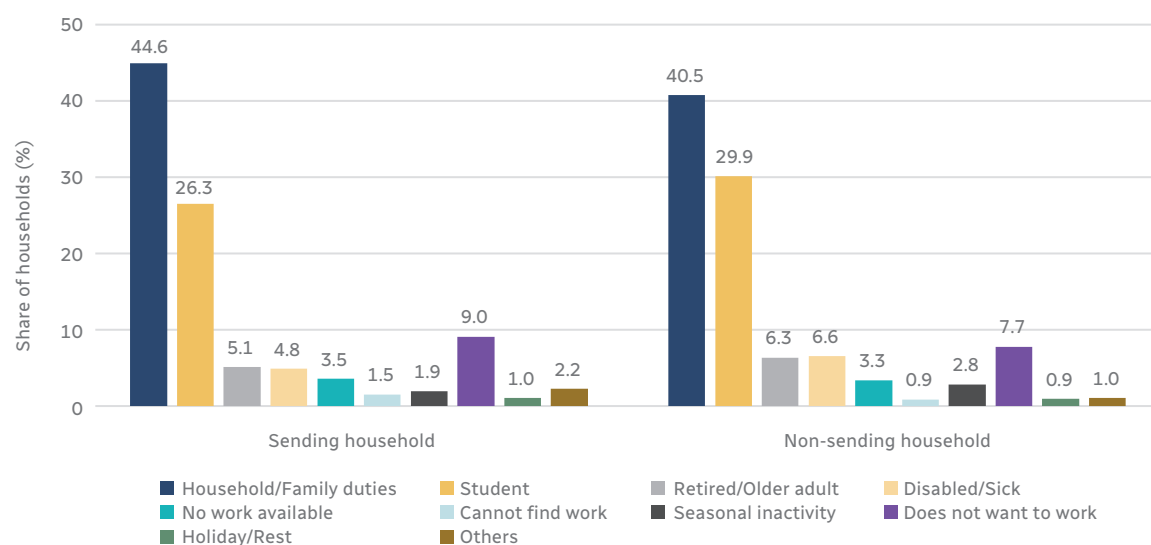
**FIGURE 33.** Share of household members engaged in paid work



**FIGURE 34.** Share of household members engaged in paid work by sending country



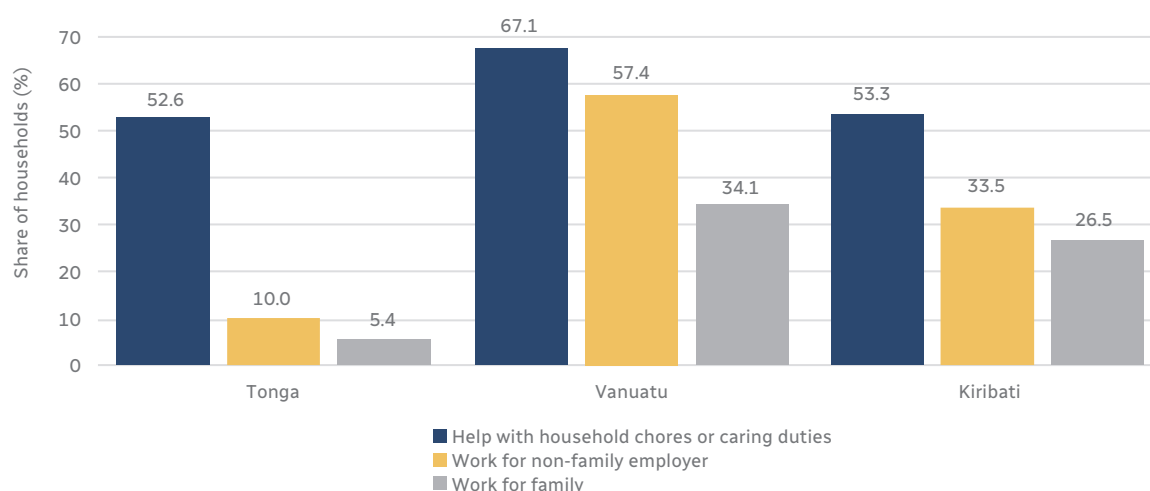
**FIGURE 35.** Reasons given for household members not working



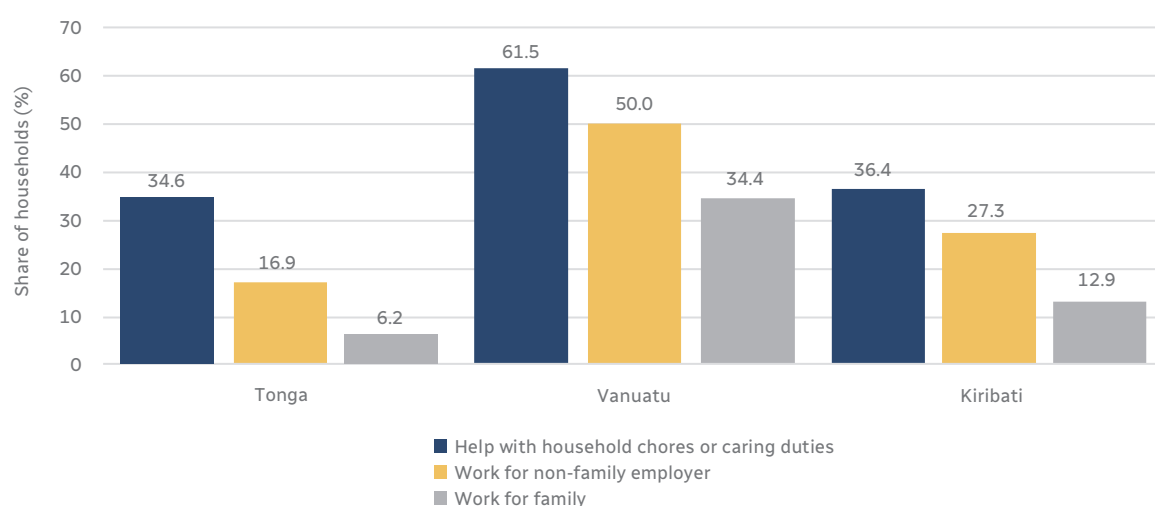


**Child labor is highly prevalent, especially in Kiribati and Vanuatu.** More than half of labor-sending households in each country reported children helping with household chores or care giving. More than half of the surveyed households in Vanuatu and slightly over one-third in Kiribati reported having a child working for a non-family employer. Figure 36 and Figure 37 show that the prevalence of children working either outside the home or for the family is considerably higher among labor-sending households than in non-sending households. For example, in Tonga, 53 percent of sending households have children helping with household chores or caring, compared to just 35 percent in non-sending households.

**FIGURE 36.** Child labor among sending households

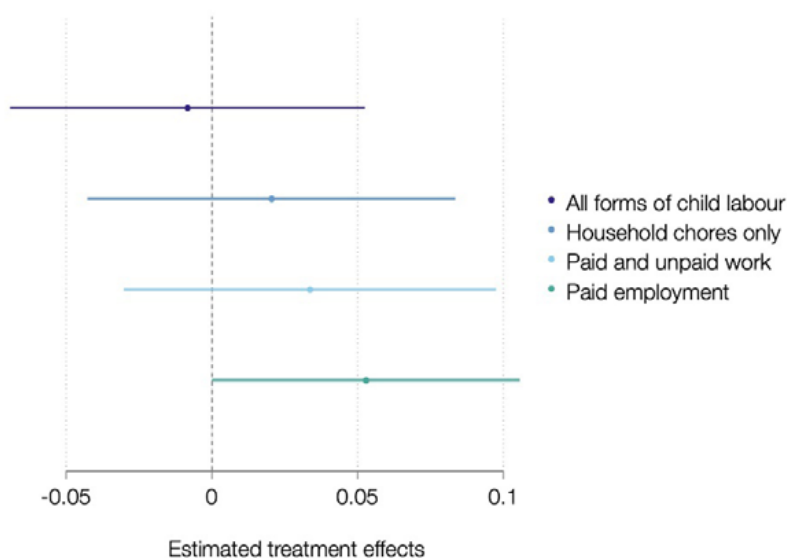


**FIGURE 37.** Child labor among non-sending households



**After adjusting for household characteristics, households participating in labor mobility are slightly more likely to report that a child in that household is in paid work.** Participation is associated with a child labor rate in paid work being 5 percentage points higher than in non-participating households, but this difference is statistically discernible from zero only at the 5 percent level of statistical significance (Figure 38). Effects on any household child labor, household chores, and any other work are not statistically significant, despite the large differences documented above in the raw data, which are more likely due to selection and compositional issues.

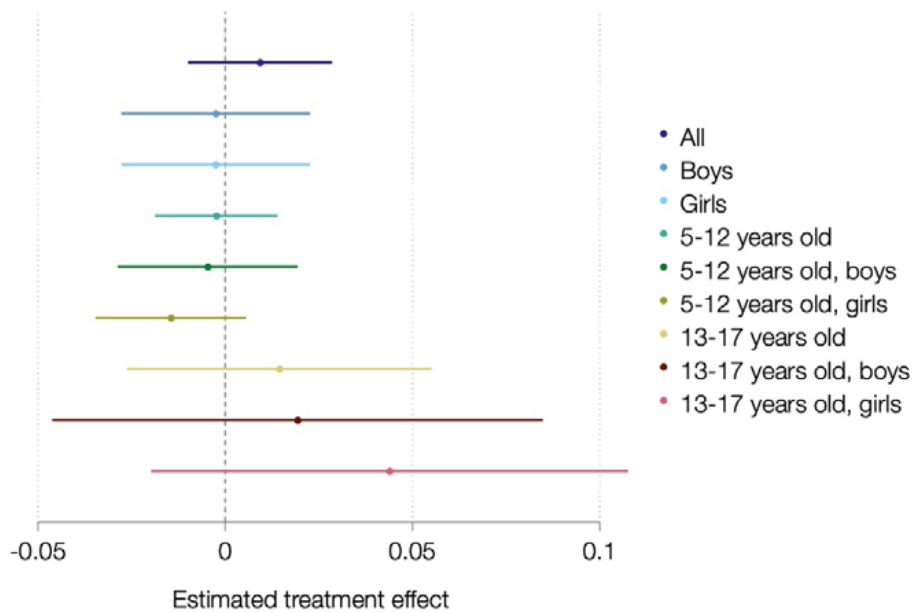
**FIGURE 38.** Estimated impacts of participation in labor mobility on child labor



**Note:** This figure reports treatment effects of household participation in labor mobility on whether that household participates in any type of child labor, and by type. Estimation was based on household data collected via phone interviews in the PLMS. The dots in the center of the lines are the treatment effect point estimates and the lines represent 95 percent confidence intervals. Estimation follows the approach detailed in Appendix 2, and the interpretation of the point estimates, for example the bottom one on paid work is that a household that participates in labor mobility is 5 percentage points more likely to have a child in paid work. The lines represent 95 percent confidence intervals, and where they overlap zero it means that the treatment effects are not statistically distinguishable from the effect being zero.

**Yet there is no evidence that additional labor demand due to the absence of migrant workers negatively affects child schooling.** Using the individual data from the household survey, Figure 39 displays estimated impacts of participation in labor mobility schemes on school attendance of children, in all three countries. These estimates are interpreted as the difference in enrolment rates, and they were split by different groups. Despite finding a small, and weakly significant in statistical terms, increase in child labor above, there is no evidence that this affects school enrolments. Rather, the contrary: it found that older children (13–17 years old) are more likely to be enrolled in school in labor mobility participation households, although these estimates are not statistically significant at conventional levels (Figure 39). For all children and younger children (5–12 years old), there are quite precise null effects on school enrolment.

**FIGURE 39.** Estimated impacts of participation in labor mobility on children’s schooling



**Note:** This figure reports treatment effects of household participation in labor mobility on whether children are enrolled in school. The dots in the center of the lines are the treatment effect point estimates and the lines represent 95 percent confidence intervals, and where they overlap zero it means that the treatment effects are not statistically distinguishable from the effect being zero. Estimation follows the approach detailed in Appendix 2, except it is at the individual level on individual child observations rather than at the household level. The interpretation of the point estimates is the likelihood (in percentage points) that a child in a labor-sending household is more or less likely to be enrolled in school than a child of the same age group in a non-sending household. For example, a 15-year-old girl whose household participates in labor mobility is on average almost 5 percentage points more likely to be in school than one of the same age in a non-participating household.



## Chapter 4: Social Impacts

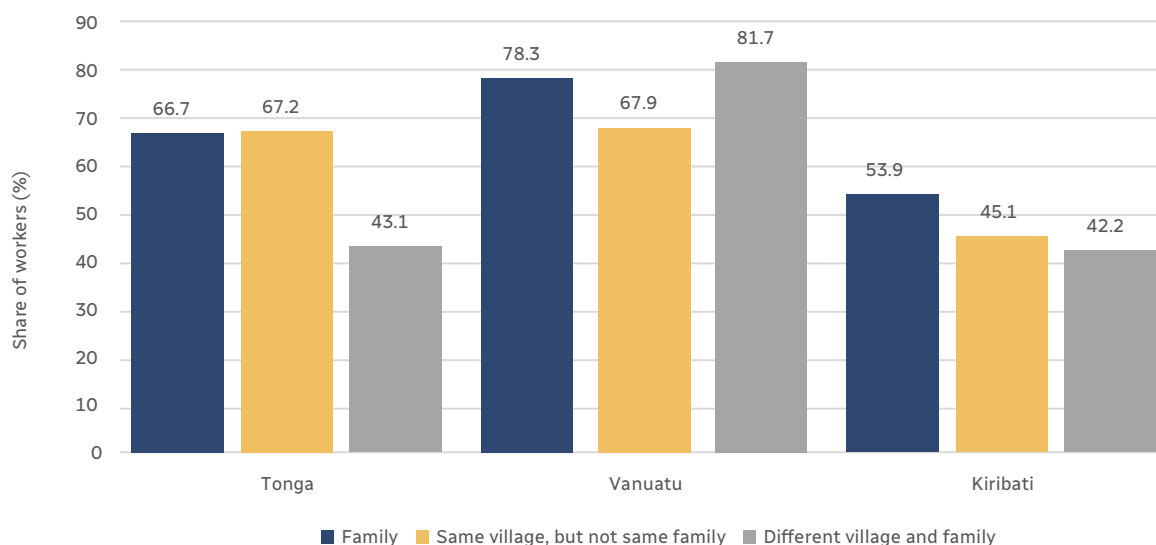
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*A common perception is that temporary labor mobility schemes provide economic benefits to Pacific workers and economies, but also involve net social costs such as marital disharmony, increased gender-based violence, and adverse impacts on schooling outcomes of children. Evidence from the PLMS and in-depth qualitative interviews for Kiribati, Tonga, and Vanuatu shows improvements in female agency and self-esteem, as well as strengthened family relationships.*

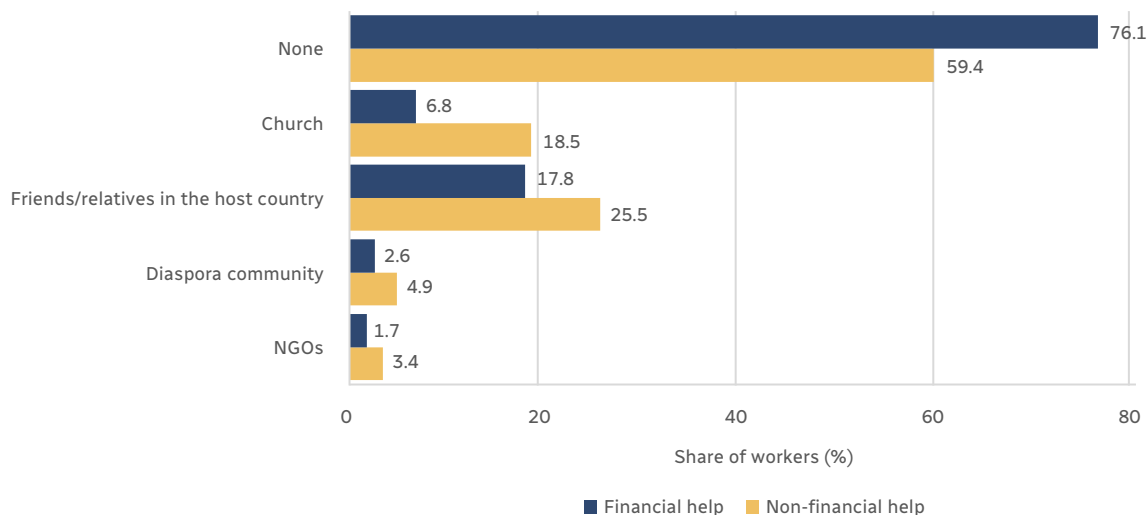
### 4.1 Social Relationships, Family Relationships, and Communication

**Most migrant workers have a strong social network during their stay in host countries, comprising family, people from their own villages, and people from different villages and families.** About three-quarters of ni-Vanuatu and two-thirds of Tongan workers know a family member or other contacts from their home village in the host country (Figure 40). Almost half of workers from Kiribati also have family connections in their host country. A large share of workers, especially those from Vanuatu, also know other contacts who are outside their family and home village. The relatively stronger social networks that Tongan and ni-Vanuatu workers have are likely related to the larger diaspora and larger number of existing workers from these countries who have participated in the schemes. These contacts represent important sources of support, both financial and non-financial, for workers during their stay. Although most workers do not seek help when abroad, when they do, they are most likely to approach friends and relatives in the host country, and to a lesser extent the church, rather than the wider diaspora group or NGOs (Figure 41). As highlighted in the next chapter, most workers do know who to contact if they want to complain about work or employers, and it is most common for them to raise it directly with team leaders or the employers themselves.

**FIGURE 40.** Workers' social network in host country

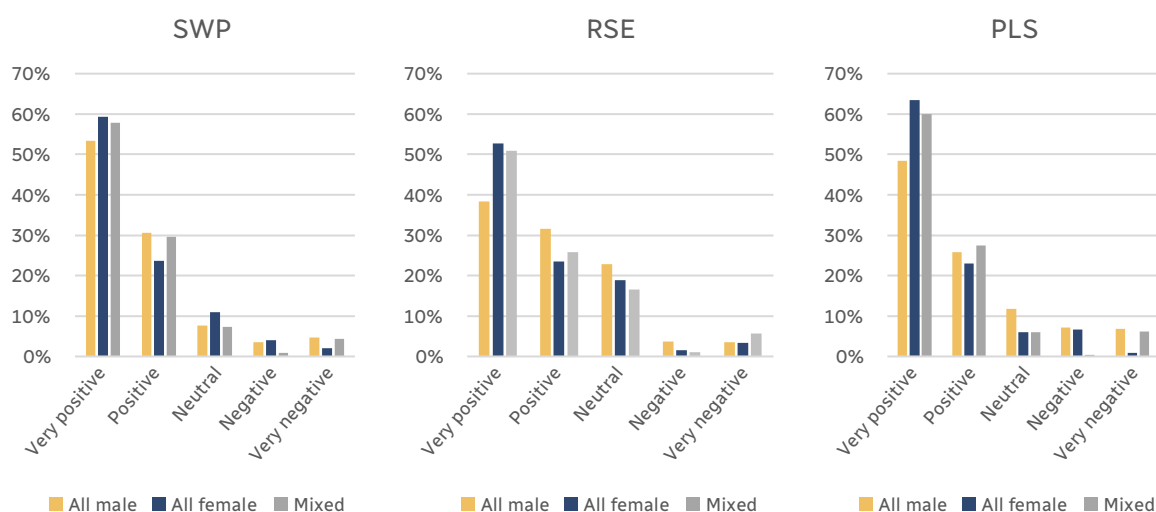


**FIGURE 41.** Workers' sources of support in host country



**At home, households of the workers largely perceived participation in the labor mobility schemes as having an overall positive impact on them.** When asked what had been the impact of the scheme on the household, across schemes and regardless of gender, between 70 percent and 88 percent of households reported either “very positive” or “positive” (Figure 42). The proportion of households that perceived the schemes’ impacts negatively is less than 10 percent, except among households of male PLS workers (14 percent).

**FIGURE 42.** Impacts of participation in labor mobility on sending households



**Migrant workers report that migration has generally strengthened family relationships.** Across nationalities and schemes, more than 80 percent of workers surveyed in the PLMS reported positive impacts on their relationships with their children (Figure 43), and 62 percent and 69 percent of female and male workers, respectively, felt a positive effect on their marital relationship (Figure 44). These findings from seasonal workers and their household members are consistent with earlier work on the RSE scheme (Nunns et al., 2020). Households of migrant workers expressed similar views about how participation in labor mobility has affected their families – the vast majority reported either “very positive” or “positive” impacts, although their responses could imply either or both social and economic impacts.

**Parallel in-depth qualitative interviews of participating households, Pacific community representatives, and key informants corroborate and provide some explanation for the quantitative findings.** The interviews revealed that most workers, regardless of their gender, were firmly focused on providing benefits to their household and extended family (World Bank, 2023). The improvement in relationships was attributed to increased household income and material goods that have decreased arguments between partners, especially where money stress was previously a source of conflict. Improved communication, understanding, and respect also play a role. In most cases, female workers could constantly contact their family members, giving them much-needed support and encouragement while away. They communicated daily with family members via Facebook messenger and phone, and said there were no issues with these forms of communication. Time spent apart was also cited as fostering a greater sense of the value of family members among some respondents, including partners becoming more mature in their absence.

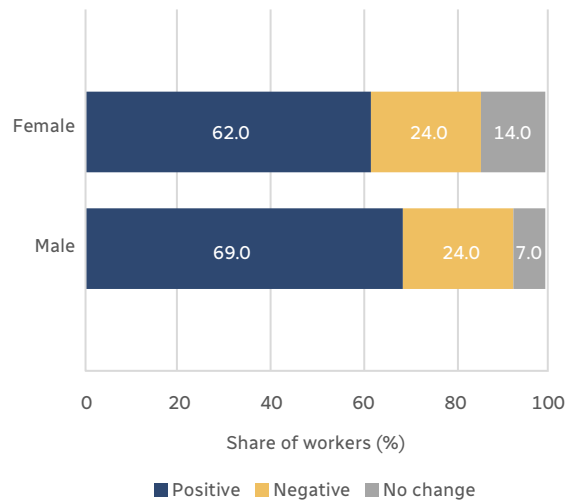
**A small but considerable portion of workers reported that time away from their families on the labor mobility schemes strained relationships, especially with their spouses.** Approximately a quarter of ni-Vanuatu workers felt it harmed their relationship with their spouse, a figure consistent across the three schemes. Many

i-Kiribati and Tongan workers also reported negative impacts on their marital relationship, although the predicament appears more prevalent among those in seasonal work. Ni-Vanuatu workers were also more likely to report negative impacts on their relationships with their children (Figure 45). PLS workers who are away on longer job placements do not display any systematic differences from their seasonal counterparts (Figure 45 and Figure 46) – if anything, they are less likely to report negative impacts on their marriage. This suggests that longer periods of absence from home might not necessarily be more detrimental. Helping workers and their families manage expectations and relationships could significantly improve the prevalence and severity of stresses on family members in sending households, such as adverse outcomes for children, family breakdowns, and negative perceptions within the community.

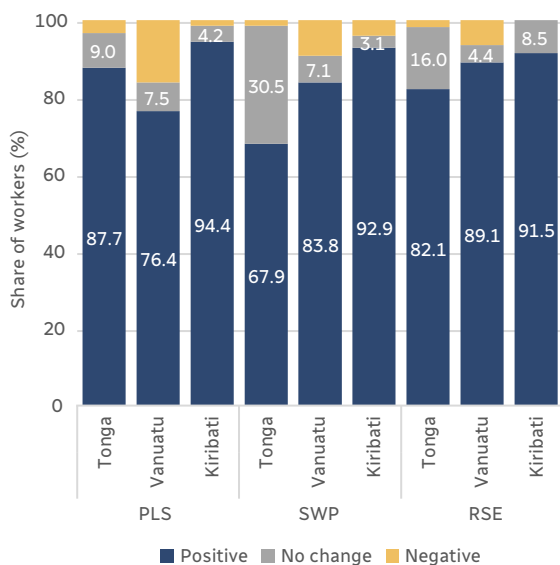
**FIGURE 43.** Impacts on relationship with children by gender of workers



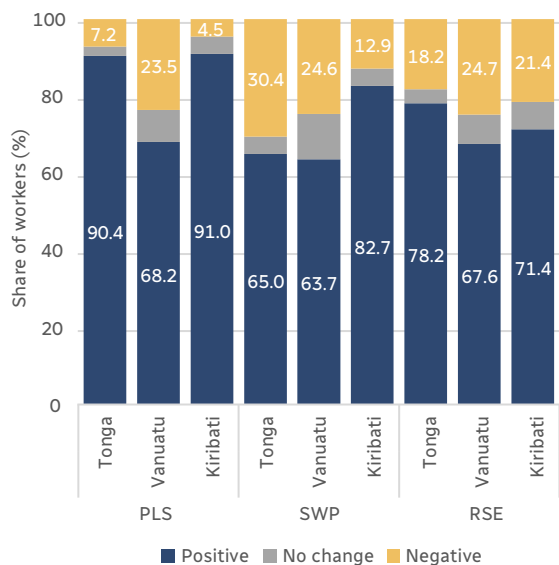
**FIGURE 44.** Impacts on marital relationship by gender of workers



**FIGURE 45.** Impacts on relationship with children by scheme and nationality



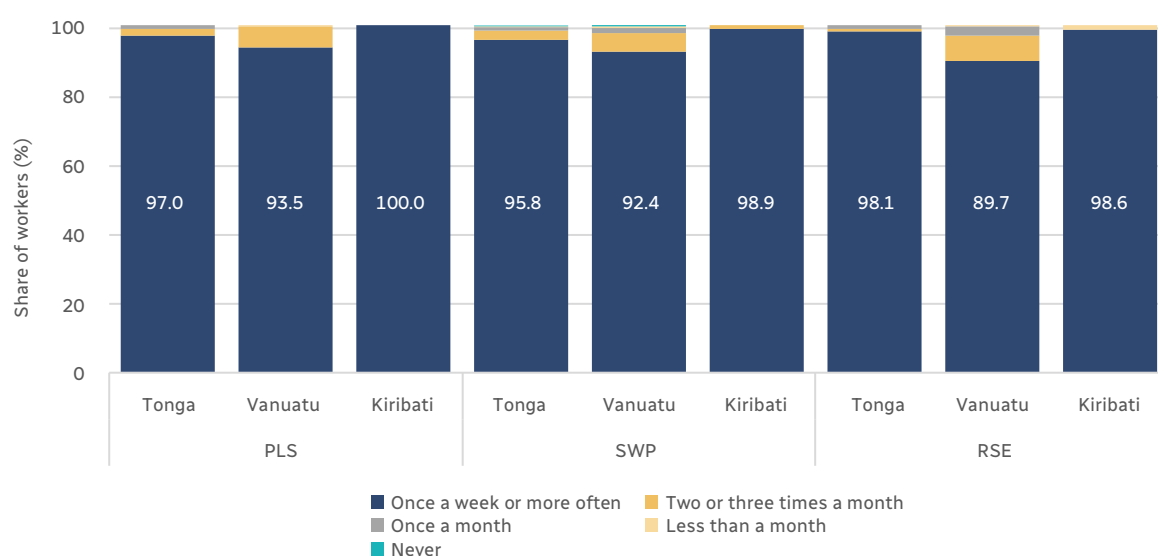
**FIGURE 46.** Impacts on marital relationship by scheme and nationality



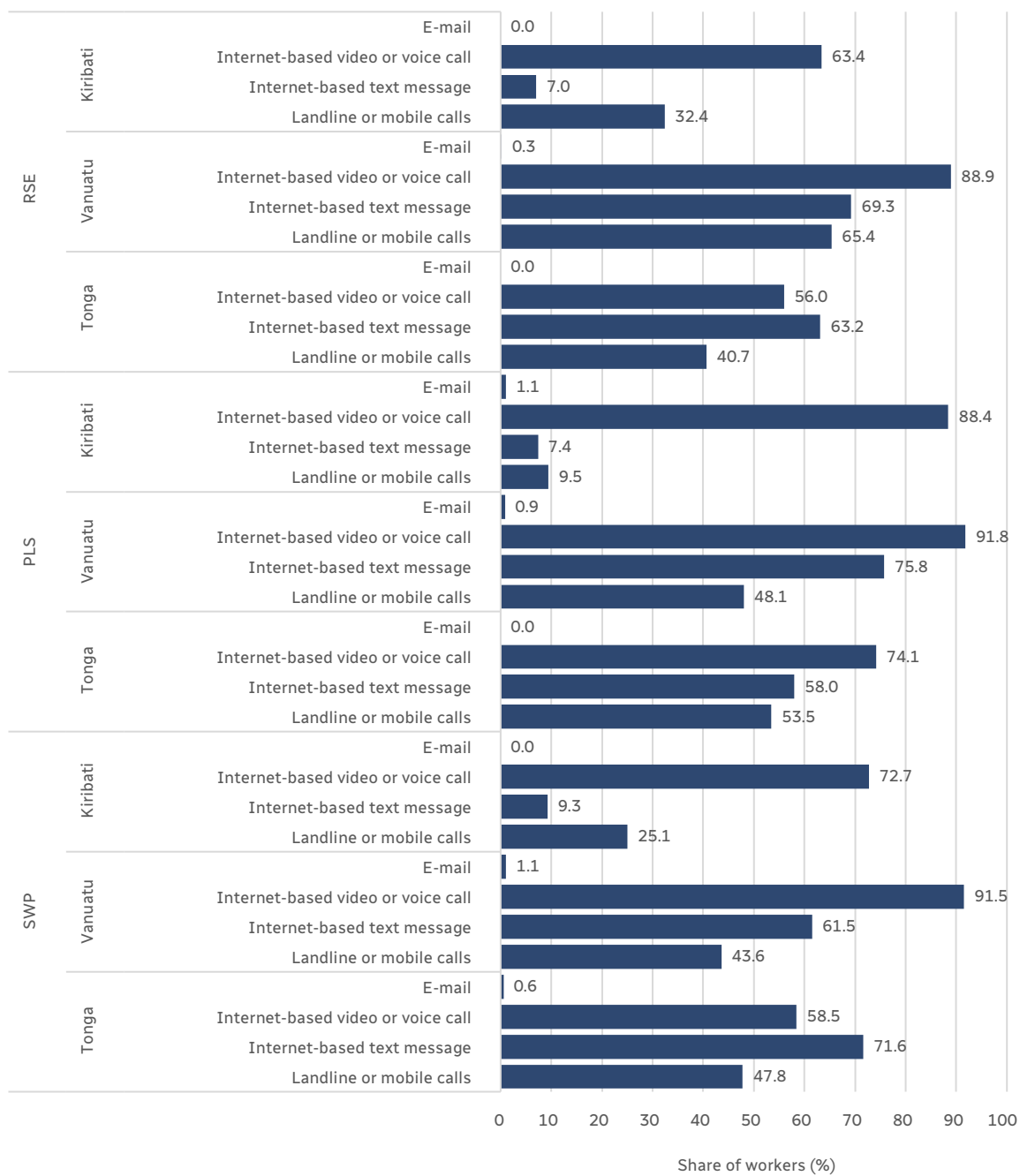


**Communication with families back home occurs frequently and seems to have improved over time.** The vast majority of workers communicate with their family at least once a week. Only a small share of workers, mostly among ni-Vanuatu, reported calling their family less frequently (Figure 47). This is a significant increase compared to findings from a World Bank survey on SWP workers in 2015 when less than 35 percent of ni-Vanuatu workers and less than a quarter of Tongan workers communicated with their families on a weekly basis (World Bank, 2017b). Cheaper communication options are likely to contribute to this improvement. Approximately two-thirds of all communication now takes place via internet-based connections such as calling or messaging apps, usually on a smartphone (Figure 48). Previously, only 3 percent of SWP workers reported using Skype and 4 percent email (World Bank, 2017b). As the costs of calling the Pacific from Australia and New Zealand are exorbitantly high by global standards, the decreased reliance on phone calls as a means of staying connected with families is critical for workers to mitigate the potential adverse impacts on the family unit.

**FIGURE 47.** Frequency of workers' communication with family



**FIGURE 48. Workers' communication channels**



## 4.2 Gender-Related Impacts

### **Participation in temporary labor mobility programs can empower women and help transform gender norms and attitudes, when they are offered the opportunity.**

About 81 percent of female workers in the PALM and RSE schemes experienced greater agency and 87 percent reported having greater access to and control over financial resources thanks to participating in labor mobility. Over one-third of female seasonal workers and their family members interviewed in a companion qualitative study felt that women's participation in seasonal work had improved women's control over income and decision-making power in the household. This was primarily due to their new role as a financial provider to the family, which gave them more significant involvement in deciding how household income is used (World Bank, 2023). Aside from influence over the use of financial resources, most women felt they had greater decision-making power over household spending. Most female seasonal workers said that decisions were still made jointly with their husbands but indicated increased collaborative decision-making. Qualitative interviews also reveal improved confidence and self-esteem of returned female workers – both self-reported by female workers and reported by household members. Most interviewed women said their aspirations and plans for the future had changed for the better since participating in seasonal work, and they had the financial means to achieve their goals. This mirrors findings from previous studies (Nunns et al., 2020; World Bank 2018). Their greater self-confidence and economic independence also help strengthen collaborative decision-making within households. There is some evidence from Vanuatu that participation in temporary migration schemes has enabled female returnees to leave unhappy or abusive relationships. Community members in the Pacific also reported that female workers had gained prominence and visibility in community life and taken on more active leadership roles. Although some women chose not to actively challenge gender norms, the reported impact of labor mobility on female empowerment is encouraging in the context of significant gender inequality.

**The shifts in gender attitudes occur among, and as a result of, both female and male participation.** Male workers' experience away from home has helped increase their willingness to contribute to chores and caretaking responsibilities and understanding of their spouses' contribution. In Tonga, three-quarters of families of male workers reported that household duties are now shared. In Vanuatu, many respondents observed a change within their families, although most still felt there had been no noticeable change in the gender-based roles in the household, citing social norms and religion as reasons (World Bank, 2023). Male participation in seasonal migration may also enhance women's agency and empowerment as wives or female relatives take up traditionally male roles while the male workers are away – some continue to help with such duties even after the men return (Bedford, Bedford, and Nunns, 2020; World Bank, 2023). Wives of seasonal workers are also found to gain more control over household finances as recipients of remittances (World Bank, 2017b) and embark on entrepreneurial ventures with income from seasonal work (Kautoke-Holani, 2018).

#### **Box 4: Empowering women and maximizing development impacts of labor mobility programs in PICs – Insights from in-depth interviews**

**In late 2021, the World Bank conducted a comprehensive qualitative study in Tonga, Vanuatu, and Kiribati to shed light on the social and gender dimensions of labor mobility.** The study involved approximately 450 interviews with temporary migrant workers, their families, communities, and employers in these Pacific Island nations. The primary goal was to explore factors influencing women's participation in labor migration programs and to assess the positive and negative impacts of temporary migration at individual, household, and community levels. The findings also revealed various enablers and barriers to women's participation, offering hope that with targeted changes, more Pacific women can be empowered to seize the opportunities presented by labor migration.

#### **Barriers to women's participation**

**The study revealed that women face significant barriers to participating in labor migration programs.** Family approval, especially from husbands, but also from parents, and children, was a key factor affecting women's participation. Worries about reputation and responsibilities towards young children and elderly parents also acted as deterrents. Therefore, marital status and family support significantly influenced women's ability to participate, with many women discouraged from applying after getting married and having children. Conversely, men had more agency to participate in such programs, and their marital status and age were not perceived as barriers. Moreover, complex recruitment and pre-departure requirements pose challenges for prospective female workers, including language and literacy barriers. Unfavorable community attitudes towards female participation further contribute to the low representation of women in labor mobility schemes. On the demand side, the study also identified institutional-level constraints and systematic failures. Lack of knowledge about labor migration programs among prospective female workers and the complex administrative requirements posed significant limitations. Recruitment agents and employers often favored men due to perceived physical capacity, and concerns about infidelity, pregnancy, and family breakdown, which are unfairly associated with women.

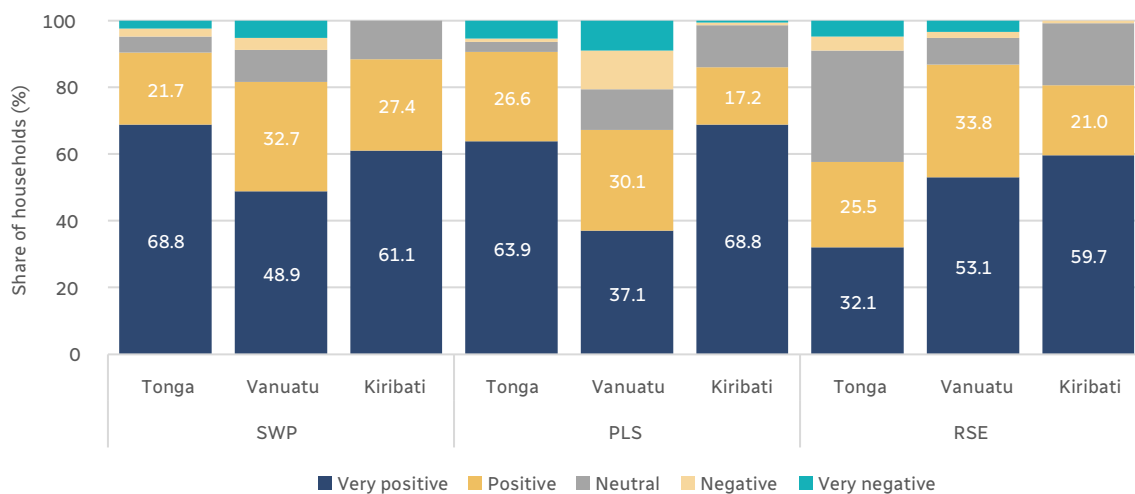
### **Impacts on workers, families, and communities**

**Despite the challenges, labor mobility programs have brought significant economic benefits to participants, families, and communities.** The workers gained higher living standards, enabling them to cover children’s educational expenses, fund home improvements, build a house, fund their businesses, acquire assets including vehicles and livestock, establish electricity and water supply connections, and contribute to church and community activities. Respondents across all categories and locations recognized and appreciated these benefits, and nearly all favored continued access to the schemes. Female participants reported increased self-esteem, confidence, financial independence, and access to new knowledge and skills. These programs have also transformed gender norms and attitudes, fostering greater gender equality. However, negative aspects were also observed, such as increased workload and stress on family members in sending households, adverse outcomes for children, family breakdowns, and negative perceptions within the community (World Bank, 2023).

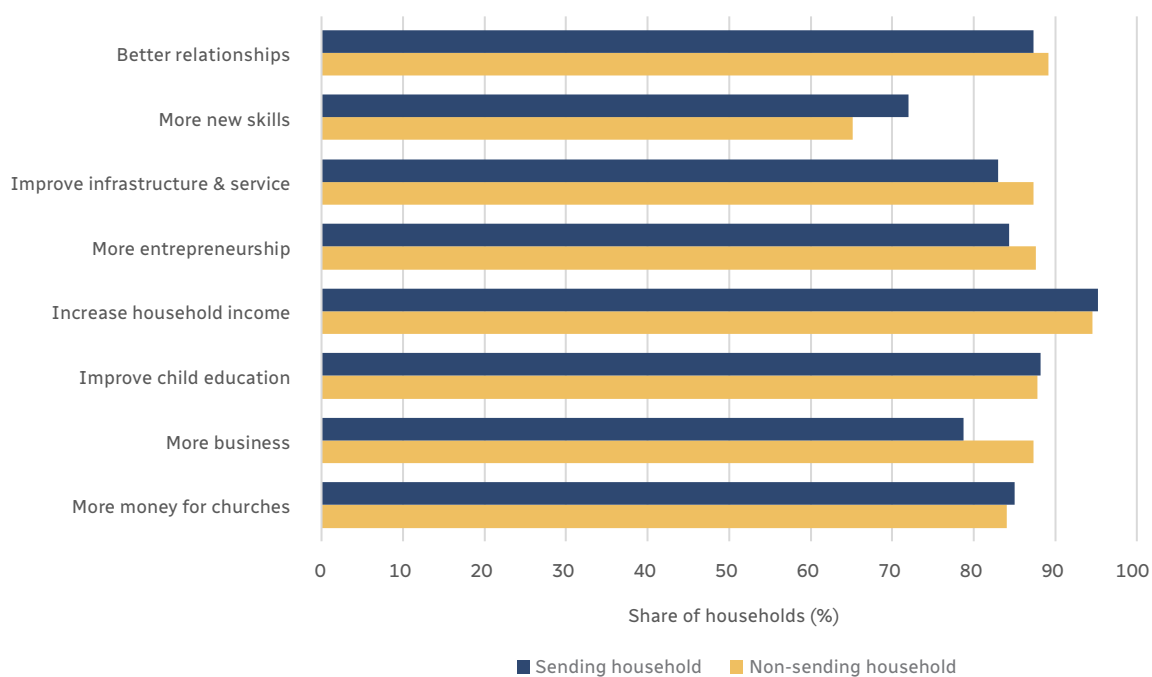
## **4.3 Social Impacts on Migrant-Sending Communities**

**The labor mobility schemes are generally perceived as beneficial to Pacific communities by both households that participate and those that do not.** Across the three sending countries and schemes, between 58 and 91 percent of migrant-sending households reported that labor mobility schemes have either “very positive” or “positive” impacts on their community (Figure 49). Various reasons were identified by the surveyed households for their perceived positive impacts, with the most common ones (identified by at least 85 percent of respondents) being higher household incomes, better relationships among household members, improved educational outcomes for children, and greater contributions to local churches. This view is shared equally by labor sending and non-labor sending households (Figure 50). While “new skills transfer” from returned workers to community members was identified as one of the positive outcomes by many households – 72 percent and 65 percent of sending and non-sending households, respectively, it is the least common, reflecting that most employment offered in the RSE and PALM schemes is low-skilled.

**FIGURE 49.** Perception of impacts of participation on labor mobility on community among sending households

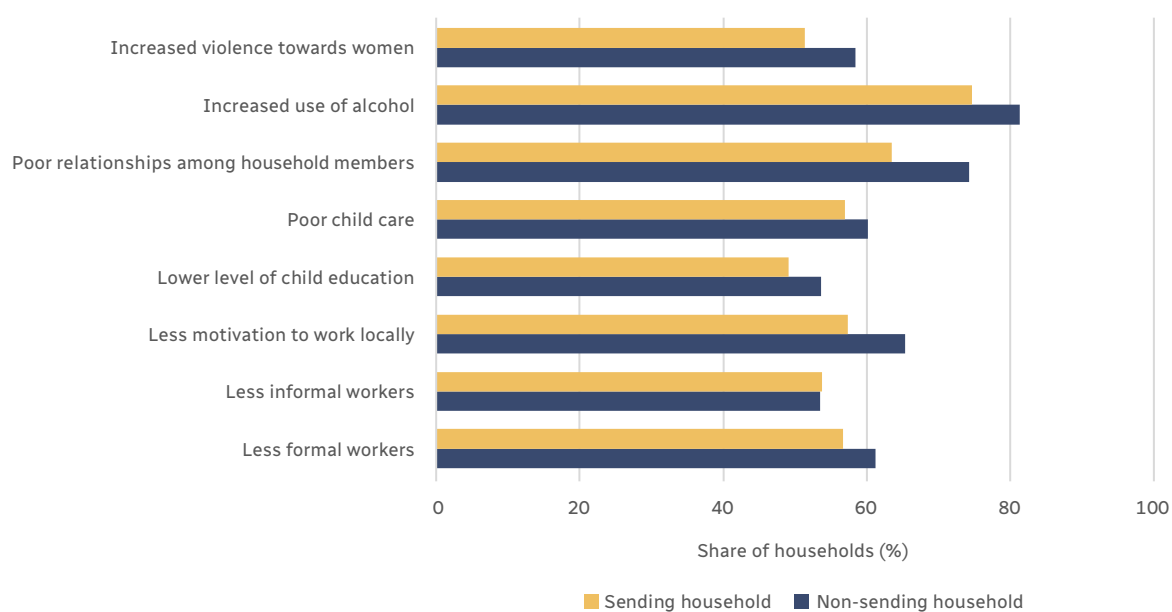


**FIGURE 50.** Reasons for perceived positive impacts on community



Nevertheless, a considerable proportion of households expressed negative sentiment about the schemes, especially among households in Vanuatu that participate in the PLS scheme, and to a lesser extent ni-Vanuatu SWP and Tongan RSE participants. This may reflect community perceptions that the schemes have negatively affected the domestic supply of workers, given the large number of workers from these two countries. In Vanuatu, localized labor shortages had reportedly arisen, especially for physically demanding work such as construction or planting subsistence gardens, due to men being away (World Bank, 2023). Alcohol abuse, poor relationships with household members, and less motivation to work locally are three common reasons for this perception, and more so among non-sending households (Figure 51). Other issues were also flagged in earlier research, such as male seasonal workers sometimes squandering their pay, especially on alcohol, and therefore having lower savings on return compared to more family-focused female workers (World Bank, 2018; Chatter, 2019).

**FIGURE 51.** Reasons for perceived negative impacts on community







# Chapter 5: Worker Welfare and Implementation Issues

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*Despite tight regulation and monitoring, and the benefits that have been well documented in the previous chapters as well as in existing literature, challenges remain with the implementation of the RSE and PALM schemes. In recent years there has been media coverage of alleged worker mistreatment and exploitation among migrant workers in rural areas of Australia and New Zealand. Common concerns raised in media reporting include excessive wage deductions, inadequate accommodation standards, and poor workplace health and safety. Drawing on data from the PLMS, this chapter examines these challenges and presents arguments for strengthening the schemes.*

## 5.1 Worker Satisfaction

**Overwhelmingly, workers would recommend the schemes to their friends and families, and workers across all groups reported they were satisfied with their respective labor mobility scheme.** Tongan workers in the SWP and RSE, and i-Kiribati workers in the SWP, had the highest satisfaction rates. Satisfaction rates on labor mobility schemes were at a higher level in 2022 than during 2020 at the start of the COVID-19 pandemic. Rates of satisfaction on labor mobility schemes in 2022 are consistent across genders and duration of experience. However, despite the high scores, a gradual reduction in Tongan SWP worker satisfaction is being recorded from the very high rating of 9.9 out of 10 in the 2015 survey to 9 in 2022. Conversely, ni-Vanuatu workers' satisfaction has risen consistently over the same period from a low 6.3 in 2015 to 8.4 out of 10 in 2022 (Table 5).

**TABLE 5. Worker satisfaction with working experience in host country**

Satisfaction rating on a scale of 0-10	PLS 2022	SWP 2022	RSE 2022	SWP 2020*	RSE 2020*	SWP 2015**
<b>Tonga</b>	8.7	9.0	8.9	9.2	7.1	9.9
<b>Vanuatu</b>	8.2	8.4	8.1	7.0	7.9	6.3
<b>Kiribati</b>	8.3	9.0	8.1	8.4	8.5	N/A
<b>Male</b>	8.6	8.6	8.5	7.9	8.3	N/A
<b>Female</b>	8.3	8.6	8.2	7.6	7.6	N/A
<b>Returnee</b>	8.5	8.9	8.4	8.2	8.3	N/A
<b>First Timer</b>	8.4	8.2	8.0	7.1	7.8	N/A
<b>All respondents</b>	8.4	8.7	8.3	7.9	7.9	8.1

\* World Bank (2021)

\*\* World Bank (2017b). Scores for "All respondents" are calculated as the simple mean of the column averages in the table.

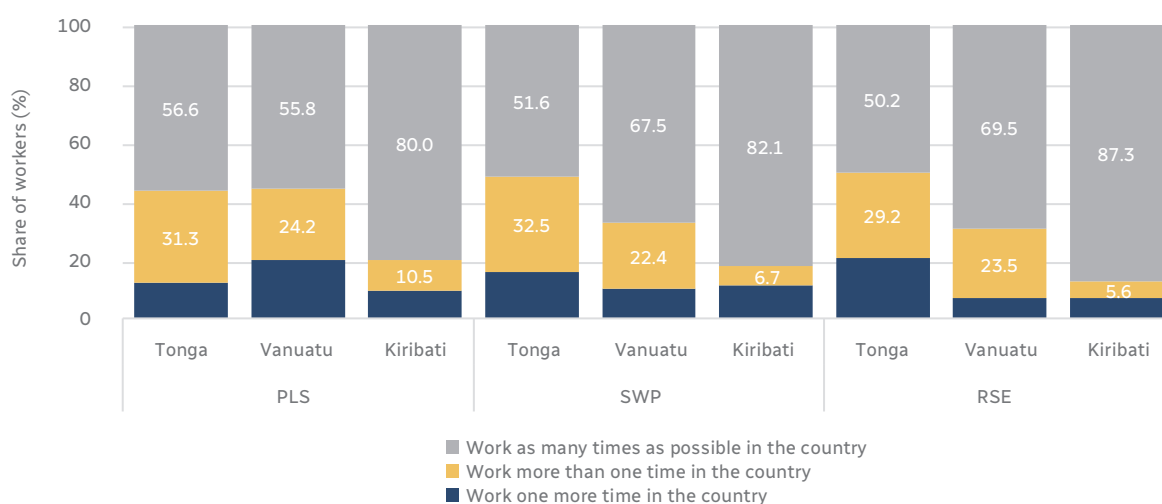
**A strong indication of worker demand for the schemes is that almost all workers (92 percent) indicated they intend to work in the scheme again in the future, and over half reported they would like to return as many times as possible (Figure 52).**

This is particularly true for i-Kiribati workers, which is likely to reflect the limited job and earning opportunities in their home economy. However, the intention to remain in the schemes for long-term employment, while still the most popular response from participating workers, has become less common over time among Tongan SWP workers yet more common among their ni-Vanuatu counterparts. Data from the impact evaluation of the SWP conducted by the World Bank in 2015 revealed that 99 percent of Tongan respondents wanted to remain in the SWP for as long as possible, but only about 35 percent of ni-Vanuatu wanted to.

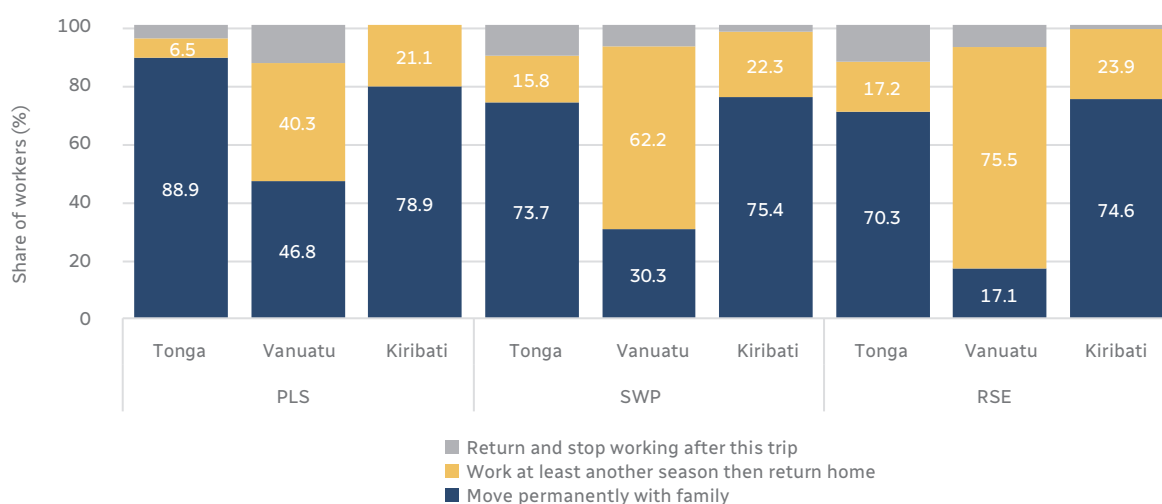
**A related indicator is whether workers would recommend the schemes to others, and 98 percent of workers interviewed in the PLMS would.** I-Kiribati workers expressed the highest willingness to recommend their schemes, at 99 percent. Compared to findings from an earlier evaluation of the SWP conducted in 2015-17 (World Bank, 2017b), this share has fallen only marginally from 99 percent among Tongan and ni-Vanuatu SWP workers to 98 percent and 97 percent, respectively, in the PLMS (on average, 91 percent of SWP workers from Pacific Islands countries and Timor-Leste workers included in the SWP evaluation would recommend the program to others in their community).

If given a choice, a large share of workers would move permanently to the host country with their families, particularly amongst workers from Tonga and Kiribati (Figure 53). These findings highlight the potential importance of reducing and mitigating family separations, and expanding pathways to permanent residency for temporary workers on these schemes who are in long-term job placements, such as those in the care sector. The launch of the Pacific Engagement Visa<sup>5</sup> in Australia in late 2023, which opens up opportunities for permanent residency for PALM workers, is a step in the right direction. Despite these high stated intentions to return, analysis of actual return rates shows that workers typically do not make a career out of temporary work, but rather tend to work for fewer than four seasons. Specifically, 40 percent of seasonal workers visit once, 37 percent 2–5 times, and 17 percent 6–10 times (Howes, 2018).

**FIGURE 52. Workers' intention to participate in labor mobility scheme again**



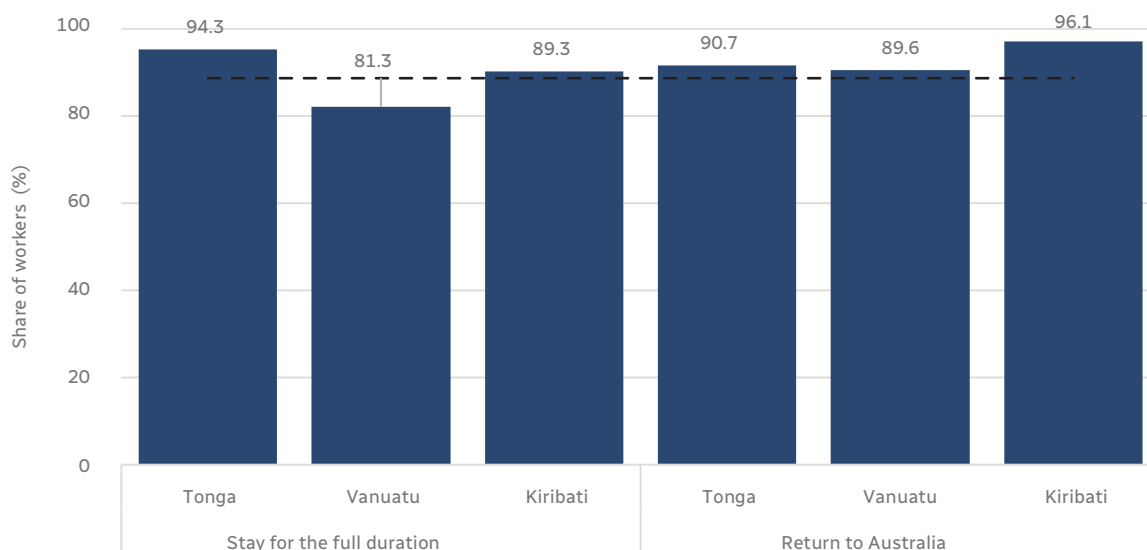
**FIGURE 53. Workers' migration preference**



<sup>5</sup> The Pacific Engagement Visa offers permanent resident visas to citizens of Pacific Islands countries and Timor-Leste, with up to 3,000 slots, inclusive of partners and dependent children, to be allocated annually through a ballot process. PALM workers in Australia are eligible to enter the ballot.

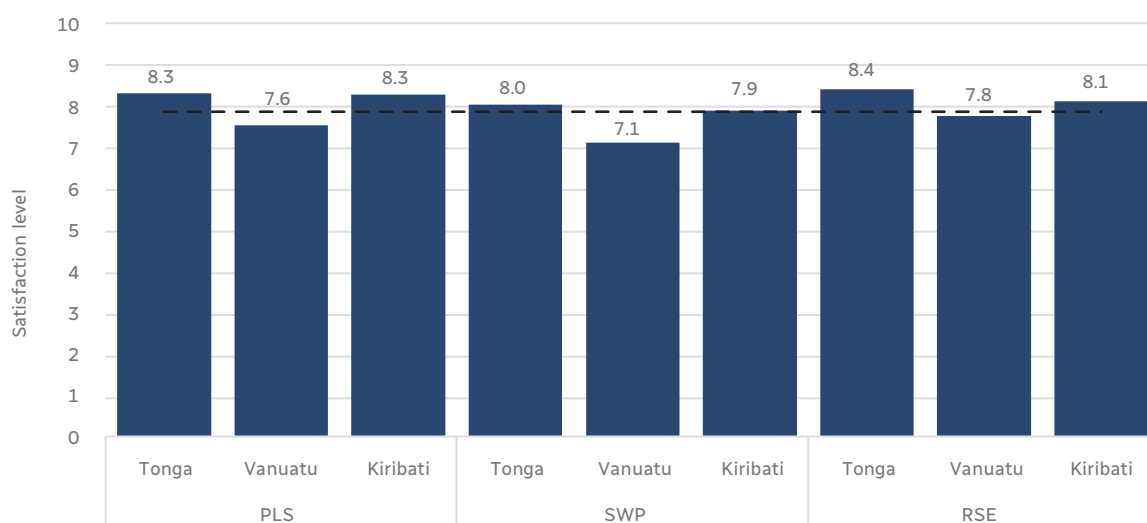
**The recent reform of the PALM scheme that has allowed PLS workers to work in Australia up to four years appears well received by participating workers.** Specifically, between 81 and 94 percent of PLS workers across nationalities intend to complete the full four-year duration of their contract. More than 9 in 10 of them also want to return to Australia for another round of job placement (Figure 54). This is to be expected, given the large income gains and the lack of formal employment opportunities in sending countries.

**FIGURE 54.** Future intention of PLS workers



**Workers' level of satisfaction with their current employment is high.** Tongan and i-Kiribati cohorts on average rate their satisfaction at about 8 out of 10 on all schemes. Ni-Vanuatu workers are less pleased, especially in the SWP, with satisfaction ratings of about 7 out of 10 (Figure 55). Workers participating in the SWP are also generally least content as compared to those in the RSE and PLS.

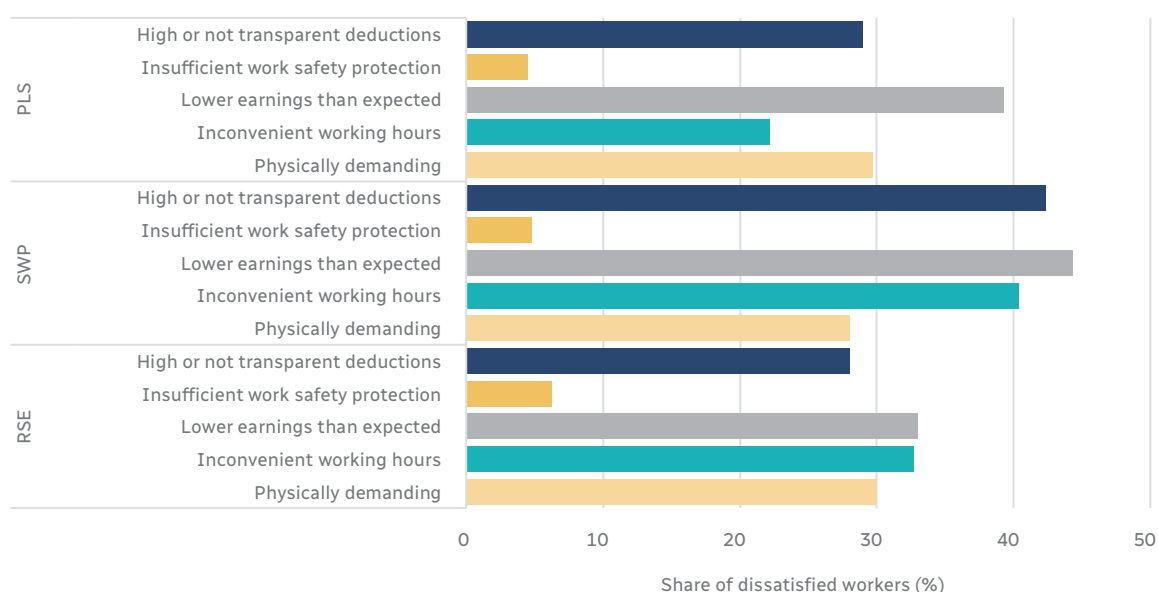
**FIGURE 55.** Workers' satisfaction with their current employment, on a scale of 10



**Note:** The line is the average satisfaction level across all schemes and nationalities.

However, 7 percent of workers surveyed in the PLMS expressed dissatisfaction with their current employment and their dissatisfaction was predominantly linked to under-expectation earnings, excessive or untransparent salary deductions, and inconvenient working hours (Figure 56). Many of those workers additionally noted they received fewer working hours than expected. Most of the responses collected were after mobility restrictions and lockdowns were lifted, suggesting that this was not a strictly COVID-19 phenomenon. Also, approximately one-third of workers across all schemes who felt dissatisfied found the work to be physically demanding. I-Kiribati workers who were unhappy were mostly participating in the PLS and RSE schemes. While levels of dissatisfaction are generally low, this knowledge can potentially help design pre-departure training to highlight examples of the realities of working in the schemes.

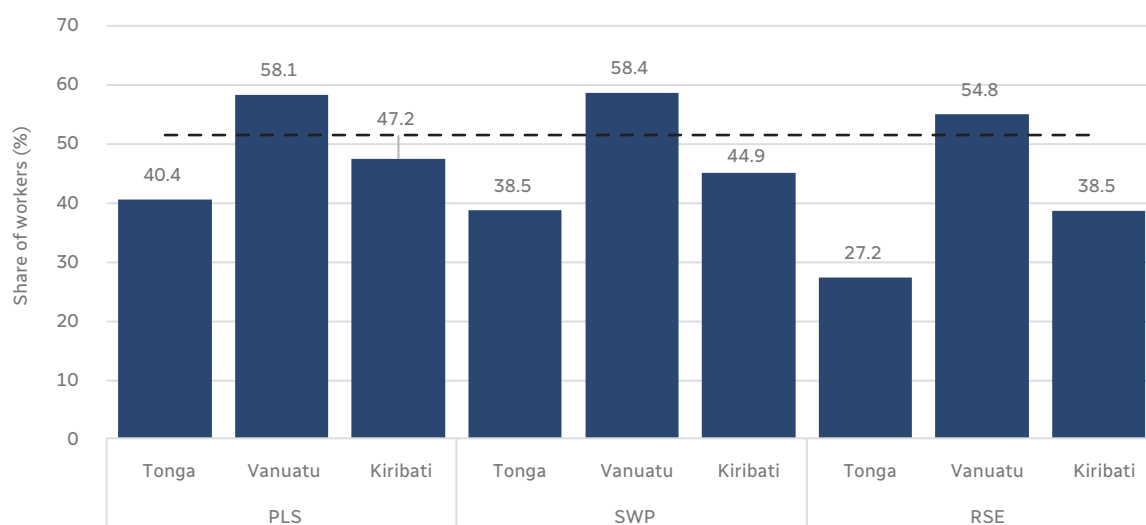
**FIGURE 56.** Reasons for worker dissatisfaction



**A significant number of workers consider salary deductions excessive or unfair (Figure 57).** Overall, about 37 percent of those currently paying deductions would rather pay the costs associated with the deductions themselves. This proportion rises to 51 percent among those who find their deductions excessive or unfair. For example, workers may choose to reduce their rent with a smaller property or living a little further from work, and recent initiatives to provide workers with access to Medicare in Australia (e.g., in the family separation pilot) would relieve them of their high insurance premiums, which have been an issue of contention over the course of the PALM scheme. There is also a reasonable discussion to be had as to who should cover flight costs, since it is not uncommon in other sectors for firms recruiting from abroad, especially for visas

tied to one employer, to cover these for their staff rather than deduct them from their pay. It is important to cover these issues adequately in pre-departure education so as to ensure awareness, set realistic expectations, and help workers understand the options available to them to reduce the costs associated with deductions or to better align them with their preferences. Employers currently must provide their employees with details of the deductions that will be made from their wages as part of their written employment agreement, however, survey findings suggest that this alone is insufficient.

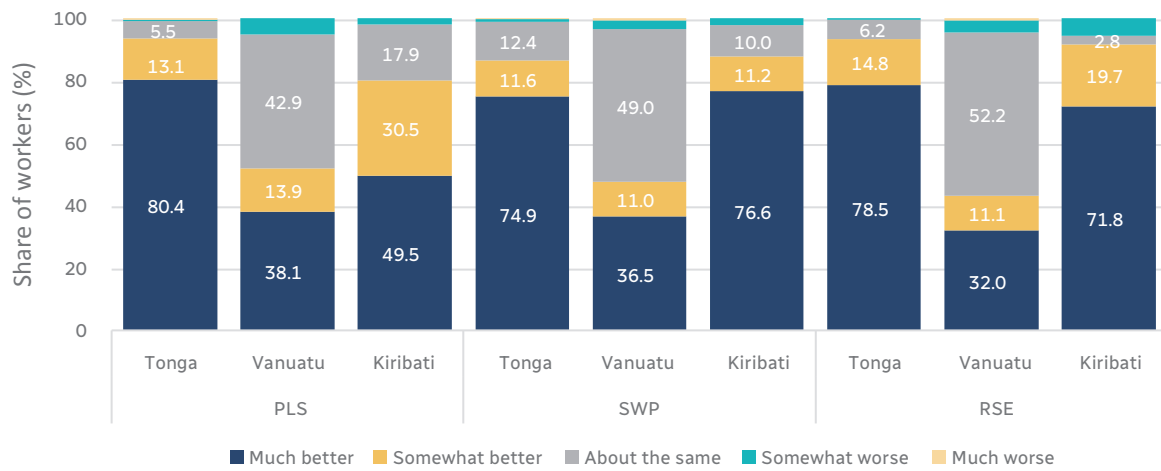
**FIGURE 57.** Share of workers paying deductions who considered salary deductions unfair



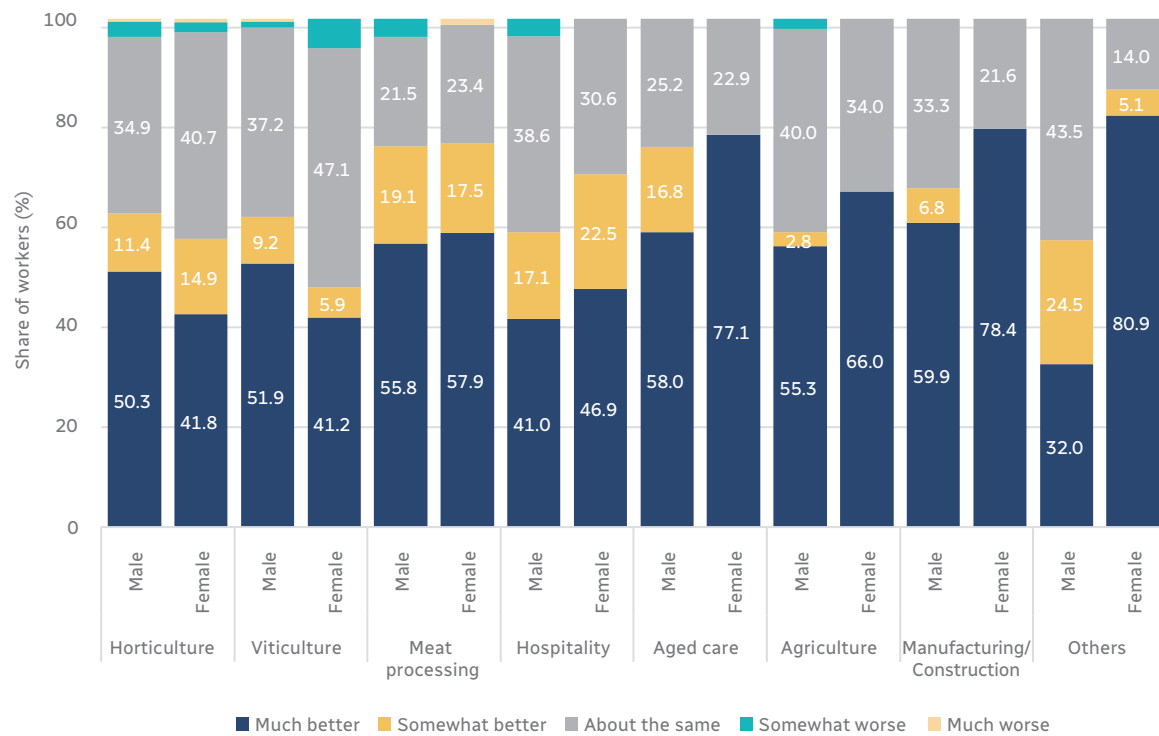
## 5.2 Worker Health and the COVID-19 Pandemic

**Workers are generally in very good health and many consider their health to be better while in the host country than at home.** Almost all workers from Tonga and Kiribati felt that their health had improved since arriving in Australia and New Zealand, with workers in aged care and meat processing industries feeling the most improvements (Figure 58 and Figure 59). The gender split is well balanced between males and females. Around half of the workers from Vanuatu did not express any improvement in health conditions. Workers in hospitality also felt the least health benefits. Dental problems are the most frequently reported health problems (Figure 60). Workers' private health insurance does not extend to cover dentistry, which means workers are reluctant to attend dental practices since it is deemed to be expensive.

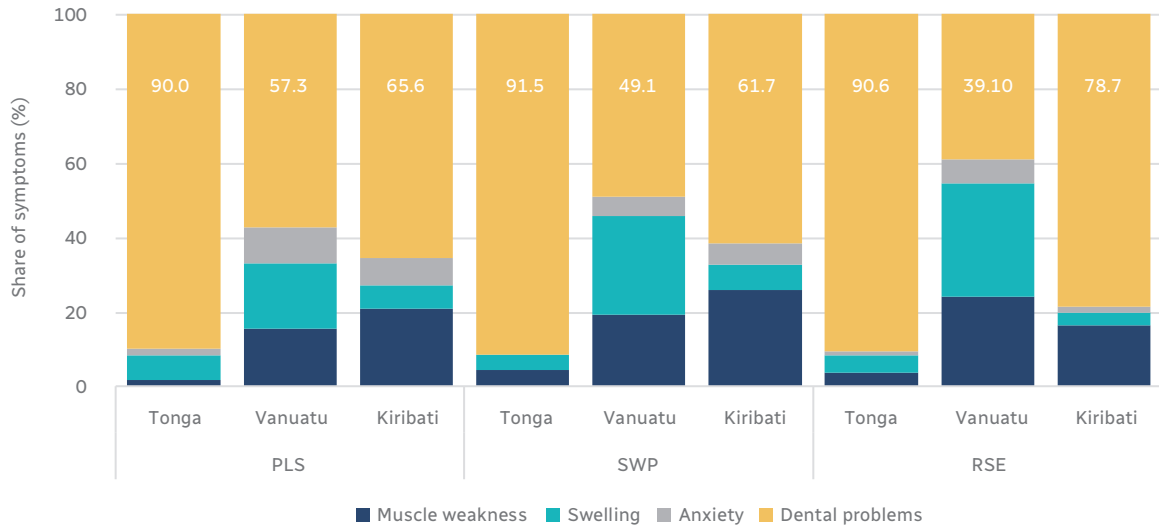
**FIGURE 58.** Workers' health conditions as compared to before arriving in host country, by scheme and nationality



**FIGURE 59.** Workers' health conditions as compared to before arriving in host country, by gender and job type

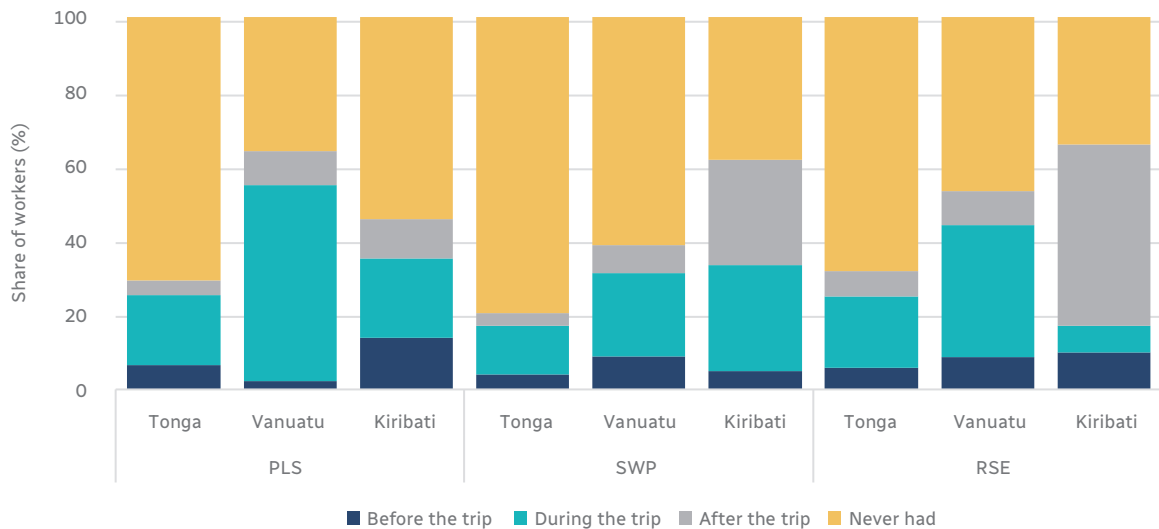


**FIGURE 60. Workers' health symptoms since arriving in host country**



The majority of workers had been given more than two doses of COVID-19 vaccines, and most workers reported they had never been infected by COVID-19 (Figure 61). Workers are vulnerable groups, often coming from places where there are low infection rates and living and working within close range of each other in the host countries. The share of labor mobility workers receiving the second vaccine dose (95.59 percent) is almost as high as the national average in Australia (96.2 percent) and higher than in New Zealand (89.3 percent). At the time the survey was carried out, vaccine mandates by the governments of Australia and New Zealand had ended.

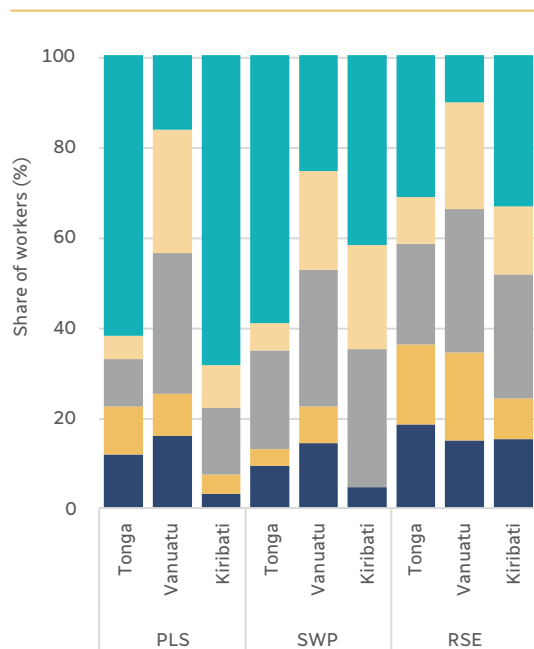
**FIGURE 61. Workers' COVID-19 infection**





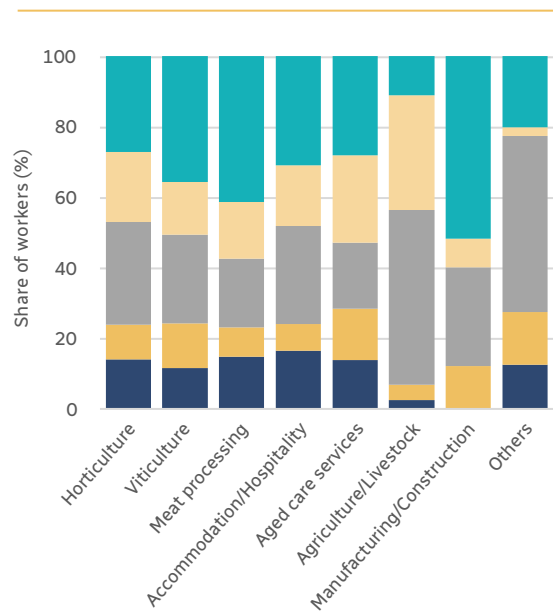
**Workers were offered assistance from the governments of Australia and New Zealand and employers in relation to COVID-19 prevention costs, although this varied and many costs fell on to workers.** Support from employers and governments included supplementary cash, grocery vouchers, safety wear, and testing. Workers on the RSE scheme in New Zealand more often reported receiving assistance than those in Australia under SWP and PLS schemes (Figure 62). A high proportion of Tongan and i-Kiribati workers on the PLS scheme reported not receiving any assistance, including more than half of those working in aged care services. However, the PLS ni-Vanuatu cohort reported receiving a variety of assistance, with only a minority who did not receive any support. COVID-19-related expenses paid for by the workers were more likely to be pre-departure and arrival testing, as well as quarantine in the host country before work (Figure 64). For workers required to quarantine prior to their work contract starting, more than half in the agriculture sector experienced a loss of earnings.

**FIGURE 62.** Assistance related to COVID-19, by scheme



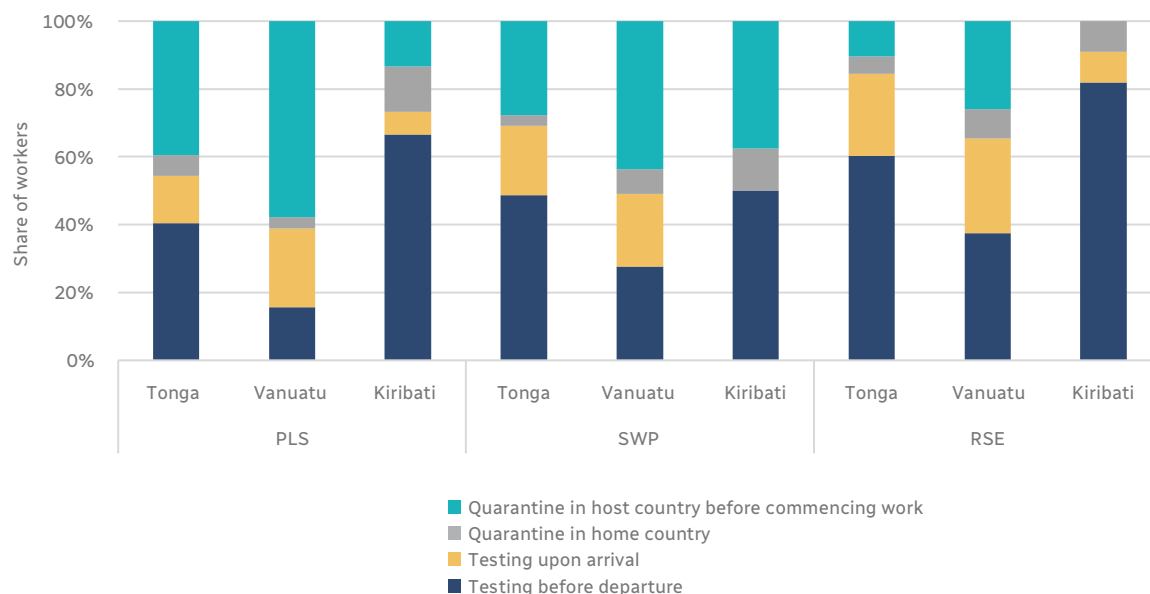
- None
- Testing payment
- Health protective equipment
- Supermarket vouchers
- Extra cash

**FIGURE 63.** Assistance related to COVID-19, by industry



- None
- Testing payment
- Health protective equipment
- Supermarket vouchers
- Extra cash

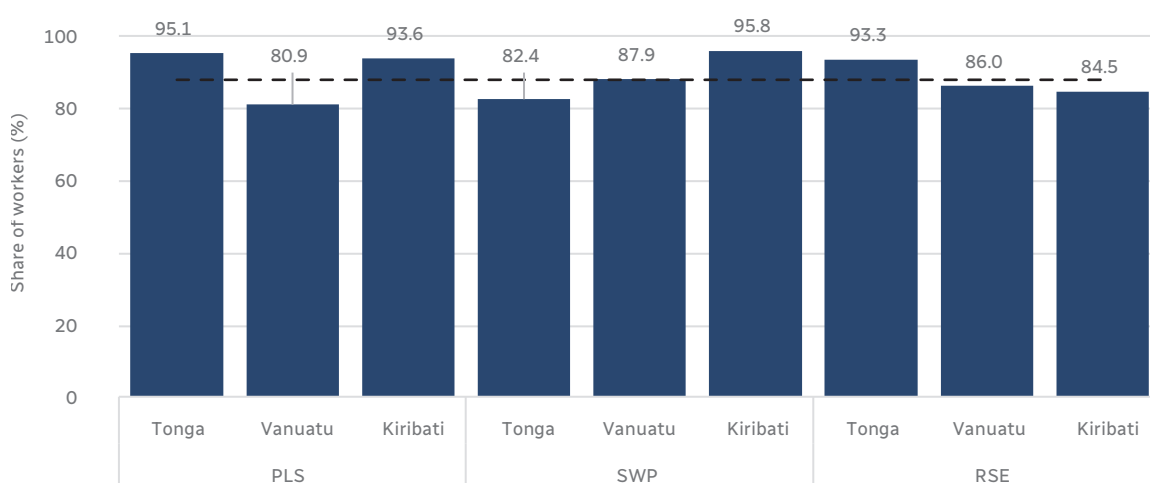
**FIGURE 64.** Workers' expenses related to COVID-19 health measures



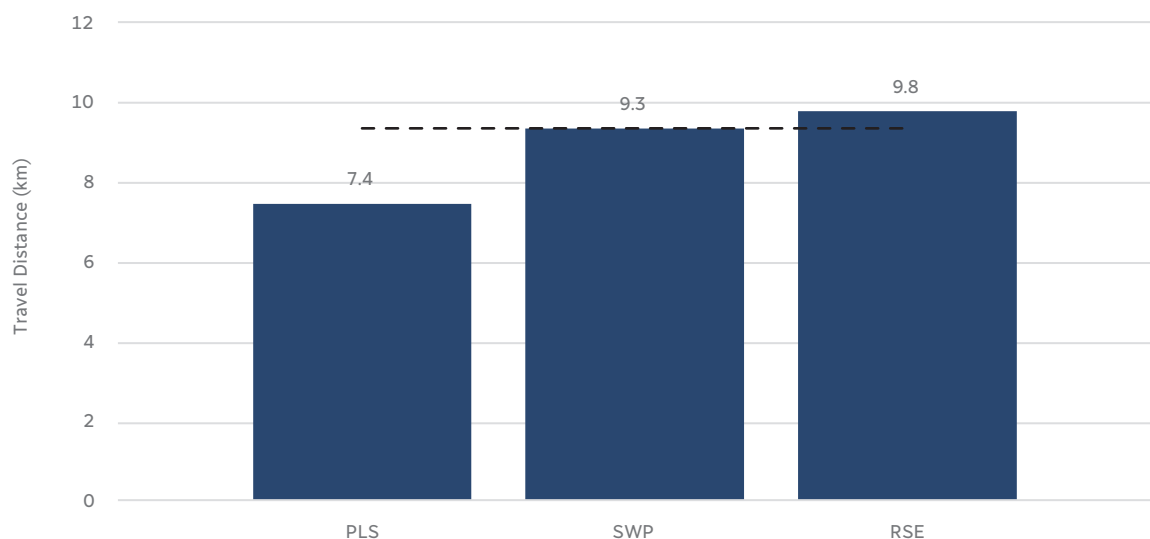
### 5.3 Worker Accommodation and Living Conditions

**Most workers are very satisfied with their accommodation conditions** (Figure 65). This is a critically important finding, as accommodation has been a principal area of public concern and criticism of the schemes. Overall, the vast majority of workers (over eight out of ten) are satisfied with their accommodation, although the specific proportion varies moderately across the schemes and nationalities (Figure 65). The average lodgings provided are located under 10 km from the workplace, with an average commute time of under 25 minutes (Figure 66 and Figure 67). PLS workers have the shortest commute to the workplace, an average of 15.6 minutes (7.4 km). SWP and RSE workers travel on average for 24 minutes and 31 minutes, respectively.

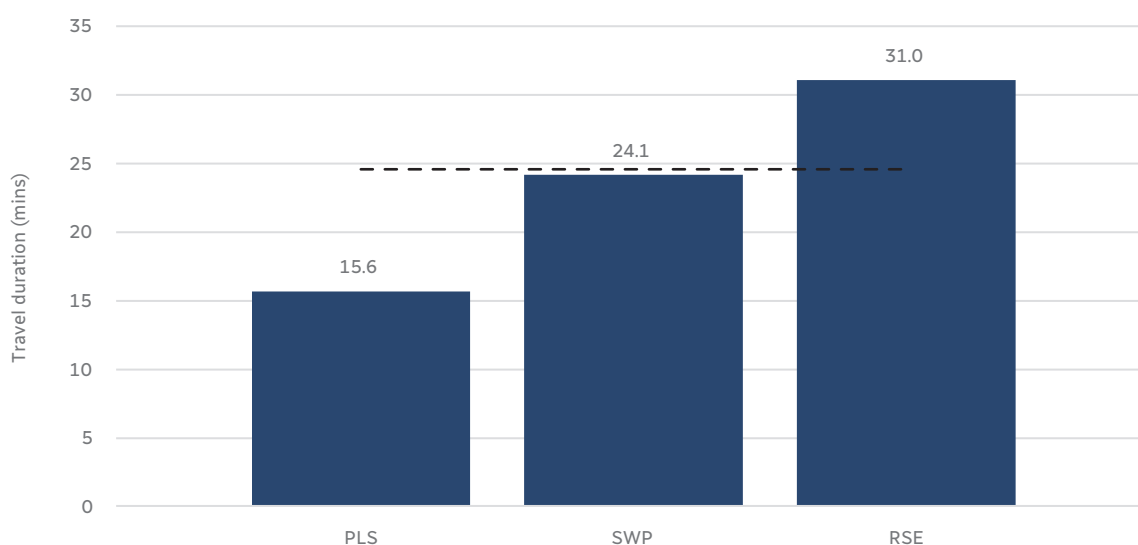
**FIGURE 65.** Share of workers satisfied with accommodation in host country



**FIGURE 66.** Average distance from accommodation to workplace

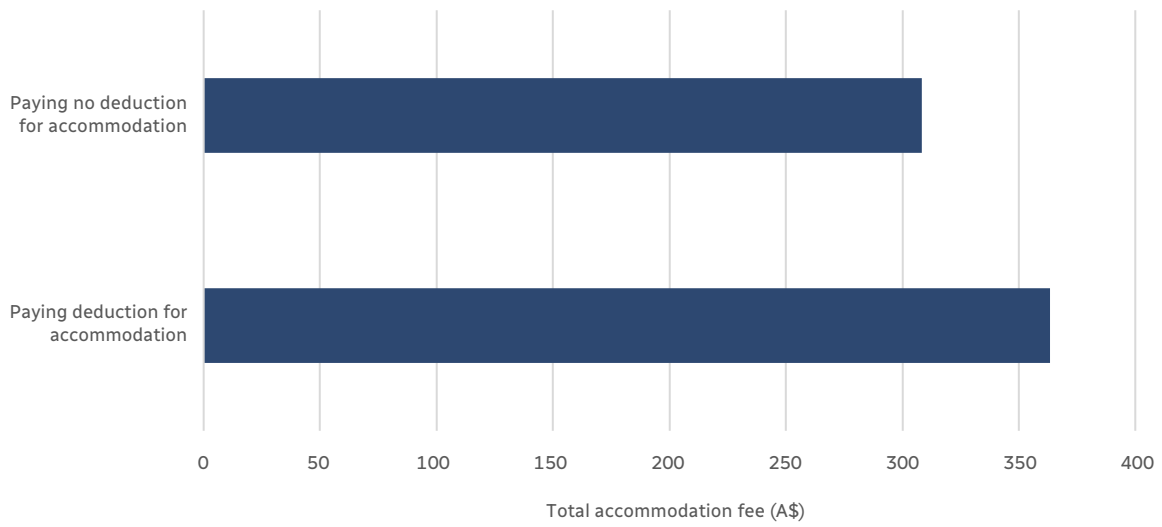


**FIGURE 67.** Average travel time from accommodation to workplace

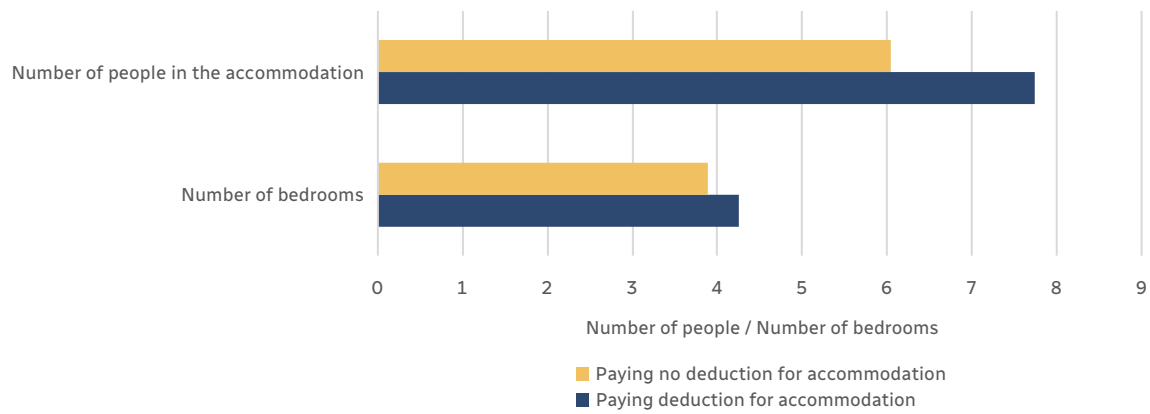


**Some PALM workers appear to be aware of, and exercise their option to, manage their own housing affairs, as proxied by their housing deductions going to zero.** Specifically, about 10 percent of PALM workers across the SWP and PLS report zero housing deductions, and a significantly larger proportion of PLS workers do. As shown in Figure 68, those who appear to opt out of employer deductions for accommodation tend to save money on housing costs, about \$A 50 a month. At the same time, they are living with fewer people, in slightly smaller houses (Figure 69), with a shorter commuting time (Figure 70).

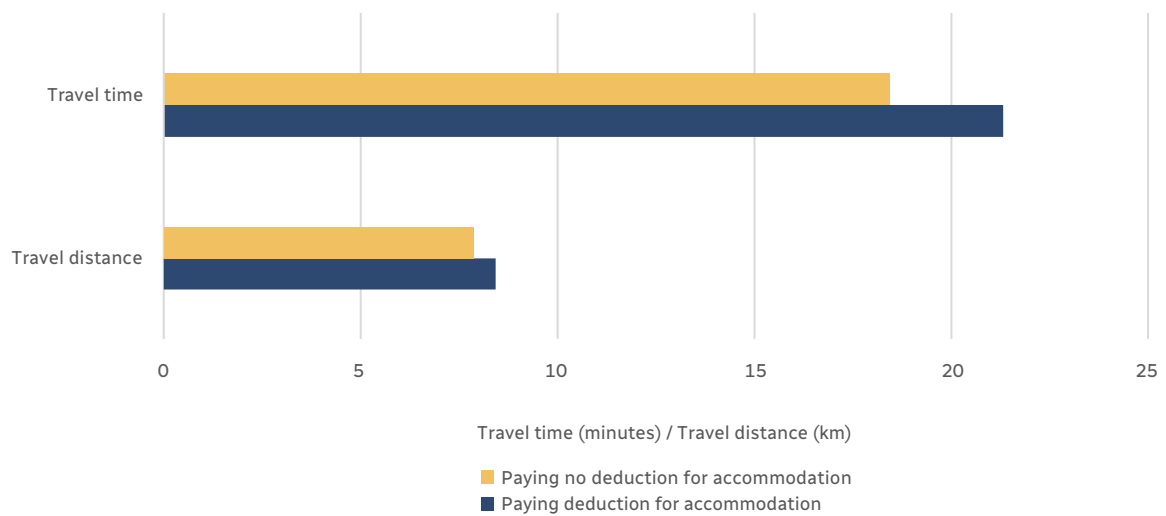
**FIGURE 68.** Accommodation expenses of PALM workers



**FIGURE 69.** Dwelling conditions of PALM workers

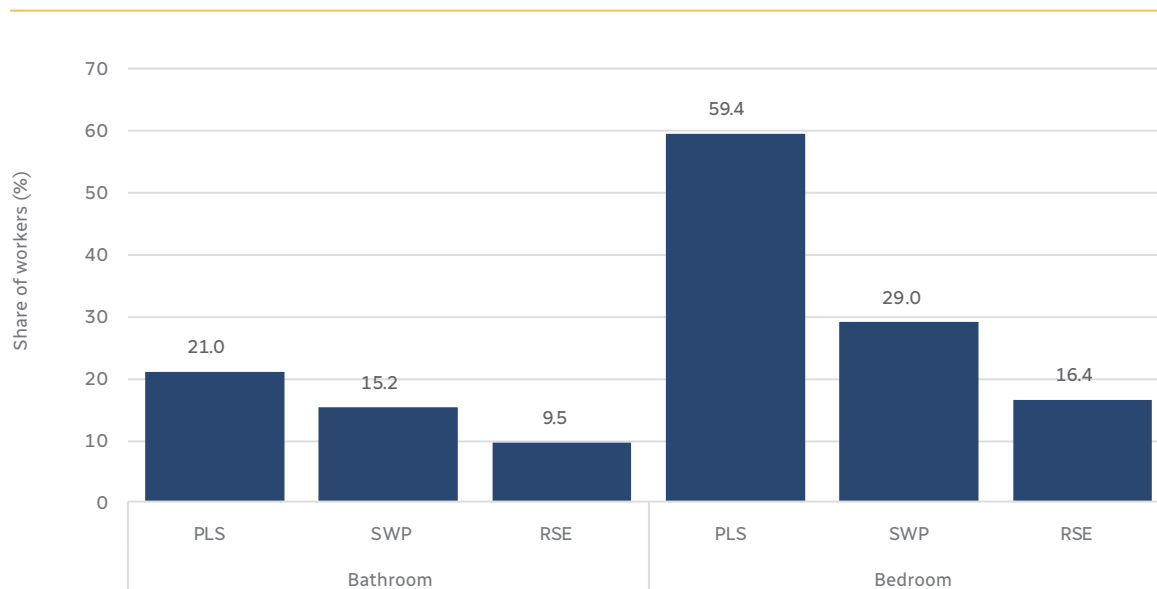


**FIGURE 70.** Travel time and travel distance of PALM workers

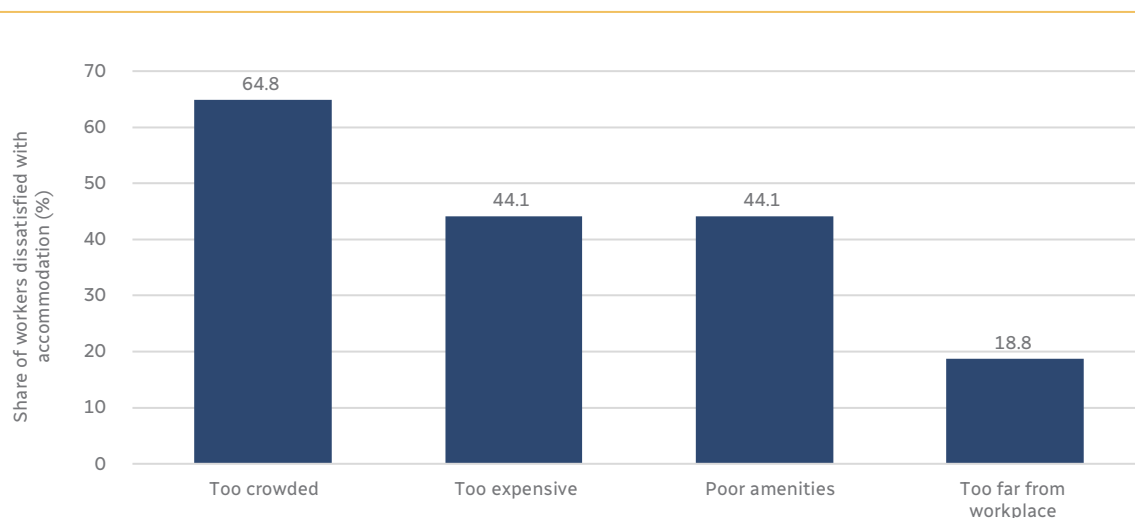


**For the one in 10 workers expressing some degree of dissatisfaction with their living conditions, they usually cited overcrowding and a lack of amenities as their main concerns (Figure 72).** High rent is also a concern for 20–40 percent of the dissatisfied PLS and SWP workers in Australia. Across all workers, very few have private bathrooms, with 90 percent of RSE workers only having access to a shared bathroom and 80 percent of PLS workers also sharing bathrooms (Figure 71). Most workers on SWP and RSE have shared bedrooms, less than 20 percent of RSE workers have a private room and 59 percent of PLS workers (who are on four-year contracts) have private bedrooms. RSE accommodation units tend to house the most workers (an average of nine workers), SWP accommodation units typically house less than six workers, and PLS accommodation generally houses eight workers, although i-Kiribati PLS workers reported higher numbers on average (Figure 73).

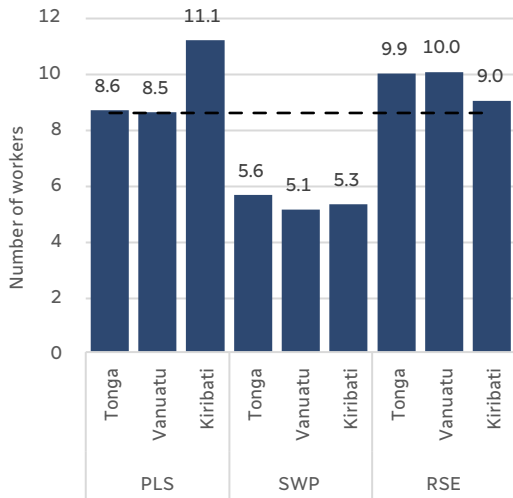
**FIGURE 71.** Share of workers having private rooms



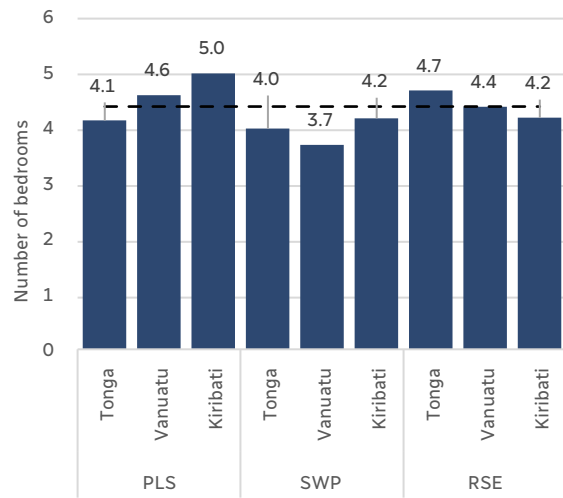
**FIGURE 72.** Reasons for dissatisfaction with accommodation



**FIGURE 73.** Average number of workers in one accommodation unit



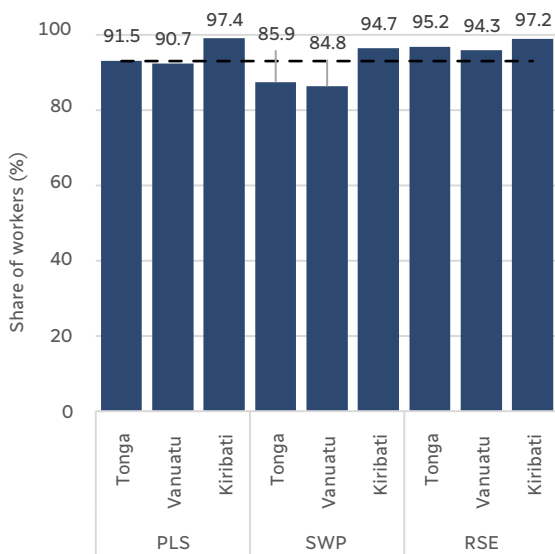
**FIGURE 74.** Average number of bedrooms in one accommodation unit



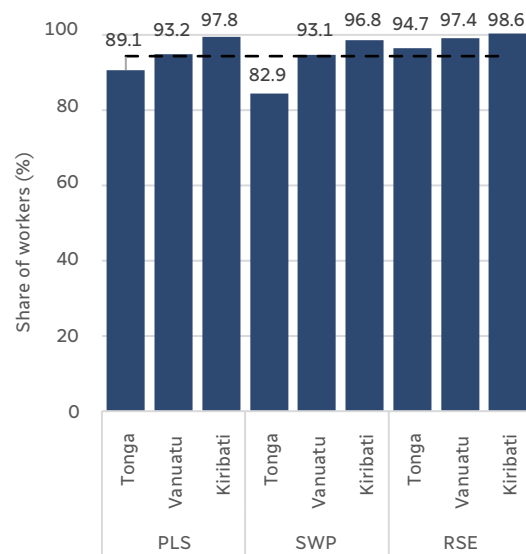
## 5.4 Relationships with Employers

The vast majority of workers across all schemes and nationalities report receiving fair treatments during their work placement. More than nine out of 10 PLS and RSE workers, as well as i-Kiribati workers in the SWP, report being fairly treated by their employers. The figures among Tongan and ni-Vanuatu SWP workers are moderately lower at about 85 percent (Figure 75). More generally, they also report being fairly treated in their host country (Figure 76). Amongst the three sending countries, Tongan workers have the lowest reported rate of fair treatment in their host country as well as some of the lower perceptions of fair treatment by their employer.

**FIGURE 75.** Share of workers reporting fair treatment by employers

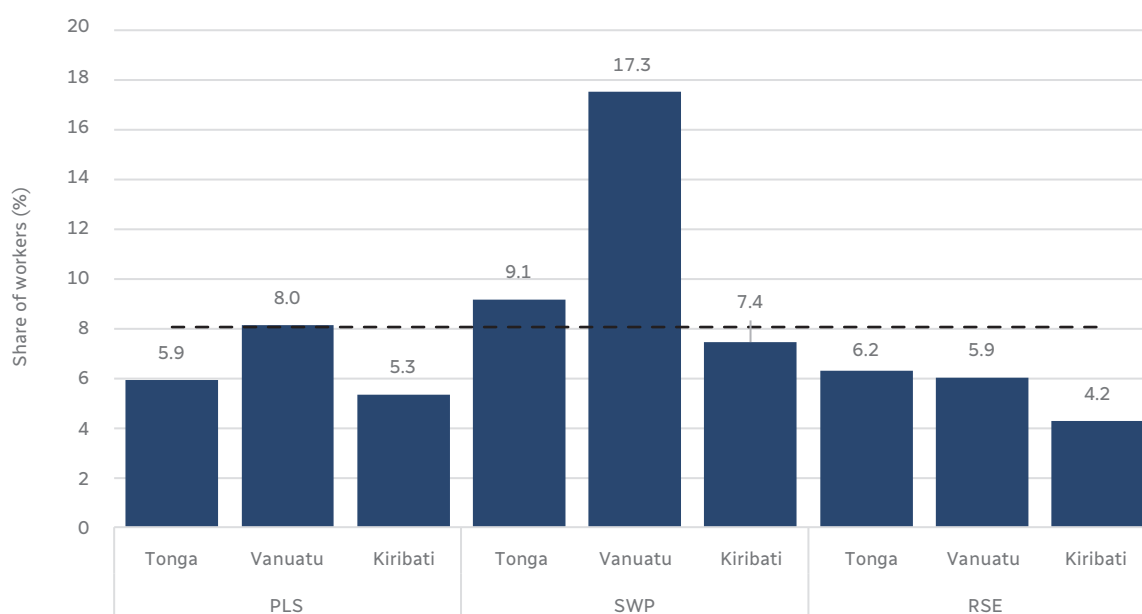


**FIGURE 76.** Share of workers reporting fair treatment in host country



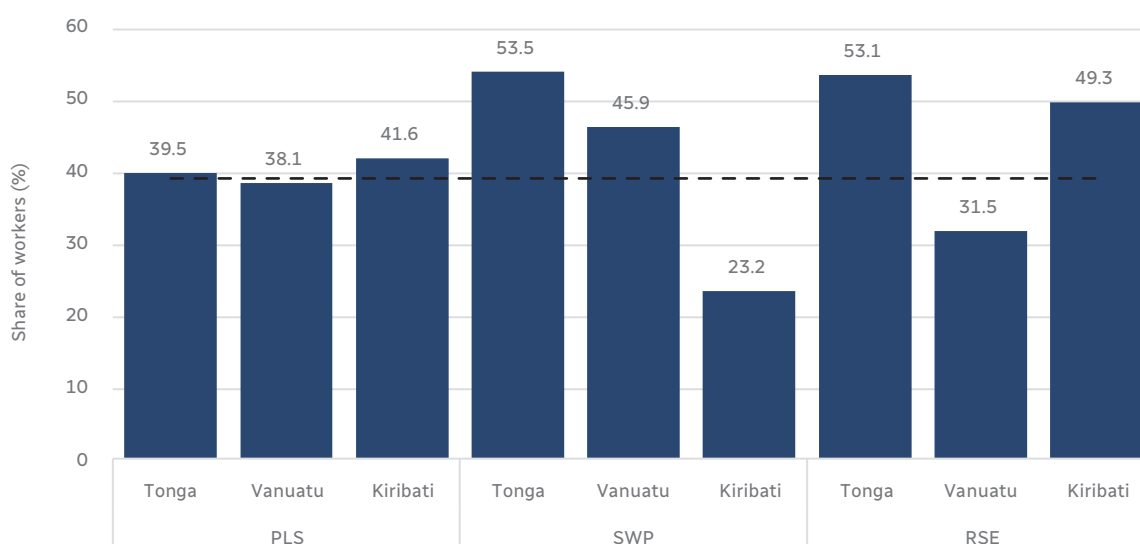
**A small but noteworthy portion of workers reported having had disagreements or conflicts with their employers.** This is most prevalent within the SWP worker cohort, who also have the lowest perception of fair treatment from their employers. Incidences of disagreements or conflicts were most often reported by ni-Vanuatu SWP workers, at 17.3 percent (Figure 77). While the PLMS did not collect information on reasons for these disagreements/conflicts, their likelihood appears to correlate with how the workers are employed. A major share of those who reported disagreements/conflicts were employed by labor hire companies. Such companies act as the legal employer, but day-to-day management and supervision of workers comes from the actual employers who the workers are assigned to and work for. In contrast, a direct employer is responsible for all the supervision, legal and pastoral care of their workers. Perhaps recruitment and employment arrangements could play a role in explaining the higher rate of worker-employer conflicts in the SWP scheme, but further information and investigation would be needed to better understand what influences the relationship between workers and those who employ them.

**FIGURE 77.** Share of workers having disagreements or conflicts with their employers



**Across all schemes and nationalities, nearly 40 percent of workers expressed a preference to work for a different employer within the scheme (Figure 78).** Before COVID-19, it was extremely rare for workers to change employers during their placements and it was a core tenet of the program, being a sponsored visa, that this does not happen. However, redeployments became common following the onset of the pandemic; as a result, the average number of employers for each worker in the survey is about two. While disagreements and conflicts with current employers could increase their desire to switch to a different one, poor relationships with employers do not explain, at least fully, the large proportion of workers wanting to switch. Tongan workers across schemes, who are less likely to report conflicts and more likely to reported being fairly treated by their employers than their ni-Vanuatu counterparts, are much more likely to change employers, if given a chance. Also, RSE workers, especially Tongan and i-Kiribati, have extremely high rates of reporting fair treatment and low rates of conflict with employers, yet they expressed the highest desire to work for an alternative employer.

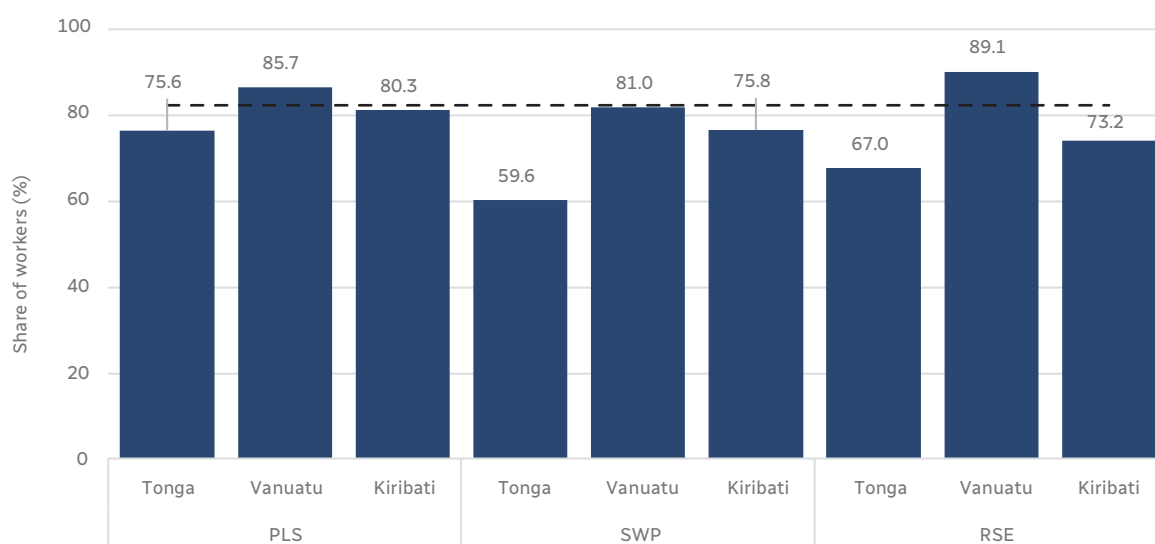
**FIGURE 78.** Share of workers preferring to work for an alternative employer



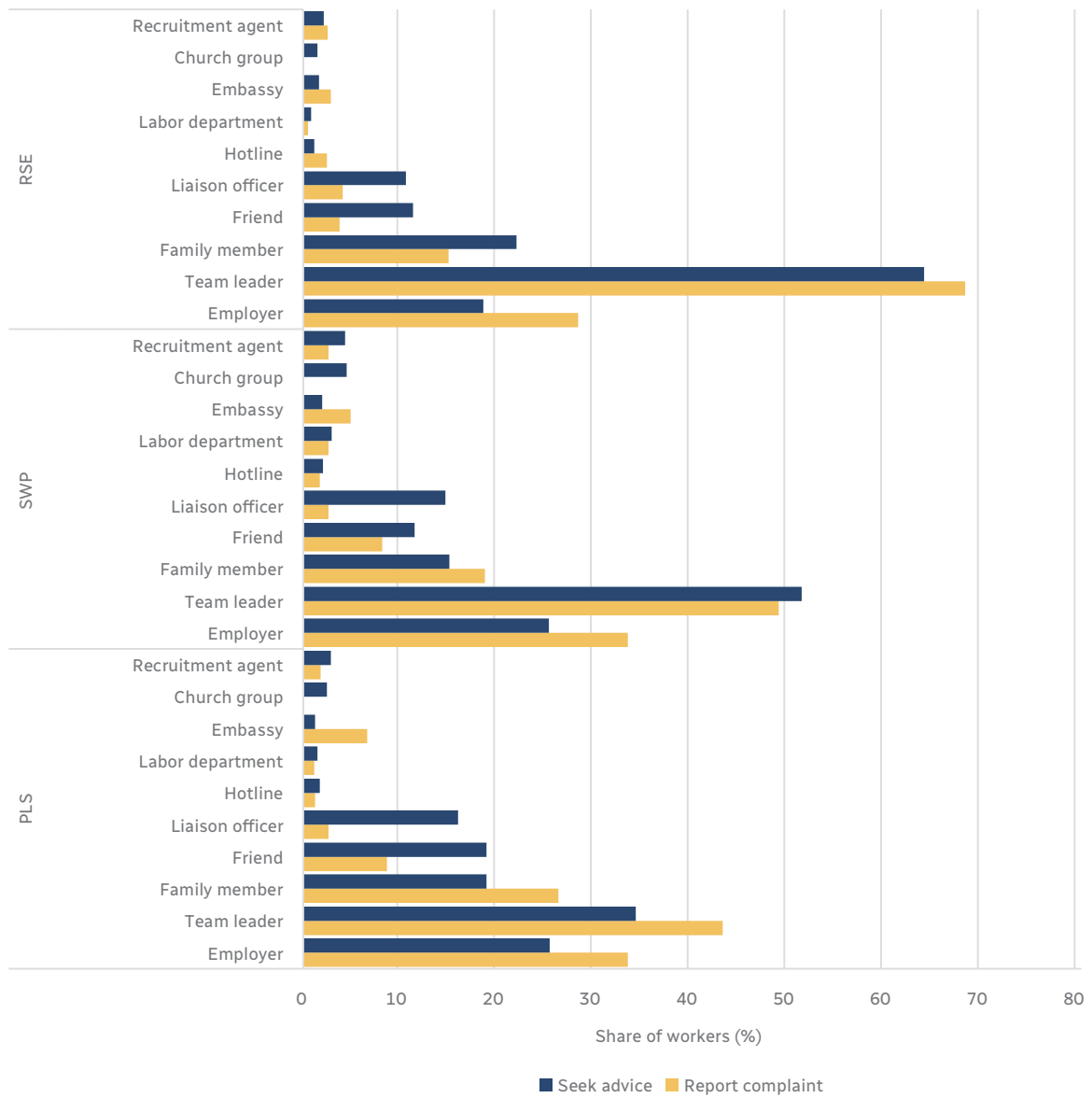


**When these issues do arise in the host country, workers tend to seek help from those who they can easily reach out to.** Most workers know who to contact for advice or support (Figure 79). However, Tongan workers, especially those in the SWP, have the lowest level of awareness of where to seek help – a notable finding given the relatively strong labor sending arrangements in Tonga. Team leaders were the most common source of advice across all schemes, especially for workers in New Zealand on the RSE (Figure 80). Employers are also an important source, followed by family members and friends. Country Liaison Officers also offer valuable support, however their individual contact with the workers is less consistent and their responsibilities so far reaching they may have little time to provide for all the workers’ needs. Given that the workers prefer to engage with their team leaders, more awareness is needed to inform the team leaders and employers on these alternative channels for conflict resolution. The Australian and New Zealand governments both provide helpdesk services offering free advice and assistance to labor mobility workers concerning their rights and obligations.

**FIGURE 79.** Share of workers who are aware of who to ask for advice or help from



**FIGURE 80.** Where workers would report a complaint and where workers would seek advice or help



### **Box 5: Absconding in the PALM scheme**

**During the COVID-19 pandemic, there was an increase in PALM workers leaving their place of employment while in Australia – disengaging with (absconding from) their sponsoring employer.** At some points in time, the share of workers in this situation was estimated to be as high as 10 percent. When Australia experienced a shortage of seasonal workers during border closures, it was common for farmers and labor-hire contractors who were not Approved Employers under the SWP to lure SWP workers to work for them. There are additional anecdotes of some workers leaving, hoping for more favorable climates or longer hours (Bailey, 2020). There is, however, a lack of comprehensive data on the issue, and the PLMS was not designed to delve deeply into it. Workers who had absconded were not explicitly factored into the survey design, though a very small number did end up being included in the survey.

**Disengaging/absconding is illegal as it is a condition of the temporary visas that the visa holder work for the sponsoring employer.** Reasons for disengaging/absconding are varied. They include both push and pull factors: on the one hand, worker mistreatment; on the other, a desire to pursue better (more remunerative and less restrictive) opportunities. There is no agreement on which motivations are dominant.

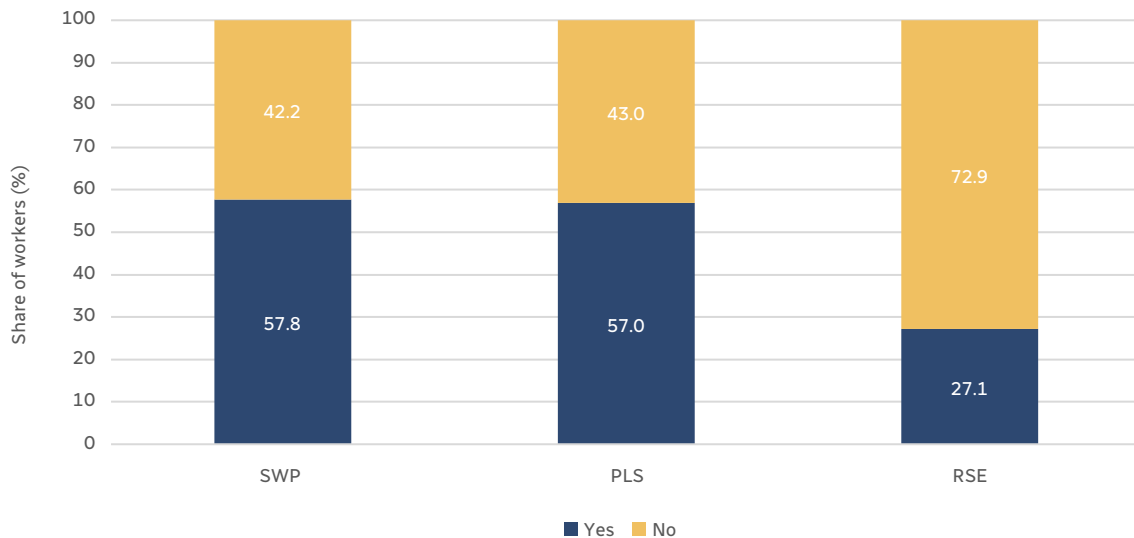
**Absconding in Australia is often associated with asylum claims, which take a long time to process.** While waiting for their claims to be processed – usually years, not months – asylum seekers are granted work rights, for any employer, and access to Medicare, which PALM scheme workers have long expressed an interest in. About half of all absconders are estimated to seek asylum, and practically all asylum claims from PALM-participating countries are rejected (Howes, 2022). According to official data from the Department of Home Affairs, the number of asylum claims from major PALM-participating countries continues to increase (Department of Home Affairs, 2023a).

**Absconding is much less common in the RSE scheme and not viewed as a major problem, despite workers in New Zealand having the same opportunities to leave their employers or seek asylum as workers in Australia (Bedford, 2022).** New Zealand has some notable operational differences, including widespread export industry certification (and the risk of losing certification if there are any forms of exploitation in the supply chain), major fines for employers whose workers leave, and the fact that the country is smaller which makes it easier to find and deport people. Very importantly, New Zealand does not have a long backlog in processing asylum claims, which means asylum visas function as de facto work visas – more flexible and attractive than PALM scheme visas. RSE workers could lodge a claim for refugee status, but would receive a decision within a few months.

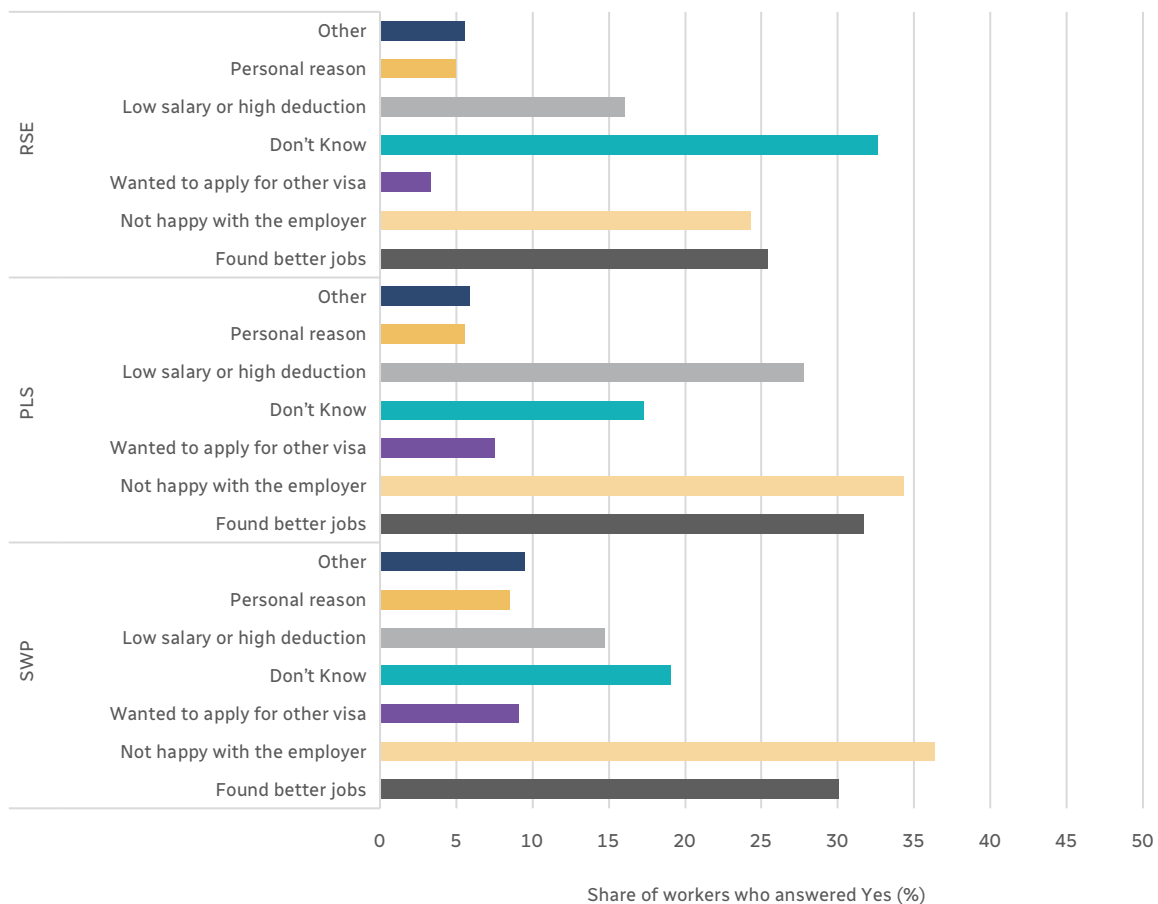
**The PLMS, although not designed to investigate this issue, does offer some interesting new angles on it.** RSE workers do have lower rates of reporting conflicts with employers and higher rates of being treated fairly by employers, which may additionally contribute to New Zealand’s relative success with the issue.

**Workers in the PLMS were asked whether they knew of anyone who had left their scheme to work somewhere else to try and gauge how widespread the issue is.** Nearly half of the interviewed workers knew such a person: about 58 percent among PALM workers and 27 percent among RSE workers (Figure 81). The survey also asked workers about the reasons for disengagement. Figure 82 plots the results. The most common responses for PALM workers were finding better jobs and not being happy with their employer. For RSE workers, the most common response was “don’t know”, followed by the same two main responses as for PALM. Interestingly, dissatisfaction with deductions is a much more common response for those that left the PLS component of PALM than for those that left the SWP component, consistent with the higher deductions share for PLS workers.

**FIGURE 81.** Share of workers who heard of another worker who left to work somewhere else



**FIGURE 82.** Why did absconding workers leave their job?





# Chapter 6: Recommendations

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**Participation in the three labor mobility schemes delivers both major economic gains and net social benefits.** Findings from the PLMS presented in this report provide evidence for these benefits through an in-depth and up-to-date examination of the impacts of the schemes on participating workers and households, while also touching on implications for communities and Pacific Island economies. Collectively, the findings of the first wave of the PLMS make a strong case for the expanded growth of these schemes. Notwithstanding this, the schemes are not without issues and challenges and there are many opportunities for improvement.

**Findings from the PLMS presented in this report point to three broad areas for improvement.** The first is a new expansion agenda for Pacific labor mobility: expanded growth and improved equality of opportunity to participate, especially across countries, and amongst women. The second is building on recent reforms to continue to address worker welfare concerns while not undermining schemes' growth. The third, relates to strengthening evidence, transparency, and the learning agenda, as well as ensuring data, evidence, and rigorous evaluation inform investments in, and improved design of, labor mobility schemes. Recommendations below are presented in these three categories.

## 6.1 Expand Opportunities, Especially for Women

The labor mobility schemes examined in this report have multiple objectives, aiming to satisfy labor shortages in host countries while benefiting participating workers, their households, and sending countries. Employer demand for workers is clearly important: it is an employer's need for workers, and their subsequent offer of a contract to workers, which underpins employment under these schemes. However, development impacts also motivate government support for such migration, both in host and sending countries. Ensuring that an increasing number of opportunities are shared in a way that is sufficiently equitable is also important for the long-term prospects and impacts of labor mobility schemes.

### *Recommendation 1a. Introduce a scheme in New Zealand that is equivalent to the Pacific Labour Scheme*

The PLMS is the first extensive data collection exercise on the Pacific Labour Scheme since it was introduced in 2019. From an initially slow start, the scheme has now proven popular and the evidence presented in this report suggests that it is as successful as the SWP and RSE, with additional benefits in that it provides opportunities to a wider set of employers, gives them more stability in their workforce, and offers workers more stable, longer-term employment.

Building on the success of the PLS in Australia, New Zealand should consider introducing a long-stay companion scheme to the RSE scheme, mirroring the PLS, to help address its workforce challenges and provide better opportunities to Pacific countries.

### ***Recommendation 1b. Remove or limit the specified work requirement for Working Holiday Maker backpacker visas in Australia***

The findings presented in this report highlight the relative success of these three schemes and strongly support their further growth. The primary unresolved issue for SWP demand – and future scheme growth – in Austra remains the existence and promotion of alternative, poorly regulated work visas. Backpackers are incentivized to undertake specified work, most commonly in regional or remote areas in seasonal horticulture, to extend their visa for a second or third year. With few safeguards put in place, several high-profile government inquiries have found that the specified work requirement is a key driver of worker exploitation.

Due to competition with backpackers as a relatively flexible source of labor, the comparatively tightly regulated SWP has historically struggled to gain traction with employers, limiting the growth of the program and undermining labor conditions across the sector.

The Australian Government should consider abolishing or limiting the specified work requirement for backpackers, to encourage the SWP as a dedicated visa program to address shortages of low-skilled workers. There is growing momentum to reconsider this requirement, with a recent Review of Australia's Migration System (Department of Home Affairs, 2023b) recommending that the duration of backpacker visas be limited to one year. Specified work requirements for backpackers from the UK have been removed entirely as a part of a free trade deal, allowing a three-year stay without specified work. World Bank (2017a) recommended the same.

While abolishing specified work altogether may be too unpopular, there could be other ways to impose limitations. For example, the ability for backpackers to gain a third-year extension after six months of specified work, a relatively recent addition, should be reconsidered.

### ***Recommendation 1c. Carefully monitor employer demand in both countries***

Any policymaker and analysis must also recognize the likely tradeoffs between making the scheme better for participating workers (for example, with minimum hours, an income floor, or more mobility) and making it bigger, which requires it be made more attractive to employers. The scale of the gains achieved to date, and the success of the schemes in protecting worker welfare amidst a period of rapid growth and turmoil (including a global pandemic) – both demonstrated by the survey findings presented in this report – suggest that preserving and increasing current participation levels should be a priority. Any regression would likely be harmful for participating countries.



Against strong recent growth, both Australia and New Zealand have undertaken major reforms focused on improving the worker experience and protecting worker welfare, undoubtedly important and discussed in more detail below. However, it will be important to carefully monitor employer demand in response to major policy changes, which have the potential to shift not only the overall attractiveness of the programs for employers but also the types of employers and types of work that the program is most suited for (Curtain et al., 2018). For example, the minimum requirement of 30 hours of work per week, every week, will likely filter out the supply of more volatile seasonal jobs. Higher compliance costs may also have a greater relative cost for smaller direct employers, and inadvertently shift the balance of participants further towards major labor hire companies. If policy changes are found to significantly undermine or reduce participation in the scheme by employers – both in terms of the number of employers or workers sought – they should be promptly reversed.

### ***Recommendation 1d. Expand opportunities for women***

Employment of Pacific workers is generally reflective of broader gender imbalances within the host country's workforce. Gender biases towards certain types of work being more suitable for men or women are pervasive in both host and sending countries, which directly impacts recruitment patterns. These norms and expectations can influence both Pacific women's decisions to participate in labor mobility, and employers' willingness to hire women in the first place. While the survey data presented in this report and in-depth interviews of Pacific workers and key community informants (World Bank, 2023) suggest that participation in labor mobility schemes by women is shifting these gender norms, such changes generally take time (Edwards, 2023).

Experience from government-facilitated recruitment using work-ready pools suggests that sending countries can purposefully counter recruitment bias and increase female recruitment. Both Papua New Guinea and Tonga have significantly increased recruitment of female workers in this way. Kiribati has done the same, in the case of the RSE.

Another way to expand work opportunities for women is to expand opportunities in sectors that are dominated by women. In Australia, 28 percent of meat, poultry, and seafood processing workers are women, compared to 80 percent of aged and disabled carers. This survey finds that workers in care sectors received higher pay, in line with the higher required skill level, with obvious positive implications for gender pay gaps. In the Australian context, removing the postcode restrictions for aged care workers could encourage uptake. In New Zealand, while the care sector has been considered as a possible sector for a future Pacific program, there have not yet been plans to implement any new arrangements.

Family accompaniment for long-term workers in Australia is another mechanism that will likely expand working opportunities for women. This would address worries expressed by many women about reputation and responsibilities towards young children and elderly parents, which have acted as deterrents to their decision to work overseas. In addition, the ability to bring families to Australia while working may encourage more women to participate in the program, by minimizing any potential social harms associated with family separation. A World Bank report undertaken in parallel with this study makes more specific recommendations to increase employment opportunities and improve experiences amongst Pacific women migrant workers (World Bank, 2023).

### ***Recommendation 1e. Diversify participation amongst labor-sending countries***

A key way to expand opportunities is to enhance the participation rate of countries with lower levels of participation, particularly larger sending countries like Papua New Guinea, the Solomon Islands, and Timor-Leste which have low levels of participation compared to domestic population size. Doing so will also naturally reduce the pressure in certain countries with a larger share of their working age population abroad currently dealing with rapid social change through this transition. While the schemes are ultimately demand-driven and each sending country may need to work on specific aspects of their recruitment and selection process to improve responsiveness to employer needs, policy settings can also encourage employers to recruit from a more diverse range of countries.

Expansion into new sectors should target recruitment and training opportunities towards underrepresented countries or groups. Australia's PLS has, so far, been successful in increasing employment opportunities for a broader range of Pacific countries, like the Solomon Islands and Fiji. This experience could hold lessons for New Zealand's future plans to introduce new Pacific programs in similar sectors.

### ***Recommendation 1f. Labor sending countries should look beyond the PALM and RSE schemes to diversify migration opportunities for their citizens***

There are opportunities beyond Australia and New Zealand which warrant examination by Pacific Island governments – particularly where bilateral labor mobility arrangements can be established. Migration under other low- and semi-skilled channels is already happening to some extent: a small number of Solomon Island workers are employed in Canada, for example, while Timor-Leste has successfully sent workers to Korea under the Employer Permit Scheme for many years. Other parts of the Pacific have current labor demands (for example, the Cook Islands) that could also provide opportunities for workers within the region. New pathways should be further explored by other interested countries to increase competition for workers and maximize the benefits of labor mobility, including through compact agreements (Curtain et al., 2022).

## 6.2 Boost Worker Welfare in Host Countries

The findings of this survey are reassuring in relation to worker welfare. There has been considerable media focus in recent years, especially so in the last 18 months, on the exploitation of Pacific Island workers participating in labor mobility programs in Australia and New Zealand. Reporting has generally focused on specific cases of mistreatment. Common issues raised include excessive wage deductions, inadequate accommodation standards, and poor worker health and safety. Yet in the study's large sample of workers, only 7 percent expressed dissatisfaction with their current employment, with all three schemes receiving an average satisfaction rating of 8 out of 10. Most workers (over 90 percent across all the schemes) reported that they are treated fairly by both their employer and the country in which they work.

At the same time, the survey does point to issues in some areas, suggesting that there is scope for improvement. Of particular concern is the large number of workers that consider salary deductions to be unfair or excessive. While varying between schemes and countries, between 25–65 percent of workers felt this way. Dissatisfaction with salary deductions is especially prevalent amongst ni-Vanuatu workers. Other issues picked up in the survey include:

- Restrictive nature of schemes: 35 percent of all workers find the visa requirements too restrictive, with Tongan workers more likely to be of this view. Tongan workers were also much more likely to want to work for a different employer, with 53 percent of Tongan workers in the RSE and SWP wanting to do so.
- Earnings below expectations: Amongst the small group of dissatisfied workers, lower earnings than expected were the main complaint, especially amongst dissatisfied SWP workers.
- Accommodation issues: While overall satisfaction with accommodation is high, amongst dissatisfied workers a lack of amenities and overcrowded accommodation were common complaints.
- Pathways to permanent residency and the impacts of repeat migration: The vast majority of PLS workers plan to return to Australia to work for another four years (more than 88 percent across all three countries). Across the schemes, a large share of i-Kiribati and Tongan workers (70 percent and 88 percent) would move permanently to Australia with their families if given the choice.

### ***Recommendation 2a. Address dissatisfaction with salary deductions***

It is critical that potential workers are fully informed and have realistic expectations about their future work in Australia or New Zealand. Pre-departure briefing is important. So is ensuring that key conditions and information (pay, hours, deductions, location) are provided to the worker, in a language the worker understands, whether in a written or oral format.

In addition to improving understanding of deductions and ensuring informed consent for these, there is also a case for examining how costs borne by workers can be reduced. Deductions are made for a range of goods and services provided to workers before and during their stay in the host country. These are somewhat regulated in both Australia and New Zealand, though there is scope for improvement, including through increased clarity and compliance. Cases of worker mistreatment covered in the media often involve deductions perceived to be excessive or unfair, suggesting a need to prioritize: (1) implementation of these rules through enhanced oversight and inspection arrangements; (2) education of workers; and (3) clear complaints mechanisms.

New models of managing deductions also have the potential to empower workers and reduce the workload for employers, and should be further explored in both host countries. This survey finds that half of the workers who were unhappy with salary deductions were keen to take on responsibility for expenditures which are currently managed by employers and then deducted from salaries, for example for accommodation and transport. Overall, 36 percent of all workers currently paying deductions would choose to take on responsibility for expenditures themselves. While in principle, workers in both countries are currently able to withdraw consent to have deductions taken from their payslips, this remains uncommon in practice, so ensuring workers are aware of and comfortable exercising these options is important.

While recent reforms ensure that employers now need to provide accommodation for 12 rather than three months for PLS workers, PALM workers have always been free to choose their own accommodation and opt out of employer accommodation at any time (or any deduction, with appropriate notice given as per Australian law). Approximately 10 percent of PALM workers exercise this option, as proxied by their accommodation deductions going to zero. Those who pursue this option end up saving money, living with fewer people, in smaller houses, and saving on travel time, suggesting a need for more awareness and promotion to increase uptake of this option. In general, as much freedom as possible should be given to workers in relation to costs which, ultimately, they must bear.

### ***Recommendation 2b. Make it easier for workers to change employers***

Pacific workers are tied, via the conditions of their visas, to one employer. Although such a power imbalance makes workers intrinsically vulnerable to exploitation (ILO, 2022), the findings of this survey provide some reassurance that such exploitation is less widespread than often suggested. At the same time, the survey finds that between a quarter and a half of all workers surveyed would prefer to work for a different employer, highlighting some latent demand for greater worker agency and choice. Worker preferences to change employer do vary considerably between sending countries, schemes, and sectors.

There is a case for making it easier for workers to change employers. Both the New Zealand and Australian governments have moved in this direction through introducing portability and joint recruitment options, where workers are sponsored and hired by more than one employer, but these changes are completely initiated and managed by employers and host country governments, rather than workers themselves. Currently, virtually all worker movements respond to workforce demand rather than worker preferences. A recent review of Australia's migration system identified the sponsorship component of the PALM scheme as a key area for government consideration to reduce risks of exploitation of migrant workers (Department of Home Affairs, 2023b).

While existing sponsorship, employer, and pastoral care arrangements would make it difficult to completely liberalize the choice of employer, there are more ambitious measures that could be considered. One example could be to extend free choice of employment within a designated pool of vetted Approved Employers/Recognised Seasonal Employers in each country. This could be worth exploring on a trial basis within major horticulture regions, and would help to alleviate concerns of low work hours. Another option to explore could be to extend free choice of employer to long-term PALM workers after a minimum period of employment, once migration costs have been repaid – for example, allowing long-stay PALM workers to apply for other jobs after their first year of tenure.

Such reforms would need to be piloted or explored with care, as there are important trade-offs in program design that, if not managed carefully, could deeply undermine the programs' success. The first is the trade-off between worker movements: currently workers are tied to employers and firms are motivated to participate – but this is likely to fall by an unknown amount if their workers are free to leave. The second is between administration and compliance costs and motivation to participate: currently, firms clearly assess the benefits of participation as being greater than the rising costs, but many have voiced concerns about costs, and some have voted with their feet. There is a risk that these costs will disproportionately affect the smaller, family-run direct employers who are less able to manage the costs compared to large firms, farms, and labor hire companies.

### ***Recommendation 2c. Improve health insurance arrangements***

All Pacific workers under the three labor mobility schemes discussed in this report are required to maintain adequate personal health insurance on an ongoing basis throughout their placement as a condition of their visa. The COVID-19 pandemic and the associated increased focus on worker health has highlighted some of the gaps in this system.

This survey found that dental problems were overwhelmingly the most frequently reported health problem. It would be worth considering if baseline private health insurance could be extended to at least include emergency dental care for workers in Australia, as is the case in New Zealand (ILO, 2022). An issue not explicitly covered in the PLMS, but often raised in both worker and employer qualitative feedback, is insurance coverage of pregnancy: seasonal workers are not covered by public health care, and private health insurance often does not cover pregnancy straight away.

Concerns about pregnancy also contribute to employers' and recruitment agents' general preference toward male workers. Addressing such gaps should be a priority. In doing so, consideration should be given to providing public health care cover to workers, as is to be the case under the Pacific Engagement Visa in Australia and the deferred family separation pilot. Anecdotally, access to Medicare is reportedly a major pull factor for workers absconding from the PALM scheme, as they are entitled to Medicare under an asylum visa. Removing this incentive by providing Medicare to PALM workers may help address this problem.

### 6.3 Prioritize Data, Transparency, and Learning

Careful monitoring and evaluation can be a powerful means of improving labor mobility program implementation and outcomes, and is underpinned by the collection and availability of data. However, this alone is not sufficient. There is an opportunity to shift from the current approach which, at least in Australia, is very much based on traditional program monitoring and evaluation, to a more open approach based on rigorous evidence, transparency, and learning – especially as policy changes are explored with unknown consequences. Such a shift will depend on better data, greater data availability, and a concerted effort to build the understanding and appetites of policymakers and stakeholders to have their decisions informed by 'hard' data and evidence. Some specific measures that could help support this shift include:

#### *Recommendation 3a. Regularly survey workers and employers*

Large-scale surveys provide insights into the impacts of labor mobility schemes on workers, sending households, and communities, and therefore help to capture emerging issues and inform the design of labor mobility programs. Surveys are important for building an evidence base, and in doing so, can underpin support in both sending and host countries for temporary labor mobility.

The first wave of the PLMS, documented in this report, is the first large-scale, independent, and omnibus quantitative survey on Pacific temporary migrant workers and households. It, however, does not cover employers. Surveys of employers are helpful for understanding emerging challenges on the demand side, ensuring the programs can continue to be improved as circumstances change. Regular surveys, of both workers and employers, should be prioritized going forward.

#### *Recommendation 3b. Make data publicly available*

Survey data is only beneficial when it is used. Ensuring that all survey data – whether collected by governments, industry, or independent researchers – is publicly available in anonymized form encourages, and makes it easier to do, research and policy analysis on Pacific labor mobility schemes, reducing the barriers to growing the evidence base for policymakers.

Beyond survey data, other information on Pacific temporary migration to Australia and New Zealand should also be made publicly available where possible. At the most basic level, this will include administrative information on participants by sector, location, sending country, age, gender, contract duration, and similar information for Approved Employers. More frequent, even real-time, publishing of this information can help to inform research directions, promote accountability, and contribute to evidence-based policy, as well as help local communities in host countries plan for and support workers.

Program information, such as approved employers and visa details, could be better linked to other administrative data in receiving countries, as is now best practice internationally. New research leverages this capability in Australia (e.g., in the DataLab of the Australian Bureau of Statistics) and New Zealand, but these capabilities are not native to how the data are collected and stored.

In sending countries, it will be beneficial to make sure that household surveys and censuses include questions to identify households involved in labor mobility or with relatives abroad.

### ***Recommendation 3c. Establish a centralized worker contact database***

A previous World Bank report on COVID-19 and labor mobility (World Bank, 2021) recommended establishing a database with contact information for current and prospective temporary migrant workers, along with their families, to help to facilitate regular communication and outreach. While this recommendation was concentrated on responding to the crisis of the COVID-19 pandemic, such a system, which seems to be a first-order set of records from a migration governance and administration perspective, could also be useful for future natural disasters or emergency situations. It could help governments disseminate key information to Pacific workers, and could dramatically increase the ease of reaching these groups for monitoring and evaluation purposes.

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# Appendix A – Design and Implementation of the PLMS

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**The PLMS is designed as a longitudinal survey that provides comprehensive and updated information on Pacific migrant workers and households.** Previous surveys on Pacific migration, while useful, are often cross-sectional, focused on one migration scheme, country, or issue, and not readily available. These limitations restrict analysis of a range of policy-relevant issues that present themselves over the migrants' life cycle, such as those on migration patterns and pathways, long-term changes in household livelihood, trajectory of migrants' labor market outcomes and their children's well-being, human capital investment, and entrepreneurship.

**The PLMS overcomes limitations of existing data on Pacific migration with three key features.** First, its longitudinal design allows for examination of a range of issues that cannot be comprehensively addressed through cross-sectional data. To the best of our knowledge, the PLMS is the first panel survey of this nature in the entire Pacific region. Second, the survey sample includes a generous comparison group of non-labor sending households and detailed information on selection into migration schemes, migration history, social networks, and more. This would facilitate more rigorous research on Pacific labor mobility and migration, allowing comparisons closer to a causal interpretation. Third, the survey is omnibus in terms of both information being collected and sample coverage. The questionnaires cover a wide range of topics, including household demographics, education, labor, income, expenditure, remittances, migration, communication, social impacts, and gender. This fills data gaps and allows for analysis of a range of research and policy questions difficult to answer with available data. Also, by covering all three labor mobility schemes, as well as the two largest participating countries and one of the smallest and most remote participants, the survey allows for important comparisons across and within countries and labor mobility schemes over time. Finally, the Pacific is well known to suffer from 'data deprivation', with few household surveys per country and official data often difficult to access. The PLMS will be open access and freely available with a view to spur more research and positive change in the regional data ecosystem.

## Questionnaire Design

**The PLMS consists of a worker survey and a household survey, each with its own questionnaire.** The worker questionnaire includes 10 main modules: (1) socio-demographics, (2) health, (3) labor, (4) income and expenditure, (5) remittances, (6) migration, (7) communication, (8) COVID-19, (9) social impacts, and (10) gender. The household questionnaire has 14 main modules: (1) household roster, (2) socio-demographics, (3) education, (4) children, (5) labor, (6) non-labor income, (7) expenditures, (8) housing, (9) assets, (10) remittances from household members, (11) remittances from non-household members, (12) perceived impacts of labor mobility by labor-sending households, (13) perceived impacts of labor mobility by non-sending households, and (14) gender. The topics covered and questions asked were informed by past surveys on Pacific labor mobility, extensive stakeholder consultations, and emerging policy issues.

## Sample

**The first wave of the PLMS surveyed three groups of respondents.** The PLMS worker survey covered i-Kiribati, Tongan, and ni-Vanuatu workers who were working in the RSE and PALM schemes in New Zealand and Australia, respectively, at the time of the survey, as well as workers who had just finished their job placement in 2022 and returned home. The PLMS household survey covered: (1) labor-sending households in Kiribati, Tonga, and Vanuatu that participate in the RSE and PALM schemes – many of these households are matched to the workers interviewed in the worker survey; and (2) non-sending households in Kiribati, Tonga, and Vanuatu. Labor-sending households are households with at least one household member who was working in either the RSE or PALM scheme at the time of the survey, or who had worked in either of the schemes and had returned. Non-sending households are households without any household member participating in either the RSE or PALM scheme. These households might have members who had applied for but were not selected for any of the schemes. This report uses the terms 'labor-sending households', 'sending households', 'migrant-sending households', and 'participating households' interchangeably. Likewise, the report uses the terms 'non-sending households', 'non-participating households', and 'non-migrant households' interchangeably.

**The PLMS sample was designed based on a total survey error framework, seeking to minimize errors and bias at every stage of the process.** The sample frame used to design the worker sample is an extensive list of approximately 11,600 workers who were participating in the RSE and PALM schemes. The list was built from diverse sources of information and has been kept strictly confidential. The sample frame used to design the household sample is a combination of the worker sample frame, household listing of selected communities in Tonga, and a random digit dialing (RDD) approach.

Due to the different modes of interviews, sampling strategies were different for the face-to-face phase of the household survey in Tonga and the rest of the survey, which was done via phone calls. Tongan households interviewed face-to-face were selected using probability proportional to size sampling based on the latest population census listing, as well as our sample frame, with support from the Tonga Statistics Department. The households interviewed via phone calls were contacted via random digit dialing.

**The PLMS sample size is by far the largest available on Pacific temporary migrant workers and their households.** Wave 1 of the PLMS successfully interviewed a total of 2,085 workers; 2,010 labor-sending households, of which 543 were interviewed face-to-face in Tonga; and 2,231 non-labor sending households, of which 606 were interviewed face-to-face in Tonga (Table 6). Of these, 418 sending households are linked to their workers in the worker survey.

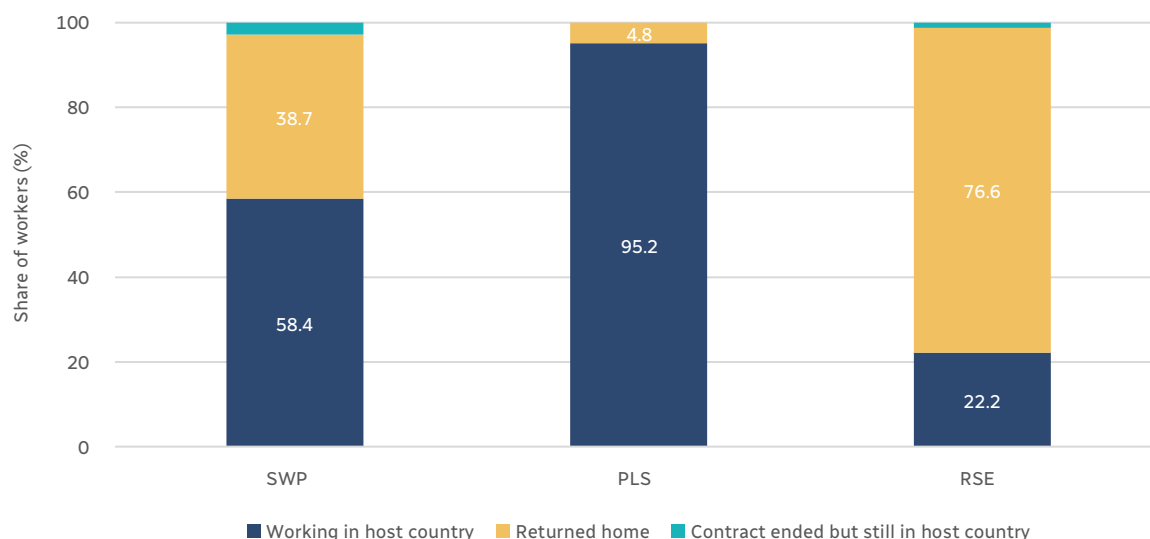
**TABLE 6.** PLMS sample size

	Kiribati	Tonga	Vanuatu	Total
<b>Workers</b>	248	762	1,075	2,085
<b>Labor-sending households</b>	326	905	778	2,010
Interviewed face-to-face	0	543	0	543
Interviewed over the phone	327	362	778	1,467
<b>Non-sending households</b>	460	871	900	2,231
Interviewed face-to-face	0	606	0	606
Interviewed over the phone	460	265	900	1,625

**The survey captures not only workers who were working in Australia or New Zealand, but also those who had just finished their job placement and returned home at the time of the survey.** Less than half of the interviewed SWP and PLS workers belong to this latter group, while 76.6 percent of the RSE worker sample do (Figure 83). This is mainly due to dynamic deployment and repatriation of workers during the COVID-19 pandemic, which affected the availability and validity of phone contacts of workers – particularly seasonal workers – during the period of the survey implementation. For instance, many phone numbers of workers in the sample frame, gathered during the survey preparation, might have changed or become invalid at the time of the survey implementation as the workers had returned to their home countries or moved to a different location within the host country and hence switched to a new SIM card for better connectivity. Also, in February 2023, Cyclone Gabrielle hit New Zealand, disrupting communication channels for calling RSE workers who were in the country, leading to a higher share of interviewed RSE workers being returned workers. Due to lack of information on workers who had absconded and disengaged with their

employer, the survey does not purposely cover absconding workers no longer with the scheme. However, the survey does capture a small number of absconding workers as they were in the survey’s sampling frame, thus partly mitigating potential bias due to differences in perceptions and experience of absconders and those still engaged in the schemes.

**FIGURE 83.** Migration status of surveyed workers



**Table 7 presents the worker sample by nationality, labor mobility scheme, and key demographic characteristics.** The sample is well diversified in terms of age, gender, marital status, nationality, and scheme. Importantly, the number of respondents by scheme and nationality is sufficiently large, with more than 300 respondents by scheme or nationality, to reliably compare across groups. Nevertheless, it should be acknowledged that while the worker sample is large and broadly representative, it is not a pure random sample, and some sample selection bias cannot be ruled out.

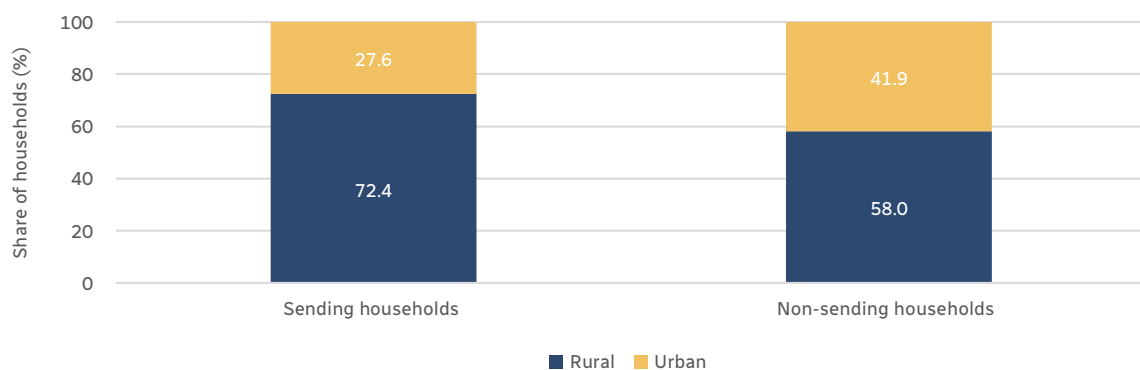


**TABLE 7.** Summary statistics of PLMS worker sample

	SWP	PLS	RSE	Total
<b>Number of observations</b>	881	537	667	2,085
<b>Distribution (%)</b>				
<b>Nationality</b>				
Tonga	40.9	35.9	31.3	36.6
Vanuatu	50.7	44.9	58.0	51.6
Kiribati	8.4	19.2	10.6	11.9
<b>Gender</b>				
Female	25.3	28.9	23.1	25.5
Male	74.7	71.1	76.9	74.5
<b>Age group</b>				
19-29	35.8	46.4	29.8	37.0
30-39	41.1	40.0	39.6	40.3
40-49	18.1	13.0	22.6	18.3
50+	4.0	0.6	8.0	4.4
<b>Marital status</b>				
Single or never married	33.6	41.5	27.1	33.6
Legally married	44.3	38.2	48.9	44.2
Customarily married	17.6	16.4	20.8	18.3
Divorced/Separated	3.9	2.8	2.6	3.2
Widowed	0.7	1.1	0.6	0.8

**Figure 84 shows the urban-rural distribution of the households surveyed in the PLMS.** About 72 percent of labor-sending households reside in rural areas compared to 58 percent among non-participating households. In addition, the face-to-face segment of the household survey, done in Tonga, covers four out of five main island regions: Tongatapu (the main island), Vava'u, Ha'apai, and 'Eua. It includes 606 non-labor sending and 543 sending households.

**FIGURE 84.** Urban-rural distribution of surveyed households



## Survey Implementation

**The first wave of the PLMS was conducted from November 2021 to March 2023.**

Participation was completely voluntary, strictly confidential, and in the languages of the respondents. While the PLMS was initially designed to be done in person, only the Tongan phase of the household survey was conducted in person; the rest of the household survey and the worker survey had to be done through phone calls to address public health restrictions and concerns related to the COVID-19 pandemic. For interviews done via phone calls, the PLMS achieved a response rate of 31 percent for the worker survey and 26 percent for the household survey. The PLMS was implemented in Tonga from November 2021 to January 2022 by Survey Statistical Solutions Management Tonga (SSSMT) and in the other countries by Sistemas Integrales Ltd.

**Rigorous quality control measures were put in place to ensure the reliability of the data collected.**

Native-speaking enumerators were recruited and undertook intensive training before fieldwork commencement. The questionnaires were translated from English to Bislama (for ni-Vanuatu respondents), Tongan (for Tongan respondents), and Gilbertese (for i-Kiribati respondents). They were then piloted, field-tested, and fine-tuned based on these tests to ensure clarity, coherence, and culture suitability. Collected data were encrypted and monitored in real time via an online dashboard and subject to a host of validation checks and audits.

**Various external factors affected the implementation of the PLMS.** Fieldwork first started in Tonga for the household survey. In January 2022, the offshore Tongan volcano Hunga Tonga-Hunga Ha’apai erupted, causing a tsunami and triggering a national state of emergency. The tsunami caused a temporary suspension of the survey’s fieldwork in the country. More critically, the arrival of international support to Tonga brought with it COVID-19 and mobility restrictions, which quickly spread to other Pacific Islands countries and effectively rendered face-to-face data collection impractical. As a result, the survey had to switch to a phone-based mode for the rest of the household survey and the whole worker survey. By the time face-to-face data collection stopped in Tonga, 1,149 household interviews had been successfully completed, including both sending and non-sending households. A supplementary sub-sample of 265 non-sending households and 362 sending households were interviewed via phone calls to achieve a desired sample size for Tonga households. As a result of the change in interview mode, the household questionnaire was shortened for household respondents in Kiribati, Vanuatu, and the Tongan households who were interviewed via phone calls in the phone-based phase of data collection. This change was necessary to ensure that the questionnaire was suitable for phone-based interviews.

**Many sending households in the household survey were linked to workers in the worker survey.** This was done in two ways. One, each worker in the worker sample frame was assigned a serial ID number. For those whose household contacts were available and the households were successfully contacted and interviewed in the household survey, matching is straightforward based on the worker’s ID number once the workers were captured in the worker survey. Two, for workers and households who were not pre-matched in the sample frame, the worker survey asks for workers’ household contacts, whilst the household survey asks for contact details of household members who were working in the labor mobility schemes. These details allow the survey team to link workers with their households during the post-fieldwork data cleaning process. As participation in the survey is voluntary, a worker might agree to participate while their household did not, and vice versa. Because of this, the survey could not achieve a complete one-to-one match between interviewed workers and sending households – instead, 418 interviewed workers were linked to their households. There exist no major differences between the linked and unlinked households.

**While not detrimental to the survey’s quality, three features should be noted from the complex implementation process of the survey.** One, in the household survey, different sampling strategies were used for Tonga, and the phone-based household questionnaire is moderately shorter than the in-person version. Two, the timing of the household survey was relatively spread out due to external disruptions caused by the volcanic eruption and COVID-19 pandemic, with the face-to-face collection in Tonga completed well before the phone-based collection in Kiribati and Vanuatu (and a supplementary sub-sample of Tongan households). And three, compared to in-person data collection, the usual caveats of potential biases in phone-based survey related to disproportional phone ownership and connectivity apply here. The RRD approach provides data representative of the phone-owning population. Yet due to lack of information, it is difficult to judge whether sending households in Kiribati, Tonga, and Vanuatu are more or less likely to own a phone and/or respond positively to a survey request than non-sending households. The subsequent waves of the PLMS are expected to be completed face-to-face. Attempts will be made to re-contact as many of the first wave respondents as possible while broadening the non-labor sending sample to address potential selection issues into the phone survey and make it more representative of non-labor sending households nationally in each country.

## Appendix B – Impact Evaluation Method

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**Household-level estimates of scheme impacts in this report are based on comparing labor-sending households to observably similar non-labor sending households**, where they are matched based on key differences which might be associated with different rates of participation. Specifically, matching is based on propensity scores, which give the estimated probability of participating in the schemes based on observable characteristics. Thus, households were compared that had a similar chance of participating based on what data was available.

**Simple comparisons between labor mobility workers and non-labor mobility workers in Australia and New Zealand’s labor mobility schemes are not causal because opportunities to participate are not randomly assigned** (c.f., lotteries used for the Samoan Quota Pacific Access Category in New Zealand, and the US Diversity Visa). Participation is demand-driven and final recruitment decisions purposely made by Approved Employers. Against these constraints, the study built on the approaches used to evaluate the impacts of the RSE (Gibson and McKenzie, 2014) and the SWP (World Bank, 2017b) and compared labor-sending to similar non-labor sending households with a matching approach accounting for factors associated with: (1) scheme eligibility; (2) applying to be in the pool of potential workers; and (3) being selected.

**The main concern with this matching on observables approach is that people can look the same and make different choices.** Theoretical models relating to migration are based around self-selection – for example related to unobserved productivity, potential earnings, and what people might expect their relative gains to be. There are a few plausible situations where the reason that observably similar people move and others do not is as good as random, or not due to some problematic variable also correlated with the outcomes of interest. One is where treatment assignment, labor mobility in this case, is decided by someone other than the treated unit (i.e., the labor mobility worker) who has limited information when making that decision. Conditional on a worker being eligible and applying to participate in these schemes, approved employers do the selecting and it is clear that they have imperfect information about the labor mobility workers and their future productivity, potential gains, and various unobservable characteristics. Another is where demand for positions outstrips their supply and, similar to the first case, there is noise in the application and selection process. This argument is most likely to hold for relatively low skilled, homogeneous jobs, and where workers are substitutable, which is arguably the case here.

**To implement impact evaluation estimates, propensity scores were first obtained for each household, representing their probability of participating, by estimating a probit model of participation including a host of PLMS variables.** Intuitively, it is these characteristics that were used to form the estimated probabilities of participation and therefore the matches, so they need to reflect the three crucial aspects of selection into the schemes: (1) selection imposed by eligibility requirements; (2) potential eligible workers self-selecting into the work-ready pools and applying for the positions; and (3) those that are selected, so selection by the employers themselves. The participation model includes: household size; urban-rural status; country; dwelling tenure status; dwelling material; whether the household has an internet connection at home, a TV, or a computer or laptop; whether the household has received any money from people outside the household; whether the household has a female household head; the age of the household head; whether the household head is married; whether the head can write in English; and whether the head is in paid employment as predictors to estimate the propensity scores, and average treatment effects on the treated are estimated with an augmented inverse probability weighting estimator.

**A causal interpretation here relies on an assumption that, conditional on the propensity scores, treatment assignment is as good as random** – that there are no unobservable omitted variables correlated with scheme participation and the outcomes of interest. In any non-randomized study, this threat is impossible to rule out, but the rich set of covariates and selection context described above likely reduce the risk. There is at least one other major limitation worth stressing. Since the study focused on current and recent labor mobility workers, any development impacts estimated here are inherently short rather than long term. Indeed, potential changes in many outcomes will not be able to manifest let alone be measured until follow-up data is collected in the next wave of the PLMS.



