

**MAXIMIZING DEVELOPMENT BENEFITS AND MINIMIZING NEGATIVE
IMPACT IN THE PACIFIC ISLANDS SUB-REGION ¹**

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EXECUTIVE SUMMARY

This paper reviews recent patterns of international migration from Pacific Island countries and concludes that migration has generally increased over the past decade but patterns vary between countries and sub-regions. Some countries not previously involved in temporary labour migration are now sending workers abroad. Transnational communities have continued to grow in the main destination countries but the proportion of the total ethnic community that is overseas born is also increasing. Similarly, migrant remittances have increased to high levels in and are crucial to the maintenance of consumption levels and social welfare in several countries. Migrant remittances generally reduce the proportion of the population in poverty, but the future sustainability of remittance flows is in doubt in the smaller Pacific countries as the commitment of second-generation migrants to the “home” community weakens. The loss of human capital resulting from the emigration of skilled workers is a concern in some countries. National sustainable development strategies do not pay sufficient attention to the issue of international migration and there is a need for institutional strengthening to address this. There is also a need to develop a research network and strategy for the region to assist planners to better understand the implications of migration patterns and to formulate appropriate policy responses. Policy dialogue among Pacific countries would assist planners to identify those policies that would assist countries to gain benefits from the migration process and mitigate the costs.

Migration patterns and trends

International migration in the Pacific Islands takes various forms depending on the individual country and sub-region. In the Micronesian and Polynesian sub-regions net emigration is demographically significant and contributes to low population growth, despite relatively high rates of natural increase. The larger Melanesian countries of Papua New Guinea, Solomon Islands and Vanuatu do not experience significant international migration, although circular labour migration has recently become economically significant in Vanuatu. The Melanesian country most affected by international migration is Fiji, with large numbers of Indo-Fijians and smaller numbers of indigenous Fijians emigrating permanently. Temporary labour migration is also a recent feature of International migration among indigenous Fijians.

In general, international migration in the Pacific is increasing and trends have accelerated over the past decade. This is particularly the case in Fiji, Samoa, Tonga and the Marshall Islands. In the Fiji case, political instability and its economic consequences are the proximate causes. In Samoa and Tonga, existing migration agreements that provide access to New Zealand guarantee a regular flow of new migrants, while family reunion policies facilitate the relocation of whole families.

Underlying migration trends over the past decade is the fact that economic growth rates in Pacific countries have been insufficient to generate enough new employment to absorb the growing labour force. Conversely, healthy economic growth has occurred in the main receiving countries of Australia, New Zealand and the United States of America and shortages of both skilled and unskilled labour have appeared in these countries. As in other parts of the world, the developed countries to which most Pacific Islanders migrate to have ageing populations and potentially declining work forces, whereas the populations of Pacific

countries are much younger and have “surplus labour”. These demographic and economic realities suggest that migration, whether permanent or temporary is an appropriate development strategy for both sending and receiving countries.

Transnational communities

As a consequence of long-term emigration from Pacific countries the population of ethnic Pacific Islanders living outside their country of origin has reached approximately 800,000, excluding those living outside the main receiving countries. The actual number living abroad would be larger if all receiving countries were included. In Polynesia, the proportion of the total ethnic population living abroad is 93 percent in Niue, 82 percent in Cook Islands, 62 percent in Samoa and 52 percent in Tonga. The overseas population of Fijians and Indo-Fijians is also growing rapidly. Marshall Islanders are forming overseas communities, mainly in the United States of America.

Transnationalism, a form of social organization in which people participate in two or more societies dispersed across different parts of the world, plays a major role in the social and economic lives of Pacific people. The relative importance of transnational linkages and processes depends in the first instance on the scale of the home society in terms of population and the economy. In the smaller Polynesian countries where 50 percent or more of the ethnic population lives overseas, transnationalism is of crucial importance in maintaining the level of living and providing social security in economic crises and natural disasters—to which the Pacific is particularly vulnerable. In particular, the flow of remittances from overseas migrants is critical to maintain consumption levels.

The “sustainability” of transnational communities of Pacific Islanders has been questioned by researchers over the past several decades. As the proportion of the overseas community that is foreign-born increases, commitment to the “home” society can be expected to weaken simply because second-generation migrants have different priorities than their parents. Inter-marriage with other ethnic groups, the inability to speak the local language, lack of familiarity with social practices and protocols as well as higher education all contribute to a weakening of identity and solidarity. While total remittance flows have continued to increase, and may be sustainable for some years, Pacific populations are ageing and their rates of natural increase are declining. The supply of potential migrants will inevitably decline in the coming years.

Transnational communities are dynamic entities that change through time. The maintenance of social practices and traditions across widely dispersed locations is constrained by income and institutional capacity. Attempts to replicate traditional ceremony in the very different monetary economies of the receiving countries have come up against the limits of wealth and income. The conspicuous display of wealth in some migrant communities has had adverse consequences for personal finances and social security and such displays are much less common today than in earlier periods.

Migration policies

Pacific countries vary widely in their access to international migration opportunities. The Polynesian and Micronesian countries that are self-governing in “free association” with New Zealand or the United States of America, respectively, have the most open access to these countries. The nationals of Cook Islands, Niue and Tokelau are automatically New Zealand

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citizens and therefore have unrestricted access to New Zealand and Australia. Micronesians from Palau, Marshall Islands and the Federated States of Micronesia are free to move to the United States of America for work or education by virtue of the “Compacts of Free Association” between these countries and the U.S. These six countries are unaffected by the migration policies of their main host societies. Another group of countries, including Samoa, Tonga, Kiribati and Tuvalu, have preferential, but not free, access to New Zealand by virtue of annual quotas for admission subject to an offer of employment. (Access to New Zealand potentially also provides access to Australia for those who gain permanent residence or citizenship in New Zealand).

The other Pacific countries, including the largest ones of Papua New Guinea, Solomon Islands and Vanuatu, do not have preferential access to any developed countries and are subject to those countries migration policies. In recent decades these policies have placed primary emphasis on skilled and business migration. As one of the few Pacific countries with significant numbers of skilled professional and technical workers, Fiji has benefitted from these policies. The other Melanesian countries generally have few skilled workers and therefore very few emigrants. Until recently, access for unskilled workers from countries not in a political association with one of the developed countries on the Pacific rim was extremely limited. In 2006 New Zealand introduced its Recognised Seasonal Employer policy (RSE) to permit 8,000 unskilled Pacific Islanders to work for up to 7 months in the horticulture and viticulture industries. Australia announced a pilot project along similar lines but on a much smaller scale in 2008. New Zealand’s RSE scheme has been monitored closely and appears to be successful for all those concerned. Australia’s pilot scheme has yet to reach a scale where its impact could be assessed.

The international migration policies of the Pacific sending countries are less transparent than those of the main receiving countries. So far as emigration is concerned, no country actively controls the exit of their citizens, but countries that are losing skilled migrants, such as Fiji, are concerned about the loss of human capital involved. The smaller Polynesian countries of Niue, Cook Islands and Tokelau are concerned that population decline resulting from constant net emigration will reduce the entire scale of their economy, reducing the tax base and making the delivery of services to those who remain more difficult. These mini-states are seeking policies to retain population and encourage the return of their nationals from overseas.

Some countries in Melanesia and Micronesia are developing policies to make it easier for foreign investors to bring in skilled staff who are considered essential to their commercial operations. However, unskilled workers have also entered, particularly to work in garment manufacture. The immigration of unskilled workers in a situation of high unemployment among nationals has raised public concern about corrupt practices. Other countries have adopted strategies to train their nationals for overseas work. A number of countries have signed bilateral agreements with New Zealand and Australia to cover temporary seasonal labour, and some of these have passed or drafted legislation to support such schemes. Fiji has passed an ordinance covering temporary overseas employment and has also passed regulations governing the operations of a government employment centre—including foreign employment.

Very few Pacific Island governments have incorporated migration into their national development strategies, in spite of the role that migrant remittances play in the national economy and the need to replace the skills being lost—particularly in the health and education sectors.

Further liberalization of the migration policies in the main receiving countries to which Pacific Islanders migrate do not appear likely in the short-term. New Zealand already provides preferential access to a number of Pacific countries, and it is unlikely that these provisions will be extended to other countries with which New Zealand does not have a long historical relationship or that current quotas will be increased. The current economic recession has increased unemployment among the low-skilled population, possibly resulting in reduced temporary seasonal workers coming to New Zealand this season. Australia's policy of supporting educational institutions in the Pacific Islands to provide training to Australian standards will result in increased flows of skilled migrants to Australia in the longer term, while also providing more skilled workers to the local economy. While Australia has been urged by researchers to adopt New Zealand's policy of preferential annual quotas to Pacific Island countries, the possibility of Australia doing so is unlikely. Australia has maintained a consistent emphasis on equal opportunity for all countries on the basis of skills and it seems unlikely that this will change, despite the recent introduction of a seasonal employment programme.

The socio-economic impact of migration

Measuring the impact of migration is complicated by uncertainty about what is the most appropriate unit of analysis—the domestic economy and social system of the sending society or the entire transnational community. There is little doubt that the average income of the Pacific transnational community is higher and social indicators are better for the transnational community than for the geographically-bounded domestic economy. Similarly, poverty rates are lower when the entire community is taken into account.

But it is also true that transfers from migrants overseas substantially increase domestic income and the overall level of living in the home society, in some countries contributing as much as 40 percent of GDP. Remittances in the Pacific have reached \$US400 million annually, a very significant amount. Contributions in kind would have to be added to that given that remittances in the form of consumer goods make up a substantial portion of transfers to the islands by family members overseas. Remittances to some Pacific countries currently exceed Official Development Assistance and Direct Foreign Investment. The contribution of remittance income to foreign exchange in Fiji is presently greater than tourism or the sugar industry. Comparative research in Samoa and Tonga suggest that the income distribution is more equal when remittance income is taken into account than when it is not.

Research is inconclusive with respect to the uses that remittances are put to and their long-term development consequences. Some researchers report that cash remittances are a response to direct requests to assist with life-cycle events such as weddings and funerals, to pay school fees, and to provide air fares for other family members who are migrating. Other research highlights the use of remittances to build houses or purchase land. Some reports highlight the importance of food, which travels in both directions. In the case of temporary labour schemes such as New Zealand's RSE programme, contributions to community projects are negotiated prior to departure to ensure that the community as a whole benefits. Such projects include water tanks, roads and schools. But a significant proportion of remitted earnings are used to pay-off loans that were taken out to finance the costs of participating—visas, passports, medical checks, travel, etc.

Among those researchers who have misgivings about the benefits of remittances in the long run, the primary concern is that remittances are generally not invested in productive

enterprises that will bring a financial return in the longer run and contribute to the economic development of the country. However, recent research shows that households that receive remittances are more likely to have income from business and more likely to have savings than households that do not.

While Pacific countries benefit from migration through the remittances and foreign exchange that they receive from overseas, they lose valuable human resources from the emigration of skilled professional and technical workers (particularly teachers and health care workers). However, there is no evidence to suggest that the relative shortage of staff in these occupations has stimulated an increase in wages or an improvement in working conditions. Rather, governments have recruited migrants from even poorer countries to replace the teachers and doctors who have emigrated.

The social impact of migration can be viewed from several levels: individual, family and community. At individual level is the impact on human capital, both the migrant's and those other family members whose education and skill levels are increased through the contribution that migrants make to education costs. At the family level, the impact of migration depends upon whether it is of a temporary and circular nature or longer-term. Among the families of seafarers in Kiribati and Tuvalu, periods of absence of up to two years appear to have a negative impact on the women, children and older people left behind, but this depends on the availability of other family members to carry out gender-specific tasks. Women gain authority and status by the need to manage household finances in the absence of their spouse, but also experience psychological stress and anxiety. Children may suffer from the absence of a father and have difficulty relating to him on his return. Increased domestic violence and the transmission of STDs are also reported.

Recommendations

Migration is more significant in the Pacific now than at any time over the past century. On balance, international migration appears to provide positive benefits to the economies and society of most sending countries, but the long-term contribution of migration to countries of origin remains unclear. Firm conclusions require a country-by-country assessment. The small Polynesian “mini-states” face population decline and a shrinking economy, raising concerns about their viability. The medium size countries are experiencing significant losses of human resources while gaining substantially from remittances in cash and kind, but institutions aimed at increasing the supply of skilled persons are also being developed in response. If a significant proportion of these trainees remains behind then the average quality of the labour force may improve in the longer term. The larger countries in Melanesia have yet to engage in international migration on any scale but the involvement of Vanuatu in New Zealand's RSE scheme suggests that these countries can benefit from a well-designed temporary labour migration programme.

In spite of the ambiguity in research findings, the number of researchers who are convinced that international migration provides a sufficient net benefit to Pacific Island countries that it should be encouraged through policy changes—particularly in Australia—is growing. The main policy issue is how to ensure that a more liberal policy stand on the part of the receiving countries would benefit unskilled workers rather than remove the skills that the Island countries need for their own development. It has been suggested that even if New Zealand and Australia were reluctant to liberalize access to unskilled workers from the Pacific, they could consider assisting Pacific countries to identify other opportunities in the global economy for unskilled or low-skilled workers.

Pacific Island governments presently lack the knowledge, the skills or the motivation to incorporate international migration into their national development strategies. Steps are underway with World Bank support to develop the capacity of Pacific Island countries to manage and assess the impact of the temporary seasonal labour schemes introduced in New Zealand and Australia. These steps will go part of the way toward addressing capacity constraints in the Pacific but are insufficient to address the larger picture.

There is a growing body of research on Pacific migration, but there is a need for research results to be placed in a more coherent framework. More comparative reference to similar bodies of research in other regions (e.g., the Caribbean) would be useful in identifying those aspects that are general to transnational migration systems everywhere and those that are unique to the Pacific. There is also a need for a more gendered approach to the assessment of impact. The re-establishment of the Asia-Pacific Migration Research Network with secure funding would help to formulate a programme of research. Regional policy dialogue would assist Pacific Island planners to gain insight into the new approaches to international migration that have emerged in the past decade and to understand the policies and practices that are likely to be successful in addressing the challenges that international migration bring to both sending and receiving countries.

A. INTRODUCTION

1. The Pacific Islands region

a. Geography and demography—contexts of migration

The Pacific Islands region is conventionally described as the 22 independent countries and dependent territories that make up the sub-regions of Melanesia, Micronesia and Polynesia (Figure 1). With the addition of Australia and New Zealand the area is officially known as Oceania. The vast Pacific Ocean is the largest geographical feature on earth, comprising about one third of the planet's surface. There are between 25,000 and 30,000 islands in the region, of which fewer than 500 are inhabited. The island countries of interest are located within an area bounded by the tropic of Cancer in the North to the Tropic of Capricorn in the South. Under this definition the region excludes the U.S. State of Hawaii and various scattered and uninhabited islands that come under U.S. control.

The geography of the Pacific Islands plays a central role in the social, cultural and economic life of the region and provides an important background context for population movement. The islands vary enormously in size, geological composition and resource endowment. The Islands of Melanesia are of volcanic formation, have a rich fauna and flora and significant natural resources—including minerals, timber, oil and gas. The widely scattered Micronesian Islands to the North and East of Melanesia are mainly low-lying atolls, have very limited land area and few natural resources. The Polynesian islands are mainly of volcanic origin but are smaller in size than in Melanesia, are widely distributed and lack the mineral and other natural resources found in Western Melanesia. Land is very unevenly distributed with 90 percent of the land mass in Melanesia and about 80 percent in Papua New Guinea alone.

The colonial history of the Pacific has left a legacy that affects population movement up to the present time. The division of the islands between the European powers was essentially completed by the late 19th century. Before WWI, Germany and Japan were in control of some areas. Germany lost its territories after WWI and Japan after WWII, leaving the islands under various forms of administrative control by the remaining foreign powers of Australia, France, Great Britain, New Zealand and the United States of America. From the 1960s onwards, Island territories began evolving toward independent States. The larger countries had become independent by the 1980s while the smaller ones achieved a form of self-government in “free association” with a former administrating country. Other territories remained as dependencies or territories of European powers such as France (French Polynesia, New Caledonia and Wallis and Futuna), the United Kingdom (Pitcairn Islands), or the United States of America (Guam, American Samoa). The variety and complexity of political statuses in the Pacific helps to explain why some Pacific Islanders are able to move freely to various metropolitan states as citizens or nationals and are immune to changes in immigration policies or administrative controls, while others are subject to the ebb and flow of immigration policies in the receiving countries. However, the actual migration patterns of Pacific Islanders cannot be explained as a simple function of the legal *right* to move.

The total population of the Pacific Islands was 9.6 million in mid 2009. The geographical distribution of population is uneven with 87 percent in Melanesia, 5.6 percent in Micronesia and 6.8 percent in Polynesia. PNG is the largest country and accounts for 68 percent of the region's total population. Around 95 percent of the population is indigenous to

the region with the largest non-indigenous ethnic group being the Indians of Fiji who number about 350,000 or 4 percent of the region's total.

The current rate of population growth in the region as a whole is 1.9 percent per annum, while the rate of natural increase is 2.0 percent (Table 1). The difference between the two rates gives an approximate estimate of -0.1 percent for net migration from the region as a whole. While this may seem to be a small component of population change, net migration is concentrated in the Micronesian and Polynesian sub-regions, which together comprise 12 percent of the region's total population, and is further concentrated in some of the smaller countries within these sub-regions.

The demographic transition has proceeded slowly in the Pacific, especially in the Melanesian sub-region where economic growth and social development have lagged behind the other sub-regions. While the fertility transition has been underway for many decades, half of the countries in the region still have TFRs of between 4.0 and 4.6, resulting in rates of natural increase of between 2.0 and 2.7 percent. Some of these countries also have low population growth rates, a situation which indicates that a high proportion of natural increase is being offset by net emigration.

Where both natural increase and population growth are high (which is most of Melanesia other than Fiji) there has been a steady increase in the size of the population of working age and this age group is projected to continue growing for some decades. Because of the slow pace of economic growth and development in these countries, only a small proportion of the rapidly growing working age population can be absorbed into the formal labour force. The very limited capacity for labour absorption, combined with concern over social instability caused by unemployed youth, contributes to the political pressure placed on Pacific-rim countries by local leaders to open their labour markets to unskilled workers (Luthria et al., 2006).

b. Economic and social development—achievements and challenges

The level of development as measured by standard economic indicators varies widely throughout the Pacific, although a comparative analysis is constrained by the lack of consistency in reported statistics. The figures shown in Table 2 suggest that Gross National Income per capita ranges from a high of \$9,986 in Cook Islands to a low of \$750 in Solomon Islands. The range is somewhat smaller if GDP converted to Purchasing Power Parity is used, although the lowest and the highest countries are the same. In this context the important issue is the vast difference between the level of economic development in the Pacific and that of the main destination countries for Pacific migrants—Australia, New Zealand and the United States of America. For example, GDP per capita in Australia is 15 times that of Kiribati, a migrant sending country. In the case of Tuvalu, a country with growing migration links to New Zealand, the ratio between Tuvalu's GNI per capita and New Zealand's is 1:9. Increasing numbers of Marshall Islanders have been moving to the United States of America in recent years. The ratio between GDP per capita in the Marshall Islands and the United States of America is about 1:19. Samoa and Tonga, the main sources of Pacific migrants to New Zealand display less extreme but still large ratios (1:6 and 1:7, respectively). These disparities are not the only determinants of migration, and they do not imply that migrants receive the average income either in their countries of origin or destination, but they are an important background condition underlying migration flows.²

² In the case of dependent territories such as New Caledonia, French Polynesia or American Samoa, the ratio of local to metropolitan GDP per capita is significantly higher and falls in the range of 1:2-1:3.

Poverty indicators provide another picture of the “push” factors that contribute to population movement. The concept of “extreme poverty” as employed in the MDG framework, is not normally employed in the Pacific. Rather, the poverty concept employed for MDG and other purposes is the “basic needs” concept, which is a measure of relative poverty based on local consumption standards. The data in Table 2 show that poverty as measured by this concept is significant across the region, ranging from 50 percent in Marshall Islands to 13 percent in the micro-state of Niue. Even in the Cook Islands, which has the highest GNI per capita of the independent or self-governing countries, an estimated 28 percent of the population fell below the national poverty line in 2006. Samoa and Tonga, the largest receivers of migrant remittances in the region recorded poverty levels of 20 and 22 percent, respectively.

Some analysts have concluded that poverty levels in the Pacific are increasing (AusAID 2009), but the accuracy of some of the data used to draw such a conclusion can be questioned. What is clear is that several countries in the region (Papua New Guinea, Solomon Islands and Kiribati among them) are unlikely to achieve the MDGs by the target date of 2015. Growth in real GDP per capita has been too slow over the last five years to provide Pacific governments and individuals with the resources needed to raise standards of living. The 2008 global recession has contributed to negative per capita economic growth in the majority of Pacific countries and it is not clear when recovery will occur.

By contrast with the economic picture, such indicators as life expectancy and the proportion of the population with improved water and sanitation are quite high in Polynesian and most Micronesian countries. Kiribati, Papua New Guinea and Solomon Islands stand out as having the poorest indicators on water and sanitation as well as life expectancy. There is little doubt that Official Development Assistance (ODA) has contributed to improved social indicators in the smaller countries where ODA per capita is particularly high. The use of ODA to make similar improvements in the large Western Melanesian countries of PNG, Solomon Islands and Vanuatu would entail very large increases in aid per capita.

c. Overview of migration patterns

The Pacific region contains a wide variety of migration streams that vary according to the sending and receiving countries. The largest flows are from the Polynesian sub-region to Australia, New Zealand and the United States of America. Within Polynesia, Samoa is the predominant sending country with approximately 300,000 persons of Samoan ancestry now living in these destination countries compared with a combined resident population in Samoa and American Samoa of about 250,000. The second largest migration country in Polynesia is Tonga with over 100,000 Tongans living in the main receiving countries or about 52 percent of the total ethnic population of Tongans. The “micro-states” of Cook Islands, Niue, Tokelau and Tuvalu make up the balance of Polynesian migration with about 90,000 persons originating (by birth or ethnicity) in these countries living abroad. In the case of Cook Islands and Niue, at least 82 percent and 93 percent, respectively, of the ethnic population now lives outside their home country. Minor intra-Pacific migration streams also link Wallis and Futuna Islands and French Polynesia with New Caledonia. International migration between the French Pacific territories and France is negligible.

Figure 1: The Pacific Islands



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Table 1: Basic demographic indicators Pacific Islands, ca 2009								
Sub-region/ Country	Total populatio n 2009	Projected populatio n 2020	Current populatio n growth rate (Rate of natural increase (Net migration rate (percent)	Annual incremen t (number)	Percent of annual incremen t	Percent urban
Pacific Islands	9,677,795	11,801,200	1.9	2.0	-0.1	183,688	100.0	23
Melanesia	8,478,155	10,465,00	2.0	2.1	-0.1	170,169	92.5	19
Fiji	843,888	890,400	0.5	1.3	-0.8	4,219	2.3	51
New Caledonia	250,612	291,200	1.6	1.1	0.5	4,046	2.2	63
Papua New	6,609,745	8,267,400	2.2	2.2	0.0	142,876	77.8	13
Solomon Islands	535,007	703,500	2.7	2.7	0.0	14,587	7.9	16
Vanuatu	238,903	312,500	2.5	2.5	0.0	6,071	3.3	21
Micronesia	539,440	624,200	1.4	1.7	-0.3	7,585	4.1	66
FSM	110,899	116,500	0.4	1.9	-1.5	455	0.2	22
Guam	182,207	224,200	2.7	1.4	1.3	4,984	2.7	93
Kiribati	98,989	119,900	1.8	1.9	-0.1	1,805	1.0	44
Marshall Islands	54,065	59,500	0.3	2.6	-2.3	176	0.1	65
Nauru	9,771	12,000	2.1	2.1	0.0	203	0.1	100
Northern	63,112	70,300	0.0	1.6	-1.6	-18	0.0	90
Palau	20,397	21,800	0.6	0.6	0.0	119	0.1	77
Polynesia	659,961	712,000	0.8	1.6	-0.8	5,086	2.8	37
American Samoa	65,113	74,600	1.2	1.9	-0.7	781	0.4	50
Cook Islands	15,636	16,400	0.5	1.2	-0.7	72	0.0	72
French Polynesia	265,654	297,600	1.2	1.2	0.0	3,176	1.7	51
Niue	1,514	1,200	-2.3	0.6	-2.9	-36	0.0	36
Samoa	182,578	188,400	0.3	2.0	-1.7	615	0.3	21
Tonga	103,023	106,500	0.4	2.1	-1.7	372	0.2	23
Tuvalu	11,093	11,800	0.5	1.4	-0.9	58	0.0	47
Wallis and	14,183	14,300	-0.3	1.1	--0.8	-43	0.0	0

Source: SPC, 2009 Population data sheet. Accessed at <http://www.spc.int>. And author's estimates.

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Table 2: Social and Economic indicators for Pacific Island countries								
Sub-region/Country	Expectation of life at birth (both sexes)		GDP per capita (\$US) PPP (2007)	GNI per capita (\$US) Atlas method (2007)	percent of population below basic needs poverty line		Proportion of population using improved water source and sanitation (percent)	
	E₀	Ref year	GDP	GNI	percent	Ref year	Water	Sanitation
Melanesia								
Fiji	67.5	2007	4,072	3,750	34.3	2003	92.7	98.8
New Caledonia	75.9	2007	--	--	--	--	--	--
Papua New Guinea	54.3	2000	2,111	850	39.6	2002	40.0	45.0
Solomon Islands	61.1	1999	1,848	750	22.7	2006	29.8	22.4
Vanuatu	67.3	1999	4,052	1,840	15.9	2006	75.3	95.2
Micronesia								
FSM	67.7	2000	2,879	2,280	29.9	2005	94.0	44.0
Guam	73.6	2000		--	--	--	--	--
Kiribati	61.0	2003	2,255	1,120	50.0	1996	53.1	36.5
Marshall Islands	65.6	1999	2,500+	3,240	20.0	1999	98.4	70.7
Nauru	56.2	2006	--	2,314	--	--	81.7	96.9
Northern Mariana Is.	75.3	1999-01	--	--	--	--	--	--
Palau	69.2	2005	--	8,270	24.9	2006	100.0	100.0
Polynesia								
American Samoa	72.6	2000	8,000	--	--	--	--	--
Cook Islands	71.2	1996-02	9,100&	9,986	28.4	2006	95.1	99.3
French Polynesia	74.1	2005-07	--	--	--	--	--	--
Niue	71.5	2001-06	--	--	13.0	2004	99.0	100.0
Samoa	72.9	2006	4,670	2,700	20.3	2002	97.3	100.0
Tonga	70.2	2004-5	3,782	2,480	22.3	2002	98.0	99.0
Tuvalu	63.3	1997-02	--	2,718	21.2	2006	92.5	86.5

MAXIMIZING DEVELOPMENT BENEFITS AND MINIMIZING NEGATIVE IMPACT IN THE PACIFIC ISLANDS SUB-REGION

Wallis and Futuna	74.9	1996-03	--	--	--	--	--	--
Metropolitan countries								
Australia			34,923	33,200				
New Zealand			27,138	24,980				
United States of America			46,716+	--				

--=not available. +2008 &2005

Source: UNFPA Sub-regional Office for the Pacific database. SPC 2009 Population data sheet. Noumea. AusAID (2009). UNFPA (2008). ADB (2009)

In Melanesia, the largest sending country is Fiji, but the majority of migrants from Fiji are of Indo-Fijian ethnicity. Approximately 124,000 Fiji-born persons are resident in Australia, New Zealand and the United States of America, of which 85 percent are Indo-Fijian. International migration from other Melanesian countries is small with less than 1 percent of Melanesians living outside their home countries. New Caledonia, a French territory, is a net recipient of migrants from France and other French Pacific territories and one of the few countries in the Pacific to have a steady migration gain.

In Micronesia, international migration primarily occurs between Micronesian countries within the Pacific and the United States of America. The main migration streams within the Pacific are from Palau, Marshall Islands and the Federated States of Micronesia to Guam and the Northern Mariana Islands. Some Micronesian countries (notably Guam, Northern Mariana Islands and Palau) also receive migrants from Asia, especially China and the Philippines. Micronesian migration to the United States of America has resulted in a population of about 80,000 persons identifying as Micronesians at the time of the 2000 census—about 70 percent of which originate from Guam. Micronesian migration to the United States of America has likely accelerated over the past decade: the Marshall Islands, for example, has experienced significant net migration losses every year since the early 1990s and Marshallese are now the fifth largest Pacific Islander group in the United States of America (U.S. Census Bureau, 2005).

Intra-Pacific international migration is of growing importance in the region. For example, skilled health workers have moved from Fiji to various Micronesian countries to take advantage of higher-paying positions there. Fijians have also moved to Cook Islands to work in the tourism industry to take up vacancies created by the emigration of Cook Islanders to New Zealand and Australia. There are also a variety of circular and temporary migration streams in the region. Nationals of Tuvalu and Kiribati, for example, work in the maritime industry as seafarers and may be absent from home for up to two years. Temporary workers have also moved from China and the Philippines to work in garment factories in the Northern Mariana Islands—a flow that has now reversed due to changes in tariff rules for entry of clothing to the United States of America. Guam is a net recipient of migrants from Asia, the Pacific and the United States of America, largely supported by the expansion of U.S. military facilities on the island.

A significant new trend is movement from China to the Pacific. Although this movement is not well-documented, its economic and social significance is apparent from media reports. Recent street riots in Papua New Guinea were allegedly triggered by the takeover of small grocery businesses by immigrants from China. In Fiji, Chinese immigration is controversial because of its association with drug and people trafficking and corrupt immigration practices.

d. The present study

The Pacific sub-region is one of significant international flows of people, money and goods. Several Pacific countries are among the most “migration-oriented” in the world, as measured by the proportion of their populations living abroad and the contribution of migrant remittances to their economy. Although migration trends and forms vary widely between countries, in general international migration appears to be increasing and growing in complexity. New types and patterns of migration are emerging, such as short-term temporary seasonal migration, and new origins (China) and destinations (the Middle-East) are appearing. Migration has also become a significant issue in international dialogue on trade. As more Pacific countries become members of the World Trade Organization, migration access has

become a legitimate bargaining tool in discussions over free trade due to the WTO provisions for “trade in services”.

Despite significant changes in international perspectives on migration, in the Pacific, the socio-economic costs and benefits of migration remains an issue of considerable debate. In part this arises from the fact that with the exception of Papua New Guinea, Pacific Island countries are small. This creates a paradox. Because of their smallness, these countries are able to attract significant resources in the form of foreign aid or direct budgetary assistance from former metropolitan states that have significantly raised the level of social development (particularly education and health). But while the quality of human resources has improved as a result, there has not been a commensurate increase in employment opportunities. At the same time, concessional entry of the nationals of some of these countries to New Zealand and the United States of America (in particular) has provided a relatively easy migration outlet. In the case of the smallest countries (those with populations of 100,000 or less), the resulting flow of migrants has become self-perpetuating, creating a momentum of migration that is perceived by many to be a threat to the culture or social viability of the country.

In other, usually larger, Pacific countries, the emigration of skilled workers is perceived by many to be a significant economic loss. This loss is particularly apparent in the case of skilled health workers (Connell, 2009). While compensation occurs in the form of remittances sent to family members, the governments of the region are left with the expensive task of re-training new staff (well beyond the numbers needed to replace those retiring) or recruiting temporary skilled workers from even poorer countries. While econometric analysis may show that remittance flows contribute to consumption and economic growth, these benefits appear as abstractions by comparison with the shortage of doctors and nurses on the hospital ward.

To a large extent, Pacific Island governments have been passive bystanders with regard to international migration flows. While the right to emigrate is protected, and the motivation to improve the level of living of the individual migrant or for the family is understood, the perception remains that the effects of movement are unequal. To date, however, the Pacific has not been engaged in the types of “regional dialogues” on international migration that have occurred in other world regions. To the extent that it has occurred, dialogue has taken place within the Pacific Islands Forum, and has mainly consisted of requests to Australian and New Zealand on the part of Pacific Island countries to increase access to their labour markets for unskilled Pacific workers. To some extent these requests have been answered by the establishment of temporary seasonal migration schemes in New Zealand in 2007 and more recently in Australia; but there is no doubt that the primary reason for establishing these arrangements has been the shortage of labour in the horticulture and viticulture industries in these countries and the resulting pressure from employers. In the context of designing and organizing these temporary labour schemes, Pacific countries have become more active partners in at least this form of migration and have been engaged with the governments of Australia and New Zealand to an unprecedented extent in the operations and evaluation of the schemes.

However, seasonal migration schemes reflect only one type of migration stream. The issues that international migration raises in the sub-region are clearly much broader than this. The scope for a dialogue covering the full range of issues is large and is probably urgently needed.

This paper aims to contribute to an understanding of present migration patterns and trends in the Pacific and the linkages between migration and development in both sending and

receiving countries. The ultimate aim is to contribute to regional dialogue on international migration and to assist in building capacity in Pacific Island countries to both assess the impact of migration and to manage the process in order to maximize its benefits and minimize its negative aspects wherever possible. The primary focus of the paper is on migration streams between the Pacific and Australia and New Zealand. This largely limits analysis to the Polynesian countries and Fiji, as other countries send only small numbers of migrants to these receiving countries. Canada receives a significant number of Indo-Fijian migrants but this movement is not included in the present paper, even though Canada is an important locus of the Indo-Fijian diaspora. Movement from Micronesia to the United States of America and further afield is partially covered in this paper but a fuller analysis is justified. Similarly, detailed analysis of intra-Pacific migration patterns is not included.

This is a desk study that draws largely on secondary sources. While migration statistics are brought as up to date as possible, a detailed analysis of the various migration streams in terms of such characteristics as age and sex, occupation and educational achievement has not been undertaken. Apart from anything else, the availability of statistical data from Pacific Island sources is limited. In some countries, statistics on the numbers of citizens departing the country are not maintained, while in others there are major gaps and deficiencies.

2. International Migration and development: theoretical perspectives

a. General perspectives

The impact of international migration on the economic development of less developed countries or regions is hardly a new issue. The modern liberal view that migration can benefit both sending and receiving countries and raise world economic output can be traced back to John Stuart Mill, whereas the more pessimistic views arising from “dependency theory” are rooted in Marx’s view that capitalism tends to create “relative surplus population”. A significant body of academic research focussed on these issues in the 1970s and 1980s.³ During the rise of the neo-Marxist “dependencia” school of economic development, migration from poor to rich countries was conceptualized as a form of “unequal exchange” from which richer countries gained at the expense of the poorer ones. While sending countries might achieve some gains, migration did nothing to change their weak and dependent position in the world economy. Similarly, the migration of highly educated and skilled persons was characterized as a “brain drain”⁴, while the migration of low-skilled and temporary workers exposed them to economic exploitation and poor working and living conditions, while contributing to capital accumulation in the receiving country and human capital depletion at home.

This perception was so widely held in the 1970s that international migration was charged with contributing to the “widening gap between rich and poor countries” (Bohning, 1979). International labour migration was also characterized as “a form of development aid given by poor countries to rich countries” (Castles and Kosack, 1973). In response, calls were made in the international community for the establishment of a “International Labour Compensatory Facility” which would compensate sending countries for the losses they have experienced on account of emigration. The IMF took the step of including the fluctuations in remittances in the category of export earnings to be covered by its “Compensatory Financing Facility” (Independent Commission, 1980).

³ An earlier body of literature focused on the effects of labour migration on village societies in colonial contexts.

⁴ The most widely used university text book on economic development from the late 1970s to the early 1990s described the movement of skilled labour from less to more developed countries as “perverse” (see Todaro 1992: 127).

However, a competing body of thought grounded in liberal economic theory argued that international migration, although not without costs, provided positive benefits to sending countries and contributed to the economic development of poor countries. Eminent economist John Kenneth Galbraith was among those vigorously defending international migration as a poverty alleviation strategy:

Migration... is the oldest action against poverty. It selects those who most want help. It is good for the country to which they go; it helps to break the equilibrium of poverty in the country from which they come. What is the perversity in the human soul that causes people to resist so obvious good (Galbraith, 1979).

But a prominent development economist writing in the present era begs to differ, at least insofar as the “bottom billion” is concerned. Paul Collier writes:

Those who do get out will not return, and their remittances will dwindle after a generation of separation. Emigration helps those who leave, but it can have perverse effects on those left behind, especially if it selectively removes the educated (Collier, 2007).

b. Pacific Islands studies—competing paradigms

In the case of migration from the Pacific Islands, contrasting theoretical perspectives on the costs and benefits of international migration were evident in research conducted throughout the 1970s and 1980s. Studies of the impact of migration from Samoa and Tonga (Shankman, 1976; de Bres and Campbell, 1975), for example, argued that migration contributed to underdevelopment and dependency at home rather than development and growth. A large-scale regional study sponsored by the ILO⁵ reached similarly negative conclusions. Although this study attempted to balance competing views, the ultimate recommendation to Pacific policy-makers was that international migration was a negative factor in the development of island countries and governments should consider more “self-reliant” development strategies.⁶

Underlying much of the negativity about the impact of international migration in the Pacific was an underlying assumption that small island economies had the capacity to achieve economic growth and development and raise standards of living if only they would implement the types of development policies applied in other developing country contexts. According to these views, “self-reliant”, autarkic, strategies were a realistic option for such countries and an alternative to outward-oriented development based on migration, foreign aid and trade (Connell, 1987).

A contrasting theoretical model of such island economies was subsequently developed after a comprehensive review of development prospects in the Polynesian sub-region. Bertram and Watters (1985) argued that it was precisely the combination of migration, remittances and foreign aid that enabled such small island economies to maintain their standard of living given the extreme development constraints that they faced. Development policy would be hard-pressed to change such constraints as small and highly dispersed populations, extremely limited prospects for achieving economies of scale, few natural resources beyond those of

⁵ The study produced a large number of country reports, one for each Island country and one each for the main receiving countries of New Zealand, Australia and the U.S. A summary Report of the main findings was also produced (Connell, 1987).

⁶ A comprehensive review of this and other paradigms can be found in Hayes (1991)

interest to tourists, and costly transport and communications. This model was labelled by the authors as “MIRAB”, referring to the combination of Migration, Remittances, foreign Aid and Bureaucracy. While this model received its share of criticism, its core arguments that migration and the return flow of remittances are rational development strategies for Pacific Island families, while the use of development assistance and budgetary support by the more developed countries to maintain reasonable levels of welfare in the Islands serves the geo-strategic interests of the developed countries, is no longer seriously questioned—at least for Polynesia and much of Micronesia.

c. New perspectives since the 1990s

In the last two decades perspectives on migration and development have changed significantly both at the international and regional level. These new perspectives are also reflected in recent initiatives in the Pacific Islands as well. Broadly speaking, the argument that international migration is necessarily a form of exploitation of poor countries by rich ones has been eclipsed by the view that migration is *potentially* positive for the development of sending and receiving countries, as well as the migrants themselves. This is essentially a reversion to the viewpoint argued by Galbraith in the 1970s. This “revisionist” perspective has arisen out of, as well as stimulated, a large number of initiatives at various levels, including international, regional and national.

The emerging consensus that international migration could provide benefits to all participants was already foreshadowed in the recommendations of the Programme of Action (POA) of the International Conference on Population and Development (ICPD), held in Cairo in 1994. The POA noted that:

Orderly international migration can have positive impacts on both the communities of origin and the communities of destination, providing the former with remittances and the latter with needed human resources. International migration also has the potential to facilitate the transfer of skills and contributing to cultural enrichment. (United Nations, 1995, para 10.1)

The POA also recommended that:

Governments of countries of origin wishing to foster the inflow of remittances and their productive use for development should adopt sound exchange rate, monetary and economic policies, facilitate the provision of banking facilities that enable the safe and timely transfer of migrants’ funds, and promote the conditions necessary to increase domestic savings and channel them into productive investment. (para 10.4).

Governments of countries of destination are invited to consider the use of certain forms of temporary migration, such as short-term and project-related migration as a means of improving the skills of nationals of countries of origin, especially developing countries.... To that end they should consider, as appropriate, entering into bilateral or multilateral agreements (para 10.5).

The ICPD POA also pointed out that “The long-term manageability of international migration hinges on making *the option of remaining in one’s country a viable one for all people*” (emphasis added). Key objectives in relation to this proposition include the suggestion that governments should “address the root causes of migration, especially those related to poverty”. The POA also sought to “encourage more cooperation and dialogue between countries of origin and countries of destination in order to maximise the benefits of migration

to those concerned and increase the likelihood that migration has positive consequences for the development of both sending and receiving countries”.

At the international level, a variety of actions have been taken and mechanisms have been established that have contributed to a more intensive focus on international migration. The Millennium Development Goals (MDGs) that were developed following the Millennium Summit held in September 2000 placed a new emphasis on the reduction of extreme poverty. While international migration does not feature in the MDG framework, the intense focus on poverty alleviation has led to consideration of the role that international migration and remittances might play as a means of reducing poverty (UNDP, 2006).

In 2001, the UN General Assembly called upon the UN system to address international migration and development by providing support for processes and activities aimed at dealing with the issue. As a response, from 2002 the UN Population Division has been organizing annual system-wide coordination meetings on international migration and has prepared a number of global reports on the topic (United Nations, 2006; United Nations, 2009). In 2002 the General Assembly requested the Secretary-General to submit a report on migration and development and to solicit the views of Member States on the possibility of convening a United Nations conference on international migration and development. While a conference by that name has not been held to date, the General Assembly decided in 2003 to hold a “High-level dialogue on migration and development” in the General Assembly to be held in 2006. The High-Level Dialogue subsequently took place in September 2006 and several reports were prepared in preparation for the meeting. One outcome of the meeting was the establishment of a “Global Forum on Migration and Development”, which has met annually since 2007.

At the 10th anniversary of the ICPD, UNFPA prepared a report (UNFPA 2004) outlining progress in the field of international migration over the previous decade. The report provided an overview of activities at the international, regional, and national levels. For example, in 2001, the International Organization for Migration (IOM) created the Migration Policy and Research Programme (MPRP) which has subsequently facilitated a number of dialogues aimed at fostering inter-state cooperation and sharing of best practices and lessons learned on international migration issues. In partnership with UNITAR, IOM and ILO, UNFPA participates in the International Migration Policy Programme, which promotes and supports inter-governmental meetings, especially at the regional level. The UNFPA report also highlights some of the changes in migration patterns and trends that have contributed to changed perspectives on the part of many governments and organizations.

At the regional level, several Regional Consultative Processes on Migration (RCPMs) have been conducted since the mid-1980s with a view to providing a forum for discussing migration within a particular region and with an emphasis on informality, openness, and efficiency. These features are conducive to free discussion as they do not require formal agreement on all issues (UNFPA 2004). The drive towards regional economic integration has also provided an opportunity to adopt regional approaches to the movement of workers, including business personnel, between borders.

At the national level, UNFPA notes that many countries have been strengthening their “migration systems”, including changes in legislation, establishment of new structures such as cooperative and coordinating arrangements between ministries dealing with international migration as well as with NGOs, establishing new posts and providing training of personnel to build management capacity to address migration issues (UNFPA, 2004). The International

Programme of Migration tracks these developments through a Country Reporting System (CRS). A growing trend at the national level is bilateral agreements between sending and receiving countries. As of 2003, 176 bilateral agreements on labour migration between OECD countries and developing countries have been concluded (UN ECOSOC, 2006). Some sending and receiving countries have also signed agreements covering the transfer of remittances.

Among the factors that have contributed to a new climate of opinion on the benefits of international migration for development are the following:

- The increasing scale of migration and the contribution of migrant remittances to the economies of many developing countries. It is estimated that 214 million people currently live outside their country of birth (Ban Ki-Moon, 2009). Migrant remittances at the global level reached over \$US167 billion annually in 2005 (Annan, 2006) and in several developing countries, including some in the Pacific, remittances exceed foreign direct investment (FDI) and official development assistance (ODA). These bare economic facts are too significant to be encompassed within a theory of international exploitation.

- World Bank sponsored comparative research demonstrates a clear relationship between remittance receipts and poverty reduction at the national level. Statistically, a 10 percent increase in remittances is associated with a 3.5 percent reduction in the proportion of the population living in poverty (UN ECOSOC, 2006).

- Migration is now conceived as an inevitable dimension of economic “globalization”. The reorganization of many developed and developing economies based on neo-liberal principles (emphasizing free trade, deregulated finance markets, unrestricted flows of capital, privatisation of public enterprise, and other elements of the “Washington consensus”) inexorably leads to the argument that labour should also be free to move to locations that provide the best returns. Under neo-liberal principles, the gains from “comparative advantage” cannot legitimately be restricted to capital and denied to labour. International migration is not indicative of “development failure”.

- The movement of labour has become conceptualized as in some respects a form of trade and this is recognized in the so-called “mode 4” of the General Agreement of Trade in Services (GATS) administered by the World Trade Organization (Strutt, et al., 2008).

- Modern transport and communications have permitted social relations to continue between members of families and kin-groups while being geographically dispersed across large distances. New “transnational” social structures have emerged that involved frequent multi-directional flows of people, money, goods and ideas. Thus migration patterns are no longer dominated by singular, permanent movement from one society to another followed by the cutting of social ties.

- In the Pacific region, Island countries have made repeated requests to New Zealand and Australia to open their labour markets to unskilled workers from the Pacific to help alleviate the problems of surplus labour arising from rapid labour force growth and slow rate of employment creation. In turn, Australia and New Zealand have acknowledged the potentially serious security consequences of growing numbers of disaffected and unemployed Pacific Islands’ youth.

- Migration from a developing country to a developed one is not necessarily an individual action but rather is an activity undertaken in collaboration with families and wider kin groups with the objective of contributing to the welfare of the group. Given modern transport and communications, migrants continue to participate in community life at home. Migration creates new transnational communities dispersed in space. These communities are

linked by the flow of people, money, goods, ideas, and skills and contribute to development in countries of origin.

- Migrant remittances play a complex but generally positive role in the development of sending countries. The use of remittances is not limited to consumption but under the right conditions can contribute to investment. Remittances play an important social role in maintaining an income floor, especially during recessions in the country of origin or during natural disasters.

- Remittance income is more stable than other financial flows such as ODA or FDI. Concerns that remittance flows would decline through time or fluctuate are overstated.

- Most developed countries are ageing rapidly and are increasingly unable to maintain the size of their working age population by natural increase alone. Thus there will be a continuing and long term need for immigrant workers. Developing countries will continue to have “surplus labour” while they undergo through the demographic transition. International migration can simultaneously address both issues.

- International migration can be managed in such a way as to benefit countries of origin and countries of destination through the development of appropriate institutions.

- The commodification of education has meant that tertiary institutions in Australia and New Zealand and elsewhere actively seek students in developing countries and aid programmes have grown to recognise (at least tacitly) that tertiary education and training benefits both the national economy and recipient developing countries.

While the broad conclusion that emerges from these observations is that international migration has an important role to play in economic development at various levels, there is an acknowledgement that the potential benefits of migration will not come about automatically. Rather, the gains from migration can only be guaranteed if the migration process is managed in such a way that the benefits are maximised and the costs minimised for all parties. Consequently, the past decade has seen the emergence of institutional arrangements designed to manage international migration to ensure that the process is mutually beneficial to all participants.

The policy implications of the new perspectives on international migration have recently been explored in the 2009 Human Development Report (UNDP, 2009). The Report argues that “large gains to human development would flow from improved policies toward movers”, and proposes a package of policy reforms containing the following six “pillars”:

- 1) Liberalizing and simplifying regular channels that allow people to seek work abroad;
- 2) Ensuring basic rights for migrants;
- 3) Reducing transaction costs associated with migration;
- 4) Improving outcomes for migrants and destination communities;
- 5) Enabling benefits from internal mobility;
- 6) Making mobility an integral part of national development strategies

There is little doubt that this generic policy framework is just as applicable in the Pacific as in any other region and the scope for implementing such policies will be considered in the conclusion of this paper.

B. INTERNATIONAL MIGRATION PATTERNS IN THE PACIFIC

1. Demographic aspects

a. Net migration from the Pacific by country and sub-region

The Pacific Islands region as a whole currently has a net emigration loss of about 0.1 percent, as previously shown in Table 1. Half of all the countries and territories have net migration losses, and each sub-region also has a net migration loss. Guam and New Caledonia are the only countries presently having a net immigration gain while Solomon Islands, Vanuatu and Papua New Guinea have zero net migration. Guam has been receiving migrants from Asia and other parts of Micronesia for many years, as has the Northern Mariana Islands. At the 2000 Census, 56 percent of the population of the Northern Mariana Islands, identified themselves as “Asian”. New Caledonia receives migrants from French Polynesia, Wallis and Futuna and France. Despite the gains in some countries, the net migration loss in the region as a whole is currently about 10,000-14,000 persons per annum.

The demographic impact of migration is greatest in the Polynesia sub-region where the population growth rate has fallen to 0.8 percent per year. Given the current rate of natural increase of 1.6 percent, emigration in Polynesia currently offsets 50 percent of natural growth. The impact of net migration is greater in specific countries, namely Niue, Cook Islands, Samoa and Tonga. In Samoa and Tonga, net migration offsets over 80 percent of natural increase. As a result, the rate of population growth in these countries is presently one half of one percent or less. As a consequence of the low rates of population growth, population projections to 2020 show very little change from 2009. Given current population dynamics, just over 75 percent of all population growth in Polynesia is now accounted for by only two countries—French Polynesia and American Samoa.

The situation is similar in Micronesia, where four out of seven countries are currently experiencing migration losses and 90 percent of population growth is concentrated in two countries—Guam and Kiribati. Guam is gaining population from Asia and elsewhere in Micronesia as well as experiencing natural increase. While Kiribati has a net migration loss, it is too small to have a major impact on population growth.

In the Melanesia sub-region, however, only Fiji is currently experiencing a net migration loss. Papua New Guinea, Solomon Islands and Vanuatu have little access to international migration opportunities; their labour force is largely unskilled and there are no preferential arrangements for nationals of these countries to migrate to former administering powers (Australia, Great Britain, and France). While nationals of these countries can be found in Australia, New Zealand and elsewhere, the numbers migrating are demographically insignificant, and even though Fiji is experiencing a net migration loss, this has little impact on the sub-regional growth rate. Migration from Fiji is having a major impact of population growth in that country, currently offsetting about 62 percent of natural increase.

Net migration figures are, of course, a residual that says nothing about how many actual movements have taken place. In Tuvalu and Kiribati, for example, temporary and circular labour migration is the primary form of population mobility, even though long-term and permanent movement is also occurring. In Fiji, permanent movement is the predominant pattern, especially among Indo-Fijians, but temporary labour migration has been growing among Indigenous Fijians. Temporary migration is discussed further below.

b. The destinations of Pacific Island migrants: the Pacific “diaspora”

Given the limited data on emigrants from Pacific countries from the sending countries, the best picture of the scale of movement from the Islands and trends through time is provided by data collected in recipient countries. Although Pacific Islanders can be found in many parts of the world, the vast majority are in Australia, New Zealand and the United States of America. Although the timing and methods of the censuses conducted in each of these countries is not always identical, a reasonably accurate picture of migration flows can be obtained from census data either on ethnicity/ancestry or place of birth. The number of Pacific Islanders by ethnicity usually resident in these three countries in 2006 (2004 for the US) is shown in Table 3.⁷

According to these data, the Pacific Islander population recently reached 310,245 in New Zealand, 140,436 in Australia, and 325,053 in the United States of America, a total of almost 800,000. Based on similar data compiled from the 2001 censuses of New Zealand and Australia by Stahl and Appleyard (2007), the Pacific Islander population grew at an average rate of 2.8 percent in New Zealand and 5.8 percent per year in Australia over the 5-year period 2001-2006. Significant growth was also experienced among some Pacific Island groups in the United States of America between the 2000 census and the 2004 American Community Survey, but it is not clear that the definitions of ethnicity used in the two data sources are identical. Taking the data at face value, however, the population of Pacific Islanders in the United States of America would appear to have increased by 34 percent over the 4-year period 2000-2004.

A distinctive feature of these data is that in the Polynesian countries of Cook Islands, Niue, Samoa, Tonga, Tokelau and Tuvalu, there are more ethnic nationals living outside their country of origin than in it. The extreme case is Niue where 93 percent of ethnic Niueans are living outside Niue. In Cook Islands and Tokelau the proportion is about 82 percent. The proportions are smaller for Samoa (62 percent) and Tonga (52 percent) but still significant. Even in Tuvalu, where long-term and permanent migration is a relatively new phenomenon, 24 percent Tuvaluans now live outside their country—predominantly in New Zealand. In the case of Fiji, the second largest country in the Pacific, the equivalent of almost 13 percent of the population (both Indigenous and Indo-Fijian) is resident overseas.

Generally, the proportion of Pacific Islander populations (by ethnicity) abroad has been increasing over the period 2000-2006, but in the cases of Cook Islanders, Niueans and Tokelauans, there is evidence of onward movement from New Zealand to Australia. The data in Tables 4 and 5 show that the numbers in these ethnic groups in New Zealand has declined over the 2001-2006 period, and the growth rate has become negative. If New Zealand were the only destination available to these groups other than back home then it might be concluded that there had been return migration to the islands; but Cook Islanders, Niuean and Tokelauan are automatically New Zealand citizens, which gives them access to Australia through the Trans-Tasman Agreement between New Zealand and Australia. Indeed, Australian census data show that the number of ethnic Cook Islanders, Niueans and Tokelauans resident in Australia increased over the same period at an average annual rate of 17.5, 29.7 and 18.5 percent.

⁷ Indo-Fijians have been migrating to Canada in significant numbers since the 1970s. Inclusion of Canadian census data would provide a fuller picture than is presented here.

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Table 3 Pacific Islanders at home and abroad, ca 2006

Country	Population in country (2006)	in New Zealand* (2006)	In Australia** (2006)	In USA (2004)&	Total in NZ, Aust, USA	Total ethnic population (in four countries)	Percent of total ethnic population in NZ, Aust and USA
Cook Islands	13,233	48,954	11,401	--	60,355	73,588	82.0
Niue	1,506	18,366	2,182	--	20,548	22,054	93.0
Samoa	185,166	131,787	39,992	128,183	299,962	485,128	61.8
Tonga	98,742	49,686	18,426	39,052	107,164	205,906	52.0
Tokelau	1,509	5,541	1,134	--	6,675	8,184	81.6
Tuvalu	9,672	2,739	336	--	3,075	12,747	24.0
Kiribati	95,474	--	482	--	482	95,956	0.5
Fiji	846,032	44,442	48,141	30,890	123,473	969,505	12.7
PNG	5,891,788	1,251	12,547	--	13,798	5,905,586	0.2
Solomon Islands	479,424	--	1,117	--	1,117	480,541	0.2
Vanuatu	224,216	--	512	--	512	224,475	--
Other Polynesian	--	--	2,466	--	2,466	--	--
Other Melanesian	--	--	822	72	894	--	--
Other Pacific	--	7,479	878	126,856	135,213	--	--
TOTAL	7,846,762	310,245	140,436	325,053	775,734		--

*Figures for Pacific Islanders in NZ are based on ethnicity (foreign and NZ-born) except for Fiji which refer to the Fiji-born population, 85 percent of which is of Indo-Fijian ethnicity. I-Kiribati and ni-Vanuatu are included in Other Pacific and Other Melanesian, respectively. **Figures for Australia refer to “ancestry” except for Fiji which refers to place of birth. Fijians by ancestry numbered 19,173 or the equivalent to 40 percent of the Fiji-born population. The balance is presumably made up of Indo-Fijian and others. &US figures refer to race. Figure for the US refers to 2000 Census data and includes any person with any degree of Pacific Island ancestry. Excludes persons living in group quarters such as college residences, except for Samoans. Fijians in USA based on birthplace in 2000 Census.

The rate of growth of other groups such as Samoan and Tongan in New Zealand has also declined over the last two intercensal periods, but remains significant. The ethnic Samoan population has been growing at an average annual rate of 2.8 percent while the Tongan population has been growing at 4.0 percent.

These figures obviously reflect both new migration and natural increase in the Pacific Islander population and not migration alone. In the case of New Zealand it is clear that the proportion of the total ethnic population that was born in the Pacific Islands has declined substantially. Among Cook Islanders, Niueans and Tokelauans, only 30, 26 and 29 percent, respectively, were recorded as having been born in their home country in the 2006 census (Table 6). The majority of Samoans and Tongans usually resident in New Zealand were also born outside their home country. In the Fiji case the equivalent proportion is only 15 percent but this small fraction arises because the majority of the Fiji-born in New Zealand are ethnic Indians and not Fijians.⁸

The trend in movement to New Zealand from the three largest sources of Pacific Island migrants to New Zealand (by country of citizenship) can be seen in Figure 2 which covers a period of 20 years. It is apparent that the early 1990s saw a major reduction in net migration which became a net outflow for Samoans and Tongans and a small in-flow for Fijian citizens. This period was one of significant economic re-structuring in New Zealand and many manufacturing jobs were lost. It was these jobs that had provided work for relatively unskilled Pacific Islanders during the 1970s and 1980s. By 1995 the net flow again became positive and has remained so up until 2007—the latest year for which data are available. In the case of Fiji, there is a clear association between peak immigration years and political events at home. An immigration surge occurred after the first military coup in 1987. A second surge is evident after the 2000 “civilian” coup. Permanent and long-term immigration to New Zealand from Fiji reached a 20-year peak in 2007, the year after the most recent coup in December 2006.

As measured by ancestry, the Pacific Islander population in Australia has increased over the intercensal period 2001-2006 by about 23,000, or 4.4 percent per year on average (Table 7). Particularly large increases were evident in the population of Cook Islanders, Niueans, Tokelauans and Tuvaluans, as well as in the general category “other Pacific”. The rapid increase in the number of Polynesians from the micro-states associated with New Zealand is facilitated by their New Zealand citizenship, which permits them to freely enter Australia. It is also possible that other Pacific Islands, particularly Samoans and Tongans, have moved on to Australia after having become naturalized New Zealand citizenship. The 2006 census recorded nearly 50,000 persons born in Fiji, a number that includes indigenous Fijians, Indo-Fijians and other minor groups. About 60 percent of the Fiji-born population in Australia is likely to be Indo-Fijian.

⁸ “Indo-Fijian” is not treated as a separate category for census purposes in Australia, New Zealand or the United States thus Indo-Fijians are normally included with “Asian Indians” from India or elsewhere.

Table 4: Pacific Islanders usually resident in New Zealand 1991-2006 (by ethnicity)

	Census Year			
	1991	1996	2001	2006
Samoan	85,743	101,754	114,432	131,787
Cook Islander	37,908	47,121	52,356	48,954
Tongan	23,172	31,389	40,713	49,686
Niuean	14,427	18,477	20,148	18,366
Fijian	5,097	7,698	7,041	6,698
Tokelau	4,146	4,917	6,204	5,541
Tuvalu	432	879	1,953	2,739
Other Pacific	2,211	4,545	5,475	7,479
Total Pacific	167,070	202,233	231,801	270,426

Source: Statistics New Zealand

Table 5: Rate of growth in Pacific Islander population usually resident in New Zealand 1991-2006 (by ethnicity)

Ethnic group	Intercensal period		
	1991-1996	1996-2001	2001-2006
Samoan	3.4	2.3	2.8
Cook Islander	4.3	2.1	-1.3
Tongan	6.0	5.2	4.0
Niuean	4.9	1.7	-1.9
Fijian	8.1	-1.8	-1.0
Tokelau	3.4	4.6	-2.3
Tuvalu	13.6	15.2	6.7
Other Pacific	13.8	3.7	6.6
Total Pacific	3.8	2.7	3.1

Source: Table 4.

Figure 2: Net long-term and permanent arrivals in New Zealand by citizenship

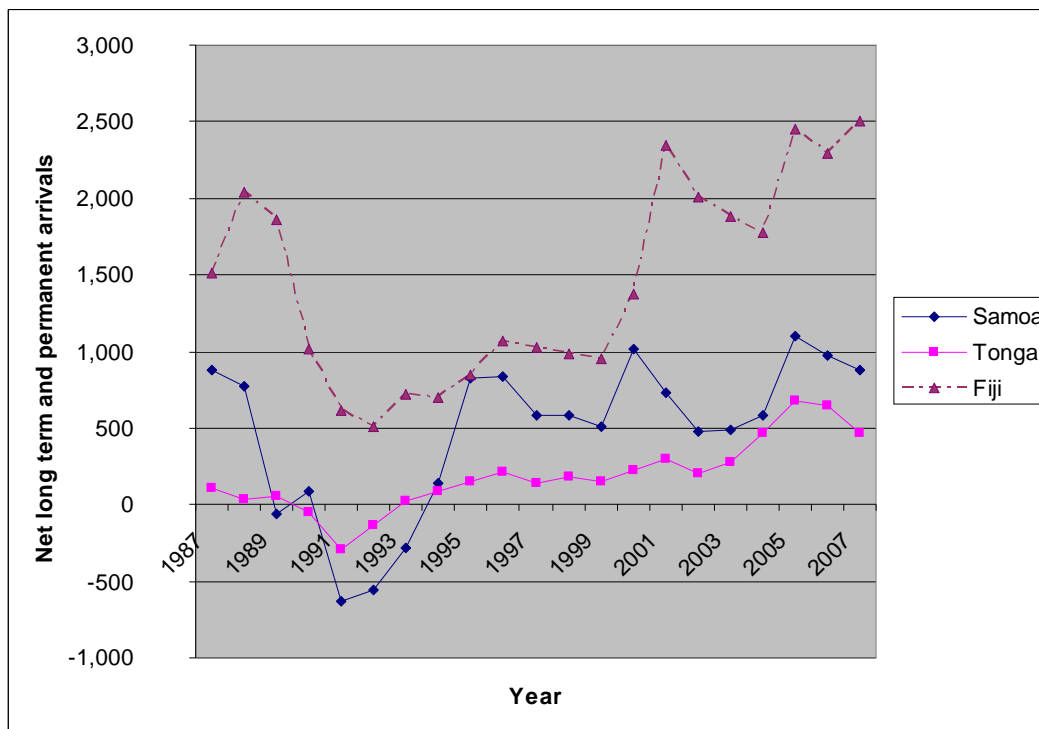


Table 6: Proportion of ethnic Pacific Islanders usually resident in New Zealand in 2006 by place of birth and ethnicity

	By Birthplace		By Ethnicity		Total	
	Number	Percent	Number	Percent	Number	Percent
Samoa	50,649	38	81,138	62	131,787	100.0
Cook Islander	14,649	30	34,260	70	48,954	100.0
Tongan	20,523	41	29,163	59	49,686	100.0
Niuean	4,815	26	13,551	74	18,366	100.0
Fijian	37,749	85	6,693	15	44,442	100.0
Tokelau	1,857	29	3,954	71	5,541	100.0
Tuvalu	1,221	45	1,518	55	2,739	100.0
Other Pacific	3,324	44	4,155	56	7,749	100.0
Total Pacific	135,852	45	165,630	55	301,482	100.0

Source: Statistics New Zealand.

Table 7: Pacific Islander population in Australia, 2001-2006 by ancestry

Ancestry	Number		Percent growth
	2001	2006	2001-06
Samoan	28,091	39,992	42.0
Cook Islander	4,742	11,401	140.4
Tongan	14,889	18,426	23.8
Niuean	494	2,182	341.1
Fijian*	44,261	48,141	8.8
Tokelau	450	1,134	152.0
Tuvalu	90	336	284.4
Papua New Guinea	9,441	12,547	32.9
Vanuatu	898	512	-43.0
Other Pacific	863	5,283	512.2
Total Pacific	105,346	128,553	22.0

*Refers to the Fiji-born population as Indo-Fijians are not separately identified.

Source: Australian Bureau of Statistics Census Tables 2006.

There are significant differences between the Pacific populations in Australia as defined by ethnicity and place of birth. The 15,500 persons born in Samoa is equivalent to only 38.1 percent of the ethnic Samoan population. This suggests that 62 percent of ethnic Samoans in Australia were either born in Australia, New Zealand or other countries. In other cases there are more persons born in a Pacific country than identify as having ancestral connections to that country. In the case of Papua New Guinea, for example, twice as many persons were born there than identified as Papua New Guineans. This is obviously related to the fact that Australia administered Papua New Guinea up until independence in 1975; thus many children would have been born to Australian parents and subsequently returned to Australia after independence. A similar pattern is apparent in Nauru and Solomon Islands.

Australian census data suggest that for most Pacific Island ethnic groups, the majority were born outside their home country. The exceptions are the more recent migrants from Kiribati or Nauru, a pattern similar to that observed in New Zealand. However, there has been an upward trend in new, permanent arrivals of Pacific-born people in Australia over the past three years. In the case of the Samoa-born, the number of permanent arrivals increased from 415 to 834 over the period 2006-07 to 2008-09, a 100 percent increase. An upward trend was also evident in the number of Fiji-born persons admitted permanently into Australia.

Measuring the Pacific Islander population in the United States of America is complicated by their very small numbers relative to other ethnic groups, which means that sample surveys do not capture many migrants from the smaller countries.⁹ Measuring trends is also difficult due to changing treatment of race and ethnicity over time (U.S. Census Bureau, 2005). Table 8 shows the number of persons reported a Pacific ancestry (excluding Hawaiians) in the 2000 census as either their first or second ancestry. Table 8 gives smaller numbers than Table 3 because the latter includes all persons who mentioned any Pacific Islander ancestry regardless of the degree. Also, Table 8 excludes Indo-Fijians who would be included in the Asian population. In any case, the largest group in both Tables is Samoan. Guamanians are the next largest group followed by Tongans. The extent of mixed ancestry would appear to be

⁹ Samoans, the largest Pacific Islander group in the United States, were 0.5 percent of the U.S. population in 2000.

greatest in the Guamanian population given the proportion of Guamanians reporting that Guamanian was their second ancestry.

Table 8 Pacific persons by ancestry enumerated in 2000 U.S. Census

	First ancestry	Second ancestry	Total
Samoan	80,136	12,006	92,142
Cook Islander*	--	--	--
Tongan	29,410	2,481	31,891
Niuean*	--	--	--
Tokelau	137	199	336
Tuvalu	--	--	--
FSM	1,549	329	1,878
Guamanian**	47,404	10,640	58,040
Kiribati	--	--	--
Marshallese	6,040	219	6,250
Nauru*	--	--	--
Palauan	2,599	358	2,957
Papua New Guinea*	--	--	--
Vanuatu*	--	--	--
Fijian	12,535	1,123	13,658
Solomon Islands*	--	--	--
Other Polynesian	1,619	629	2,248
Other Pacific	20,646	2,382	23,028
Total Pacific	202,075	30,312	232,387

Notes: *Fewer than 300 persons. **Includes "Chamorro" (indigenous Guamanian)

Source: U.S. Census Bureau. Census 2000, special tabulation. Table PHC-T-43. Internet Release January 22, 2007.

The measurement of trends in the U.S. is further complicated by the fact that many Pacific migrant groups are not included in U.S. Immigration and Naturalization Service statistics as they are already citizens or nationals of the U.S. If the broader definition of ancestry as included in the 2000 U.S. Census is compared to the 1980 census definition of "Samoan", then the Samoan population of the United States of America has increased from 42,000 to 128,000 over the 20-year period 1980-2000—an annual average growth rate of 5.6 percent per year. It is impossible to verify this rate of growth with statistics drawn from the countries of origin.

It should be noted, however, that there has been a consistent net outflow of population from the Marshall Islands from 1992 up to 2008. During this period, net migration totalled - 15,955 or an average net loss of 940 persons per year. Most of these are destined for the United States of America and this in-flow has contributed to the fact that Marshallese are now the fifth largest Pacific Islander group in the United States of America after Samoan, Guamanian, Tongan, and Fijian.

Approximate estimates of migration trends are possible using country of birth data from the 2000 census (U.S. Census Bureau, 2010). These data suggests that the number of

migrants entering from Fiji, Samoa, and Tonga was growing at the rate of 9.5, 5.7 and 5.4 percent, respectively, in the five years preceding the census. However, the fastest rates of growth over this period were recorded among Micronesians. The population of Palauans, “Micronesians” and Marshall Islanders grew at 10.0, 14.0 and 16.0 percent, respectively, during the period 1995-2000. Taking all these groups together, comprising the majority of Pacific Islanders going to the US but not U.S. nationals, the rate of growth was 8.8 percent per year on average between 1995 and 2000.

c. Summary of migration trends

Migration flows between the Pacific Islands and the main destination countries of Australia, New Zealand and the United States of America continue to grow and as a result the population of overseas Pacific Islanders is also increasing. The rate of increase varies widely between countries in accordance with the maturity of the migration stream. The most rapid increase is in populations from countries that do not have a long history of migration and in which the proportion of island born remains high. In other cases, especially the Polynesian “micro-states”, where migration is long-standing and a very high proportion of the overseas population is overseas-born, the rate of growth in the overseas population is slowing down. Increased trans-Tasman movement to Australia by Pacific Islanders having New Zealand citizenship is evident.

C. MIGRATION POLICIES AND INSTITUTIONAL ARRANGEMENTS

1. Migration policies in receiving countries

a. Constitutional arrangements

A number of Pacific countries remain in various degrees of political association with former administering powers or have remained as overseas territories of France or the United States of America. These arrangements are important because nationals of such countries are therefore immune from immigration policy. Although these sending countries have an international identity, movement from them to their respective metropolitan centre has some of the characteristics of internal movement in that the decision to move is made by individuals and families and is conditioned by social and economic factors independently of the rules and regulations that govern the entry of other Pacific Islanders.

The countries having free access to New Zealand by virtue of citizenship include Cook Islands, Niue, and Tokelau. Tokelau remains a New Zealand territory while Cook Islands and Niue are in “free association” with New Zealand. Under these constitutional arrangements, New Zealand is responsible for foreign affairs and defence while the governments of the Cook Islands and Niue are free to conduct their own affairs through their respective legislatures. As part of the agreement governing free association, nationals of these countries are New Zealand citizens and are therefore free to enter New Zealand as and when they wish.

Similarly, several countries continue to have constitutional links to the United States of America. American Samoa is an “unincorporated territory” of the United States of America and American Samoans are American “nationals” who are eligible to enter the U.S. as well as join the United States military, which many have done. By virtue of the “Compact of Free Association” between the United States of America and the Federated States of Micronesia, Palau and Marshall Islands, citizens of these countries have the right to enter, reside, study and work in the United States of America without a Visa. Unlike nationals of those countries in free association with New Zealand, nationals of these Micronesian countries are not U.S. citizens. If they wish to become citizens or permanent residents they first have to apply as

immigrants. Nevertheless, entry and residence in the U.S. is virtually unrestricted and as a result the Micronesian population in the United States of America is increasing. Guam is a U.S. Territory and its nationals are therefore U.S. citizens. The Northern Mariana Islands has a different status again, being a Commonwealth in “political union” with the United States of America. Indigenous inhabitants of the Northern Mariana Islands are automatically U.S. citizens, but immigrants to the Northern Mariana Islands are subject to U.S. immigration law.

No Pacific country has a constitutional link with Australia, but Pacific Islanders who are automatically New Zealand citizens, naturalized citizens or permanent residents can enter Australia freely by virtue of the Trans-Tasman Agreement between Australia and New Zealand. Increasing numbers of Pacific Islanders are using this route to enter Australia.

b. Immigration quotas and programmes

As a result of its previous status as the administering authority in Samoa (from 1914 to 1962), New Zealand allows 1,100 Samoans to enter New Zealand each year conditional upon an offer of employment. For most years this quota is fully taken up. In addition, New Zealand has arrangements with Fiji, Samoa, Kiribati, Tuvalu and Tonga that allow a specific number of citizens of these countries to apply for residence. Those selected for this scheme, known as the “Pacific Access Category”, are drawn by ballot from a pool of applicants who meet certain basic educational, character and age criteria. Successful candidates are drawn at random, apparently to avoid “cherry picking” the best ones. A second stage of assessment follows and those who meet the criteria may be granted residence. Since the coup in Fiji in late 2006, that country has been excluded from the Pacific Access Category. In 2006, a total of 1,199 Pacific Islanders were approved for residence under this scheme. A residual category is employed that allows New Zealand to offer residence if the other quotas are not filled. Although the Samoan quota and the PAC quota require a job offer, New Zealand includes persons entering under these categories within its “international/humanitarian” stream as a reflection of its “special relationship” with some Pacific nations. A more practical reason is that few Samoans or Tongans would qualify for entry would have sufficient skills to qualify under the skills/business category (Stahl and Appleyard, 2007).

Neither Australia nor the United States of America have quota schemes for Pacific Islanders who are not otherwise eligible to enter on the basis of nationality or citizenship, thus New Zealand’s system is unique in the region, and possibly the world. This has been highlighted by Stahl and Appleyard (2007), who remarked “We cannot think of another developed country that admits migrants as part of its perceived duty to assist their economic development”.

c. Temporary entry

New Zealand has several categories of temporary entry that are applicable to Pacific Islanders, amongst others. In the 2006/07 year, 7,792 work permits were issued to Pacific Island nationals, 57 percent of which were issued to citizens of Fiji. To put this number in perspective, 14,889 work permits were also issued to Chinese nationals and 7,300 to U.S. nationals. Pacific Islanders received only 6.8 percent of the work permits issued in the 2006/07 year (New Zealand Department of Labour, 2008). Temporary permits include those issued to young people from 26 countries aged 18-30 on “working holidays”, although no Pacific Island country is included in this category. The numbers of young people entering New Zealand under these arrangements (34,489) overshadows all forms of migration from the Pacific Islands. The Pacific Islanders issued work permits in 2006/07 include those who entered on New Zealand’s Registered Seasonal Employer scheme which commenced in 2007.

In addition to the 7,792 work permits issued to Pacific Islanders, 3,170 student permits were issued bring the total number of temporary permits issued in 2006/07 to 10,962. Generally the number of work permits issued to Pacific people has been increasing over the past decade. In the case of Fiji, the number of work permits issued has increased at an annual average rate of 17 percent since 1998. This reflects not only the number of Indo-Fijians leaving Fiji on account of political instability but also New Zealand's greater use of work permits as a step toward various forms of residence.

Work permits may also be issued to partners of citizens and permanent residence; graduates of New Zealand universities may also be granted work permits as a transition between education and permanent residence. Some of these permits are subject to a "labour market test" to ensure that no citizens are denied work opportunities; other permits are not labour market tested.

As Table 9 shows, the majority (76.8 percent) of Pacific Islanders granted permanent residence in New Zealand in 2006/07 are either sponsored family members or entered on International/humanitarian grounds (including Pacific Access and the Samoan quota). Other than persons from Fiji, only a very small minority of Pacific Islanders were granted permanent residence under the skilled/business category. Of those who were granted permanent residence on the basis of work skills or to start businesses, 95 percent were from Fiji, and it is very likely that the majority of these were Indo-Fijian. This helps to explain why concerns about the economic costs of emigration are expressed more strongly in Fiji than anywhere else in the Pacific.

Table 9: Pacific people granted permanent residence in New Zealand by category 2006/07

	Skilled/Business	Family Sponsored	International/humanitarian	Total
American Samoa	0	4	2	6
Fiji	1,263	837	471	2,571
Kiribati	0	17	124	141
Papua New Guinea	1	7	4	12
Samoa	20	705	1,103	1,828
Solomon Islands	21	11	3	35
Tonga	18	390	571	979
Tuvalu	0	25	102	127
Vanuatu	3	8	0	11
Total	1,326	2,004	2,380	5,710
Percent	23.3	35.1	41.7	100.0

Source: New Zealand Department of Labour (2008c).

d. Temporary unskilled labour migration

The most controversial form of international migration is the temporary migration of unskilled workers from less developed to more developed countries. In Australia both the Trade Unions and conservative politicians have long opposed "guest worker" schemes, although for different reasons. Even though the last form of temporary labour mobility from the Pacific Islands to Australia ended more than 100 years ago, the history of the abuses that occurred during the "blackbirding" era from 1863 to 1904 when 62,000 Melanesians were

recruited to work on Queensland's sugar plantations (Moore, 1985) is still well-known among many Australians and any number of unionists to keep this memory alive (see Batizan, 2003). New Zealand has no equivalent history to draw upon but many New Zealanders recall the situation in the 1970s when Polynesian "overstayers" on temporary visas were subject to "dawn raids" and heavy-handed deportation, as well as the poor working conditions that many such workers faced (Franks, 2009). Effectively, from 1901 up until the recent introduction of temporary seasonal labour schemes in both New Zealand and Australia, neither of these countries have had in place any special immigration programme that would facilitate the entry of Melanesians from Papua New Guinea, Vanuatu, or Solomon Islands into either country for temporary employment (Bedford, 2008).

In the same year that Australia effectively closed the door to temporary labour migration from the Pacific, New Zealand annexed the Cook Islands and Niue, thus beginning a process that resulted in people from those islands having free access to the New Zealand labour market as well as New Zealand citizenship. New Zealand annexed (Western) Samoa in 1914 and administered the country until it achieved independence in 1962. Samoans were not granted New Zealand citizenship, but until the 1970s their entry into New Zealand was not rigorously controlled and many Samoans entered New Zealand on short-term permits and found employment in New Zealand's industrializing economy. Although Tonga had not been administered by New Zealand, there were significant social ties between the two countries and, combined with a demand for unskilled labour, this facilitated the entry of Tongans for both employment and eventual settlement.

For most of the period from the end of WW2 until 1974, labour migration from the above-noted Polynesian countries was largely unregulated. In the case of Fiji, however, the New Zealand Government had entered into formal arrangements to allow Fijians to enter New Zealand on temporary, seasonal labour contracts in rural areas (Bedford and Gibson 1985). This was the first of many arrangements put in place over the past several decades to meet the fluctuating demand for unskilled workers in New Zealand. The most striking feature of these arrangements is the policy focus on the primary goal of meeting the unskilled labour needs of New Zealand industry. Because these needs have changed with structural shifts in the New Zealand economy, the government has become engaged in a constant effort to match labour supply with demand, while ensuring that New Zealand citizens have the first call on the available work.

The era of more or less unregulated movement from the Pacific Islands to New Zealand came to an end after a review of immigration policy was conducted in 1974 in the midst of an economic recession triggered by the "oil crisis" of 1973. The liberal attitude to "illegal" migration for work was replaced with a policy of controlled access and enforcement of short-term work permits. As labour demand picked up following the recession, the New Zealand Government entered into arrangements with the governments of Fiji, Tonga and Samoa to permit temporary labour migration based upon labour demand. Would-be participants had to register in their home country and employers in New Zealand would apply to the Department of Labour for permission to recruit from workers who had registered for work in these countries. Fijians made particular use of this arrangement whereas Samoans and Tongans continued to use their kinship networks to gain work outside the formal work permit scheme.

The South Pacific Work Permit Scheme is in some respects the forerunner of the current Recognised Seasonal Employer (RSE) policy in that the responsibilities of employers, the New Zealand Government, the governments of Pacific Island countries and community organizations were laid out in a formal agreement. An important difference is that the RSE

policy applies only to the horticulture and viticulture industries whereas the previous work permit scheme was not restricted to a specific industry and depended on labour supply and demand in a range of economic sectors—most prominently manufacturing. But the extension of the South Pacific Work Permit scheme to Tuvalu and Kiribati took place at a time when the demand for seasonal labour was increasing in horticulture and viticulture due to the expansion of these industries in New Zealand. The RSE policy was not introduced until 20 years later. In the meantime, seasonal labour demand in this growing industry was met by allowing visitors, including young people on “working holidays” to obtain a temporary work permit. This had the effect of regularising a practice that had been common among Tongans and Samoans.

In spite of the urging to do so by Pacific Island governments, community leaders and academics spanning almost four decades, Australia has declined to introduce any form of temporary unskilled labour migration or “guest worker” schemes for Pacific Islanders. The arguments put forward have ranged from the lack of demand given the available labour in Australia and high unemployment rates in some years to the desire not to contribute to a drain of skilled persons from the Pacific. Official Australian response to a request from Pacific Labour Ministers to open the Australian labour market to temporary employment from the Pacific was that Australia contributed to the development of the Pacific region through its development aid and training programmes in the islands (Connell 1985). This policy perspective has been consistently held in Australia until very recently. The introduction of a pilot seasonal employment scheme in Australia for Pacific Islanders in 2008 thus represents a significant policy shift, albeit on a very small scale.

e. The Recognised Seasonal Employer (RSE) policy in New Zealand

New Zealand announced that it was introducing a new temporary labour migration policy at a meeting of the Pacific Islands Forum in October 2006. To be known as the Recognised Seasonal Employer Work Policy (RSE), the scheme would allow up to 5,000 unskilled workers per year from selected Pacific Island countries to enter New Zealand on temporary work permits for employment in the horticulture and viticulture industry for up to 7 months at a time. The initial “pilot” countries selected were Kiribati, Tuvalu, Vanuatu, Tonga and Samoa. Fiji was originally including but removed from the scheme after the *coup de'état* of December 2006. The Solomon Islands was invited to join the scheme in 2008 and the limit on the total number of workers who could enter the country under the RSE scheme was raised to 8,000.

The administrative arrangements for the RSE are much more complex than the earlier and somewhat similar work permit schemes from the 1970s. First, an “Inter-agency Understanding” (IAU) was agreed to and signed by the New Zealand Government and each participating Pacific country. The Department of Labour was signatory for New Zealand while ministries of Labour (Kiribati and Tonga), Internal Affairs (Vanuatu) or the Ministry of the Prime Minister (Samoa) signed for the Island country. These documents laid out the fundamental principles and conditions of the scheme. An additional schedule was appended covering arrangements that were specific to each country and were subject to annual review. The IAU spells out that the policy applies specifically to the horticulture and viticulture industry, not other sectors of the economy.

The administrative arrangements associated with the RSE have been outlined in detail by Bedford (2008) and Ramasamy, et al. (2008). From the New Zealand end the RSE scheme requires employers in horticulture and Viticulture to take two initial steps: 1) apply to the New Zealand Department of Labour to become Recognised Seasonal Employers; 2) once RSE status

has been granted, employers must obtain an “Agreement to Recruit” (ATR) which specifies how many workers can be recruited and is conditional on no New Zealand citizens being available to perform the work. To obtain accreditation as an RSE, employers have to demonstrate that they have the capacity to pay for a minimum of 30 hours per week per worker and are able to provide suitable accommodation and “pastoral care”. Once an ATR has been approved, the employer can initiate the recruitment process using the procedures specified in the IAU for the specific country. This may allow the use of licenced agents operating either in New Zealand or in the Island country, or direct recruitment by the employer in the country of preference.

Workers selected for work under the RSE then apply for a seasonal work visa (which requires medical and police clearances) and attendance at a pre-departure briefing on the nature of the work, employment conditions, climate, taxation, insurance, remittance arrangements and so forth. Recruitment under the RSE scheme commenced in late 2007 and by June 2008, 5,079 workers from five Pacific Island countries were employed on orchards and vineyards throughout New Zealand. Currently there are 138 accredited RSE employers and since April 2008 they have brought 7000 workers into New Zealand under the scheme, the majority of which are from the Pacific. According to the current Minister of Labour (Coleman, 2009) 80 percent of the RSE workers who came from the Pacific returned in 2009.

Among the several unique aspects of the scheme is that several government ministries (Labour, Internal Affairs, and Pacific Islands Affairs) as well as New Zealand’s overseas development agency, NZAID, are cooperating in running the scheme. Although the primary goal is to meet the labour needs of New Zealand’s horticulture and viticulture industry, the rapid expansion of which has outstripped the local supply of seasonal labour, the scheme is also intended to contribute to economic development in the countries of origin. This aspect of the scheme was highlighted when the Prime Minister of New Zealand recently visited a Samoan village that had sent 240 people to New Zealand under the RSE policy in order to see for himself what impact the policy had in a sending community. Conversely, the Prime Minister of Samoa visited the Hawkes Bay area of New Zealand and was hosted by a major labour recruiter to witness how the scheme was operating. The Prime Minister commented that the scheme made a “considerable contribution” to the Samoan economy.

The potential role of temporary labour as a contribution to the economic development of the Pacific Island participants had been stressed at the outset by NZAID, which noted that “The movement of labour, including low-skilled labour, can make an important contribution to development in developing countries. It provides opportunities for individuals to earn an income, acquire skills, and be exposed to new ideas” (NZAID, 2007). To back this up, NZAID has introduced a \$500,000 training scheme for RSE workers that will provide education in literacy, numeracy, and money management during their time in New Zealand (but after working hours).

Some Pacific Island governments have been more active than others to put an institutional structure in place to facilitate the scheme. Vanuatu, for example, has passed legislation (Seasonal Employment Act No. 23 of 2007) to regulate all forms of seasonal employment outside Vanuatu, including the operations of recruitment agencies. This is probably the first such act passed in the Pacific. The World Bank has recently awarded a \$US500,000 grant through its Institutional Development Fund (IDF) to the New Zealand-based Pacific Cooperation Foundation for the purpose of strengthening institutional capacity in Kiribati, Samoa, Tonga and Vanuatu to manage temporary unskilled labour migration from

these countries. The establishment of a legislative framework to facilitate access to external labour markets is a component of the project (Pacific Cooperation Foundation, 2009).

Another important aspect of the RSE is the intensive monitoring taking place by the Department of Labour supported by a multi-disciplinary team of researchers (Luthria, 2008; Ramasamy et al., 2008). Very few aspects remain unstudied in the first two years of operations. Studies have been conducted not only on the selection of participants, the effectiveness of recruiting and induction training and the living conditions of the workers, but also on the impact of the scheme on the communities of origin, using innovative methodology (McKenzie, et al., 2008). A baseline study was conducted in Vanuatu with World Bank funding and follow-up surveys have been scheduled to measure the impact of the scheme through time.

Another unique aspect of the scheme is the emphasis that the New Zealand government has placed on the role of the RSE in fostering stronger relationships between communities sending migrants and communities receiving them. The Chief Executive Officer of NZAID stressed at the outset that “we would encourage new Zealand industry to look to establish broader development relationships with communities in the Pacific, rather than simply viewing this as an employer-employee relationship.” There is little doubt that this has, in fact, occurred. Potential New Zealand employers, or agents acting on their behalf, have travelled frequently to Pacific Island countries to interview potential workers and this has resulted in the establishment of community links. These were apparent in the aftermath of the recent Tsunami that struck Samoa. New Zealand communities that had forged connections with villages in Samoa were heavily involved in fund-raising to assist those people who had been affected. Links have also been established between churches and NGOs from both countries. One of the factors that have encouraged the establishment of community links is the fact that RSEs in New Zealand are responsible for providing “pastoral care” to workers from the Pacific. This extends to having some responsibility for what workers do off-farm in the own time, a responsibility that puts an onus on employers to know their workers as individual persons and not just suppliers of labour.

Subsequent to the first year of the scheme, new requirements have been added that place an additional responsibility on employers to provide (but not pay for) health insurance. Along with the apparent easing of minimum wage laws, this change has opened the scheme to criticism from labour unionists. While RSE workers are not eligible to receive government-funded health care they pay the same income tax on their earnings as other workers. Improvements have been made in the handling of deductions for accommodation, travel, and taxes that should clarify issues that caused confusion during the pilot phases and the first year. In 2009, unique tax numbers were introduced that would make it possible to monitor the earnings of RSE workers for evaluation purposes.

However, the New Zealand Government has also recently introduced a new seasonal work programme that is aimed at temporary visitors already in the country, including those on “working holiday” visas. Known as the “Supplementary Seasonal Employment Permit (SSE)” the scheme is available for anyone who is in the country legally to apply to work for up to six months in horticulture and viticulture. The granting of a work permit is “labour market tested” and would be issued only if neither New Zealand citizens nor RSE workers were available. This is described by the Government as a “flexible top-up policy” (Coleman 2009) to meet peak labour demand. It is possible that this arrangement, similar to one operating in Australia, could undermine the RSE, although the Government says that it would suit employers who are too small to apply for RSE workers.

f. Australia's Seasonal Temporary Employment Scheme

The Australian Government kept a close watch on New Zealand's RSE policy before announcing its Pacific Seasonal Worker Pilot Scheme (PSWPS) in 2008. The PSWPS allows for 2500 unskilled workers from Papua New Guinea, Tonga, Kiribati and Vanuatu to enter Australia over a three-year period to work in orchards and vineyards for up to six months per year (Maclellan, 2009).

The lead agency in the Australian government is the Department of Employment, Education and Workplace Relations under the Deputy Prime Minister, in cooperation with Immigration and Australia's international Development agency AusAID. Like the New Zealand scheme, the PSWPS is driven by the demand for labour as determined by employers themselves.

The first group of workers from the Pacific arrived in Australia from Tonga and Vanuatu in early 2009 but out of the 100 visas issued only 56 workers actually arrived to take up work. After this group returned to their Island homes later in 2009, no more Pacific workers had been recruited by the end of the year.

Several reasons have been advanced for the very slow start to Australia's seasonal worker programme. The Department of Department of Employment, Education and Workplace Relations cites the lack of demand from employers, the reluctance of employers to participate in the scheme and the availability of local labour supplies given the global economic recession (Maclellan, 2009). Other reasons may include the fact that visa conditions for foreign university students studying in Australia and young people visiting Australia on "working holiday" visas have been relaxed to facilitate their availability as seasonal workers, thus reducing the need for temporary labour from the Pacific. At the same time, the supply of young people on working holidays from the northern hemisphere and Asia has increased. The on-going use of illegal workers from abroad by growers may also be a factor as this avoids the administrative complexities and the additional costs to growers of the Pacific Seasonal Worker Pilot Scheme.

Another impediment to the expansion of the Australian scheme is the slow pace with which Pacific countries signed Memoranda of Understanding with Australia. In the case of Papua New Guinea, a draft MOU was still under consideration by the government in late 2009, but agreement had been reached with Vanuatu.

g. Institutional Aspects of Temporary Labour Migration from the Pacific

As New Zealand's and Canada's more advanced seasonal temporary employment policies amply demonstrate, short-term circular migration for employment purposes requires much greater investment in institutional development than is the case for permanent migration for the purpose of settlement. This arises from the fact that temporary migration involves at least three interested parties: 1) the individual workers themselves; 2) the receiving countries; 3) the sending countries. To this list could be added the communities within the sending country from which workers are recruited and the host communities that they join on arrival in the receiving country. Among the key components of the latter are the employers, recruitment agents, industry associations, churches and NGOs. The need for institutional development arises particularly when, as in the case of New Zealand's RSE policy, an explicit aim of the policy is to contribute to economic growth and development in the sending community or country as a whole.

But several decades of research on the history of temporary migration suggests that there is no guarantee that such forms of population mobility will promote the economic development of sending societies. In order to ensure the “triple wins” (the expression is from Ramasamy et al., 2009) that modern temporary labour migration schemes aim for, another layer of organization is required—namely a programme that monitors and evaluates the consequences of the scheme for the interested parties and provides feedback to the institutions responsible for administering and operating the scheme. There is also a legislative dimension to the extent that either or both sending and receiving countries require new legislation to govern the operations of the scheme.

Another institutional shift is that policies on the movement of labour have become entangled with multi-lateral discussions on the liberalization of trade. However, there are a number of problems associated with this. From the Pacific countries perspective, a free trade agreement between Australia/New Zealand and the Pacific Island countries, as envisioned in the Pacific Closer Economic Relations (PACER) negotiations presently on-going, would increase unemployment in the Pacific (Narsey, 2004). Some observers have painted a grim picture of the consequences of trade liberalization in the region, including lost government revenue, de-industrialization, business closures, reduced government services and greater inequality (Morgan, 2009). Permitting greater access to the labour markets of New Zealand and Australia to unskilled Pacific Islanders, even if temporary, would result in a reverse flow of remittances that could compensate for the jobs lost by the liberalization of trade. Insistence by Pacific governments that labour mobility should be included in any Economic Partnership Agreement with the European Union, has resulted in stalled negotiations. The EU’s position is that labour mobility is an issue for independent member states and not to be negotiated as part of a multi-lateral trade agreement.

Pacific countries have relied upon the WTO General Agreement on Trade in Services (GATS) Mode 4 to argue that concessional labour mobility should be part of any trade liberalization agreement with the European Union or Australasia. Mode 4 covers the “temporary movement of natural persons who travel to another country to deliver a service” covers the movement of skilled persons and not unskilled and is mainly intended to cover the movement of managers and other essential personnel working for multi-national corporations. In fact Mode 4 is rather vague as to what constitutes “temporary” and what services are implied (Strutt et al., 2008). It appears unlikely that GATS provisions will provide an effective negotiating platform for Pacific Island countries wishing to obtain better access to Australasian labour markets and informed observers have suggested that separate agreements such as New Zealand’s RSE and Australia’s temporary seasonal work scheme would serve Pacific interests better (Strutt et al., 2008). In the case of China’s recent trade agreement with New Zealand, migration issues are dealt with in a side letter, not in the main agreement.

2 Policies and institutional arrangements in Pacific Island countries

a. Migration and human rights

There is no case in the Pacific of a country that directly restricts either the internal or external movement of its citizens. The right of persons to move within national borders is generally protected in the constitution or in common law. In some countries governments do have the right to restrict movement in the interests of public health or in the case of persons convicted of criminal offences. Freedom of internal movement has been controversial in Papua New Guinea and Solomon Islands but efforts to change the constitution to limit movement between provinces have not been successful. Where the right to move internally is restricted,

the ability to migrate internationally may also be affected as internal movement is normally essential for to obtain visas and tickets.

The freedom to leave one's country is an accepted human right in the Pacific region, although persons can be prevented from leaving for reasons of tax liability or in relation to criminal proceedings. There is no doubt that some governments have made use of such provisions for political purposes, but generally the right to move is not restricted. Only one country in the region (Solomon Islands) retains legislation that requires an exit visa. In the case of Fiji, a bonding system is in place for students whose medical education was paid for by a government scholarship. This system was recently revised to require a medical graduate to serve one and a half years in government service for each year of scholarship support (previously one year for each year of support).

b. International migration and national sustainable development strategies

One of the six "pillars" in the package of migration reforms proposed in the UNDP's 2009 Human Development Report is "making mobility an integral part of national development strategies" (UNDP, 2009). A review of National Sustainable Development Strategies (NSDS) in 14 Pacific Island countries shows that the extent to which mobility is currently integrated into development plans varies widely, but in general the topic does not receive systematic analysis or recognition. The following paragraphs summarize relevant sections from NSDS documents for these countries, organized by sub-region.

POLYNESIA

COOK ISLANDS (National Sustainable Development Plan 2007-2010)

- "Continuing depopulation is possibly the biggest threat to the long-term sustainable development...".
- Labour and skills shortages resulting in the immigration of foreign workers.
- A national population target of 25,000 people by 2020
- There is a need for "...policies that will provide incentives for families to remain in the country or to encourage return migration."
- Mobilize stronger economic partnerships between local and expatriate Cook Islanders to promote private sector development..

NIUE (Niue Integrated Strategic Plan – 2003-2008)

- The plan notes that the declining population (caused by high levels of emigration) threatens the supply of public services as well as the country's cultural heritage.
- Social policy aims to retain population and attract Niueans living abroad to return.

SAMOA (Strategy for the Development of Samoa 2008-2012)

- Opportunities for seasonal employment overseas will be sought to compensate for the closure of fish canning plants in American Samoa and downsizing of automotive wiring plant in Samoa.
- Need to improve working conditions to retain local doctors and to attract overseas doctors.
- Role of overseas remittances in maintaining expenditure on housing, education and formation of small businesses is acknowledged..
- Employment of expatriate workers by foreign investors to be liberalized and streamlined allowing for multiple-entry visas

TONGA (Strategic Development Plan Eight 2006/07-2008/09)

- Acknowledgement of the contribution of remittances from “Tongans working abroad” to economic growth, contributing to 42.5 percent of GDP.
- Concern expressed over the possibility of the closing of emigration outlets and the decline in remittances that would follow.

TUVALU (National Strategy for Sustainable Development 2005-2015)

- Families that have no wage earner and are not in receipt of migrant remittances are most likely to experience hardship.
- “Tuvalu’s main export presently is seafarers, their export earnings received in the form of remittances. Tuvalu seafarers must remain competitive in the face of competition from other nations”.
- Offshore employment and migration... has long been an employment safety valve. Increasing opportunities to migrate to Niue and New Zealand. A future strategy will be to improve these migration schemes and explore other alternatives for offshore employment.

MICRONESIA

KIRIBATI (Kiribati Development Plan 2008-2011)

- Flows of external income need to be sustained.
- Strategy is to encourage employment abroad and to support training to facilitate this.
- Engagement with Australia, New Zealand and Republic of China to secure employment opportunities.
- Seamen’s remittances of \$A10-15 million per year are noted in the 2007 MDG Report.
- Also noted that return migrants from Nauru had started businesses.

MARSHALL ISLANDS (The Strategic Development Plan Framework 2003-2018)

- Strategies have been identified to provide job skills to the workforce to prepare them specifically for jobs in the United States of America.

NAURU (National Sustainable Development Strategy 2005-2025).

- Improve labour market access for Nauruans leading to a higher flow of remittances

PALAU (National Master Development Plan)

- Palauans working overseas contribute to the economy by remitting earnings home but net flow is reduced by remittances of foreign workers.
- Compact with USA provides for free movement from Palau and supports higher wages for skilled labour.
- The majority of Palauans attending educational institutions in the USA do not return to Palau.
- Increased wages for skilled persons may retain more workers in Palau
- Unrestricted inflow of foreign workers (particularly from China and Philippines) have suppressed wage levels and discouraged employment of Palauans.

FEDERATED STATES OF MICRONESIA (Strategic Development Plan 2004-2023)

- Without real increases in economic growth and rising GDP per capita, the population of FSM is likely to decline below existing levels.

- The “Sustained Growth Strategy” (2004-2023) is aimed at providing sufficient jobs to “avoid the large out migration that has occurred since the mid 1990s”. Failure of the strategy would result in a situation in which “...the majority of Micronesians would be forced to migrate and look for opportunities overseas.”
- Reduce the “push” factors leading to emigration of productive workers.
- Develop methodologies and data bases for measuring the levels of remittances and external transfers to support emigrants overseas.
- The strategy includes the revision of rules and regulations to facilitate the employment of foreign technicians and managers needed for rapid growth.
- Resolve alien labor recruitment and retention issues to ensure access to sufficiently skilled labor for FSM enterprises.
- Introduce programs to encourage remittances and return of skilled Micronesian workers and entrepreneurs.

MELANESIA

Fiji (Strategic Development Plan 2007-2011)¹⁰

- Contribution of remittances acknowledged. Estimated at \$F311 million in 2005 and 7 percent of GDP.
- The successful careers of high-profile sports players living abroad is noted as examples for young people.
- Visa-free entry to be negotiated with more foreign countries

PAPUA NEW GUINEA (Medium Term Development Strategy 2005-2010)

- A work permit system is to be introduced to facilitate the recruitment of foreign workers in order to address emerging skills shortages and to help raise productivity to international standards.

SOLOMON ISLANDS (Medium Term Development Strategy 2008-2010)

- New work and residency permit arrangements including reduced time to process work permits will ensure that companies can access highly skilled labour when needed.

VANUATU (Priorities and Action Agenda 2006-2015)

- Lack of economic opportunities in rural areas is contributing to “urban drift”.

On the basis of these statements, it is possible to classify countries according to their specific migration concerns, which are generally a reflection of their economic and demographic situation. These country categories are not mutually exclusive as some countries are concerned with multiple issues.

In the first category are those countries whose primary concern is to develop policies to *retain* population or to encourage nationals living abroad to return. The countries in this category include Cook Islands, Niue, Palau and the Federated States of Micronesia. In these countries the emigration of nationals is seen as a threat either to the delivery of social services, social and cultural values or to the domestic economy in general. Nationals of the countries in this category have ready access to overseas labour markets through their relationships of “free

¹⁰ A revised development plan has been drafted for the period 2010-2014 but has not been officially endorsed. Perusal of this draft indicates very little reference to international migration.

association” with either New Zealand or the United States of America. These countries are not seeking further access to employment opportunities abroad. With the exception of FSM, all of these countries are well advanced in the demographic transition, resulting in low rates of natural increase. This demographic context helps to explain heightened concern about depopulation as those people who have already emigrated are not being replaced by natural increase at the same rate as in previous decades.

A second category includes those countries that *do* seek to improve the access of their nationals to overseas labour markets. These countries include Kiribati, Nauru, Samoa and Tuvalu. Although the nationals of these countries do not lack opportunities to migrate, they do not have automatic access to any metropolitan country on the basis of political association. These are also countries that continue to have relatively high rates of natural increase that maintain a healthy growth in the population of working age accompanied by little new employment growth. Thus, the demographic-economic pressure to obtain employment abroad is strong. This pressure also exists in the Marshall Islands because of a high rate of natural increase and low employment growth. However, nationals of the Marshall Islands do have access to the U.S. labour market; what they lack is appropriate education and training. It is for this reason that the Marshall Islands NSDS proposes to train potential Marshallese workers to meet U.S. standards.

A number of countries are concerned with maintaining or increasing the flow of migrant remittances or otherwise stress the significance of migrant remittances to their economies. Tonga, Nauru, Kiribati and Fiji belong in this category. In the case of Fiji, where remittances have grown dramatically in recent years, no policies to maintain or increase remittance flows or to direct them toward investment are proposed. Similarly, while the Tonga NSDS expresses concern about the possible closure of migration outlets it does not propose any policies to increase the number of outlets in order to ensure a stable flow of remittances in the future. In the case of Nauru and Kiribati, access to overseas labour markets and the training of their labour force to meet the requirements of these markets is an expressly stated strategy.

Another category of countries is concerned with liberalizing the *immigration* of skilled workers from abroad with the primary intention of accelerating the rate of economic growth. Papua New Guinea and Solomon Islands fall into this category as does FSM and Samoa. In the case of Samoa, liberalizing the importation of foreign skilled labour co-exists with a policy of improving access to foreign labour markets for its unskilled and unemployed. This is, of course, a preferred option for most countries that have a “surplus” of unskilled labour and a shortage of skilled workers. The acknowledgement that skilled foreign labour can contribute to economic growth is a quite recent development in Melanesian countries and is associated with economic liberalization in general and the very slow rate at which skilled persons are being produced by local educational and training institutions. Samoa and FSM are among the countries that have produced considerable numbers of skilled persons but many of these have already emigrated because of low pay, poor working conditions and the demand for their skills in more developed countries.

Only one country—Vanuatu—failed to mention any aspect of international migration in its NSDS. The only reference to any form of migration in the Vanuatu NSDS was to the “urban drift” that has been occurring on account of the lack of opportunity in rural areas. This omission is ironic given that Vanuatu has subsequently been an enthusiastic and successful participant in New Zealand’s Recognised Seasonal Employer scheme introduced in 2007.

While all other countries have included at least a few words about international migration in their development plans, what is most notable is what has been left out. The missing elements are many and various and depend on the country in question. The following points can be made:

- None of the countries that have access to New Zealand's "Pacific Access Policy" (Fiji¹¹, Samoa, Tonga, Tuvalu, Kiribati), mention this fact. Although the numbers are not large, this programme allows for a steady flow of emigrants and helps to maintain remittance flows.
- The Samoa NSDS did not mention the annual quota of 1,100 Samoans permitted to enter New Zealand.
- Neither Papua New Guinea nor Fiji refer in their NSDS to current policies that have permitted the flow of low-skilled Asian migrants (particularly from China) into the country or the social consequences of this movement.
- Only one country (Cook Islands) referred to the potential role of the overseas community in promoting private sector development in the home country.
- In the case of Fiji, while remittances were noted, no reference was made to the emigration trends that had brought about such a large increase in remittance flows or to the use that these remittances were being put to.
- In the case of Tonga, the rather cursory treatment of international migration is rather surprising given the enormous contribution that remittances make to the level of living in that country.

While the reasons for the gaps in the treatment of migration in Pacific NSDS are no doubt many and various, it is difficult to avoid the conclusion that Pacific Island governments are reluctant to address the issue in a comprehensive manner. Certainly migration is a politically sensitive issue in several countries—especially where migration appears to be a "vote of no confidence" in the country or its leadership. It is possible, however, that the new policy framework proposed in the 2009 Human Development Report, along with the new paradigm of (temporary) international migration as a form of trade, will remove some of the sensitivity from the topic and encourage countries to address the issue in its full complexity. As noted below, a fuller treatment of migration issues in Pacific national sustainable development strategies will require enhanced capacity among planners to fully understand the issues and the types of policy initiatives that are available to them. More appropriate migration data collection systems are also needed as well as more detailed and policy-relevant analysis.

c. Legislative initiatives

In the context of New Zealand's and Australia's temporary seasonal employment schemes, some of the Pacific participating countries have passed new legislation while others are in the process of doing so. For example, Vanuatu has passed a "Seasonal Employment Act No. 23 of 2007" (Republic of Vanuatu 2007) that covers local arrangements such as the issue of licences and permits to recruitment agencies and the selection process that licencees and permit holders are to follow in recruiting workers for temporary overseas employment. The Act also lays out the responsibilities of the Commissioner for Labour, including the requirement to maintain registers of licencees, workers and permit holders and to report annually to Parliament on the country's seasonal employment programme. The Inter-Agency Understanding between New Zealand and Vanuatu was signed prior to this Act coming into

¹¹ Fiji is currently suspended from this programme due to the military coup of 2006 but the current NSDS was prepared prior to the coup.

force, so the reference in that document is to earlier labour legislation in Vanuatu. However, the MOU between the Australian and Vanuatu governments signed in 2008 makes reference to the 2007 Act. By passing legislation in the sending countries, receiving countries have greater protection against abuse or corruption in the recruitment process than would have been possible under existing labour laws.¹²

If Vanuatu's case is any guide, however, there are a range of issues that are not covered by the new legislation and regulations that probably should be. These issues have been noted by MacLellen and Mares (2005) in the context of discussing potential seasonal migration in Australia and include 1) the continuation of pension or superannuation, 2) the maintenance of seniority and leave entitlements for former government workers, and 3) the taxation liability of repatriated funds.

Although it is not presently participating in the New Zealand and Australian temporary seasonal migration schemes for political reasons, Fiji does have significant numbers of its citizens migrating abroad for temporary employment and has found it necessary to pass new laws and regulations to govern the overseas recruitment process and the establishment of private employment agencies (Government of Fiji, Department of Labour, 2008). Newly-introduced regulations lay out quite rigorous conditions for the granting of an authority to recruit Fiji nationals for employment overseas. Aside from the application fee, the regulations require that an authorized employment agent post a bond of \$F20,000 with the Department of Labour for the duration of the authority. The regulations also prohibit the employment of Fijian nationals as "mercenaries" and specify such requirements as pre-employment briefings, home leave allowances, Occupational Health and Safety laws and training in the place of employment, agreed upon arrangements for the repatriation in the case of injury or death. Several of the provisions in Fiji's regulations (such as the requirement to provide annual leave fares and the payment of accommodation costs by the employer over and above the agreed upon wage) would preclude the participation of Fiji nationals in New Zealand's RSE programme; thus new or revised regulations to exempt RSE workers from such provisions would be required in the event that Fiji once again became an eligible country in Australia or New Zealand.

Fiji has also passed legislation to establish a National Employment Centre (National Employment Centre Decree 2009), which includes a section on "Foreign Employment Service". The principle objective of this section, however, is to provide a framework for the provision of training to prospective overseas workers to "facilitate their recruitment into the foreign employment market" and ensuring that such workers "become disciplined and productive foreign employment workers". The legislation also gives the National Employment Centre the power to require all contracts for foreign overseas employment, whether through an employment agent or directly with an overseas employer to be submitted to the Permanent Secretary for Labour for "attestation" prior to being signed by the worker. The Decree does not explicitly give the National Employment Centre the task of finding overseas employment for Fiji nationals but it does require the Foreign Employment Service to "...provide effective management and supervision of all foreign employment contracts to ensure quality outcomes of the scheme for the participants, overseas employers and the government".¹³

¹² In the cases of Samoa, Tonga, Kiribati and Tuvalu, existing labour legislation was cited in the IAUs signed by the government and the New Zealand Department of Labour.

¹³ This statement would appear to be inspired by the concept of "triple wins" although in this case the "government" rather than the country or the community is referred to.

The Decree does not state whether its jurisdiction is limited to *temporary* foreign employment or covers all forms of foreign employment. Presumably a person issued with a work permit by a foreign government could not be bound by the Decree unless there was a clear requirement that the worker must return to Fiji on the expiry of the permit, and if a contract of employment is to be signed with a specific employer prior to departure. The question arises whether a person proceeding overseas on an offer of employment that allows for the possibility of permanent residence could be bound by such legislation. In the case of skilled migration, receiving countries do not necessarily require that a specific job be identified; it is usually sufficient that there is a demand for workers in the area of work that the permit applies to. As Fiji's legislation is new, it is not yet clear how broadly it will be applied.

d. International conventions on migration

None of the migrant sending or receiving countries covered in this paper have ratified any of the main international conventions covering migrant workers, such as the ILO's Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), the Migration for Employment Convention (Revised), 1949 (No. 97), or the United Nations "International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families" (45/159) of 1990.

D. SOCIO-ECONOMIC IMPACT OF INTERNATIONAL MIGRATION

1. Economic impact

a. Conceptual issues

Assessing the socio-economic impact of international migration is a complex undertaking due to a number of conceptual issues, onerous data requirements, and the logical problem of proving counter-factual conditional propositions. The effects of migration can be broken down into seven distinguishable, but overlapping, effects: 1) population effects; 2) welfare and quality of life effects; 3) social organization and social structure effects; 4) income, consumption and balance of payments effects; 5) production effects; 6) labour force and human resources effects; 7) capital formation effects. Further complicating the analysis is the need to consider short-term and long-term time perspectives.

At the outset is the question of what unit of analysis should apply. It is apparent in the "triple wins" formulation of the problem that individual migrants, sending societies and receiving societies can be treated as discrete units between which a balance sheet of costs and benefits can be drawn up. While this approach may be appropriate in the case of temporary labour migration, its applicability to the more complex field encompassing various types of population mobility and a longer time-scale is questionable. The growth and development of transnational communities implies that the distinction between "countries of origin" and "countries of destination" may be made too sharply to capture the reality of this relatively new form of social organization.

Clemens and Pritchett (2008) have argued that conventional economic analysis that uses GDP per capita to measure the income of residents of particular places distorts the assessment of the effects of migration on welfare because "place-based" national accounts exclude the gains of the migrant. An alternative approach is to measure the "income per

natural”¹⁴ or the income of persons according to their country of birth regardless of where they happen to reside. If a person migrates from a low income country to a high income one, per capita income in both places could potentially fall or remain unchanged but average income in the entire transnational community will certainly rise. The extent to which the “income per natural” is greater than the income of the place of origin depends upon the ratio of migrants to the home population. This proposition can be demonstrated with data. Clemens and Pritchett included eight Pacific Island countries in their analysis. Table 10 shows the percentage difference between GDP per capita in countries of origin and “income per natural”.

Table 10: Estimates of income “per natural” compared with sending country GDP per capita.

Country	GDP/capita*	Income per natural	Percent difference
Samoa	2,100	3,957	88.4
Marshall Islands	2,900	4,193	44.6
Fiji	4,991	6,397	28.2
Tonga	6,568	7,926	20.7
Palau	7,600	9,063	19.2
Micronesia (FSM)	6,464	7,057	9.2
Vanuatu	3,127	3,273	4.7
Papua New Guinea	2,343	2,421	3.3

*Purchasing power parity.

Source: Clemens and Pritchett (2008).

The data show that Samoans have achieved the largest income gains from migration, with income per natural 88 percent higher than per capita GDP in Samoa. This is a function of the fact that a large proportion of all Samoans live abroad and their incomes push up the average income for all Samoans. The smallest gains have occurred in Vanuatu and Papua New Guinea, which is understandable as these two countries have very few nationals living abroad. The results for these Pacific countries are similar to those obtained in other small island countries in the world that typically have high proportions of their nationals living abroad. The difference between Samoa’s GDP per capita and the per capita income of all Samoan born no matter where they are living is similar to that observed for Jamaica, while Marshall Islands compares with Suriname, Fiji with Cuba and Tonga with Trinidad and Tobago (Clemens and Pritchett, 2008).

In general, the mobility of people from rich countries has little impact on income per natural because such people usually move between countries at similar levels of development, or move for non-economic reasons. New Zealand is an exception as the average income of the New Zealand born exceeds the per capita GDP of New Zealand by 4.4 percent, which perhaps explains why New Zealand is one of the most migration-oriented countries within the OECD—and much more so than Australia. The difference between the per capita GDP of Australia and the Australian born population is negligible.

¹⁴ Income per “natural” is an unorthodox economic measure. To understand this measure it is necessary to imagine that the income of all persons born in a particular country, including both those who still live there and those who live abroad, could be summed and then divided by the total number of such persons. This calculation would provide an average income of the population by birthplace. If the proportion of all persons born in a particular country that were living in a higher-income country were to increase as a result of migration, then “income per natural” would increase.

This type of analysis can also be employed to show that migration has a positive effect on poverty if the entire transnational population is the unit of analysis. Using the case of Haiti as the sending society and only the U.S. as the receiving society, Clemens and Pritchett show that the proportion of Haitians who are “non-poor” is 36 percent higher among the combined population of Haitians in Haiti and the U.S. if the per capita income of “naturals” is used rather than the per capita GDP of Haiti. They conclude that “...international migration is not an alternative to poverty reduction; it is today among the *principle sources* of poverty reduction” (emphasis in the original).

On the basis of this analysis it can be argued that international migration from a less developed country to a more developed one is a rational economic action, whether or not people migrate as individuals or as family members with an explicit goal of increasing income across all branches of the family. The overall result is higher incomes and lower poverty for the sending countries’ nationals taken as a whole. In a similar vein, it can be argued that the use of GDP as the measure of economic welfare tends to underplay the significance of remittance flows. GNP is a more appropriate measure because it includes the international income of residents and excludes the domestic income of foreigners. This gives a more accurate picture of the income effects of international migration.

Although it may be analytically appropriate to treat the population of nationals rather than the population of the nation as the appropriate unit of analysis, governments are unlikely to employ such a unit in their policies or planning. By necessity, governments focus on the geographically bounded nation state for which they have responsibility, although there is no doubt that most governments are sympathetic to the situation of the transnational community and will protect its interests where possible. In the final analysis, however, governments seek to advance the development of the nation, the unit on which development indicators are based and for which they have responsibility.¹⁵

b. Remittances

The heightened interest in migrant remittances on the part of international agencies, national governments and researchers in recent years is a consequence of the growing volume of remittance flows into developing economies. Remittance flows in many developing countries are no longer marginal to their economies but rather a key determinant of living standards and macroeconomic stability. Globally, it is estimated that remittances reached \$US433 billion in 2008 of which \$US328 billion went to developing countries (World Bank, 2010). In a number of developing countries remittances exceed both ODA and Direct Foreign Investment (IFAD 2004). In the Pacific as a whole, annual remittance in-flows have reached possibly USD 400 million annually and are increasing at a faster rate than development aid or foreign direct investment (Bedford and Ho, 2007; Gibson, 2007). In Fiji, migrant remittances presently earn more foreign exchange than the sugar or garment industries combined (Maclellan, 2009). In Tonga and Samoa, remittances are estimated to be equivalent to 42 percent and 14 percent, respectively, of GDP (World Bank, 2006). Connell and Brown (2005) have reported that in some villages in these countries, 80-90 percent of households receive remittances from migrants overseas. Remittances to Fiji were estimated at \$US130 million in 2005, equivalent to 6.2 percent of GDP (World Bank, 2006).

The growing scale of remittances worldwide has impelled governments and researchers to examine ways in which remittance flows can be encouraged and harnessed to

¹⁵ If sea-level rise should occur as projected in current scenarios, several Pacific governments will find it necessary to focus on their nationals rather than the geographical territory that they are presently responsible for.

support economic development and growth in developing countries. However, assessing the impact of remittance income on economies and households involves a number of complexities and some controversies. It has been argued by several authors that it would be unethical for governments to interfere with the private flow of remittances that belong to the families concerned and are serving important social welfare functions (Vargas-Lundius, 2004; Brown, 2008; Browne and Mineshima, 2007). Among other key questions frequently raised in the literature are the following:

- Are remittance flows accurately measured or accounted for? Should goods in kind be included in the definition of remittance? Because family transfers can move in multiple directions, is it essential or even possible to estimate the net flow and not only the gross? Is it possible to set up monitoring systems that will capture remittances in all their forms? Based on available evidence, what trends in remittance flows can be detected?
- What factors determine the flow of remittances at national and household levels? Do temporary labour migrants have different remittance behaviour than long-term or permanent settlers? Does the total volume of remittances decay with time as migration streams reach maturity or the proportion of local-born in the overseas community increases? Are there individual or household characteristics that are associated with patterns of remittance behaviour, such as income levels, migrant status, gender, occupation, religiosity, etc.?
- What is the economic significance of remittances at the national, household and individual level? How do remittance flows contribute to the balance of payments, exchange rates, sovereign credit ratings, financial reserves and propensity to import? What is the affect of remittance flows on total and per capita national income as reflected in GDP or GNP? Do remittance-receiving households have different expenditure patterns than non-remittance-receiving households? Are monies received in the form of remittances used differently to monies received from other sources, such as wages or salaries, rental or investment income? Are remittance receipts more likely than other forms of income to be used for consumption rather than savings or investment? What is the impact of remittance income on poverty? Are the poorest households or individuals more likely to receive remittance income than other households or individuals? Do remittance inflows result in a more or less equitable distribution of national income?
- Do remittance flows contribute to economic growth or development by providing an investable surplus over and above consumption requirements or is it more likely that remittance recipients will choose leisure and consumption?
- Are there policies that governments of receiving countries can introduce that would ensure that remittances are used to foster the development of the recipient economy without trespassing on individual and family rights?
- Is it useful to adopt the concept of “social” remittances, referring to the flow of such intangibles as ideas, cultural and political values?

Obtaining answers to these questions presents a significant challenge to research. In the first place, the data that would be required to test various hypothetical relationships between remittances and other development variables is substantial and presently unavailable for most

countries. Second, the initial conditions deriving from the various national settings from which migrants originate vary widely making it difficult to generalize across countries or even within countries in some cases. Third, some of the conclusions that would need to be drawn have to be put into the logical form of a “counter-factual conditional” argument. This is especially the case with regard to claims that remittance “dependency” undermines development by reducing the incentive to develop local resources. Whether “development” would have occurred in the absence of remittance flows cannot be supported with empirical data unless a “natural experiment” can be conducted comparing settings that are identical in every relevant detail except that one group has migration while the other has no migration. Such experiments are difficult to conduct as it is virtually impossible to “control” for background conditions. For these reasons it is not possible to provide definitive answers to many of the issues surrounding the development impact of remittances.

c. Limitations of remittance data

It is widely acknowledged that estimates of migrant remittances that rely on formal channels such as banks are most likely understatements (Bedford and Ho, 2009; World Bank, 2006; UNDP, 2006). This arises from that ease with which individuals are able to carry funds that go unrecorded by central banks or statistical agencies. In no Pacific country are exchange controls so rigid that it is impossible for individuals to carry significant (although limited) quantities of cash by hand to their country of origin. Some Pacific countries use either New Zealand or Australian currency, so there is no record of a foreign exchange transaction that would allow remittances to be easily traced. There is also the issue of whether goods shipped to a migrant’s home country or taken as luggage should be included as a remittance, although it is certainly a transfer of value. Connell and Brown (2005) question whether a lump sum transfer of funds accumulated during a migrant’s period overseas should be included in the definition of a remittance. Excluding such accumulated funds would clearly bias any assessment of the utilization of migrant earnings as it is more likely that such accumulated wealth would be invested in some kind of enterprise or project than smaller amounts sent on a regular basis for family support.

One method of estimating the extent to which “informal” mechanisms are employed to transfer goods or cash to a country of origin is to conduct surveys of remittance-receiving households. World Bank sponsored surveys in Tonga and Fiji showed that while the vast majority of households received funds through formal channels such as banks, 33 percent of sampled Fijian households and 41 percent of Tongan households had also received remittances through informal mechanisms (money carried by migrants or a friend, ATM withdrawals, cash posted in the mail, etc.). A survey of Samoan remitters in New Zealand found that two-thirds sent goods rather than cash (Muliaina, 2003). The flow of goods, including food, is increased substantially after natural disasters.

In theory, a nationally-representative sample survey would provide a basis for estimating total annual remittances received in the country. This method was used in the above-mentioned World Bank study to estimate total remittances to Fiji and Tonga in 2005. It was also pointed out that this method still leaves gaps because migrants also send money and goods directly to churches, schools, youth groups, social and cultural organizations and charities (the latter especially during natural disasters). In spite of this limitation, sample surveys of recipient households probably provides the most reliable estimates of the most important form of remittance income—that received directly by individuals and households from migrant kin.

Potentially, sample surveys could also capture the reverse flow of goods or other valuables (including services) flowing to migrants from their place of origin. While food makes up a considerable proportion of goods sent or taken home by migrants, it is also the case that food is sent from home to migrants, especially delicacies that are unavailable in the country of residence. Traditional goods such as mats and tapa cloth needed for weddings and funerals also move from the islands to migrant communities abroad. It is this form of reciprocity that impelled the Tongan anthropologist, Epeli Hau'ofa, to argue that migrants who send remittances receive an equivalent value through goods manufactured by or originating in recipient households, including such services as the maintenance of land rights (Hau'ofa, 1994). Measuring such reciprocal contributions would be challenging, although not impossible with appropriate methodology. In the absence of such studies, it is necessary to rely upon gross in-flows of remittances while acknowledging that the relationship between sender and receiver may be more reciprocal than it appears. In any case, the possibility that remittances are reciprocated with traditional goods and services does not necessarily reduce their benefits; rather, it makes the flow of remittances and the counter-flow of goods more in the nature of export-import. The development of migrant communities abroad provides a niche market for culturally specialized goods that are not in great demand outside such communities.

Given data limitations, the measurement of remittance trends is obviously subject to error—mostly understatement. Based on private transfer receipts, Connell and Brown (2005) compiled data for 12 Pacific countries for the period 1990-2002. For the key migrant-sending countries (Samoa, Tonga, Fiji, Tuvalu) clear upward trends were apparent. In Tonga, annual remittances grew from USD 35.5 million in 1991 to USD 54.2 million in 2001, an increase of 53 percent over the decade. In Tuvalu, remittances tripled over a similar period. Based on these figures, remittances are of growing economic importance in migrant-sending countries in the Pacific—as elsewhere in the developing world.

d. Determinants of remittance flows

One of the major concerns with a remittance-based economy is that the volume of remittances could decline through time unless the rate of migration remained sufficiently high to provide a steady flow of new migrants whose primary commitment was to their place of origin. This concern arises from the increasing proportion of the ethnic community living abroad that was born and raised abroad, even as the total ethnic population increases. As already noted, this is occurring among Pacific Islander communities in New Zealand. There are two inter-related issues: 1) the propensity of an individual or a household to send remittances; 2) the number or proportion of households or individuals in the overseas community that contain persons with a high propensity to remit. Research on Samoan remittance behaviour suggests that migrants are much more likely to remit and to remit larger and more regular amounts during the first few years of overseas residence, especially before marriage and family increased their own needs for income (Muliaina, 2003). Migrants whose own parents were still living in Samoa were more likely to remit but once the family was reunified, or parents had died, remittances slowed. Second generation migrants continued to make financial contributions to the home society but largely out of respect for parents rather than a directly felt responsibility or obligation. This type of contribution usually takes the form of a migrant community response to a request from the home community for assistance to meet a specific need such as repairs to a church or school or contribution to the air fares of a sporting group rather than a contribution to the daily living costs of an individual or household. That migrants are prepared to work extra hours, take two jobs, defer retirement, or borrow money to meet remittance obligations suggests that the motivation to send remittances remains strong even after many years of residence abroad. But second generation migrants lack the primordial ties to the home country that their parents retain, so it appears inevitable

that remittances will decline unless the number of new migrants matches the number of old migrants who either leave the labour force or die.

In the major Polynesian migrant-sending countries of Tonga, Samoa and Tuvalu, the rate of natural increase has remained above 2 percent per annum for some time, despite a falling trend in fertility. Combined with the slow pace of employment creation, such a rate of natural growth will continue to maintain migration pressure and a supply of new migrants, probably for some years to come. However, Samoa and other Polynesian populations are beginning to age and the proportion of elderly is expected to increase significantly in the coming decades. This will increase the need for caregivers of labour force age to remain at home rather than migrate.

The propensity to send remittances varies according to the characteristics of individual migrants in terms of gender, education and occupation but remittance behaviour also depends on the nature of the migration stream. Gender differences in remitting behaviour vary by country and migration pattern. In Fiji, males remit larger amounts than females, in large part because male migration among Fijians is dominated by temporary labour migration in which case a large proportion of the migrant's earnings is remitted to support family at home. In Tonga, there is no difference between male and female. Remittance levels are positively related to educational achievement in both Tonga and Fiji. However, indigenous Fijian migrants with post-secondary education remit less than those with some secondary education. This is mainly due to the predominance of temporary migration for semi-skilled work among Fijians. More highly educated Fijians who migrate are more likely to take their family with them and have less need to send remittances home than temporary migrants. Among the more educated, indigenous Fijians remit about the same as Indo-Fijians, most of whom migrate long-term or permanently. Remittances from Tuvaluan migrants in New Zealand tend to be low because Tuvaluans tend to work in jobs that pay the minimum wage.

In Samoa, women have long been considered more reliable remitters than men and in so far as the family plays a role in selecting migrants, women tend to be selected for that reason. Nurses appear to be reliable sources of remittances.

e. The economic impact of remittances

The impact of remittances on economic development in Pacific Island countries has been an issue of controversy among researchers in the Pacific Islands for several decades. While the immediate effect of remittances in raising household income in the sending country and reducing poverty is generally acknowledged, the second-order consequences of remittances are disputed. Central among these issues is whether remittances promote economic growth or, conversely, underdevelopment, economic stagnation or "dependency". There is a large and increasing volume of literature on these issues in the Pacific. A recent overview of research findings (Connell and Brown, 2005) concluded that the contribution of remittances to Pacific countries has been largely positive at the household level but has made a lesser contribution to "national development". The apparent contrast between positive effects at the micro-level (households and individuals) and negative effects at the macro-level (national) has been a long-standing contradiction in migration studies in the Pacific. Hayes (1982; 1991) argued that this contradiction arises from different theoretical viewpoints, underlying assumptions and value judgements rather than conflicting empirical findings.

One important factor in estimating the economic impact of remittances is obviously their scale relative to the rest of the economy. Recent estimates show that remittances are clearly of a significant and increasing scale in a growing number of Pacific Island countries.

The main remittance receiving countries are Tonga, Samoa, Fiji, Kiribati, Tuvalu, Vanuatu, Cook Islands, Niue and Tokelau. Remittances play a much lesser role in the economies of Federated States of Micronesia, Marshall Islands and Palau, even though these are also countries that have significant levels of out-migration—largely to the United States of America. Table 11 provides a perspective on the scale of remittances relative to GDP and exports. The country in which remittances make the largest contribution to the total economy is clearly Tonga where cash remittances were equivalent to almost 40 percent of GDP in 2004, followed by Tuvalu (17 percent), Samoa (14 percent)¹⁶ and Kiribati (12 percent). Relative to exports, remittances are more than four times export values in Tuvalu and Tonga, 54 percent of exports in Samoa and 25 percent in Fiji. In all of these countries, remittances play a much larger economic role than is the case in migrant sending Asian countries such as Philippines, Bangladesh and Pakistan. In relation to GDP, the figures for the Pacific are comparable to some Latin American and Caribbean countries. For example, remittances constituted 15.1 percent of GDP in El Salvador, 29.4 percent in Nicaragua, 24.2 percent in Haiti, 16.6 percent in Guyana and 12.2 percent in Jamaica (Vargas-Lundias, 2004). Tonga would appear to be the stand-out country by international standards in terms of the scale of remittances relative to the size of the economy.

Table 11: Remittances and economic indicators

Country	GDP per capita PPP (2004)	ODA per capita (2004)	Exports (2004) \$US '000	Remittances (2004) \$US '000	Remittances as a percent of GDP	Remittances as a percent of exports
Fiji	6,066	76	677	167	7.4	24.7
Tonga	7,870	189	15	66	39.2	440.0
Samoa	5,613	168	83	45	14.2	54.2
Vanuatu	3,051	179	149	9	3.3	6.0
Kiribati	2,339	171	3.3	7	12.0	212.1
Tuvalu	3,010	na	0.1	3	17.0	428.6
Cook Islands	8,579	na	7.2	na	Na	na
Niue	6,689	na	0.2	na	Na	na
Tokelau	Na	na	na	na	Na	na

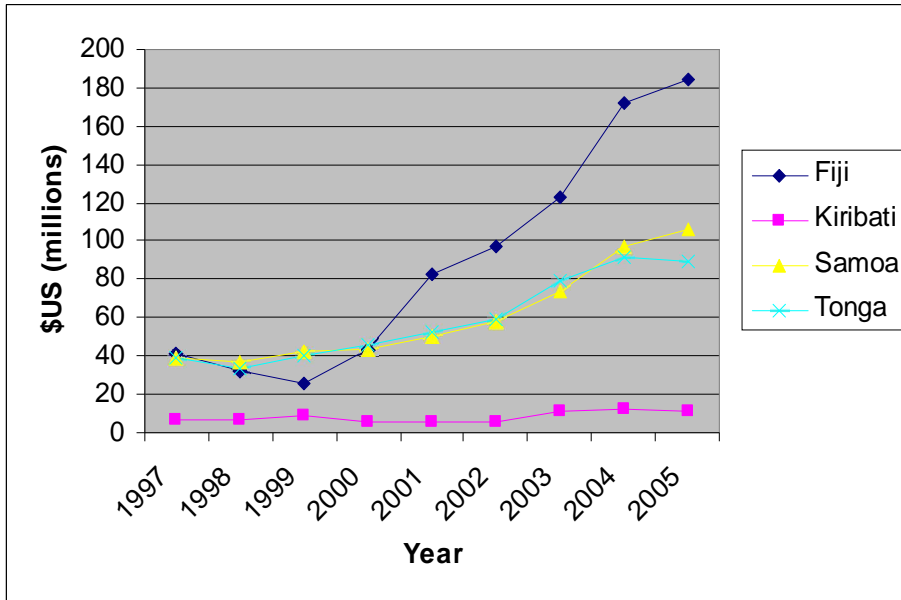
Source: Reproduced from Stahl and Appleyard (2007).

Leaving aside the difficulties of measuring remittance flows accurately, some idea of trends can be obtained from data compiled by the IMF, which show that remittances in the Pacific have risen steadily in absolute terms and as a proportion of GDP over the period 1997-2005 (Figures 3 and 4). In Tonga and Samoa, remittances increased at an annual average rate of 10.5 percent and 12.4 percent, respectively. In Fiji, remittance growth was more spectacular with an annual average increase of 18.6 percent over the same period. In these countries, remittances have also increased as a proportion of total GDP. In Tonga, remittances have grown from 23.2 percent of GDP to 39.3 percent over the period, an increase of 53 percent. In Samoa, remittances have grown from 16.8 to 25.5 percent of GDP, an increase of 42 percent. In Fiji, remittances have more than tripled as a proportion of GDP from 2.0 percent in 1997 to 6.6 percent in 2005. In Kiribati, remittances have remained steady at around 15 percent of GDP over this period. These data exclude remittances in the form of goods or payments made in other countries on behalf of families remaining at home, so should be considered understatements of the actual scale of resource flows arising from migration. If national

¹⁶ Other estimates put Samoan remittances at 24.5 percent of GDP in 2004 (Browne and Mineshima, 2007).

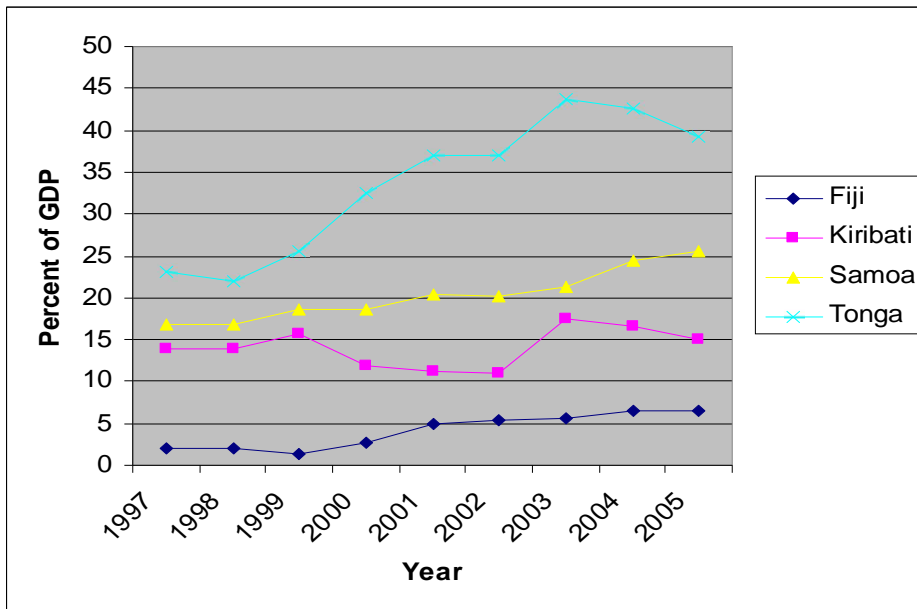
income were calculated by GNP rather than GDP, it is clear that the primary source of economic growth for the nationals of Fiji, Samoa and Tonga in recent years has been the migration-remittance dimension of the economy.

Figure 3 Trends in remittance receipts in four Pacific countries 1997-2005



Source: Browne and Mineshima (2007).

Figure 4 Remittances as percent of GDP 1997-2005



Source: Browne and Mineshima (2007).

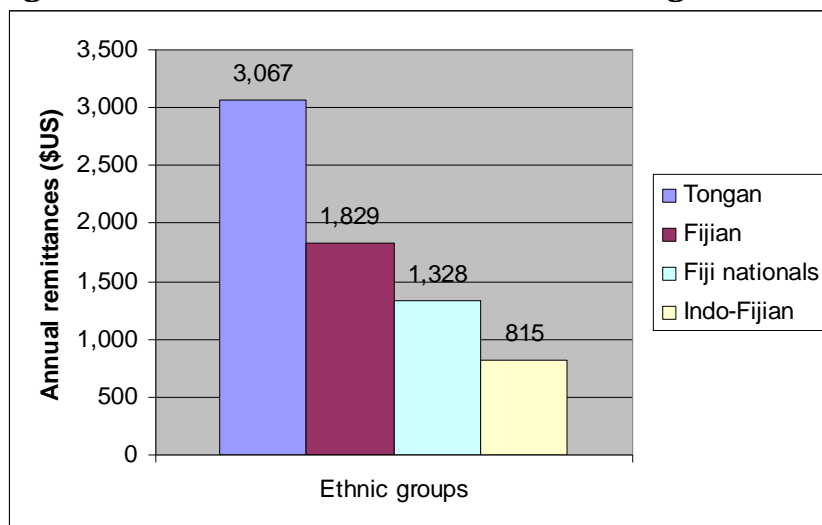
The economic significance impact of remittances can also be measured at the “micro” level in terms of is the number of households who receive them and the amounts they receive. The most recent and robust estimates derive from the previously-mentioned World Bank

sponsored study in Fiji and Tonga. The study design permitted comparison between four categories: 1) Tongan; 2) Fiji nationals; 3) Indigenous Fijian; 4) Indo-Fijian.¹⁷ The study showed that 91 percent of households in Tonga and 42 percent of households in Fiji received remittances from migrants abroad. A surprising finding of the study was that even households without a migrant member received remittances, although the proportion of households with a migrant member receiving remittances was higher (98 percent in Tonga and 87 percent in Fiji). These data show that migrant remittances are received by a very significant number of households. In Tonga almost every household receives migrant remittances; in Fiji the proportion is lower but Fiji has a much shorter migration history than Tonga.

Figure 5 shows the mean annual remittances in 2004 in US dollars for the four categories. Clearly Tongan households received substantially larger amounts than Fijian or Indo-Fijian households. This is partly a function of the number of migrants per household. In Tonga the average number of migrants per household is higher than in Fiji; secondly, households that do not have migrant members receive proportionately more remittances than similar households in Fiji. In other words, in Tonga remittances are spread more evenly among households than in Fiji. In the Fiji case, households that do not have members abroad are much less likely to receive remittances.

It is clear that there are significant variations in the scale of remittances among countries and ethnic groups. To explain these variations would require taking account of a number of factors, including the length of time over which the migration system has evolved, whether the migration stream is made up of long-term and permanent migrants or temporary migrant workers, the number of dependents remaining at home, and the strength of emotional and kinship ties to those left behind. Indigenous Fijians, for example, are primarily semi-skilled short-term temporary workers who leave their family at home when they go abroad.

Figure 5: Mean annual remittances in four ethnic categories, 2004



Source: World Bank (2006). Note: Fiji “nationals” is the sum of Indigenous Fijian and Indo-Fijian.

¹⁷ The study sample fell short of being nationally representative as some of the more remote areas were excluded for practical reasons.

The significance of these sums needs to be viewed in terms of their proportion of total income and the effect on income distribution and poverty. In Fiji, average per capita income with remittances included is 7 percent higher than it would be if remittances were excluded (cash income only). In Tonga, the equivalent figure is 45 percent. In other words, per capita income in Tonga when remittances are included is almost double what it is without remittances. In both countries, however, the impact is much greater on the lowest income quintile. In Fiji, the income of the lowest quintile is increased by 82 percent when remittances are included. In Tonga, the effect of including remittance income in total income is even more dramatic: when remittances are included, income is over six times greater than when remittances are excluded.

It follows that remittances reduce income inequality in both countries. When remittance income is included, the percentage share of income received by the lowest quintile rises from 2.4 percent to 4.0 percent in Fiji and from 1.9 percent to 9.8 percent in Tonga. Conversely, the share of the top income quintile declines from 58 to 55 percent in Fiji and from 63 percent to 51 percent in Tonga when remittance income is included. The impact on various measures of poverty is also positive. Employing a measure of “subjective deprivation”, the World Bank study estimated that the Poverty Headcount Ratio declined from 38 percent to 34 percent in Fiji and from 57 percent to 33 percent in Tonga when remittance income is included in total income. There is also a clear association between receipt of remittances and household wealth as measured by quality of housing materials, water supply and sanitation and the ownership of household appliances.

f. The use of remittances

It is clear from the World Bank study in Tonga and Fiji that the direct impact of remittances on income, income distribution and ownership of assets that improve the quality of life is significantly positive. The next question concerns the less direct effects such as savings, investment, human capital accumulation, and business activity. With regard to the latter, the study found that the impact of remittances on business activity depended on the country. In Tonga, households receiving remittances were more likely to have income from business than households that do not. In Fiji this relationship was not observed and the only (statistically) significant effect of remittances was a negative impact on wage income. So far as savings are concerned, the issue is not so much whether remittances themselves are used for savings but whether the receipt of remittances allows households to save more than they would have in the absence of remittances.

There is also the problem that households that have migrants may also have greater propensity to save. In any case, there is an association between the receipt of remittances and savings: households with remittances saved more than households that did not receive remittances. Among Tongans, remittance-receiving households saved 35 percent more than households without remittances while in Fiji the comparable figure was 65 percent. Thus the impact of remittances on savings is much greater in Fiji than in Tonga, probably due to their different migration systems as well as socio-cultural factors.

Receiving remittances also increases the probability that a household member will receive more education than is provided by government. This finding is consistent across countries and ethnic groups. However, the association between tertiary education and intention to migrate is positive in Fiji but non-existent in Tonga. The report notes that Tongans have better access to migration through family reunion categories than Fijians and therefore are less motivated to gain higher education for the purpose of migrating.

Studies of remittances by seafarers from Kiribati and Tuvalu suggest that most funds are spent on meeting basic needs and school fees with the balance saved to buy land or build a house.

The recently-introduced RSE scheme in New Zealand has provided another context in which the impact of migrant remittances, among other factors, can be studied. An intensive evaluation programme has been put in place by New Zealand Department of Labour to determine whether the RSE policy is meeting its intended goals. The evaluation is being conducted by an in-house team as well as externally contracted researchers. The programme is supported by an “Evaluation Advisory Group” comprising representatives of key New Zealand Ministries, the five participating Pacific countries, the employers, the Council of Trade Unions, and academic researchers (Ramasamy et al., 2008). In addition to an evaluation of the short-term impact of the scheme on the supply of labour to the horticulture and viticulture industry, including the costs and benefits of the scheme to employers and the operational aspects of recruiting, the evaluation programme will monitor the medium-term impact on the communities from which RSE workers have been drawn, initially in three countries. The research associated with this aspect of the evaluation is being done in collaboration with the World Bank, the University of Waikato, and NZAID. A number of preliminary studies have already been published (Rohorua et al., 2009; McKenzie et al., 2008) as well as a literature review to identify the potential social impact of short-term migration for employment (Bedford et al., 2009).

In Vanuatu, communities themselves selected the workers for the RSE and required contribution of \$200-250 from each worker to go into a community fund for local projects (such as a water tank), thus ensuring that the community benefitted and not only individuals and their households. Participants in the RSE were attracted by wage levels 5-8 times what they could earn at home. Studies suggest that actual earnings were initially somewhat less than expected as participants were not fully aware of the deductions that would be imposed for accommodation and other costs. However, even after deducting airfares, food, accommodation, RSE workers earned an average of NZ\$5,764 in 17 weeks a significant multiplier over what could be earned at home (MacLellan, 2009). Some workers from Samoa saved \$NZ15,000 over a period of seven months, a significant sum. Others from Vanuatu raised additional funds by busking during their time off or raising money through local churches.

One of the first priorities for spending saved earnings by RSE participants is the repayment of loans taken out to cover the initial expenses of applying to the scheme, obtaining a passport, police clearance, medical certificate, visa, and airfare. Improving or building houses and paying school fees for children are also important uses of money saved from temporary labour migration.

Regional reviews of remittances in the Pacific leave little doubt that money sent home by migrants and the savings repatriated as lump sums by temporary workers provide very large direct benefits to households in the Pacific Islands (Stahl and Appleyard, 2007; Connell and Brown, 2005). More controversial is the direct or indirect contribution of remittances to capital accumulation and investment. Browne and Mineshima (2007) point out that in the Pacific, remittances are more likely to be based on “altruistic” motives in that money is normally sent home to support relatives, friends, churches and various community projects, including sports. This contrasts with Asia where the quest to accumulate capital to invest back home is predominant. The distinction between “altruistic” and “self-interest” motivations is evident in the contrasting responses to natural disasters. In the Pacific, remittances increase

dramatically in the aftermath of natural disasters, whereas this much less the case in Asia where remittances are primarily a means of capital accumulation.

Some Pacific Island communities do not wait passively for remittances to come but make use of traditional patterns of group visiting to raise funds among expatriates living abroad. The Cook Islands “teri pati” is one such form where money for community purposes is raised in overseas communities through cultural performances and the sale of crafts (Alexeyeff, 2009).

This point is supported by a number of observers (e.g. Muliaina, 2003; McKensie, 2006) who point out that remittances sent to Tonga and Samoa are normally a responses to a direct request for assistance related to family events such as weddings, funerals, school fees or fund raising for a church or community projects, rather than for daily expenses. This helps to explain why there is normally no surplus for savings and investment, because the funds are spent for the purpose for which they were requested. It has also been pointed out that up to 40 percent of the value of remittances are in the form of goods rather than cash (McKensie, 2006). In the case of Tonga, the prices of durable consumer goods (household appliances, electronic devices, vehicles, etc.) are 1.7 times the cost in New Zealand. It is therefore cost-effective to send these goods from overseas, in spite of the high freight costs.

The misgivings about the use of remittances in Island countries expressed by some researchers (e.g., Connell, 1987; Connell and Browne, 2005) arises from the observation that a high proportion of remittances are spent on conspicuous consumption (e.g., more grandiose churches and western style houses) or ceremonial feasting rather than investing them in productive enterprises that will bring an economic return. But as Bertram (2006) has pointed out, in Pacific economies characterized by “MIRAB” processes¹⁸, investment in “unproductive” sectors (social and cultural welfare, health and education) is productive but investment in “productive” sectors is “unproductive”. In other words, efforts to develop economies in such micro-states based on the production of internationally competitive trade goods have failed. It would not be surprising or economically irrational to seek the highest possible returns to labour in external labour markets while supporting consumption levels at home by means of family transfers.¹⁹ Nevertheless, it is possible that remittance flows have led to inflation in conspicuous displays for prestige purposes (Muliaina, 2003).

Although consumption and social motives appear to dominate remittance use, Connell and Brown have discerned a growing tendency for remittances to Pacific Island countries to find their way into investment in small business, such as retail shops, taxis, fishing boats and gear, or invested in houses that will bring rental revenue. It has also been observed that remittances have been used to finance market gardening through the purchase of seeds, fertilizer or lease payments on non-customary land. However, it is not clear if the tendency for remittances to be used for investment rather than consumption as the migration-remittance system matures is a genuine trend through time or rather a tendency for more observers to detect investment activities among remittance-receiving households. A plausible hypothesis, that remains to be tested with empirical data, is that recipient households will shift remittance use to investment as basic consumer requirements are met and if investment opportunities

¹⁸ The term “MIRAB” describes small Pacific Island countries whose economies are maintained by migrant remittances, foreign aid and public sector employment. In such an economy, investment in health care and education is likely to support higher levels of employment than investment in export-oriented enterprises, which (other than tourism) have high failure rates.

¹⁹ It is worth noting that even countries with large trust funds (such as Kiribati) or social security funds (Marshall Islands) place either all, or a high proportion, of these funds overseas under the control of U.S. or U.K. investment managers.

carrying a reasonable level of risk are available. It is possible, for example, that the growth of tourism in Cook Islands, Samoa and Tonga has provided relatively low-risk investment opportunities in guest houses, taxis, and restaurants that did not previously exist.

In any case, despite the growing number of studies on the topic, the developmental impact of remittance flows remains unclear and further research, especially longitudinal studies, is needed. This is particularly important as governments seek to manage the migration process, including the investment gains that remittances might potentially facilitate.

g. Remittances: policy issues

The question of how government policies and programmes might be used to encourage remittance flows and/or optimize their use to more effectively contribute to economic growth and development remains controversial. Some authors (Vargas-Lundius, 2004; Brown, 2008; Browne and Mineshima, 2007) argue that governments should not intervene in a process that benefits families and is functioning perfectly well as a form of family-based social security. Others (e.g., Connell and Brown, 2005) have argued that there is substantial scope for policy intervention in the migration process in general and the use of remittances in particular. They note three policy contexts in which Pacific Island governments might become more interventionist: 1) actions to minimize problems or impediments with the migration process, including international agreements with destination countries; 2) temporary labour schemes that would allow groups of Pacific Islanders to travel and seek employment, or conduct fund-raising, linked to specific local development projects; 3) policies to encourage the productive use of remittances, such as savings bonds issued in a foreign currency, or special interest-bearing accounts that attract higher interest rates than at present and policies that encourage the use of official channels rather than informal ones.

Although the above authors are correct to point out that Pacific governments have not been active in these areas, significant movement is apparent over the past five years. As already noted, at least six countries to date have signed bilateral agreements with New Zealand and some with Australia to facilitate temporary labour migration through seasonal work programmes. With regard to the handling of remittances, the New Zealand and Australian Governments, through NZAID and AusAID, respectively, have taken steps to reduce the costs of sending remittances to Pacific countries—previously the highest of any world region. New Zealand and Australia jointly funded the establishment of a website that allows people to compare the costs, exchange rates and speed of sending money through various channels. In response to these initiatives, one regional bank has developed a “remittance card” which allows funds credited in Australia or New Zealand to be withdrawn from an ATM in a Pacific country. This initiative has helped to reduce the fees for sending remittances from 15-20 percent of the amount remitted to between 3 and 4 percent and saved \$140 million in transaction costs. Gibson et al. (2006) have estimated that lower transaction costs will result in a more than proportional increase in the amount of money remitted.

Another recent initiative by the New Zealand Government is the provision of skills training for seasonal workers during their sojourn in New Zealand, including literacy and *financial* literacy. This initiative will go some way toward assisting participants to manage their earnings and to understand the crucial distinction between spending money and investing it.

h. Human resources

The impact of migration on the quality of human resources depends upon whether skilled or unskilled persons migrate, whether they migrate temporarily or permanently, and how the labour market adapts to changes in supply and demand. Fiji presents the most clear-cut case of a Pacific country in which the permanent emigration of professional, technical and related workers has reached such a scale that the average quality of human resources in a number of occupations has declined and absolute shortages have become evident. Connell (2009) has reviewed the impact of the emigration of skilled health workers (SHW) from Fiji, including doctors, nurses and other health professionals. He has estimated that Fiji lost 586 doctors in the decade 1984-94. He also notes that teachers, accountants, architects and engineers have been migrating in large numbers. Fiji Bureau of Statistics data on the arrivals and departures of “residents” by occupation over the period 1995-2008 show an average net outflow of professional, technical and related workers of 1,134 per year (Fiji Bureau of Statistics, 2009). However, in the most recent four-year period for which data are available net outflow in this occupational category increased to 3,213 per year. According to these data there was a net outflow of 12,850 professional and technical workers over the very brief period 2005-2008.²⁰

Some attempts have been made in the past to estimate the value of the human resources being lost from Fiji as a result of the emigration of professionals and other skilled persons. Reddy et al. (2002) estimated the value of human capital losses from Fiji at \$F45 million per year. This was during a period in which the rate of outflow was less than it is currently, thus current losses would be much higher.

Other Pacific Island countries, particularly Samoa and Tonga, have also experienced significant losses of skilled health workers, particularly nurses, although the value of these losses has not been calculated in monetary terms. Estimating the value of such “losses” is complicated by the fact that many Pacific Island women took up nurse training not because they were interested in nursing but because nursing qualifications increased the possibility of migrating (Connell, 2009).

How have Pacific countries coped with the shortage of skilled professionals? So far as doctors are concerned, one response is to recruit from overseas. As a consequence of this, by 2003 one third of practicing doctors in Fiji were from foreign countries—including Taiwan Province of China, Republic of Korea, Philippines and Myanmar. It is noteworthy that even countries without major outflows of health professionals (Solomon Islands and Kiribati) were recruiting doctors from Cuba. Thus emigration is only part of a more complex problem of human resource shortfalls. Other responses include bringing retired health professional back into the labour force and increasing the number of shifts or working days. The latter responses tend to exacerbate the problem since the result is more work-related stress, a phenomenon that contributed to the emigration of health workers in the first place.

The other response is to accelerate the pace of training. Both Australia and Canada have supported nurse training in the Pacific but it would appear inevitable that nurses trained to international standards are more likely to migrate, and in some cases this is in fact the purpose of the training. It has been argued in the literature that the “overproduction” of health and other professionals potentially produces a situation in which migration takes the “overflow” rather than draining the existing pool of skills. Clemens and Pritchett (2008) have

²⁰ This figure seems unrealistically high given that Fiji’s urban labour force in 2007 was only 168,680 and the total number of professional and technical workers was about 30,000.

argued that the emigration of skilled personnel can stimulate others to take up training that they may not otherwise have undertaken. Even if the training is undertaken with emigration in mind, not all of those who complete training actually do migrate, thus the supply of skilled persons is enhanced.

There are also other ways that the emigration of skilled persons can contribute to the development of sending countries. In the cases of India and Taiwan, for example, skilled emigrants were active in the creation of new industries in these countries, particularly in IT. This brings the argument back to the conditions that motivated the original emigration. As Clemens and Prichett have argued, if the rate of growth of GDP could be raised to the levels experienced in China (10 percent annually) then domestic growth would have a major impact on average income in the transnational community, and emigration would be much less attractive as a development strategy than it is now. The problem is that nobody knows how to bring about Chinese-style economic growth in poor countries such as Haiti or Guyana. The same can be said for the Pacific.

Certainly there is little evidence of the return migration of skilled professionals to the Pacific stimulating development of new industries or applying the knowledge that they have acquired abroad to enhance development prospects at home. In the case of health professionals, there is a tendency for them to become more specialized in the more technologically-advanced receiving countries to the extent that they find it difficult to return to a situation where the facilities they have become accustomed to are non-existent.

Stahl and Appleyard (2007) summarize the results of computer simulations that attempt to model the effects of increased skilled and unskilled emigration from the Pacific to Australia and New Zealand. The results suggest that if Australia/New Zealand increased the quota of Pacific Islanders permitted to enter these countries to the equivalent of 1 percent of their labour force, there would be a massive gain to the migrants themselves and to the populations of Australia and New Zealand, but a very large welfare loss to the island countries resulting from a 21 percent reduction in the skilled labour force, even allowing for the return flow of remittances.

This analysis would appear to lend support to Connell's claim that "The costs of global mobility are unevenly borne by the poorer sending countries and the benefits are concentrated in the receiving countries" Connell (2009). While Connell sees this situation as inevitable and policy responses "implausible", Stahl and Appleyard review policy options for Australia, such as allowing skilled Pacific Islanders to migrate temporarily in order to upgrade their skills and accumulate capital that could be used to underwrite economic development at home. This is a version of the "brain circulation" concept that has been advocated elsewhere in the hope that there will be "knowledge spillovers" leading to greater innovation and productivity and ultimately economic growth. Changing citizenship laws to allow dual citizenship is another policy measure that has been proposed to facilitate the circulation of brainpower.

In the final analysis, finding solutions to the skill drain represented by the emigration of skilled and professional labour remains a major challenge to which there are few effective policy responses. Strutt et al. (2008) note that the "'brain drain/brain gain' debate has continued for the past 40 years, with some irresolvable disputes and unenforceable recommendations".

2. Social impact of migration

a. Social aspects of temporary labour migration

The social costs of international migration are often contrasted with economic benefits, but the term “social” is often used as a residual category to refer to anything that is not narrowly economic rather than as an analytically precise category. As part of the design of an evaluation strategy for New Zealand’s RSE temporary employment scheme, Bedford et al. (2009) have reviewed recent literature on the social impact of various forms of population movement, but with a special focus on temporary and circular mobility. The rationale for focussing on this type of movement is that it is likely to be the most “development friendly” in the Pacific (Luthria, 2006) and the least likely to cause “undue disruption” to the social and economic life of the rural village societies from which these temporary migrants are largely drawn (Bedford et al., 2008). The argument that temporary labour mobility should be less disruptive than long-term or permanent movement is in part derived from observations that circular mobility for trade and exchange were embedded in traditional society, especially in Melanesia, so that re-creating such forms of movement is not the sharp break from tradition that it might be in more sedentary societies. As already noted, labour migration occurred throughout the Pacific during the colonial era, although it was frequently a stepping-stone to more permanent migration.

The focus on temporary and circular movement that starts and ends in the rural village and is aimed at improving welfare at the village level obviously rules out of consideration the most important social consequence of large-scale permanent movement, namely the creation of “transnational” communities. The existence of such forms of social organization, as well as the rapid urbanization of many Pacific countries, is testimony to that fact that many Pacific Islanders wish to leave village life. Nevertheless, in the Melanesian countries of Papua New Guinea, Solomon Islands, the rural village is likely to be the predominant mode of existence for several generations to come and the improvement of living conditions in such places will remain a central focus of development policy for the foreseeable future.

Bedford et al. (2009) consider the social impact of temporary labour migration at three somewhat overlapping levels: individual, family and community. Individual consequences are largely to do with the accumulation of experience, skills and other forms of human capital by the migrants, as well as protection from (or exposure to) abuse or exploitation. Included at this level are the consequences for the physical and mental health and general well-being of the migrant. Among the individual benefits that can arise from migration are the social skills that a period of work and education in a more developed economy can impart, such as “time management”, language and communication skills, and financial literacy. Temporary labour schemes such as RSE that are predicated on the assumption that circular labour migration can contribute to village development place emphasize the crucial role that the accumulation of “social capital” can play if it is applied for that purpose. Also included at the level of individual impacts is the development of human capital among those left behind, including, in particular, children, and the health status of household members.

The family level is where the social impact of migration is most keenly experienced, whether for good or ill. In the Pacific, migration, whatever its form, is either a family enterprise or is justified in terms of the contribution that it can make to family welfare. In the case of temporary labour migration, the key concern is the changing sexual division of labour resulting from the prolonged absence of a male or a female from the household, especially parents. These changes have the potential to impact on broader social relations within the extended family as when siblings or in-laws are called upon to perform functions normally performed by the absent partner. There are also implications for children and childcare

services as well as the elderly and their care. Absent spouses can result in psychological stress caused by loneliness or feelings of neglect. Also, in a village economy where food is produced by household production, the shortage of household labour and/or the absence of key producers (men or women) may lead to changed production and consumption patterns with implications for nutritional standards.

At the community level, the social impact of migration mainly concerns the extent to which valued social institutions, such as extended families, churches and patterns of leadership (such as forms of chieftainship) are supported or undermined. The migration of family members may enhance the social standing of a family if the family is able to increase or at least maintain its contributions to the church or to community enterprises, such as the building or maintenance of schools, water tanks, sports fields or other shared infrastructure. Migration will improve the income distribution in a village if migrants are selected from poorer households; if the better-off are selected, the distribution of income will become more rather than less unequal.

b. Empirical findings in the Pacific

There is an extensive literature on the social consequences of migration in the Pacific that is impossible to summarize here. While it is possible to find many *instances* of negative consequences for individuals and families, it is not clear how widespread these instances are. As Rohorua et al. (2009) point out, many of the studies conducted on the social impacts of migration have not produced conclusive results, in part because the counter-factual issue (what would have happened in the absence of migration) is not adequately considered. That Pacific people continue to migrate, whether permanently or temporarily, and eagerly embrace new opportunities to do so, suggests that the social costs are not sufficient to deter such movement or that Pacific social institutions are incapable of adapting to the changes that migration brings.

Initial studies conducted as part of the monitoring and evaluation programme for New Zealand's RSE scheme have shed some light on the issue of adaptation at the village level as well as other impacts on sending villages. Leaving aside the methodological complexities, the results of a comparative study conducted in Tonga and Vanuatu of households in which a member had participated in the RSE programme (and using appropriate control groups) found that where there were negative consequences these were rather slight. Where negative consequences were found, such as in health status and diet, these were attributed mainly to the opportunity cost of having a household member absent. In Vanuatu, for example, the opportunity cost in terms of lost income and labour time was higher than in Tonga. In general, Tongan households were better able to adapt to the absence of a household member. This was partly due to larger household size, which allowed other family members to take on additional tasks. Vanuatu households were smaller, so families had to seek help from friends and neighbours.

Another factor that made it easier for Tongan households to cope with an absent member than Vanuatu households was the better availability of communication, such as international phone calls, in Tonga and the better accessibility of banks and ATMs to facilitate the transfer of money.

The impact of temporary migration at the community level was ascertained by interviews with community leaders, most of which confirmed that the community had benefitted from improved infrastructure and education for children with few negative consequences. However, a Vanuatu NGO has recently claimed that the majority of participants

in the RSE scheme remain in the capital of Port Vila on their return rather than go back to their villages.²¹ A similar pattern has also been observed in Tuvalu and Kiribati where returning seafarers have a tendency to remain in the capital rather than return to their outer-island villages.

The negative “social” impact of the temporary migration of seafarers from Kiribati and Tuvalu, as well as other forms of temporary movement, has been highlighted by several studies. Maclellan and Mares (2005) and Maclellan (2009) have reviewed a number of these studies and conclude that temporary labour migration is exacerbating a number of trends in rural areas of the Pacific. Among the major impacts are family break-up caused by the infidelity of spouses and, in extreme cases, the abandonment of women and children by men who marry bigamously abroad in order to obtain foreign citizenship. Both male and female gender roles come under stress with the absence of a mother or father and the lack of role models to guide children. Returning seafarers often find it difficult to re-adjust to their home societies on return and re-establishing relationships with their wives and children. During their absence, wives gain autonomy and responsibility by the need to manage the household, including the expenditure of remittances; on the return of their husbands, this newly-found autonomy is removed as gender roles return to their traditional form. Children may resent a returning father for disrupting family routines established in his absence.

The lack of regular contact and communication between spouses and children causes loneliness and depression among the “left behind” spouses. Seafarers who are exposed to alcohol while overseas are likely to continue drinking on their return. This exacerbates the existing problem of widespread violence against women. The ultimate violence against women, however is to become infected with the HIV virus by their returning husband. Traditional gender roles do not empower Pacific Island women to raise questions about sexually transmitted infections or the use of condoms.

Although migration patterns in the Pacific are becoming more balanced by gender as global demand rises for such female-dominant occupations as nurses, teachers and caregivers, temporary labour migration is dominated by men. Although women are participating in New Zealand’s RSE scheme, men dominate. In Vanuatu, women are considered indispensable for childcare and gardening, but about 10 percent of RSE workers have been single women. In Samoa, some efforts are being made from villages of origin to send more women to New Zealand under the RSE scheme. It is likely that more women from Kiribati and Tuvalu will be recruited as seafarers now that the maritime training schools have permitted women to undergo training for eventual recruitment on cruise ships as stewards and service staff. Recently-established nurse training for I-Kiribati women to Australian standards is very likely to result in the emigration of more women as nurses, although if this happens the migration may be more permanent and permit spouses and children to migrate also.

Finally, Bedford et al. (2009) highlight the need for further research on the impact of temporary labour migration on those who are “left behind”. The effects of migration on gender relations and gender inequality is an important dimension of this research, along with the impact on children and the elderly.

²¹ Henry Vira, quoted by Radio New Zealand International, 25 June 2009. Accessed at <http://www.rnzi.com> on 11.12/2009.

c. Gender and international migration in the Pacific

Some aspects of gender have already been mentioned, but it is important to note that a focus on “women as migrants” is not the same as a “gendered” treatment of migration, which would go beyond a focus on migrant women. A “gendered” analysis of migration would start with the premise that gender is an aspect of all relationships and behaviour and not simply the study of women (Donato et al., 2006). However, a review of the migration literature in the Pacific indicates that very few studies of migration in the Pacific have so far taken this broader gender perspective (Chandra, 2004).

Whether the approach is one of “women as migrants” or “gender in migration”, a number of substantive issues arise. For example, how does the migratory behaviour of men and women differ? What factors account for these differences? Are the consequences of women’s and men’s migration behaviour different? For example, are women more likely to experience discrimination and/or exploitation than men? Does migration contribute to gender equality and the empowerment of women or does it worsen or reinforce existing patterns of inequality? How do the roles of men and women within the transnational community differ? Are women more active than men in maintaining transnational ties, including the sending of remittances? Does the temporary absence of one partner change the division of labour by sex? Do sex roles change among migrant groups as they encounter new cultural forms in their country of arrival? As Bedford et al. (2009) have noted, in the Pacific, questions such as these remain inadequately addressed in the research literature.

It is worth noting that Pacific women do not generally migrate to more developed countries as “domestic workers” (housekeepers) or “entertainers”, as occurs in Asia. However, there is some movement (often undocumented) of Pacific women as caregivers for the elderly. Voigt-Graf (2006) has estimated that the number of Fijian caregivers in the United States of America reached 4,000 after the 2000 coup. The trafficking of women from the Pacific is also quite rare, although some cases of unsuccessful attempts to traffic women have been reported in the news media. The trafficking of women from Asia to the Pacific is probably more common, although it is hard to estimate the possible numbers. The importation of women to provide sexual services to the crews of foreign fishing vessels is evident in a number of Pacific countries but the proportion of these who were trafficked rather than willing participants is not known.

As Chandra (2004) and Donato et al. (2006) have stressed, a key dimension of the gender analysis of migration is the extent to which certain migration streams are dominated by one sex or the other. But this may be hard to detect as the data on emigrants is not necessarily cross-classified by occupation, sex, or the purpose of migration. Some indication of selectivity by sex can be determined by examining the sex ratios²² of migration streams. Temporary labour migration tends to be dominated by men (sex ratios are high) as the types of jobs offered to temporary workers are normally performed by men and women are generally required to remain at home to maintain the household and perform traditional childcare roles. This type of pattern is evident in the Pacific today in the temporary migration of seafarers from Kiribati and Tuvalu and in the temporary movement of Fijians to the Middle East as security guards. Temporary seasonal workers to New Zealand under the RSE programme are predominantly male, although 22 percent of those coming from Vanuatu in the second year of the programme were female (McKensie et al., 2008). While the men participating in the scheme were mostly married, the majority of the women were single. The recent opening-up of

²² The sex ratio is conventionally defined as the number of males per 100 females.

opportunities to Kiribati and Tuvaluan women to receive training that would enable them to become stewards or cooks on Norwegian cruise liners, if taken up in any number, would lead to a more gender-balanced stream of temporary workers from these countries.

A common historical pattern is for temporary migration to become permanent over time and some countries (New Zealand and Australia) have developed programmes to facilitate this type of transition for skilled workers. During the earlier stages of migration from the Polynesian countries, it was common for men to move first and, once established, to bring their wives and children. Thus, in time, the sex ratios of the migrant population overseas will drop and the balance of the sexes will revert to normal. This is clearly evident in the sex ratios of the Pacific Islander populations in Australia, New Zealand and the United States of America of America, although there are exceptions. In Australia, the sex ratios of the main Pacific populations (by birthplace) were generally below 100 in the 2006 census, and in some case well below, indicating more females than males. In all populations other than Tongan, females form the majority. In some migrant populations a large majority of the migrant population is female. In the case of people born in Kiribati, for example, 65 percent is female (Australian Bureau of Statistics, 2006).

Similar patterns are apparent in New Zealand and the United States of America. Among the Fiji-born in the 2000 U.S. census, 52 percent were female while 53 percent of persons born in Micronesia were female. In the case of the Marshall Islands, where early patterns of migration to the U.S. were dominated by single males, the sex ratio had reached to 102 by time of the 2000 census, indicating a small excess of males. In the case of New Zealand, the 2001 census results indicated that the sex ratio of the total population of Pacific Islanders by place of birth was 92, indicating an excess of females and this pattern applied to all individual Pacific groups (Statistics New Zealand, 2001).

These data suggest that recent migration streams from the Pacific to the main destination countries are more likely to have been dominated by females rather than males. Chandra (2004) has described this process for Fiji, attributing the dominance of females to the migration of nurses, female doctors, caregivers, school teachers, clerical workers and accountants (30 percent of whom are women) as well as marriage partners. In Samoa, for example, women are seen as more dependable in sending remittances home and therefore a family in need of cash support may encourage the migration of a female over a male (Connell and Brown, 2005). The increasing demand in receiving countries for female dominated occupations, such as caregivers, nurses, and service workers and a declining demand for factory workers is another “pull” factor that encourages the migration of women. In the New Zealand case, the proportion of economically active Pacific Island women employed in “white collar” occupations is higher than for Pacific Island males (24 percent compared to 16 percent) and women tend to be better paid than men relative to the labour force as a whole (Stahl and Appleyard, 2007). The re-structure of the New Zealand economy, which resulted in the demise of several inefficient manufacturing enterprises, has had a disproportionate impact on Pacific Island males and women have been better placed to take advantage of the new occupations that have emerged in the past two decades. Similar processes have occurred in Australia.

Chandra (2004) notes that the motivations of male and female migrants among Indo-Fijians tends to differ. Women are more concerned with their personal security and safety in an unstable and uncertain political situation, whereas men are more concerned with the economic future of the family, as well as the safety of their wives and children.

Given that women dominate certain occupations such as nursing and teaching, high rates of emigration among such occupations in Fiji has resulted in a decline in the quality of services—especially in rural areas. Women teachers play important leadership roles in rural villages and their departure can leave an important gap.

While there is gender equality in most Pacific countries in terms of educational attainment up to secondary school, this does not translate into equality in other spheres of life. Women's role in politics is still minimal, as evidenced by the very small proportion of female parliamentarians, government ministers and women in higher public service positions. Where studies have been conducted, the rates of violence against women in the Pacific are among the highest recorded in the world (WHO, 2005). There is no evidence to suggest that this pattern has changed for the better as a result of international migration. With regard to female empowerment, as already noted, women left behind while their husbands migrate for employment have to take on more responsibility for managing the household so their on decision-making capacity and personal autonomy is often enhanced (Chandra, 2004). Voigt-Graf (2006) has noted that the absence of men can help women to become more independent and self-aware and that the marriage break-ups that are attributed to migration may also be welcomed by women if the marriage is not working.

E: TRANSNATIONAL COMMUNITIES

a. Transnationalism

There is no single, agreed upon definition of transnationalism. The term is used in various ways by different social scientists. It originated in discourse about the global operations of multi-national corporations and came into use in the 1980s primarily to describe other dimensions of “globalization”. In the context of international migration studies, transnationalism is best understood in contrast with a pattern of international migration that involves a dramatic disruption of or severing of ties between the migrant and a sending society or community with the migrant eventually becoming absorbed or “assimilated” into the host society. Transnationalism has become the accepted term to describe a situation in which a migrant is not completely uprooted from his/her home society nor totally assimilated to the host society. A “transmigrant”, in contrast to an “international migrant” is someone who maintains social relations with their place of origin (even if not born there) while also adapting to the requirements of the host society and culture. It follows that a “transmigrant” is someone who has acquired the necessary skills to maintain dual (or multiple) identities appropriate to the socio-cultural context in which he or she is required to function.

The transnational community is thus made up of individuals and groups that are dispersed in space across separate countries but continue to carry on a wide range of social transactions, similar in some respects to what would occur within a small face-to-face community. A wide range of social and technological changes over the past several decades has facilitated the emergence of this form of social organization. In spite of persisting xenophobia among segments of host societies, the pressure on migrant groups to fully assimilate to host societies in the Western world has significantly abated and most countries now officially accept “multiculturalism”, subject to core values and constitutional rules. Thus migrant groups are able to maintain valued institutions while adapting to the legal norms of receiving societies. At the same time, dramatically improved transport and communications have made it practical for social and economic exchanges to continue across wide distances. Transnationalism is linked to globalization in that both concepts suggest that national borders are becoming more porous to the movement of goods, money and people than ever before.

An important implication of this for migration studies is that the sharp distinction between “sending” and “receiving” societies is breaking down and it is more appropriate to conceptualize the transactions that occur in transnational communities as a “field” without a centre or a periphery. Possibly for this reason the term “diaspora” is used interchangeably with transnational community to reflect the wide dispersion of people away from an ancestral home but retaining an ethnic identity originating in one place but ultimately in a state of flux. This conceptualization stresses the flow of information, ideas, capital, money and goods in multiple directions. Thus, neither the primordial culture nor its offshoots are fixed in time but mutually affect each other.

The key issue that arises in transnational communities is the extent to which they are likely to remain sufficiently integrated through time such that the poorer members (usually located in the ancestral home) remain net beneficiaries of the economic and social processes that operate throughout the community.

b. The Pacific diaspora

The core concept of transnationalism is the geographical dispersion of people. In the Pacific, this has progressed further among Polynesians. As already noted in Table 1, the majority of the Polynesian “ethnic” population of the main migrating countries (Samoa, Tonga, Cook Islands, Niue, Tokelau) now live outside their country of origin. The exception is French Polynesia, where migration to France is minimal and the main migration flow to New Caledonia is not on a sufficient scale to have a significant impact on population distribution. Wallis and Futuna Islanders also tend to move to New Caledonia where the prospects of work are better than at home or in French Polynesia, and about half of these now live outside their home islands. The proportion of the ethnic population of Polynesians living abroad is continuing to increase with either steady or rising annual arrivals in the main receiving countries. However, the pace of new arrivals is currently insufficient to maintain the proportion of first generation migrants in the Polynesian “diaspora” and the proportion of metropolitan-born Polynesians has been rising in recent years. In Cook Islands, Niue, and Tokelau, the majority of the ethnic population in metropolitan countries were born there.

Barcham, Scheyvenst and Overton (2009) have described the geographic expansion of Polynesians as the “new Polynesian Triangle”. The pre-contact “triangle” was bounded by Hawaii in the North, New Zealand in the South, and Easter Island (Rapa Nui) in the East. The boundaries of the new triangle now extend to the west coast of North America (and inland to Utah and Nevada), to the north east, Western Australia in the south west and Rapa Nui in the east. Although the majority of the overseas Polynesian population is probably located within these boundaries, the full extent of Polynesian settlement is certainly wider.

Because of the limited opportunities for international migration by Melanesians, it is not yet possible to speak of a Melanesian “diaspora”, although there is a growing community of Fijians in New Zealand, Australia and the United States of America. Fijians can also be found in the UK, primarily as soldiers in the British army. The movement of Fijians to the Middle East (Iraq and Kuwait) as private security guards generally takes the form of temporary contract labour rather than settlement. The overseas settlement of Indo-Fijians is of a different character again. Most Indo-Fijians settle abroad permanently and the majority may be found in Australia, New Zealand, the United States of America and Canada. The movement of Indo-Fijians can perhaps be seen as a continuation of the large-scale Indian diaspora that has occurred over the past 100 years extending to the West Indies, Africa, and onward to the

United Kingdom. Although transnationalism operates among the Indo-Fijian community it is less intensive and less studied than among Polynesians.

The Micronesian overseas community is largely concentrated in Guam, Northern Mariana Islands, Hawaii and the mainland United States of America, particularly California. Micronesian migration patterns are different again from Polynesian and Melanesian. Micronesians migrate largely for educational purposes and to access health care in Hawaii and California. A Marshallese community has also been developing in Arkansas. Micronesian ties to their home communities are weaker than among Polynesians. Remittances to Marshall Islands from US-based Micronesians, for example, are negligible, partly because of the high proportion of Marshallese in the United States of America who live below the poverty line. The three “compact” states of Palau, Marshall Islands and the Federated States of Micronesia are subsidised more by U.S. Federal grants, which somewhat reduces the demand for remittances from individual migrants.

c. Migrant networks: forms and functions

Transnational communities do not take one form but rather vary widely depending on the source and destination country, the characteristics of the migrants and the nature of the migration stream. In the Pacific, the predominant form of transnationalism is represented by the much enlarged “Polynesian Triangle”, within which a wide variety of social and economic transactions can be observed. However, there is much variation between countries in the nature and consequences of transnational processes. There is also variation in individual participation in transnationalism (Lee, 2009). Although few Pacific Islanders find it possible to disengage fully with kinship networks, the numbers who are doing so is probably increasing.

Another form of transnationalism is represented by the seafarers of Kiribati and Tuvalu. In this type, seafarers are, in effect, permanently mobile as crew on cargo vessels and therefore do not form an overseas community as such. However, they maintain relations with home, formally through fixed remittance payments home as part of their contract and informally through telephone and e-mail and gift-giving. Seamen (until recently they were all male) work in an international context by virtue of their travels to various ports around the world and as part of an international crew on board ship. Seafarers inevitably return to their place of origin, but frequently sign-on again for periods of work that may extend to an entire working life (Borovnik, 2009). The long-term impact of this type of movement on social and cultural organization at home is not clear.

Fijians, as relatively recent international migrants participate in another form of transnationalism. However, like the seafarers of Kiribati and Tuvalu, Fijian men going to the Middle-East temporarily as security guards are circular migrants and do not form stable residential communities abroad. They send money and goods home over the course of their contracts and bring savings home on their return. But communities of Fijians are growing in Australia and New Zealand and elsewhere. Nurses, some of whom are male, are more likely to remain abroad, often moving several times in response to opportunities in the “global health chain” (Connell, 2009). Only a minority return home permanently.

Indo-Fijians participate in a classic “diaspora” that extends widely to Australia, New Zealand, the United States of America and Canada. Unlike other people of Pacific origin, however, the Pacific is not “home” in the same sense that it is to Samoans, Tongans or Fijians. Thus, transnationalism in the sense of an on-going commitment to support and identify with the home country is weaker. As generally permanent migrants, Indo-Fijians send less money home and what is sent is to support close family members rather than institutions. This is a

reflection of the fact that Indo-Fijian emigration is motivated by political as well as economic conditions. Essentially they are moving from one location within the larger Indian diaspora to another. Most of the flow of Indo-Fijians is made of skilled persons, who frequently take what capital they have with them to invest elsewhere.

d. Interaction between locations in migrant networks

Among Polynesians, the main dimensions of “transnationalism” are reasonably well known, but new types of linkages are emerging as these dispersed social structures grow in scale and institutional capacity. Economically the most important transaction is the flow of remittances in cash and kind, as previously discussed. Some of this flow is more accurately conceptualized as a form of trade because cultural goods flow in the reverse direction thereby allowing overseas communities to maintain such traditional rituals as weddings and funerals that require the exchange of traditional valuables that are only produced in the islands. Overseas Polynesians also support neo-traditional institutions such as the church by donating to overseas branches that in turn funnel money back to their island counterparts. Modern telecommunications, including the internet, have greatly reduced the costs of maintaining communications between branches of the network and thus increased the efficiency of transactions between components of the social system. This has helped to maintain emotional ties to “home” among the foreign- born and to reinforce feelings of identity as members of a primordial group.

Barcham et al (2009), amongst others, have argued that excessive emphasis on the economic motives underlying international migration have drawn attention away from other motivations such as freedom of political expression, strengthening of social solidarity and the exchange of ideas. Furthermore, it has been argued that the physical analogy of migration as a river flowing one way is misleading and other metaphors such as a “web” of interconnections and transactions more appropriately describes how these communities actually function. The argument is directed at the concept of “transnational corporations of kin” that conceptualize Polynesian migration as a form of portfolio investment strategy that aims at minimizing risk and finding comparative advantages in the global labour market. Among the processes that suggest a more complex migration field than simply labour mobility are the following;

Children move between branches for schooling and enculturation. School-age children in the metropolitan branches of kinship networks who experience behaviour problems can be sent home to where “discipline” is stronger and respect for elders is enforced. This can be seen as a service to overseas parents by relatives at home, which may or may not be compensated for by money or other exchanges.

The protection of individual and family land rights at home is also a service provided by kin-group members to overseas residents and the payment of remittances in cash and kind can be seen as a form of compensation for these services rather than a “gift” or welfare payment. The possibility of return migration requires overseas members of the network to secure land in advance, as customary rights that are not kept alive by active involvement in the home community can be denied, or require further compensation payments.

Another type of transaction is represented by a migrant nurse returning home for a period to support local health providers out of a sense of duty to her home country, possibly relieving the local nurse to undertake further training (Barcham, et al, 2009). Similarly, Pacific expatriates (including Indo-Fijians) are involved in fund-raising or the direct provision of medical services such as complex surgery unavailable in the Islands.

Home societies also provide opportunities for overseas members to have vacations at home for relatively low cost. These are also opportunities to exchange gifts, services, ideas and information and serve to cement kinship ties and strengthen obligations. These and other “social” transactions have led to the expression “social remittances”, to refer to the intangible exchanges that occur within kinship groups, and to highlight the “non-economic” aspects of intra-familial transactions. While it is not difficult to identify such transactions, it is difficult to quantify them and measure their effects.

Some analysts have employed the concept of “social capital” to explain these less tangible contributions of overseas migrants to home societies. Reference here is to information, ideas and skills that may improve the ability of the family to gain access to opportunities that will ultimately strengthen its capacity to deal with the wider world. It is unfortunate that the “economic” aspects of migration have been contrasted with “social” aspects, as if these were separate orders of reality rather than simply perspectives from which to view behaviour.

The political impact of transnationalism has also become evident in many Pacific societies. Overseas experience has exposed migrants to more open and democratic political systems than exist in the Pacific. This, in turn, has had an impact on political events back home and has emboldened reformers pressing for constitutional change and the elimination of corruption.

e. Transnational corporations of kin

Observations of Pacific migration patterns in the 1980s that suggested that Pacific Islanders migrate in order to advance the welfare of the extended family rather than the individual migrant led to the argument that families act as if they were corporations spreading their risk by diversifying their investment portfolio. The term “transnational corporations of kin” was employed to characterize this pattern of migration (Bertram and Watters, 1985). This concept was no doubt overdrawn, especially if taken literally (Hayes, 1991; Bertram, 1999); but it served as an antidote to approaches that stressed “individualism” as an underlying cause of migration. In various ways families in the Pacific Islands have acted “as if” they were diversifying their investment portfolio, but it is unlikely that family members whose labour was being “allocated” shared this perspective. Research has also shown that many Pacific Islanders have migrated to “get out from under” (Hoem, 2009) the burdens of kinship, to avoid inter- and intra-family conflict, or to escape the pressures of the chiefly system.

It is also clear from research on Pacific transnational communities that kinship systems are subject to change when the family is dispersed within a transnational community. Rituals associated with marriage and funerals that require the exchange of traditional gift items raise daunting problems because of the cost of travel and feeding large numbers of participants, the obligation to reciprocate gifts received with traditional valuables, and the need to compensate those who officiated, such as ministers of the church (Addo, 2009). For practical and financial reasons, traditional valuables are being replaced with cash gifts that can in due course be reciprocated in cash. While cash does not carry the prestige of traditional valuables, such as tapa cloth or mats, it is increasingly accepted. Among the Samoan community, the manner of accession to chiefly titles is changing within the transnational community. Titles are being bestowed overseas outside the normal village context. Similarly, the traditional gifts exchanged during investiture ceremonies, which by custom involves the products of a family’s own gardens, are being replaced with cash payments (Lilomaiva-Doktor, 2009).

An important indicator of transnationalism is the extent to which overseas branches are able to replicate cultural patterns that originated in the home society. The capacity to conduct

ceremonies such as weddings, investitures and funerals grows as migrant groups are able to purchase suitable buildings (such as churches) to cater for large gatherings and to learn the appropriate protocols (Macpherson and Macpherson, 2009). Cheaper air travel enables respected elders from the home society to attend and confer prestige on an event. However, these processes are dependent on the socio-economic conditions faced by migrant communities. Macpherson and Macpherson (2009) have described how Samoan communities in New Zealand began to engage in competitive giving leading to “ceremonial inflation” as the availability of cash increased during the 1980s and 1990s due to full employment and a rising economy. But economic restructuring in the late 1990s resulted in growing unemployment among Pacific Islanders and ceremonial exchanges were significantly scaled down. This eventually had an impact at home and compromise arrangements that involved less travel between nodes of the diaspora were worked out. In the meantime, intermarriage, higher educational achievement and an increasing proportion of overseas-born has reduced the extent of participation in transnational events.

f. Emergencies, disasters, social security

In the Pacific, the functions of transnational communities as a form of social insurance for home communities is nowhere more evident than during natural disasters, to which Pacific countries are particularly vulnerable. The Tsunami that struck Samoa, American Samoa and Tonga in September 2009 is a recent example. This event triggered large-scale fundraising and relief efforts in Australia, New Zealand and the United States of America among Samoan, Tongan and other Pacific communities. Churches that Pacific Islanders attend in these countries with links to Samoan and Tongan churches were prominent in these fundraising activities. A church in Oceanside, California raised \$65,000 and accumulated enough supplies to fill 20 shipping containers. In New Zealand, employees of seasonal temporary workers assisted in relief efforts and in some cases travelled to Samoa to help construct new houses for the families of their employees who had lost their homes. Other efforts included fund-raising concerts that attracted many performing artists from the Pacific as well as locals and a wide variety of fundraising efforts in schools.

Aside from emergency assistance at times of natural disasters, transnational communities are able to provide other forms of social security. The portability of pensions earned in during working lives in overseas communities permits the elderly to return home with a secure income, or to circulate between home and overseas locations. Remittances to older parents from their children abroad also serves as a form of pension benefit. Health care that is unavailable at home may also be provided overseas by children and other relatives, as well as general care for the elderly. Medical referral schemes funded either by the country of origin or by the receiving country are common in Polynesia and Micronesia. This is also the case in Fiji with volunteer doctors and nurses from host countries travelling to the islands to provide treatment to those who may not otherwise get it.

F: CONCLUSIONS AND RECOMMENDATIONS

1. Conclusions

a. International migration: Development or underdevelopment?

It is apparent from this review that migration from the Pacific Islands to the main receiving countries of Australia, New Zealand and the United States of America has been accelerating over the past decade. As Connell (2009) has noted, "geographically, economically, socially and politically migration is now more important throughout the Pacific than at any time in the past century". Thus, the relationship between migration patterns and the economic development of Pacific Island countries remains of central importance.

A global consensus has emerged in recent years that migration from less developed to more developed countries makes a positive contribution to economic development by raising the incomes of poorer people, reducing the proportion of the population living in poverty and providing a system of social security for families. Arguments that international migration is a form of exploitation that fosters underdevelopment and dependency have retreated from mainstream dialogue, although they have not disappeared entirely. Migration is driven by the unequal geographical distribution of economic opportunities and by the contrasting, but complementary, demographic situations prevailing in the less and more developed countries. The economically advanced countries are ageing rapidly leading to shortages of labour while less developed regions have younger age structures and frequently "surplus labour". However, the free flow of persons that would equalize the supply and demand for labour (as other factors of production are increasingly permitted to do) is constrained by the existing barriers to movement, particularly for the unskilled.

In the Pacific, the issue of whether migration makes a net contribution to development remains contested and controversial, in spite of several decades of research. But so long as wage employment growth lags labour force growth, the ability to access overseas labour markets, by whatever institutional means are available, will remain highly valued by governments, families and individuals alike. The volume of remittances entering the Pacific has grown to become a major source of foreign exchange, in some cases surpassing tourism, commodity exports, and ODA. The majority of governments in the region are therefore reluctant to discourage migration, and most actively encourage it, lest this source of foreign exchange and ultimately government revenue be choked-off.

Any assessment of the benefits and costs of migration must take into account the significant differences between island countries in terms of their resource base, land area, population size and demographic dynamics. Stahl and Appleyard (2007) make a useful distinction between three groups of countries: (1) the micro-states of Polynesia and Micronesia that have little land, a large sea area and little scope for domestic economic development beyond tourism and fishing licences; (2) the medium-size countries of Samoa, Tonga and Fiji that have larger land areas, some natural resources, larger populations, and scope for further economic development; (3) the larger countries of Western Melanesia (Vanuatu, Solomon Islands and Papua New Guinea) that have much larger land areas, a rich endowment of resources (including minerals), but daunting prospects for economic development given their low levels of human development and steady rates of population growth.

In the first group of countries, standard models of economic development that stress domestic production for export cannot be applied due to their small scale, lack of natural resources other than marine resources, distance from markets and other development

constraints. Migration from these countries should be seen as an effort to enlarge the scale of operations for individuals and families, hence the creation of geographically dispersed transnational communities. In these highly migration-oriented societies, the primary concern is that emigration will continue well after any “surplus labour” has been removed, leading to a labour shortage that has to be alleviated by the importation of labour from other island countries or elsewhere if emigrants cannot be induced to return. The governments of these micro-states are concerned that emigration will further reduce the scale of the domestic economy and undermine their international role as would-be nation-states. As yet this is not an issue in Micronesia as migration has yet to reach the scale required to produce population decline, but Palau is close to this point and emigration from Marshall Islands is accelerating.

The second group of countries, although still small in international terms, are not presently threatened by an actual decline in population, hence economic scale. In this group, migration can possibly be seen as an interim development strategy during a period of economic restructuring. The principle concern for these countries is not demographic decline but the loss of human capital that is costly to replace. In Fiji, emigration is also a reflection of political instability. While the potential economic gains from emigration among the skilled and professional groups have remained relatively constant through time, the actual migration flow has fluctuated with political crises associated with a series of military *coups*. It is important to note that economic restructuring has been much less successful in these countries than had been hoped for, thus the rate of job creation is still insufficient to absorb the growth in the labour force. Temporary labour migration thus fulfils an important economic function by providing an alternative source of work for those unskilled who are unable to qualify for other forms of migration. Opportunities to migrate permanently through the Pacific Access Category or the Samoan Quota provide other avenues.

In the larger Melanesian countries of Vanuatu, Solomon Islands and Papua New Guinea, migration presently plays a minor role in population change or the economy. However, the case of Vanuatu shows that this can change rapidly. Remittances from temporary seasonal workers in New Zealand have become a major source of foreign exchange within a period of two years, and some Vanuatu communities are already formulating long-term development plans based on the expectation that such schemes will continue and lead to further international migration opportunities (Bedford, et al., 2009). The potential contribution of migration to economic development is likely to be greater in Vanuatu than in the other Western Melanesian countries because it has a population of only 240,000, compared to 6.6 million in Papua New Guinea and 550,000 in Solomon Islands. Clemens and Pritchett (2008) have suggested that migration becomes a development strategy for a country when the average income of the “naturals” (all persons born in a country regardless of where they live) is 10 percent greater than GDP per capita in the home country. By this standard, Samoa, Marshall Islands, Fiji, Tonga, and Palau are countries in which migration is clearly a development strategy for the population as a whole. As of 2000, Vanuatu, Solomon Islands and Papua New Guinea were not among the countries in which income per natural had reached the 10 percent benchmark, but Vanuatu was already at 4.7 percent a decade ago and this proportion had no doubt risen since then.

While Solomon Islands and Papua New Guinea are large countries by Pacific standards, they are still small by international standards. If the large South Asian countries, as well as many of the medium size countries of Latin American can pursue opportunities in the global labour market, there is no fundamental reason why the Solomon Islands and Papua New Guinea cannot do the same, presupposing that migrant rights are protected and the social costs are minimized through well-managed programmes. The case of Fiji is instructive.

Fijians are now migrating to distant labour markets, either temporarily or permanently, in places that would not have been considered as potential destinations even a decade ago.

In their 2007 review of New Zealand's experiences with Pacific Islands migration in search of lessons for Australia (a follow-up to an earlier study in 1995) Stahl and Appleyard (2007) concluded that the potential benefits of migration to Pacific countries were sufficient to warrant a reconsideration of Australia's long-standing policy of not providing concessional access to any individual country or group of countries. The Pacific Islands region, they argued, is too close to Australia to be treated as if it were any world region and Australia has special responsibilities in the area, as reflected in the very large flow of Australian ODA into Papua New Guinea and Solomon Islands. Among the several ways that Australia could assist Pacific Island countries to access overseas labour markets, two are already in the process of being implemented: 1) the Australia Pacific Technical College (APTC) has been established to provide skill training in the Pacific to Australian standards; 2) a temporary seasonal employment scheme is being piloted.

Stahl and Appleyard (2007) recommend that Australia should take two further steps: 1) establish quota systems modelled on New Zealand's Samoan quota and Pacific Access Category, although not necessarily the same countries; 2) assist Pacific Island countries to establish the infrastructure necessary to facilitate the recruitment of Pacific Islanders to access to those Asian and Middle-Eastern labour markets that make heavy use of relatively unskilled migrant labour. These two initiatives are justified on the grounds that high levels of unemployment in the Western Melanesian countries represent a security threat to the entire region that has implications for Australia. These recommendations were made before the current global recession and now would have to be seen as possible strategies if and when economic growth returns.

So far as New Zealand's migration policies are concerned, it is evident that Polynesians in particular already have quite liberal access to New Zealand through the Samoan quota, the Pacific Access Category, the RSE scheme and family reunion categories. The most recent innovation in New Zealand's case was the extension of the temporary seasonal employment programme to countries that had not previously been involved in earlier work permit arrangements, namely Vanuatu and Solomon Islands.²³ Policy steps that would further liberalize Pacific Islander's access to New Zealand's labour market are unlikely in the short-term given the current economic recession. In fact, recent steps to make it easier for young people from developed countries to undertake temporary work during "working holidays" could possibly work against the RSE scheme.

Like New Zealand, the United States of America is in a relationship of "Free Association" with a number of Pacific Island countries that include the right to live and work in the United States of America. The provisions in the Compacts of free association agreed with these former U.S. territories that allow freedom of movement are "non-negotiable", unlike the financial arrangements under which the United States of America underwrites a significant proportion of these country's government budgets and development investment. The right to move cannot therefore be taken away, but the flow of U.S. public funds can be, and is being, significantly reduced. As in the New Zealand case, U.S. policy toward the migration of people from territories with which it has had a historical relationship is already fixed in place and further steps to liberalize access for nationals of other Pacific Island countries is unlikely.

²³ Note that some RSE workers come from Thailand and Indonesia.

b. Maximising development benefits for sending countries

So long as development is conceptualized as bounded by the borders of the nation-state, internalizing the benefits of migration in the domestic economy will remain a significant challenge, especially where migration takes the form of permanent or long-term emigration. In the case of permanent emigration, domestic benefits come in the form of remittances and the other direct and indirect contributions from the diaspora, but costs are also incurred in the form of the loss of skills, until such time as training programmes catch-up. Temporary labour migration, whether by the skilled or unskilled, is one of the means by which economic gains can be increased while the permanent loss of skills can be reduced, if not eliminated. This is why researchers and some governments advocate a form of skilled circular migration for periods of 1-3 years as a way to capture more of the gains to the migration of the skilled. The practicality of such arrangements remains to be explored.

The primary economic benefit of both permanent and temporary migration derives from the inflow of migrant remittances or repatriated savings. It is impossible on the basis of the available research to state the proportion of remittances that are allocated to meeting the basic needs of food, clothing and shelter, investing in labour-saving household appliances, raising the education levels of the next generation, investing in capitalist enterprises, enhancing family prestige by conspicuous giving to neo-traditional institutions, such as the church, facilitating further migration, or supporting social activities, such as sport. Some studies have found that a high proportion of remittances were spent on food, much of it imported. Other studies stress the use of remittances to support major family functions such as weddings and funerals. Some studies suggest that the use of remittances changes through time with consumption being the main priority in the early stages and investment in income-generating enterprises at a later stage. At the most general level, it is safe to conclude that the largest proportion of remitted funds are “altruistic” in nature, implying that they are sent to support family and friends and to maintain or improve their level of living in a variety of ways. Conversely, only a small proportion of remittances are invested in income-generating enterprises.

The issue of whether governments can “capture” a higher proportion of remittance flows for investment purposes is unclear. As already pointed out, some researchers have argued that private remittances perform an important social welfare function that is working perfectly well for the families concerned and should not be interfered with. Others have noted that savings held on-shore in local currencies (that might be used for investment purposes) attract uncompetitive interest rates, so migrants have no incentive to keep their savings in their country of origin. Permitting migrants to maintain accounts in overseas currencies helps to ensure that funds can be re-exported, but the returns need to be competitive with overseas rates. The concept of government savings bonds has also been proposed as a vehicle for funnelling migrant’s funds into the financial sector for investment purposes. Other measures applied elsewhere include national or local governments putting up “matching funds” where migrant remittances are used for infrastructure development. These mechanisms have not been tried in the Pacific to date.

In the case of temporary seasonal migration it is possible to “lock in” a community contribution at the outset by making selection to participate in the scheme conditional upon the migrant making this contribution from his or her wages. This arrangement is plausible when selection is made by the community and not the migrant alone. When individuals self-select it is more difficult to direct remittance into community projects.

c. National capacity building

Judging by the national sustainable development strategies that were reviewed in this paper, the capacity to address migration issues in the context of national development planning in the Pacific is currently weak. Only one of the National Sustainable Development Strategies reviewed contained a reasonably adequate treatment of international migration. Although the reasons for what Connell (2009) has described as a “policy vacuum” have not been researched in any depth, the following possibilities have been suggested by this review:

- International migration is a politically sensitive issue in some countries and for this reason planners may be reluctant to address the issue in much depth.
- A lack of familiarity with recent international developments in the migration field, particularly the changing perspectives of the links between migration and development that have gone some way toward legitimizing migration as a development strategy, rather than perceiving it as a sign of “national failure”.
- The belief that migration policy is essentially determined by the receiving countries and that there is little that countries of origin can do to influence these policies.
- The absence of any reference to international migration in the Millennium Development Goals (MDGs) that have provided the framework for development planning in the region over the past decade.
- The lack of up to date population policies that would have provided a context in which the role of international migration could be reviewed.
- The lack of a Regional Consultative Process on Migration (RCPM) or a Country Reporting System (CRS) that have been initiated in other world regions.
- The absence of a recent, comprehensive study of international migration in the Pacific.
- Limited attention paid to international migration by international and regional development agencies.
- Reduced role of development planning in the context of economic and political reform.
- Data collection systems that fail to capture key dimensions of population movement and insufficient analysis of the data that do exist.

An important step toward addressing some of these issues was taken by the New Zealand Government and the World Bank when a contract was issued to the New Zealand-based Pacific Cooperation Foundation to strengthen the institutional capacity of those countries participating in the RSE programme. This capacity-strengthening project is obviously of limited scope given that it is specifically aimed at improving the administration of the RSE scheme; but many of the skills that will be developed (e.g., the preparation of legislation) will be of a generic nature and can be applied to other migration programmes.

Beyond the PCF project, much can be done to improve awareness among social and economic planners of the current international perspective on migration and development and to develop their analytical and policy formulation skills. One context in which this can be done is the formulation of population policies. At this point in time, only a few Pacific countries have formulated a national population policy and only in one (Papua New Guinea) is a policy being actively implemented. Draft policies have been prepared in six countries but not completed. Tuvalu will prepare a new population policy in 2010 and this will provide some lessons on how other countries might proceed.

Some form of international policy dialogue or regional meeting would also be useful to raise awareness of the significance of migration for development and to review the applicability of the policy frameworks that have been proposed by the UNDP Human Development Report (2009) to the Pacific. International migration can also be placed on the agenda in existing dialogues, such as the Regional Meetings of Planners and Statisticians, the Forum Economic Ministers Meetings, the Forum Education Ministers Meetings as well as ESCAP's Commission and biennial Special Body on Pacific Island Developing Countries. Technical training in migration data analysis and in linking migration processes to development outcomes would also be useful, although the form this would take is unclear. Sub-regional training courses in migration and development have been conducted in the past by SPC with UNFPA funding—but not in the past decade.

d. Research and information networks

Policy formulation cannot proceed in the absence of relevant and timely migration statistics. There is an important need to harmonize the collection of migration data from departure and arrival cards across the Pacific region, although past efforts to do this have failed. Some countries do not maintain data collections on departures, so it is difficult to determine the characteristics of emigrants or calculate net migration. Further harmonization with data collection in Australia and New Zealand would be useful. Similarly, census questions on usual residence and place of previous usual residence could be standardized. Household income and expenditure surveys can be used to collect data on migrant remittances rather than relying on specialized surveys.

It might be useful for the main migration countries to agree upon a regional research agenda. This would need to be done in collaboration with universities and research institutions. As a preliminary step, a migration profile of each country should be prepared that reviews the key issues, the available data and research findings, and the data gaps. This could possibly take the form of an annotated bibliography that would serve the dual purposes of identifying existing studies and assessing their relevance to key issues. Methodological issues are central to this assessment, as it is important to know which studies are based on robust methods and samples and which are descriptive or secondary analyses of original research. The Asia Pacific Migration Research Network was an effective and active body until its activities were reduced by the lack of funding. This body could possibly be revived with new funding to take the lead in formulating a research programme.

Topics in need of further research need to be re-assessed in the light of the emerging international frameworks and perspectives on international migration. Furthermore, there is a need to address methodology. The studies being conducted in the context of evaluating the impact of the RSE scheme in New Zealand are instructive in this regard as they are aiming for a higher standard of analysis than is typical—particularly the use of control groups. In this context, the need for further research on the social impact of migration, including gender issues, has already been identified by Bedford et al. (2009). Although many studies of remittances have been carried out, firm conclusions on this issue remain somewhat elusive. It would be useful to identify the points of difference between different researchers and whether there is any possibility of a consensus. At the centre of this issue is the relationship between migration, remittances, and poverty. This relationship has been demonstrated in two countries. The issue of human capital loss caused by the emigration of skilled and professional workers is also in need of further study and a review of policy options. The specific role of migration and remittances in rural and outer island settings also needs further study.

2. Recommendations

- A task force or theme group should be established with membership drawn from UN agencies, SPC, the World Bank, Asian Development Bank and the Forum Secretariat to review possible activities to support policy dialogue and capacity building at regional and country levels. The task force Secretariat should compile an inventory of current initiatives on international migration being undertaken by international and regional agencies and establish a knowledge network to encourage sharing of information.
- Re-establish the Pacific chapter of the Asia Pacific Migration Research Network and support the network to draw up a research agenda, preceded by a review of existing research in selected countries and the identification of data gaps. UN ESCAP to take the lead on this.
- Develop model policy and outline how clearer guidelines can be included in national sustainable development strategies. This would include the development of policies aimed at maintaining remittance flows and programmes to raise awareness among migrant-sending households of how to make the best use of remittances.
- Outline best practice for the administration of migration policy.
- Increase awareness of planners and policy makers through workshops and knowledge-sharing.

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