

Drivers of labour migration from the Pacific to New Zealand

Presentation by Jone Dakuvula, Pacific Dialogue Ltd
Friday 29th May 2015, to
The University of the South Pacific Students' Association (USPSA)

Over the last ten years, the unemployment rate in the Pacific for people aged between 15 and 24 years has become twice that of the total work force (aged 16 to 64 years). For example, the 15-24 age group in Fiji is 156,000, or 16.7% of the population; in Samoa, it is 36,000 or 16.1% of the population (ILO, 2011).

Over the last ten years, population growth rates in the Pacific Islands have exceeded economic growth rates; an increasing number of the labour force failed to enter the labour market (ILO, 2010). The overall population rise in the Pacific Islands has soared to 10 million (2010 figures).

Added to that, deaths from diseases such as cancer, diabetes and heart attacks are increasing in the Pacific; health services are inadequate to deal with them (because of the high population growth rate).

Many [young] people are frustrated at the lack of employment opportunities.

Pacific Islands governments thus are concerned that frustrations amongst the unemployed could result in self-harm, anti-social behaviour, social conflict and violence (UNFPA, 2011). Over the last 20 years the Pacific region has experienced political instability – e.g. Solomon Islands, Tonga, Fiji, Vanuatu, Bougainville – and Pacific Islands governments fear it may occur again. Hence, securing employment for youth is critical for social stability in the Pacific (UNDAF, **).

Low economic growth rates in the Pacific Islands are insufficient to generate enough employment within the region. In contrast, healthier economic growth rates in Australia, New Zealand and the USA lead to domestic shortages of skilled and unskilled labour.

The aging populations of Australia, New Zealand and the USA are resulting in potential decreases in their skilled labour forces compared to the younger population in the Pacific Islands where there are skills in the small manufacturing and service sectors.

Moreover, wages paid in Australia, New Zealand and the USA for manual and skilled work are higher (than in Pacific countries), making emigration to those countries attractive.

An employment prospect in the rural areas of Pacific Islands countries is very poor.

The Pacific is also suffering from environmental degradation and sea level rise, resulting from climate change.

All of those factors put pressure on Australia and New Zealand to open up their labour markets to Pacific workers in all skill levels. Pacific Islands governments are demanding the inclusion of labour mobility (starting with temporary labour schemes) in PACER Plus, PICTA and EPA negotiations.

Historically, Australia and New Zealand have been more open to emigration from Polynesian countries compared to Melanesian countries (except Fiji). This phenomenon results in constrained development and shortage of skills in these Pacific Islands countries in the professional areas – such as health, leadership, construction, technical fields, tourism, trades, and management.

Pacific employers attribute the shortage of skills locally, to increased emigration (Duncan & Voigt, 2008).

In addition, the Pacific Islands generally display a mismatch between training and appropriate education opportunities relevant to local labour market needs.

In Fiji, military coups and political instability (1987 to 2006) have compelled increased migration of skilled people. This emigration has resulted in low economic growth and a centralised labour market, compounded by a skills shortage.

In Pacific Islands countries, there is increasing reliance on remittances for income, especially in higher migration countries (such as Samoa and Tonga).

REMITTANCES

The Samoa and Tonga economies are sustained by remittances.

In Fiji, if national income is calculated in Gross National Product (GNP) rather than on Gross Domestic Product (GDP), it is clear that primary sources of growth for Fiji would also be based on remittances (Hayes, **).

Collective research demonstrates that remittances:
provide regular income for many of the poor and vulnerable in Pacific Islands countries;
contribute to income distribution to the poor and therefore alleviate poverty;
result in higher levels of savings;
stimulate business activity; and
contribute to children reaching higher levels of education.

However,
remittance levels could decrease over time as new generations of migrants' links with their parents' home countries weaken, and
remittances also encourage migration to urban areas and raise aspirations for higher education that will contribute to increased desire/pressure for emigration from Pacific Island countries.

CONCLUSION

If increased population growth, combined with low economic growth and high unemployment in Pacific Islands countries, and increased pressure for migration are not solved, crime will increase, law and order will weaken, and social and political instability in those countries will be more common.