

## **Pacific: Ready to Riot**

*Wednesday, 29 November 2006*

*John Casey*

The centre of Nuku'alofa has been torched. We can now add Tonga to the list of Pacific Island countries teetering on the abyss. Australia and New Zealand have sent troops to quell the violence. Later they will send millions of dollars in aid.

And while the Tongan Government has requested the military assistance, and will undoubtedly welcome the future aid, it will get no positive response from the Australian Government on its main plea for help over the last few years: greater access to the Australian labour market for Tongan and other Pacific workers.

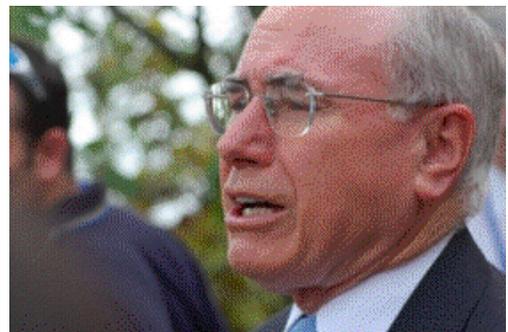
The Commonwealth Parliamentary Association estimates that the youth unemployment rate [IslandAd] in Tonga is 30 per cent. Without job prospects, gangs of disenfranchised youth become fodder for political interests, contributing to the violence and instability that traps some Pacific countries in cycles of poverty.

Pacific leaders consider labour mobility to be essential to the future development of their countries. At the recent Pacific Islands Forum meeting in Fiji, they pushed the issue to the front of the agenda, just as they had in 2005.

At this year's meeting, in what was a significant split from Australia on the issue, New Zealand's Prime Minister Helen Clark announced she would offer 5000 seasonal work visas for Pacific Islanders in the agricultural industries, saying that the Pacific had 'a huge able-bodied workforce which is looking for opportunities like this.'

While her offer did not fully meet the demands of Pacific Island governments, which are generally pushing for full access to Australian and New Zealand labour markets, Paani Laupepa, a Tuvalu delegate said, 'It's a foot in the door. We are very grateful.'

In contrast, John Howard maintained that Australia was 'disinclined to go in that direction' — promising instead \$150 million for a network of technical colleges to provide more skills training on the islands.



John Howard at the Pacific Islands Forum meeting in Fiji. Photo:

Marni Cordell

Australia, the largest economy in the region, continues to keep the door closed to Pacific Island workers. Our refusal is bad politics and bad development economics.

Australia spends an estimated \$460 million in aid annually in the Pacific. Most of this ends up as 'boomerang aid' that returns to the pockets of the Australian companies and consultants who provide the goods and services funded by aid programs.

Instead, Australia could be creating avenues for the most effective form of aid: wages and skills. Wages bypass bureaucracy and go straight to the families and communities of the workers. The skills learned are personal capital that continues to pay dividends for many years.

Labour mobility is also likely to garner considerable goodwill, something Australia is sorely lacking at the moment in the Pacific.

In contrast to our attitude to our Pacific neighbours, Australia accepted 95,000 young people last year on Working Holiday Visas under reciprocal arrangements with countries such as the UK, Belgium, Taiwan and Estonia. Yet we are not prepared to extend the same courtesy to our closest neighbours.

Why? Because there is danger the Pacific Islanders will overstay their visas and become 'illegal'?

There is always a danger of that, but it is unlikely that they present any more of a risk of overstaying than young workers from other countries currently eligible for the program, such as Malta, Cyprus, and Ireland.

Perhaps it's because it would not be seen as fully reciprocal, as more Pacific Islanders will come to Australia than Australians will go to the Islands?

Yes, that is almost certain to be the case, but then that is true for the whole program. Only 30,000 young Australians exercise their right to work overseas, and the vast majority of those go to the UK or Ireland.

Holiday Working Visas are only one possible avenue for increasing labour mobility in the Pacific. Oxfam, in a recent submission to a Senate Committee, called on the Government to develop a range of seasonal worker programs that 'will contribute to economic and social development in small island States, as people use remittances to fund improved housing, school fees for their children, or investment in small business enterprises.'



John Howard gets a warm welcome in Fiji - if only in the hotel foyer.

There are even proposals for a Pacific Community styled on the European Union. Pacific countries are joining a clamour across the developing world for greater labour mobility.

For developing countries, there are potential negative impacts from the outflow of workers, but there are also considerable advantages that tip the balance sheet in favour of seeking the net benefits of freer labour movement.

Developing countries suffer from the drain of both brain and muscle power. However, it is also true that access to foreign labour markets is a safety valve for economies not able to create sufficient jobs for the local labour force, particularly for the young. Other benefits include improvements in education standards as the young see achieving the basic skills needed to emigrate as a strong incentive for completing school.

Current controls on labour by developed countries, in fact, only serve to amplify the brain drain phenomenon. Richer countries cherry-pick the best and brightest from poorer countries and then effectively hold them captive with strict continuous residence conditions that make it difficult for immigrants to return home for anything but short-term stays.

So how many Islanders would come to Australia? Estimates range from 8000 to 40,000, which represents from 1 to 5 per cent of the population of the region. This would be a first wave, the magnitude of which depends on the degree of mobility granted.

But, as the experience of the European Union has shown, any early peak in arrivals soon drops off. If workers are allowed to circulate, continuing new arrivals are offset by those returning home, including many of the previously established immigrants. As the EU extended its reach, first to the poorer Mediterranean countries and then to Eastern Europe, the richer countries were not flooded with workers from the poorer regions.

Another example of the impact of labour mobility is Puerto Rico. It has maintained a stable population of 4 million even though its citizens have full rights to live and work in the US. While still considerably poorer than the US, it is richer and more politically stable than its island neighbours.

That is the vision we should have for the Pacific.

Australia should respond positively to the request from Tonga and other Pacific neighbours for greater labour mobility. It will win us friends in the region and provide real alternatives to aid dependency.

And most importantly, we will be laying the groundwork for long-term Pacific stability.

**About the author**

**John Casey** teaches at Charles Sturt University.

---