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SOUTH-SOUTH LABOUR MIGRATION IN PAPUA NEW GUINEA:

Which workers are filling the gap?

Mariana S. Cifuentes Montoya

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Anglo Pacific Research Ltd.



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Research Report

ACPOBS/2013/PUB10

2013



An Initiative of the ACP Secretariat,
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ACPOBS/2013/PUB10



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Rosa Sai'i Au

Anglo Pacific Research Ltd.

Foreword

At present there is little said about contemporary emigration to the Independent State of Papua New Guinea from neighbouring Melanesian countries. Therefore, this study aims to address this gap in the literature by examining the role played by three aspects of South–South Melanesian migration: The first aspect is the extent to which institutional factors have increased South–South migration between these three countries. The second aspect is whether or not international migration networks, such as formal public and commercial agencies, informal agents and kinship and traditional sociocultural relationships, have contributed to increased South–South migration. The third aspect is whether cultural/historical similarities have encouraged South–South migration between PNG, Fiji and Solomon Islands.

Since the early 1990s, PNG has embarked on major gas and oil production, which has accelerated economic growth. Alongside this economic expansion, the formal employment sector has increased significantly. However, these new employment opportunities have highlighted the shortage of people with the necessary professional, technical and managerial skills to meet the needs of private sector employers. At the same time, high salaries and economic opportunities have made PNG a magnet for foreign labour. This foreign labour, according to the study, comes mostly from Asia due to the fact that Asian workers have a long-history of labour migration to the region thanks to access to capital and well-developed networks and their high productivity and low labour costs. In contrast, the study found that migration from neighbouring countries, such as Fiji and Solomon Islands to PNG have a minimal impact due to Melanesian historical factors, topography and institutional structures. Thus, the study argues that South–South labour mobility primarily comes from Asian countries rather than from neighbouring Melanesian countries such as Fiji and Solomon Islands.

One of the Government's main concern about this current increase in immigration, as the result of economic growth from the extractive sector, is the unsure future of all the highly skilled workers in PNG once the liquefied natural gas (LNG) pipeline is finished. This will mean that the need for these skilled workers will drop drastically, impacting on sectors such as the housing market. Therefore, it is important that other sectors are explored. For example, the study recommends policymakers in PNG to consider establishing training schemes that can increase the number of jobs available in rural areas and raise rural incomes. The study also recommends the Government of PNG

to consider encouraging both circular and return migration of highly skilled PNG nationals. This could be achieved through taking specific actions, such as removing obstacles for return migration and establishing policies that encourage ‘transnationalism’, which will greatly facilitate the return of highly skilled nationals. Another key recommendation from the study is for countries in the subregion to act together, to streamline institutional systems, trigger policy dialogue and eventually increase circular labour mobility within the region.

The findings of this study will be an important contribution to the analysis of the South–South labour migration policy framework and provides important insights into how to maximise the potential of labour migration in PNG and the region. Considering that migration research and the issue of mainstreaming migration into development planning are becoming increasingly important at the national level and have been recognized as such by the Migration and Development Working Group of Papua New Guinea, the present study is a good starting point for strengthening such a relationship in terms of labour mobility in Papua New Guinea.

I am grateful for the work that the ACP Observatory on Migration has been spearheading, enabling us to take this Southern perspective into account.

A handwritten signature in black ink, appearing to read 'Matthew Ndrewei', with a stylized, cursive script.

Mr. Matthew Ndrewei
Chair, Working Group on Migration and Development
Acting Manager, Policy and Legal Branch
PNG Immigration and Citizenship Service Authority
Government of Papua New Guinea

Abstract

This study examines how Papua New Guinea (PNG) is integrating human mobility into its national and regional plans. In particular, the study explores three aspects (institutional factors, international migration networks and cultural/historical similarities) of South–South labour migration between Fiji, Solomon Islands and PNG. The methodology used for this study consisted of a literature review and in-depth interviews with government officers, academics, private sector representatives and migrants. The overall finding from this study is that migration from Fiji and Solomon Islands to PNG has had a minimal impact due to Melanesian historical factors, topography and institutional structures, among other factors. In turn, these factors explain why Asian labour mobility is more prevalent. Thus, the study argues that South–South labour mobility primarily comes from Asian countries rather than from neighbouring Melanesian countries such as Fiji and Solomon Islands. The main recommendations that come out from this study centre on fostering economic development in rural areas through rural training systems, fostering circular and return migration through migration policies and streamline institutional systems to support South–South migration between Melanesian countries.

Acknowledgements

We would like to thank Macmillan Brown Pacific Studies Centre for offering access to its library and providing references on migration in the South Pacific region. Also thanks to Maria de Vargas - a researcher of the 'Migration, Gender and Social Justice: Connecting Research and Practice Networks' project of the Institute of Social Studies, The Hague - for providing literature on migration theory. Mr Michael Gene, a consultant of the Department of Labour, was kind enough to provide additional Labour and Industrial Relations' policy papers to the research team. Mr Wellington Navasivu made it possible for the research team to observe the meetings organized by the Melanesian Spearhead Group in Port Moresby. The Fiji High Commissioner in Papua New Guinea, Honourable Romanu Tikotikoca, provided valuable support for conducting fieldwork in Suva, Fiji. The staff of the ESCAP and ILO offices in Suva also gave their time and access to literature resources that were very useful for this study. We also acknowledge the important comments done by two anonymous peer reviewers. Finally, we would like to thank the people in PNG, Solomon Islands and Fiji who shared their time and experiences with us.

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List of acronyms

| | |
|-------|---|
| ACP | Asia, Caribbean and Pacific |
| ESCAP | Economic and Social Commission for Asia and the Pacific |
| GoPNG | Government of Papua New Guinea |
| ILO | International Labour Organisation |
| LNG | Liquefied Natural Gas |
| MTDS | Medium Term Development Strategy |
| MSG | Melanesian Spearhead Group |
| PACER | Pacific Agreement on Closer Economic Relations |
| PICTA | Pacific Island Countries Trade Agreement |
| PNG | Papua New Guinea |
| PSWPS | Pacific Seasonal Worker Pilot Scheme |
| RSE | Recognised Seasonal Employer |
| TMNP | Temporary Movement of Natural Persons |
| UK | United Kingdom |
| USA | United States of America |
| UNDP | United Nations Development Programme |

Executive summary

This study examines how Papua New Guinea (PNG) is integrating human mobility into its national and regional development plans. In particular, the study explores three aspects of South–South labour migration between Fiji, Solomon Islands and PNG. The first aspect is the extent to which institutional factors have increased South–South migration between these three countries. The second aspect is whether or not international migration networks, such as formal public and commercial agencies, informal agents and kinship and traditional sociocultural relationships, have contributed to increased South–South migration. The third aspect is whether cultural/historical similarities have encouraged South–South migration between PNG, Fiji and Solomon Islands.

The literature review conducted at the beginning of this study found that there is little labour mobility in the region. Three arguments are put forward to explain this. First, it is proposed that the majority of the labour force is employed in the informal economy and have close attachment to land, in turn deterring international immigration. Second, migration policies from larger economies – such as Australia, New Zealand and the United States – have deterred emigration of Melanesian

citizens. Third, Melanesian workers lack formal education skills to take advantage of international labour opportunities. Despite these important contributions, little is said by the literature about contemporary emigration to PNG from neighbouring Melanesian countries, especially in light of the recent labour and migration policy reforms and the introduction of the Melanesian Spearhead Group Skills Movement Scheme.

After undertaking fieldwork in PNG, Solomon Islands and Fiji, the study found that despite recent initiatives there is limited migration among Melanesian countries. This is due to nativism being the basis of Melanesian society. The movement of people challenges national identity and goes to the core of statehood (Betts, 2011). In a context of high unemployment, political instability and ethnic tensions – a reality faced by all Melanesian countries – the promotion and tolerance of immigration represents a compromise between the needs for cheap labour and the demands of indigenous workers for the protection of native entitlements (Goss and Lindquist, 2000). This social value has impeded the development of international migration networks despite the close proximity between these countries.

In contrast, the study found that Asian workers have a long-history of labour migration to the region thanks to access to capital and well-developed networks but their high productivity and low labour costs make them much more competitive than Melanesian workers. As a result, Asian workers have flooded the semi- and low-skilled PNG labour market by either evading immigration controls or entering as short-term migrants. Thus, the study argues that South–South labour mobility primarily comes from Asian countries rather than from neighbouring Melanesian countries such as Fiji and the Solomon Islands.

Three recommendations are put forward to support South–South migration between Melanesian countries. First, policymakers in PNG need to consider establishing training schemes that can increase the number of jobs available in rural

areas and raise rural incomes. Second, the Government of PNG could consider encouraging both circular and return migration of highly skilled PNG nationals and expats. Third, streamlining institutional processes to foster South–South migration among Melanesian countries could counteract the negative effects of nativism on labour mobility. In the long term, institutional processes play an important role in determining the future destination of the coming generation of migrants.

Résumé analytique

La présente étude examine la façon dont la Papouasie-Nouvelle-Guinée intègre la mobilité humaine dans ses plans nationaux et régionaux. Elle s'intéresse plus particulièrement à trois aspects de la migration de travail Sud-Sud entre Fidji, les Îles Salomon et la Papouasie-Nouvelle-Guinée. Le premier aspect concerne l'influence des facteurs institutionnels sur le développement de la migration Sud-Sud dans ces trois pays. Le deuxième concerne la question de savoir si les réseaux de migration internationaux, comme les organismes publics et commerciaux formels, les agents informels et les relations socioculturelles traditionnelles et basées sur la parenté, ont ou non contribué à augmenter la migration Sud-Sud. Le troisième aspect concerne la question de savoir si les similarités culturelles/historiques ont favorisé la migration Sud-Sud entre la Papouasie-Nouvelle-Guinée, Fidji et les Îles Salomon.

L'analyse documentaire effectuée au début de l'étude révèle que la mobilité des travailleurs est limitée dans la région. Trois arguments sont présentés pour expliquer cela. Premièrement, on propose l'idée que la majorité de la main-d'œuvre est employée dans l'économie informelle et est profondément attachée au territoire, ce qui nuit à l'immigration

internationale. Deuxièmement, les politiques migratoires des économies plus importantes du Pacifique (comme l'Australie, la Nouvelle-Zélande et les États-Unis) préviennent l'émigration des ressortissants mélanésiens. Troisièmement, les travailleurs mélanésiens n'ont pas les compétences formelles nécessaires pour profiter des possibilités d'emploi internationales. Malgré ces contributions importantes, la littérature en dit très peu sur l'émigration contemporaine à destination de Papouasie-Nouvelle-Guinée au départ des pays mélanésiens voisins, en particulier à la lumière des récentes réformes des politiques en matière d'emploi et de migration et de l'introduction du système de circulation des compétences (« Skills Movement Scheme ») du Groupe mélanésien Fer de lance.

Sur la base des recherches sur le terrain menées en Papouasie-Nouvelle-Guinée, aux Îles Salomon et à Fidji, l'étude révèle que malgré les initiatives récentes, la migration est limitée entre les pays mélanésiens. Cela s'explique par le fait que le nativisme est le fondement de la société mélanésienne. La circulation des personnes remet en question l'identité nationale et affecte l'essence même de l'État (Betts, 2011). Dans

un contexte caractérisé par un chômage important, une instabilité politique et des tensions ethniques (une réalité que connaissent tous les pays mélanésiens), la promotion de l'immigration et la tolérance à cet égard représentent un compromis entre le besoin d'une main-d'œuvre bon marché et les revendications des travailleurs locaux en faveur de la protection des droits des autochtones (Goss et Lindquist, 2000). Cette valeur sociale entrave le développement de réseaux de migration internationaux malgré la proximité immédiate entre ces pays.

L'étude révèle en revanche que les travailleurs asiatiques émigrent dans la région depuis bien longtemps grâce à l'accès au capital et à des réseaux bien développés, mais leur productivité élevée et la faiblesse de leurs salaires en font des travailleurs nettement plus compétitifs que leurs homologues mélanésiens. Les travailleurs asiatiques affluent dès lors sur le marché de la main-d'œuvre semi-qualifiée et peu qualifiée de Papouasie-Nouvelle-Guinée en esquivant les contrôles à l'immigration ou en entrant sous le statut de migrant à court terme. L'étude soutient par conséquent que la mobilité de l'emploi Sud-Sud vient davantage des pays d'Asie que des pays mélanésiens voisins tels que Fidji et les Îles Salomon.

Trois recommandations sont présentées pour favoriser la migration Sud-Sud entre les pays mélanésiens. Premièrement, les décideurs en Papouasie-Nouvelle-Guinée doivent envisager de mettre en place des systèmes de formation qui augmentent le nombre d'emplois disponibles dans les régions rurales et qui augmentent les revenus des populations rurales. Deuxièmement, le gouvernement de Papouasie-Nouvelle-Guinée doit envisager de favoriser la migration circulaire comme la migration de retour des ressortissants de Papouasie-Nouvelle-Guinée et des expatriés hautement qualifiés. Troisièmement, la simplification des processus institutionnels en vue de favoriser la migration Sud-Sud entre les pays mélanésiens pourrait contrecarrer les effets négatifs du nativisme sur la mobilité de la main-d'œuvre. À long terme, les processus institutionnels jouent un rôle important dans la détermination de la destination future de la prochaine génération de migrants.

Resumo executivo

Este estudo examina como a Papua Nova Guiné está a integrar a mobilidade humana nos respectivos planos nacionais e regionais. Em particular, o estudo explora três aspectos da migração laboral Sul-Sul entre as Ilhas Fiji, Ilhas Salomão e Papua Nova Guiné. O primeiro aspecto é até que ponto os factores institucionais aumentaram a migração Sul-Sul entre estes três países. O segundo aspecto é se as redes de migração internacionais, tais como agências públicas e comerciais formais, agentes informais, parentes e relações socioculturais tradicionais, contribuíram ou não para o aumento da migração Sul-Sul. O terceiro aspecto é se as semelhanças culturais/históricas incentivaram a migração Sul-Sul entre Papua Nova Guiné, Ilhas Fiji e Ilhas Salomão.

A análise da documentação realizada no início deste estudo determinou que existe pouca mobilidade laboral na região. São propostos três argumentos para explicar este facto. Em primeiro lugar, considera-se que a maior parte da força de trabalho esteja empregue na economia informal e tenha uma forte ligação à terra, desincentivando a imigração internacional. Em segundo lugar, as políticas de migração das maiores economias do Pacífico, tais como a Austrália, Nova Zelândia

e Estados Unidos da América, desincentivaram a emigração dos cidadãos Melanésios. Em terceiro lugar, os trabalhadores Melanésios carecem de qualificações formais para beneficiar de oportunidades de trabalho internacional. Apesar destes contributos importantes, pouco é referido na documentação sobre a emigração contemporânea para a Papua Nova Guiné dos países Melanésios vizinhos, especialmente tendo em conta as recentes reformas políticas em termos de trabalho e migração e a introdução do Melanesian Spearhead Group Skills Movement Scheme (Plano de movimento de qualificações do grupo de liderança Melanésio).

Após a realização de trabalho de campo na Papua Nova Guiné, Ilhas Salomão e Ilhas Fiji, o estudo determinou que apesar das iniciativas recentes, a migração é limitada nos países da Melanésia. Isto deve-se ao facto de o nativismo estar na base da sociedade Melanésia. O movimento de pessoas desafia a identidade nacional e alcança o núcleo da soberania (Betts, 2011). Num contexto de desemprego elevado, instabilidade política e tensões étnicas, uma realidade em todos os países da Melanésia, a promoção e tolerância da imigração representa um compromisso entre as necessidades de mão-de-obra barata

e a solicitação de trabalhadores indígenas para protecção dos nativos (Goss e Lindquist, 2000). Este valor social impediu o desenvolvimento de redes de migração internacionais, apesar da grande proximidade entre estes países.

Por outro lado, o estudo determinou que os trabalhadores Asiáticos têm um longo historial de migração laboral na região graças ao acesso a capital e redes bem desenvolvidas, sendo que a sua elevada produtividade e baixos custos de mão-de-obra fazem com que sejam muito mais competitivos do que os trabalhadores Melanésios. Consequentemente, os trabalhadores Asiáticos inundaram o mercado de trabalho relativamente a médias e baixas qualificações na Papua Nova Guiné, evadindo-se aos controlos de imigração ou entrando como migrantes de curta duração. Assim, o estudo determina que a mobilidade laboral Sul-Sul deriva sobretudo dos países Asiáticos em detrimento dos países Melanésios vizinhos, tais como as Ilhas Fiji e Ilhas Salomão.

São estabelecidas três recomendações para apoiar a migração Sul-Sul entre países da Melanésia. Em primeiro lugar, os legisladores na Papua Nova Guiné têm de considerar o estabelecimento de planos de formação capazes de aumentar o número de empregos disponíveis em áreas rurais e aumentar os rendimentos rurais. Em segundo lugar, o Governo da Papua Nova Guiné poderia considerar incentivar a migração circular e de regresso de cidadãos nacionais e expatriados altamente qualificados da Papua Nova Guiné. Em terceiro lugar, agilizar os processos institucionais para promover a migração Sul-Sul entre os países da Melanésia poderia contrariar os efeitos negativos do nativismo na mobilidade laboral. A longo prazo, os processos institucionais desempenham um importante papel na determinação do destino futuro das próximas gerações de migrantes.

I. Introduction

The Independent State of Papua New Guinea (PNG hereafter) is the largest and most populated country in the South Pacific region. Separated between high mountainous and flat coastal areas, PNG's population is strikingly diverse and organized in small fragmented social groups that speak over 800 distinct languages. PNG is endowed with vast natural resources: it contains the third largest area of tropical rain forest in the world, it has fertile soils that suit the production of cash crops and vast mineral and fuel reserves. Since the early 1990s, PNG has embarked on major gas and oil production, which has accelerated economic growth (East Asia Forum, 2011).¹ Following the extractive industry, there has been significant growth in the communications, construction and real estate sectors and this has further expanded the local economy (World Bank, 2012). Since the mid-2000s, strong global demand coupled with rising prices for fuel, mineral and agriculture export products has enabled PNG to become one of the fastest growing economies in the South Pacific region (Duncan and Voigt-Graf, 2010).²

Alongside this economic expansion, the formal employment sector has increased significantly (Duncan and Voigt-Graf, 2008). However, these new employment opportunities have highlighted the shortage of people with the necessary professional, technical and managerial skills to meet the needs of private sector employers. At the same time, high salaries and economic opportunities have made PNG a magnet for foreign labour.³ The ethnic diversity apparent in the shopping malls of the capital Port Moresby indicates that immigration is increasing as the economy continues to grow and more international companies set up offices in the country.⁴ Despite the 2012 political instability and high levels of violence, PNG appears to have become a desirable destination for skilled, semi- and low-skilled immigrants.

The following study has been commissioned by the African,

continues at a robust 4 per cent (World Bank, 2012).

- 1 The PNG-Liquefied Natural Gas (PNG LNG) project is driven by a large joint investment by ExxonMobil and the Government of PNG.
- 2 Despite the global economic crisis that started in 2007 PNG's economic growth

- 3 Increased immigration is noticeably linked to the wealth generated by the extractive sector, which makes it possible to offer higher wages compared with neighbouring countries.
- 4 Following the definitions established by the ACP Observatory on Migration (2011), migration to PNG is considered as a strategy for improving individual well-being as economic growth in the country offers better employment opportunities.

Caribbean and Pacific (ACP) Observatory on Migration to better understand how PNG is integrating human mobility into its national and regional development plans. In particular, based on the priorities identified in the Working Group on Migration and Development,⁵ the research explored three aspects of South–South labour migration between Fiji, Solomon Islands and PNG.⁶ First, the extent to which institutional factors have increased South–South migration between these three countries. Second, whether or not international migration networks, such as formal public and commercial agencies, informal agents and kinship and traditional sociocultural relationships, have contributed to increased South–South migration. Third, whether and how cultural/historical similarities have encouraged South–South migration between PNG, Fiji and Solomon Islands (De Haan and Yaqub, 2009; Hujo and Piper, 2007).

This report starts with an outline of the methodology used to collect qualitative data in PNG, Fiji and Solomon Islands (Section 2). This is followed by a literature review of labour mobility within the Melanesia subregion (Section 3). Next the study describes the existing labour and immigration policies in PNG (Section 4), followed by a discussion of findings with regard to South–South labour mobility between PNG, Solomon Island and Fiji as well as with other Asian countries (Section 5). The study conclusions are discussed in the final section of this report along with recommendations for the Government of Papua New Guinea.

5 Consisting of representatives of government entities, academics and civil society representatives working on migration issues in Papua New Guinea.

6 South–South migration is understood as the movement of international migrants among countries of the global South, meaning countries that do not reach a very high Human Development Index according to the UNDP classification. Thus, the movements of population between these countries refer to South–South migration (ACP Observatory on Migration, 2011).

2. Methodology of the study

2.1 Research question

The main research question upon which the following status is based is as follows:

To what extent have institutional factors, extended international migrant networks and cultural/historical similarities contributed to the immigration of labour from Solomon Islands and Fiji to PNG?

2.2 Objectives

This study has the following three main objectives:

- To understand the role played by institutional factors, such as labour and migration policies in PNG and international labour mobility agreements, in driving South–South migration;
- To establish whether or not South–South migration from Fiji and Solomon Islands is addressing labour gaps in PNG; and,
- To provide recommendations to inform PNG’s existing labour migration framework on South–South mobility.

2.3 Methodology, research design and analysis

This study was divided into two phases. The first phase involved

a literature review covering three areas: migration trends in the South Pacific region, an overview of the labour markets in Melanesia, and migration and labour policies in PNG. The second phase involved fieldwork in PNG, Solomon Islands and Fiji.⁷

This study followed a qualitative methodology grounded in the assumption that individuals construct social realities in the form of meanings and interpretations. Qualitative methods were chosen as they have the advantage of gathering data representative of the ideas expressed by the interviewees. Open-ended interviews were used to collate the diverse perspectives of government officials, private sector managers and migrants. This method was chosen because it allowed the collection of experiences, perceptions and knowledge of interviewees regarding South–South migration in Melanesia. In total, the research team conducted 35 open-ended interviews with policymakers, private sector managers and migrants from PNG, Fiji and Solomon Islands.⁸ All interviews were recorded and transcribed in full where possible. Detailed notes were also taken during each interview and typed for analysis.

⁷ The fieldwork took place from October to December 2012.

⁸ See Appendix.

The raw descriptive information obtained from the open-ended interviews was studied intensively in order to identify topics raised by the respondents. These topics were then classified into four categories: labour policies, migration policies, South–South labour mobility between Melanesian countries and Asian labour mobility to PNG. Further analysis of the data was undertaken involving the triangulation of opinions among respondents and the creation of summative narratives for each category. The results of this analysis was then cross-referenced with the findings from a literature review of published research, government policies and reports. The last stage of data analysis involved the selection of quotes for listing in this report to reinforce the main finding from the study. To maintain anonymity, references to specific interviewees were limited to where a person worked (government, non-governmental or private sector), the location of the interview (Port Moresby, Suva or Honiara) and the date when the interview took place.

qualitative methods have limitations with regard to the generalization of findings. In order to address these limitations the research team was careful to acknowledge, respect and work with cultural differences through following interviewing methods that allowed for complexities to emerge. To maintain validity an effort was made to limit interpretations to the empirical material available.

2.4 Limitations

There are two main limitations with the methodological approach followed in this study. First, there is always a danger of the imposition of a dominant version of truth or meaning in cross-cultural research. Second,

3. Literature review: Labour and migration trends in Melanesia

The Melanesian nations of PNG, Solomon Islands, Vanuatu and Fiji are situated in the southwest of the Pacific, between the equator and the Tropic of Capricorn (Figure 1).⁹ The name Melanesia, meaning “dark islands”, was bestowed by early explorers in reference to the “high island” formation, rugged interiors, dense vegetation and heavily indented coastlines (Berno and Douglas, 1998:68). The largest single landmass of 461,690 km² is in PNG, which occupies the eastern half of the very large island of New Guinea. The Western half is the Indonesian province of West Papua.

Over 80 per cent of the Melanesian population lives in rural communities practicing subsistence agriculture where contact with urban life is minimal (ESCAP, 2008). Mixed subsistence/cash cropping activities are spread over hundreds of islands, many of which are inaccessible communities. Thus, the majority of the labour force is employed in the informal economy on subsistence activities and from the earning additional cash-income from produce excess of that needed for consumption (Duncan and Voigt-Graf, 2010). Despite the geographical isolation,

the mineral wealth of the subregion has brought significant economic, environmental and social change to the doorstep of rural Melanesian populations in the form of extractive sites.¹⁰ In addition, the pressure over small land-holdings and the decline of agricultural production have all contributed to changes in traditional village life. As a result internal migration has become prevalent, even though deeply embedded in local customs that determine the length of the mobility and circulation patterns of migrants (Friesen, 1994).

The absence of reliable statistics and little government-based information on labour markets has not helped the understanding of migration systems within the subregion. What is known is that despite facing stagnant or low-growing economies, most Melanesians do not seem to use international migration as a strategy to improve their livelihood (ESCAP, 2007; Duncan and Voigt-Graf, 2010; Hess, 2006; UNDP, 2009).¹¹ This

9 Although situated in Melanesia, New Caledonia is not a Melanesian nation-state but a special collectivity of France. Therefore, this study does not include it.

10 The countries of Melanesia belong to the ‘Pacific ring of fire’ caused by the collision of the Earth’s tectonic plates, which produced a wealth of minerals along the line of contact (Opeskin and MacDermott, 2009).

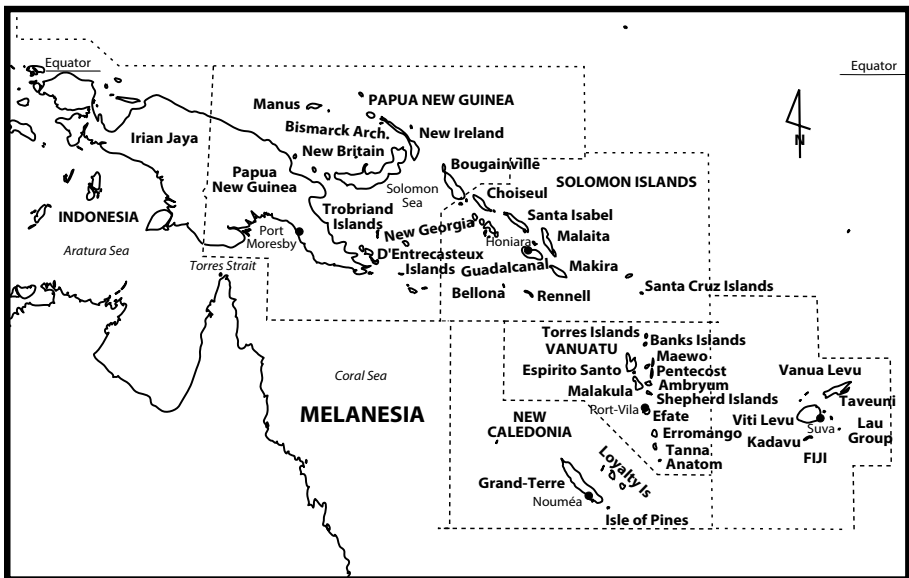
11 Fiji is an exception to the other Melanesian countries. Its high emigration rates were driven – in a large part – by the military coups that took place in 1987, 2000 and 2006 (Duncan and Voigt-Graf, 2010).

is a stark contrast to people from Polynesia and Micronesia who tend to emigrate in vast numbers to Pacific Rim countries, such as Australia, New Zealand and the United States (Duncan and Voigt-Graf, 2010). To understand why this is the case, the study undertook a literature review on labour migration issues in the region.

The literature reviewed was divided into three subsections that put forward different arguments to

explain why immigration has not played a more predominant role in the Melanesian subregion. The first argument focuses on the role of land in Melanesia. The second argument focuses on migration systems as the result of historical forces. The third argument focuses on the role of institutions in Melanesia as deterrents to immigration. These arguments are explained as follows.

Figure 1: Map of Melanesia



3.1 Attachment of Melanesians to land

Some authors (see Cinner, 2009; Curry et al., 2012; Strathern and Stewart, 1998; Martin, 2007) focus on the role of land to help explain migration systems and labour market development within Melanesian countries. The main argument these authors put forward is that an intense attachment to land – due to its centrality with social identity as well as the economic possibilities in terms of subsistence – explains why Melanesians have delayed migrating in order to search for employment outside their ancestral grounds. For the few land-poor Melanesians, internal migration is used as an opportunity to gain short and long-term access to “frontier zones”, where mining, plantation development and associated programmes of resettlement interact with local societies, cultures and economies.

Koczberski and Curry (2004) argue that for Melanesian indigenous groups work and well-being is directly correlated to the availability of land. Thus, the manner in which land – and therefore employment – is acquired is embedded in the societal values where it takes place. Internal migration, as a survival strategy for land-poor groups, has important consequences for both the migrants and local communities. This

interaction makes local communities more dispersed: it fragments the local leadership and creates a multiplication of landowners as marriage networks widen. Increasingly, disputes and communal violence between migrants and customary landowners are occurring at sites of high migration like urban centres, mine sites and large agricultural development projects (Koczberski and Curry, 2004). Internal conflicts at local and national levels in Fiji, Solomon Islands and PNG are somehow related to these migration patterns. However, a number of authors have pointed out that the land-attachment argument only partially explains the lack of emigration in Melanesia.

3.2 Historical factors

To explain why large scale migration has taken place in some parts of the South Pacific, some authors argue that it is necessary to look at migration systems as the result of historical forces that have taken shape from colonial and post-colonial periods (see Ferro et al., 2006; Lee, 2009; Friesen, 1994; Chapman and Prothero, 1985).

By looking at colonial administrations in the regions and the resulting labour markets, Ferro et al. (2006) argue that it is possible to explain how Melanesians were not given opportunities for international

movement prior to independence. Solomon Islands, Vanuatu and Fiji were colonies of the United Kingdom, while PNG was under Australian rule until 1975.¹² Both Australia and the United Kingdom (UK) carefully regulated Melanesian mobility in order to maintain a sufficient labour force for the plantations and mines (Ferro et al., 2006; Connell, 2011). When large-scale emigration schemes took place, these were largely undertaken through force and with the aim of fulfilling the commercial interests of the colonial powers.¹³

Opeskin and MacDermott (2009) argue that the post-colonial history of the South Pacific Island countries has also influenced patterns of international immigration. Australia has a long history of discouraging migration from the Pacific through its 'White Australian' policy – in place from 1901 to 1973 – that welcomed migrants of European descent (Lee, 2009). In the mid-1970s, Australians changed its 'White Australian' policy for a universal non-discriminatory migration policy (Dobell, 2003). Nevertheless, Australia continued

to refuse to give special immigration access or guest worker status to South Pacific islanders arguing that this would compromise its non-discriminatory immigration policy.¹⁴ Despite the policy barriers, Pacific Islanders continued to migrate to Australia through finding loopholes in the system.¹⁵ In sum, Australia pre- and post-colonial migration policies and their institutional legacies significantly deterred the emigration of PNG citizens.¹⁶

In contrast to the role played by Australian immigration policies, New Zealand has fostered a special relationship with its neighbouring Polynesian countries. Under the New Zealand Bill of Rights Act 1990, Tokelauans, Cook Islanders and Niueans were granted the right

14 Dobell (2003) argues that the unspoken element in this argument is that if South Pacific Islanders give preferential treatment, then Southeast Asia migrants would be entitled to claim similar access.

15 For example, student migrants who marry and settle in Australia have taken advantage of Australian family reunion policies. Other Pacific islanders of New Zealand citizenship then migrate to Australia to work. Others come in short-term visas and over-stay working mainly in rural areas.

16 By 2006, the Australian population census recorded that 24,020 Papua New Guinea-born people lived in Australia, with Queensland having the largest number of PNG citizens. However, when compared to the 7 million people living in PNG, this migrant population becomes relatively small - especially in light of the historical and economic links that both countries share.

12 Fiji, Kiribati, Solomon Islands, Tonga, Tuvalu and Vanuatu were colonies of the UK.

13 In the early 1880s, 'black-birding' or large-scale kidnapping of men was responsible for the resettlement of Papuans and Solomon Islanders in Fiji, Australia and Samoa. Through black-birding, more than 3,000 Papuans ended working as labourers in the Queensland sugarcane fields.

to move freely to New Zealand to access the labour market as well as education and other governmental services. The impact of this liberal citizenship regime was dramatic as there are now more Polynesians in New Zealand than in their home countries (Statistics New Zealand, 2008). Since 2002, New Zealand established a new type of visa – the Pacific Access Category – for other Pacific countries. Similarly, the United States has also facilitated migration between affiliated Pacific in Guam, American Samoa and Northern Mariana Islands and the mainland. The different approaches taken by New Zealand and the United States contrast with those followed by the UK and Australia. Thus, these authors argue that historical factors have influenced institutional patterns to reduce opportunities for low- and semi-skilled Melanesian workers. This, in turn, has reduced the emigration rates of Melanesian countries.

3.3 Poorly developed institutions

Some authors argue that poorly developed institutions - such as the state, the labour market and education systems - within Melanesia explain the limited international migration (see Hegarty, 2009; Imbun, 2007; ESCAP, 2007). Hegarty

(2009) argues that the lack of an effective education system is one of the many examples that show the limited penetration of the state in Melanesian societies. Through examining local-level government in PNG and Solomon Islands, he maintains that the formal institutions in these countries have failed to gain much traction as effective instruments of administration and service delivery. In the absence of effective government systems, most villages and communities have governed their affairs according to customary rules and localised practices (Hegarty, 2009). Similarly, an ESCAP (2007) report contends that the lack of overseas workers from Melanesian countries is due to a lack of marketable skills in their labour forces. In other words, the role of the state in promoting and enforcing education has imposed limitations on Melanesians workers from taking opportunities available in other countries.

In the same way, Imbun (2007) argues that any discussion of the actors that influence the conduct and maintenance of employment relations in a country must centre on the role of the state. Looking at the PNG state, Imbun maintains that PNG's weak state has not been able to dominate the various groups in society even though it influences employment relations in the mining

and industrial sectors through a reactive approach to the settlement of individual disputes. Thus, the state fell short of the authoritarian interventions characteristic of other labour relation systems. This led to weak regulation of employment relations through the provision of employment and industrial laws. The vacuum in the labour market has been filled with authoritarian employers that control the workplace with little regard for genuine worker issues. This generally conservative and 'absolutist' management style has tried to reconcile the competitive challenges of international capital with the diverse demands of transitory tribal workforces (Imbun, 2007:4).

Authors supporting this argument contend that poorly developed institutions perpetuate weak local labour sectors. For example, little is done to better understand the operation and expansion of national work forces (ILO, 2009; ESCAP, 2007; Jowitt, 2002). This makes it difficult for governments to comment on the nature of the labour force, unemployment and migration policies. Also, most labour policies remain urban-biased despite that the majority of the labour force is based in rural areas (Jowitt, 2002). Based on an analysis of the juxtaposition of poor governance systems and increased Asian foreign investment, Dobell

(2007) argues that this is having a devastating effect on the Melanesian labour forces. This is because Chinese companies are providing record investments, while also bringing low- and semi-skilled labour to the subregion. He maintains that 3,000 Chinese state-owned and private enterprises have been registered in the South Pacific region with investments of about A\$ 800 million. Furthermore, Chinese investment has been matched by the arrival of a new Asian diaspora that is poorly regulated by local governments. Due to these factors, this body of the literature highlights the need to re-examine the real potential of rural areas and how to create employment opportunities rather than to expect direct foreign investment to increase employment across the country.

3.4 Summary of literature review

From the literature review it is clear that there is no significant South–South migration between Melanesian countries. Authors who have analysed labour forces in Melanesia have put forward three arguments as to why this is the case. First, Melanesian rural populations have not followed a linear transition from a pre-capitalist economy to a capitalist one; rather the outcome has been an indigenous version of capitalism with a diversity of

local outcomes. Rural populations see communal land-ownership as central to their identity and embedded in the local societal values. In this context, internal migration is considered a survival strategy for land-poor groups to access land rights with neighbouring groups.¹⁷ It is because of this attachment to land that some authors suggest that Melanesians do not tend to immigrate.

Second, colonial and contemporary migration policies from larger Pacific economies – such as Australia, New Zealand and the United States – have deterred emigration of Melanesian citizens. Furthermore, seasonal worker exchange schemes from Australia and New Zealand have not been in place long enough to counteract this trend. Third, the state, the labour market and education systems in Melanesia have limited emigration as citizens have been unable to acquire sufficient marketable skills. As a result, Melanesian workers have not been able to take advantage of international labour opportunities. This literature

also raises the key point that the lack of skills within Melanesian has created opportunities for foreign workers, especially from Asia, to take advantage of employment offered by private sector companies.

Despite these important contributions, little is said about contemporary emigration to PNG from neighbouring Melanesian countries especially in light of the recent labour and migration policy reforms and the introduction of the Melanesian Spearhead Group Skills Movement Scheme, which aims to foster South–South migration. This study aims to address this gap in the literature by examining the role played by three aspects of South–South Melanesian migration: institutional factors, international migration networks and cultural/historical factors.

¹⁷ Other mechanisms to access land rights are inter-marriage and long-term settlement schemes between different groups.

4. PNG labour and migration policies

4.1 PNG labour force

PNG has three main areas of economic activity: the formal employment sector where employees receive regular wages; the informal sector involving entrepreneurial activity whereby economic activities undertaken by individuals or groups generates ‘employment’ outside the formal labour market; and the subsistence sector, which continues to be the major area of labour absorption. According to government estimates, 97.2 per cent of people are employed in one of these sectors (see table 1). The majority of the population are involved in the informal and subsistence sectors. A much smaller proportion of people are involved in the formal employment sector. The public and mining sectors provide

a substantial proportion of the total formal employment sector.

According to the PNG Central Bank, employment across the retail, agriculture, forestry and fisheries, manufacturing and construction industries is estimated to have grown by 10.2 per cent and 8.3 per cent in 2007 and 2008 respectively. Mineral sector employment also grew by 12.6 per cent during this period. The exploitation of fuel and mineral reserves increased formal employment levels (Duncan and Voigt-Graf, 2008). Most of this employment is concentrated in the National Capital District and in extractive centres (ESCAP, 2007). Despite expansion in the formal employment sector, PNG faces serious labour market demand and supply

Table 1: Employment, unemployment and poverty in PNG in 2000

| Employment by sector | |
|---------------------------------|--------|
| Agriculture | 73.28% |
| Services | 22.97% |
| Industry | 3.69% |
| Unemployment | |
| Total unemployment | 68,620 |
| Total unemployment rate | 2.8% |
| Total female unemployment | 14,970 |
| Total female unemployment rate | 1.3% |
| Youth unemployment rate (15-24) | 5.3% |

Source: UNPD, 2009 and UNHCR, 2010.

problems. This is mainly because a high number of school graduates lack adequate skills required by the private sector reducing the likelihood of those in the “job-seeking age” (15-29 years) from gaining employment in the formal sector.¹⁸ To understand how the Government of PNG addresses these problems, the following subsections present a historical overview of labour and migration policies.

4.2 Colonial and post-colonial labour policies

From 1914 to 1975, the Government of Australia annexed the Papua and New Guinea territories as colonial property. The colonial state deliberately minimized employment of indigenous labour to isolate this Territory from the “disruptive effects of social and economic change implicit in labour mobility and bargaining that was experienced in Africa” (Imbun, 2007:2). This practice allowed the colonial state to use PNG for purely extractive processes with a minimal investment in training programmes or the enforcement of workers’ rights. These policies had a profound impact on the development of the industrial

relations system of PNG: fostering weak capital penetration and allowing the pre-capitalist economy to be maintained intact with an absence of industrial infrastructural development.¹⁹ Latukefu (1989) explains how colonial practices delayed the size and composition of the labour market, slowed the rate of urbanization as well as the speed and coverage of industrialization. The labour policy also specified the master-servant relationship between the untenured labourer and employer. These policies also discouraged unions and other forms of organized labour while allowing the colonial administration to have unlimited access to land for mining and agricultural plantations.

After independence, PNG retained the 1962 Industrial Relations Act. In 1978, a new Employment Act was drafted largely based on the 1958 colonial Employment Ordinance (ESCAP, 2007).²⁰ As a result, these two key labour policies were strongly

18 The problem is aggravated when one considers that despite increases growth rates in gross domestic product have not kept pace with population growth. Thus, the scale of youth unemployment will remain high across the country (Hess, 2006).

19 In the colonial era, indigenous people were prohibited from living in towns and there were curfews on their presence in town. In the late colonial era, restrictions on movement to towns were lifted and urban and regional authorities provided housing and services for migrants. As migration to towns increased in volume there were suggestions that a pass-system be introduced once again despite the fact that the PNG constitution provided for freedom of movement (Connell, 1987).

20 The Employment Ordinance was introduced in 1958 and subject to minimal change until it became the Employment Act 1978 (ILO, 2009).

influenced by colonial legislation. Notwithstanding the colonial inheritance of the country's labour policy, the ability of the PNG state to influence industrial relations was demonstrated in the wage tribunals in the years after independence (Imbun, 2007). Hess (1989) found that during the 1970s and 1980s, the state went to some lengths to advocate unionization in the workplace, which was quite unusual for a developing country.

By the mid-1980s, government policies had aggressively promoted economic growth while appealing to private sector companies to allow unions to be established in order to take care of workers' rights. The emergence of trade unions, however, did little to protect workers' rights. This was the result of two factors. First, the enforcement of labour policies was poor and industrial relations remained confined to individual companies, where industrial disputes often were resolved using draconian means and defying dispute settlement procedures (Imbun, 2007). As a result, only few trade unions managed to effectively represent worker's interests (Imbun, 2007). Second, the make-up of PNG society had no ethos of union organizations nor an economy with large numbers of 'proletarians' who survived by selling labour (Cammack, 2008). These factors delayed the evolution of the PNG labour force.

4.3 Contemporary labour policies

Since the late 1990s, the Government of PNG initiated a review of existing labour legislation in an effort to address the high unemployment and the exodus of rural migrants.²¹ The labour reform, the review of the Industrial Relations Act and the creation of strategies for employment creation were initiated in close partnership with the International Labour Organisation (ILO) (Non-governmental, Suva, 30 Nov. 2012). In 2003, the Government, with ILO support, initiated a situation analysis of employment policies in PNG that would be the foundation for a Comprehensive National Employment Policy to guide employment creation and promotion. Although the results of the situational analysis were delayed, this evolving policy dialogue led to the endorsement by the National Executive Council of the (2009–2012) Decent Work National Development Policy.²²

21 Rural mobility increases ethnic tensions among migrant and indigenous populations. Several government officers noted the law and order challenges linked to migration in rural areas close to mine and LNG sites.

22 The four pillars of the Decent Work National Development Policy are: (1) promotion of full and productive employment; (2) ratification of core conventions and workers' rights; (3) social protection mechanisms, improved wages, better living conditions and employment opportunities; and, (4) strengthening tripartite mechanisms and workers' representation.

In 2010, and following the initiation of the PNG Liquefied Natural Gas (LNG) project, the Government announced two policy plans to guide the development of the country – Vision 2050 and the Medium Term Development Plan (MTDP) 2011-2015. These plans supported expanding the number of jobs and the competencies of the workforce (GoPNG, 2010b). They also emphasized the need for the Government to invest in the education system to provide a well-educated, healthy and appropriately skilled work force.²³ For example, Pillar 3 of the Vision 2050 plan proposes that the Government has to create employment opportunities in order to reduce poverty (GoPNG, 2010b). The MTDS specifies that by 2015, and thanks to increased funding in the private and public sectors, urban-based industries are expected to have created more than 223,000 jobs, while rural based industries are expected to have created 60,000 jobs.

These policy plans have also renewed emphasis for integrated rural-urban development, stressing both economic development to increase the number of jobs available and the provision of social services to reduce internal migration. However, it is not clear how these goals are to be achieved (Non-governmental, Port

Moresby, 12 Nov. 2012).²⁴ The labour policy reform has taken more than a decade and to date there is almost no reliable official employment-related data available.²⁵ Also, the lack of transparency in the use of resources devoted to remote areas presents a problem for the development of infrastructure in rural areas – which is one of the key determinants for the creation of rural employment.

4.4 Challenges facing PNG's labour market

Despite reforms in the labour legislation, the labour force in Papua New Guinea remains segmented in several ways. The informal sector, made up of most of the 85.9 per cent of PNG citizens, continues to provide limited opportunities for skilling up workers in rural areas (Browne and Mineshime, 2007). In addition to a lack of skilling opportunities, cultural factors intervene as paid employment is not the number one priority for self-employed rural workers; rather family is much more important (Non-governmental, Suva, 27 Nov. 2012).

23 This policy goal remains despite that demand for skills training in the country far outweighs enrolments at institutions that can provide such training (ESCAP, 2007).

24 The lack of transparency in the use of resources also represents a problem for the development of infrastructure in rural areas.

25 PNG does not have an employment database or a labour information system (ADB, 2008). The only existing data is the employment data from Central Bank of PNG, which cover the information provided by the Manufacturer Council (Government, Port Moresby, 13 Nov. 2012).

This is an important aspect as it deals with the priority to which an individual attaches to a wage job. The commitment to work, earn and send money home for foreign workers is very strong; whereas for a PNG worker it may be that he/she will work on this until he/she earns a specific amount of money needed for a particular social activity, such as a payment for bride-price or funeral costs. A regional advisor made the following point:

The notion that when you are 15 or 16 [years old] you become a wage slave for the rest of your life is not really there. [...] In economic terms, the explanation would be that there is a high-supply price of labour. People will not want to work in a wage job – in what can also be seen as a boring wage job – for low wages because there is the alternative of subsistence agriculture and cash cropping. This is conceptualised as ‘subsistence-affluence’: you have a subsistence sector because the land is very productive. This is unlike Asian countries, where if you do not work for 8 hours a day you will not have any food. (Suva, 27 Nov. 2012)

The commitment to family is not only restricted to access to land but also to wider family obligations that involve tribal support. If there is a tribal dispute, workers become involved and have to stop their jobs until the issue is settled. This uncertainty in terms of labour supply is not welcomed by

the private sector (Non-government, Suva, 27 Nov. 2012).

Semi-skilled workers participating in the formal sector face supply-demand constraints as there is a gap between the various professional requirements and the formal training available in these areas (ADB, 2008).²⁶ Poor training has significantly contributed to a paradox in PNG’s labour market: despite having a substantial number of people graduating from training institutions, the private sector complains about a lack of skilled workers. An ADB (2008:67) report argues that the paradox is a question of experience and expertise:

[In PNG] fresh graduates lack the attitudes needed in the workplace such as punctuality and general discipline. This occurs in part because of the culture of the training institutes differing significantly from that in industry. Shortages exist for experienced skilled and semi-skilled workers and supervisors. The industrial sector reports difficulties in recruiting plumbers, air-conditioning and refrigeration mechanics, welders and electricians. In building construction, skills gaps are seen

26 Supply-demand imbalances result when the economy cannot generate enough wage-jobs to absorb those entering the labour market. The imbalance results partially from inadequate public funding and policy attention to meet the needs of the great majority of unemployed, youth, women and rural poor.

in finishing skills including tiling, plastering, and paint-decorating for high-value buildings such as hotels and embassies.

Skilled workers participating in the formal sector constitute the smallest segment in the economy. This narrow portion of the labour sector is further skewed due to high immigration rates as most skilled PNG workers migrate to work in Australia or New Zealand. A government officer said:

About 90 per cent of the PNG professionals move on. You can live in Brisbane or Port Moresby, that is your choice. If you are a trained doctor, would you want to work in PNG hospital with no facilities or would you travel somewhere else in the world and work with hygienic hospital? (Port Moresby, 23 Nov. 2012).

The migration to overseas jobs has much to do with a dissatisfaction with the terms and conditions within the country, only part of which concerns income. Other factors are the lack of a career structure, promotion opportunities and access to modern technology and training (Brown and Connell, 2004). The characteristics of the PNG labour force – low productivity among semi- and low-skilled workers and high migration rates among skilled workers – means that to meet its labour needs the private sector has to recruit foreign workers.

In order to circumvent the problems faced by the national labour force, the private sector tends to recruit low-, semi- and skilled foreigners. For example, the extractive sector tenders for projects that include international labour requirements and subcontractors (Government, Port Moresby, 13 Nov. 2012). Since the extractive sector is so important for the country, subcontractors are exempted from immigration procedures. As a result, most semi- and low-skilled labour involved in the PNG extractive sector are foreigners. A government officer said:

Asian workers can be paid USD1 an hour and work non-stop for six months. This worker will do exactly as he is told. This is important as the LNG subcontractors work on a tight time-frame. Recently the Red Sea – a Saudi Arabian construction company – was allowed to bring foreign workers to build concrete bunkers for the LNG project. They brought semi-skilled workers from outside PNG arguing that they had a very short time to do it. These workers were cheap labour as it is unlikely that the PNG minimum wage was respected. (Government, Port Moresby, 13 Nov. 2012).

A similar situation emerges for other sectors of the economy, where short-term skilled and semi-skilled labour is imported from Asia as it is cheaper and can be mobilized in a shorter time frame (Port Moresby,

23 Nov. 2012; Non-governmental, Suva 27 Nov. 2012). This raises an important point: the productivity/cost ratio for workers in PNG is higher than it is in neighbouring Asian countries such as China, Indonesia or the Philippines (Non-governmental, Suva, 30 Nov. 2012). Thus the segmented labour force risks making PNG workers uncompetitive within their own country. In turn, access to cheap imported labour from Asia has a detrimental effect on the size and development of PNG's labour force.

PNG is one of the few countries in the South Pacific that has reformed its institutional processes to allow skilled workers to enter the country.

4.5 Labour mobility policy reforms

The importance of foreign workers for economic growth has highlighted the importance of migration policies. In 2007, the Government of Papua New Guinea reviewed two key immigration policies: the Employment of Non-Citizens Act and the Employment of Non-Citizens Regulation in order to liberalize the immigration of foreign workers with tertiary education.²⁷ These policy changes had three aspects. The first aspect was to clarify

immigration procedures, skill-transfer procedures and an update of the labour-base coding system in order to streamline procedures for entry of skilled migrants.²⁸ The second aspect was to increase protection for low and semi-skilled jobs reserved for national employees. The third aspect was to increase control over the PNG border in order to reduce the number of irregular migrants in the country. Following the policy changes, in 2010 the Foreign Employment Division of the Department of Labour and Industrial Relations introduced a work permit that facilitated the recruitment of foreign workers in order to address emerging skills shortages, as well as to help raise productivity to international standards (ACP Observatory on Migration, 2010). These policy amendments strongly reflect a recognition by the Government of PNG of the important role played by foreign workers.

Despite this recognition and the considerable reforms on immigration

²⁷ The review also dealt with the existing Guidelines for Training and Localisation of Positions and its Employment Classification programmes.

²⁸ The labour coding system establishes a three-colour approach to job positions. The Red Code indicates low- and semi-skilled job positions that can only be filled by national employees. The Orange Code indicates semi-skilled job positions availability for foreign semi-skilled labour after demonstrating that there is a shortage of national workers in the country. Only then can companies advertise these positions internationally. The Green Code indicates job positions available for foreign skilled labour (Private sector, Port Moresby, 23 Nov. 2012).

policies, suspicion over labour immigration is also deeply embedded in PNG's development blueprints. The paradox of whether to embrace or not embrace immigration is clearly exemplified in the Medium Term Development Strategy, one of the key government plans, which stipulates: "The immigration of large numbers of people is both a significant and positive force in the economic, social and cultural development of PNG; yet it is also a cause of concern" (GoPNG, 2010b:12). Similarly, Vision 2050 recognises that "[a]nti-foreign ownership sentiments are rising because of their dominance of business, which is creating an entrepreneurial gap between locals and immigrants" (GoPNG, 2007:25). The precarious balance between liberalizing regular migration and trying to protect national labour market from irregular workers is an on-going theme for PNG citizens. Thus, immigration remains a difficult topic for the Government of PNG as more foreign workers enter the labour market.

4.6 PNG participation in labour mobility schemes

In an effort to provide further opportunities to its workforce, the Government of PNG is actively participating in a wide array of international labour mobility

schemes.²⁹ Three types of labour mobility schemes are worth mentioning. The first type of scheme is related to seasonal working schemes that allow short-term entry to low- and semi-skilled workers from PNG. In 2011, the Pacific Seasonal Worker Pilot Scheme (PSWPS) was established between Australia and PNG. In 2012, PNG became part of New Zealand's Recognised Seasonal Employer (RSE) scheme. By the end of 2012, one hundred guest workers from PNG were involved in these schemes. These schemes are regarded by the Government of PNG as an important source of future employment opportunities (GoPNG, 2010a).

The second type of scheme is related to bilateral agreements for PNG semi- and skilled workers short-term mobility scheme that allows PNG workers to get training or participate in the labour market of other countries. The most relevant agreement of this type is under negotiations between the Government of PNG and the Government of the Philippines. Once approved, this agreement will allow a labour and training exchange programme between the two countries, making it possible for the Government of PNG to receive short-term semi- and highly skilled

²⁹ The labour mobility schemes are expected to provide working opportunities and new skills to PNG citizens willing to emigrate.

workers from the Philippines, in addition to trainers for its vocational centres.

The third type of scheme is related to regional agreements that allow labour exchanges among countries. The following are examples of this type of scheme. First, the Temporary Movement of Natural Persons (TMNP) scheme is being negotiated under the Pacific Island Countries Trade Agreement (PICTA). The aim of this scheme is to allow citizens from the 14 member countries to move and work in other Pacific Island Forum Countries.³⁰ Second, the Pacific Agreement on Closer Economic Relations (PACER) Plus is negotiating a temporary labour mobility scheme for semi- and low-skilled workers. This scheme would be part of the Trade Agreement with Australia and New Zealand.³¹ Third, the African, Caribbean and Pacific (ACP) Group of States is negotiating a Temporary

Movement of Natural Persons scheme. This scheme is a chapter of the Economic Partnership Agreement with the European Union (GoPNG, 2012).³²

Among the most advanced schemes is the Melanesian Spearhead Group (MSG) Skills Movement agreement. In 2005, the MSG Skills Movement Scheme was endorsed at the Leaders' Summit as a scheme for the movement of professionals for each member country. This scheme is framed on a Memorandum of Understanding between the MSG countries of Fiji, PNG, Solomon Islands and Vanuatu. It is based on an agreed list of specific skilled professions such as engineers, accountants, pilots, doctors and nurses as well as trade skills and vocational teachers. Each member country has its own list of occupations that is based on its identified shortages and the scheme is capped at a quota of four hundred professionals each year. The MSG gained prominence after Fiji was suspended from the negotiations of the Pacific Islands Forum in 2010. The MSG has been able to increased trade, services and mobility for skilled workers among Fiji, PNG, Solomon Islands and Vanuatu.

30 In 2010, Fiji was excluded to participate in PICTA, PACER Plus, the Pacific Islands Forum and from the Commonwealth of Nations (World Bank, 2010). This suspension was due to Fiji's military-led government ban of foreign media ownership, suspension of the Constitution, withholding elections until 2014 and trying to change the Constitution by adopting a proposed People's Charter. This was criticized by the Governments of Australia and New Zealand for its implications for democracy and free speech (ABC News, 2010).

31 It is unlikely that Australia will accept the proposed scheme in the PACER plus Trade Agreement.

32 Although important, the implementation of these schemes was delayed after Fiji was suspended from participating (World Bank, 2010). See footnote 30 for more background.

5. South–South migration among PNG, Solomon Islands and Fiji

This section explores South–South migration among three Melanesian countries: PNG, Solomon Islands and Fiji. Three aspects are discussed. First, whether or not South–South migration to PNG is encouraged by existing legal regimes and labour policies. Second, whether there are established international migration networks that have helped Melanesian workers to transcend geographical distance and political boundaries and access the labour markets of PNG, Fiji and Solomon Islands. Third, whether and how cultural/historical similarities are encouraging South–South migration between PNG, Fiji and Solomon Islands.

5.1 Institutional Factors: Putting the MSG skills movement scheme in practice

In 2005, the idea of developing a scheme for the movement of professionals within Melanesian countries was endorsed by Melanesian Heads of State. By 2012, all Melanesian members had signed a Memorandum of Understanding to put the Skills Movement Scheme in practice. The implementation of this scheme – allowing a quota of 400 professionals of each country to move to other member countries

– was supposed to take place six months after its approval. However, this has yet to take place (MSG, Port Moresby, 19 Nov. 2012).

Two issues have delayed the implementation of this initiative. The first issue relates to logistics and operationalization of migration processes needed to implement the Skills Movement Scheme (Non-governmental, Suva, 29 Nov. 2012 and 30 Nov. 2012). A technical officer of the MSG said:

Out of the four countries, two members of the MSG [Vanuatu and Solomon] are still carrying out the majority of their border work manually and I think the challenge there is we need to get all four MSG member countries' border control systems working together and computerised.[...] As MSG members we need to work out a plan or a policy that the four of us can discuss. [...] It might be a difficult task but it is not too late to start and I think eventually the four countries will have, if not similar systems, then systems that streamline the processing of visas, of permits. (Suva, 27 Nov. 2012)

This comment highlights the monumental task that MSG members have to accomplish prior to the implementation of the Skills Mobility Scheme. Not only do numerous

institutional and organizational reviews have to be put in place, but also immigration systems need to be streamlined. Due to these challenges it is unlikely that the Skills Mobility Scheme will be implemented within a short time frame.

The second issue relates to an interest Melanesian countries have in protecting their national labour markets. This is due to important differences among these countries, with PNG and Fiji being much larger in terms of financial resources and human capital compared to Solomon Islands and Vanuatu (Government, Honiara, 28 Nov. 2012). Fiji, in particular, is the country with the largest skilled population that can provide the most professionals to the other MSG countries. Fiji's education standards are well above other Melanesian countries (Private sector, Suva, 28 Nov. 2012). A Fijian government officer said:

Fiji is one of the countries that has the highest rate of education. So we are a power house to send people in to your neighbours and to help them as well to develop the different industries. [...] That is one of the reasons why the MSG is so important. (Suva, 27 Nov. 2012)

The Skills Mobility scheme is attractive to the Government of Fiji as economic growth is slow and it could mean 1,600 jobs for its citizens (Non-government, Suva, 27 Nov. 2012). However, in

order for professionals to move freely among Melanesian countries, countries have to have united political interests in implementing the MSG Skills Mobility Scheme. Interviews showed that this is not the case due to wide consensus that allowing for labour mobility would challenge a state's sovereignty. In particular, the Government of Solomon Island seems reluctant to open its labour market. Government officers from Solomon Island mentioned the need to review the country's immigration processes and to provide opportunities to the Solomon Island National University to train skilled workers (Honiara, 27 Nov. 2012).³³ A government officer explained:

I say we are not ready. Solomon Islands feels uncomfortable to be part of any [MSG migration scheme] because, what I would say, we are lagging behind the rest of the countries in the MSG in terms of training, opportunities, infrastructure to do more for our skilled and [low-]skilled workers. (Honiara, 27 Nov. 2012)

This perception was shared by an entrepreneur, who recalled:

If it was freer [labour exchanges] I think it would help with encouraging [work] in-between the countries. But I also think it might become a problem as well. [...] [L]et's say out of all the four countries

³³ The Solomon Island National University was established in late 2012.

Solomon Islanders might be less qualified or less skilled than say Fiji or PNG. So if an employer is looking for the best qualified, [...] they [will be] taking [workers] from outside. And unemployment and that sort of thing might increase. [...] I agree with it [migration] to a certain extent, when I feel it will help the workforce currently here [Solomon Island] or if it helps the locals as well. (Honiara, 30 Nov. 2012)

It is evident that smaller Melanesian countries do have more to lose than Fiji and PNG, which are the largest economies and those able to determine the terms of regional migration. This highlights the fact that at the political level there are serious doubts concerning whether the Skilled Mobility Scheme will be implemented as every country tries to protect its labour force. As a result, South–South migration of skilled professionals among Melanesian countries remains small and dependent on individuals (Non-government, Suva, 27 Nov. 2012 and Government, Honiara, 27 Nov. 2012). Betts (2011) argues this is based on notions of sovereignty and nation-state framing the ideological context in which international migration is perceived. Unlike the movement of goods and services, the movement of people challenges national identity and goes to the core of statehood (Betts, 2011). In a context of high unemployment, political instability and ethnic

tensions, a reality faced by all Melanesian countries, the promotion and tolerance of immigration represents a compromise between the needs for cheap labour and the demands of indigenous workers for the protection of native entitlements (Goss and Lindquist, 2000).

5.2 Absence of networks: Limited labour mobility among Melanesian countries

Outside formal institutional channels, international migration is supported by international migration networks among migrants, former migrants and non-migrants (Goss and Lindquist, 2000). These networks, developed from social relationships, reduce the costs and risks of migration. With the exception of Fiji, international migration networks are poorly developed in Melanesia. A reason may be that PNG, Solomon Islands and Vanuatu continue to experience the transition from subsistence agriculture to a broader participation in the modern cash economy; where the emergence of a capitalist labour market is only a generation old (Non-government, Suva, 29 Nov. 2012). For PNG and Solomon Islands, the bulk of migration happens within rural-urban and rural-rural areas.

In contrast, Fiji has a long history of labour migration since indentured work took place in sugar plantations

between the late 1840s and 1920. The legacy of the indentured workforce in Fijian society is significant as Indo Fijians make up a large proportion of the country's population. These Indo Fijian migration networks continue to influence patterns of emigration and immigration to the country (Goss and Lindquist, 2000).³⁴ In the last 25 years, Fiji had four coups d'état that generated tremendous political instability. The racial targeting that followed these political events created a "push factor" for non-indigenous Fijian populations to migrate to places where they felt more secure (Non-government, Suva, 29 Nov. 2012).

Migration has evolved to such an extent that it is now considered a way of improving the economic status of Fijian citizens, especially for skilled Indo-Fijians (Non-government, Suva, 27 Nov. 2012).³⁵ The increasing number of migrants has created a "brain-drain scenario" where important numbers of skilled personnel – such as teachers, caregivers and nurses – move to work in other Pacific Island countries. In addition to this sector, the tourism industry also exports low-skilled

workers to the Cook Islands and Samoa. There is also a history of Fijian builders migrating to work in construction companies in Australia and New Zealand. An academic underlined:

There has been a category of trades-people – electrician, plumbers, etc. – who have been to Kiribati, Vanuatu and the Solomons to work in these companies. [...] Migration of security workers [...] both in terms of the Fijian military forces and also in terms of private employment. So they are private security companies, private transportation companies that recruit our people in various parts of the Middle East as well as in Afghanistan. And our police and military have been in different trouble spots in the world providing peacekeeping. In the last 20 years between 2,000-3,000 thousands (sic!) young people have gone to join the British army. Also there are many nurses and caregivers in the US. (Non-government, Suva, 29 Nov. 2012)

As bilateral labour and trade agreements take place between Melanesian countries, it is possible to observe that skilled Fijian workers move to work in Port Moresby. A regional adviser highlighted:

Many [skilled] Fijians go to work in Papua New Guinea. Also to Solomon Islands, although not as many. And for various reasons: either taking jobs in the tourism

³⁴ Fijians have had access to schools since the 1900s, leading to at least three generations who have received education and training that allows benefiting from international working opportunities.

³⁵ Especially since for landless Indo-Fijians place of birth is not an obstacle for migration.

industry [...] because Fijians have got this skill. Also in business [sector] there are quite a few Fijians who go and set up small or bigger businesses. [...] And then there are also [professional] Fijians who just go and work in things such as the mining industry or ancillary industries related to the mining sector in PNG. And you see adverts in the papers in Fiji for people to go and work in other countries as companies are looking for [...] cheaper options than Australians or New Zealanders, especially in the mining sector. (Suva, 27 Nov. 2012)

Similarly, some professional Solomon Islanders stay to work in PNG after finishing their studies at the University of PNG (Government, Honiara, 26 Nov. 2012). It is easier to find work in PNG and as they tend to marry with PNG nationals. These numbers are reduced considerably for semi- and low-skilled migrants from Solomon Islands and Fiji working in PNG. In both cases the numbers of skilled Melanesian migrants are relatively small despite regional agreements have expanded PNG investment in the region (Governmental, Honiara, 28 Nov. 2012). In part, the lack of immigration is explained due to stringent visa processes (Port Moresby, 20 Nov. 2012). For example, Fiji continues to make it very difficult for investors to bring other Melanesian workers to the country. A very small number of Melanesian

graduates from the University of the South Pacific are allowed to stay to work (Non-government, Suva, 29 Nov. 2012).³⁶ Immigrants from Papua New Guinea interviewed in the Solomon Islands complained of intolerant reactions of the Government and Solomon citizens towards them (Non-government, Honiara, 02 Nov. 2012 and Private sector, Honiara, 27 Nov. 2012). Thus, migration networks among Melanesian workers remain small.

5.3 Cultural/historical similarities between Melanesian countries

Melanesian institutional structures discourage South–South labour mobility, in particular as commercial trade relations between Melanesian countries are relatively new. In addition, the stringent visa procedures and poor development of formal labour sectors have not allowed strong networks of migrants among Melanesian countries. But have cultural/historical helped encourage South–South migration between PNG, Fiji and Solomon Islands?

³⁶ A regional adviser said the following regarding how difficult is to get working visas for Melanesians wanting to work in Fiji: "It would be very difficult for them to come and work here anyway. I mean in terms of visas and so on. The immigration requirements would not allow them. The most Pacific Islanders [...] you will find are at University of [the] South Pacific." (Suva, 27 Nov. 2012)

Historical factors point to poorly developed labour markets in the region. In addition, Melanesian culture favours nativism. As a result, rights are reserved for citizens and their direct kin (Goss and Lindquist, 2000). In this context, migrants have very limited access to local resources. Respondents reported the difficulty faced by the children of PNG-Solomon couples to integrate (Government, Honiara, 26 Nov. 2012). It is possible that these issues have diminished the relevance of cultural similarities among countries. In addition, the characteristics of the private sector in the region limit the role of cultural similarities among workers. A regional advisor evoked:

The plane fare from the Philippines is less [to PNG] than the plane fare from here [Fiji to PNG]. Travel in the Pacific is really expensive and labour costs are high. [...] And that is assuming two workers are equal. If I have a choice of taking someone from the Philippines or from Fiji, which would be the one cheapest to bring in? It is cheaper to fly someone from the Philippines. The other part of the hypothesis is the cultural similarity - they understand the society and therefore they can blend in. I think it is true but most of these people [working for mining companies] live in camps anyway. I am not sure that is something that would be a major determining factor. But the real issue is that they [the Fijian and the Philippines

workers] are not equal. [...] If they were, then natural market forces would dictate migration. (Suva, 30 Nov. 2012)

In contrast, Asian workers have a long history of labour migration to the region. Not only do they have access to capital and well-developed networks but their high productivity and low labour costs make them much more competitive than Melanesian workers. Since there are labour gaps in the market in Papua New Guinea, would it be possible that the South–South labour migration hypothesis in PNG applies to Asian migrant workers? The following subsection discusses this alternative hypothesis.

5.4 PNG's labour market: Are Asian workers filling the gap?

PNG has had a long history of Chinese migrants from Guangdong province after workers were brought in to work in plantations and to set up small businesses during the colonial period. After independence, many Chinese migrants – who had established businesses as storekeepers or wholesalers and in shipping, trading, running plantations, among others – decided to take up the nationality of Papua New Guinea. During the 1980s, a new wave of Asian migrants moved to PNG. These migrants changed the character of the Chinese community

in PNG. Ichikawa (2006) argues that these workers made the Chinese population more complex as they consisted of ethnic Chinese from East and Southeast Asian countries such as Malaysia, Singapore, Indonesia, Hong Kong Special Administrative Region of China (SAR), Taiwan Province of China and the People's Republic of China. Mainland Chinese immigrants were no longer from Guangdong but also various parts of China like Beijing, Shanghai and Fujian. In many instances the new immigrants had been hired as cheap labour to meet shortages in plantations, the construction sector and to start businesses. As networks developed, migrants became involved in trade to obtain more lucrative employment.³⁷

In the 1990s, new fuel and mineral deposits made PNG an attractive country for Asian entrepreneurs. This led to a third wave of migration linked to increased Asian foreign investment. As part of the investment, Asian companies brought considerable semi- and low-skilled migrant workers into the region. In many cases, these migrants were irregular. A regional adviser stated:

For an employer, there is a big advantage of having Asian workers as they have more power over them, especially if they are illegal. They [Asian workers] do not have their wantoks there. [...] They are a bit isolated. And then there is the whole issue of the priority an individual attaches to a wage-job. (Suva, 27 Nov. 2012)³⁸

Either evading the immigration controls or entering as short-term migrants, Asian workers have entered the semi- and low-skilled PNG labour market in perceived large numbers.³⁹ They have higher education skills, are prepared to work for long hours and for little pay (Government, Port Moresby, 8 Nov. 2012).

Nyíri (2011) argues that in addition to employed labour, 'Chinese shops' have emerged as the principal retail outlet for goods in many towns and communities. He found that because ethnic Chinese entrepreneurs remain as 'essential outsiders' they are highly mobile, use their native place connections to do business and

37 The old Chinese and the new Chinese immigrants differ from each other. Recently arrived expatriate Chinese workers and business people tend to view Papua New Guinea through a distinctly Chinese prism of core and periphery, with Papua New Guinea very much at the far periphery. The old Chinese immigrants follow Christianity and can barely speak their original local dialect or Mandarin (Ichikawa, 2006).

38 *Wantok* is a term used to denote a person who is related to you. Under this PNG convention, a person is obligated to help his/her *wantoks* if they claim to be in need. This adds significant costs to business interactions, particularly if one *wantok* is having a dispute with another and individuals from those factions work closely in business or government.

39 All PNG government officers interviewed alluded to the lack of capacity of the Government to deter irregular migration of semi- and low-skilled Asian workers into the country.

have no interest in integrating into local cultures. Therefore, Chinese entrepreneurs elicit both praise – for supplying a large number of people with consumer goods – as well as hostility. Hostilities include a long list of accusations such as unfair competition, smuggling, inferior quality of goods, irregular immigration, undermining local industries and taking local jobs or invading foreign countries just by the virtue of their sheer numbers (Nyíri, 2011:148).

Similar to Chinese entrepreneurs, Malaysian and Singaporean logging companies are also accused of bringing semi- and low-skilled labour to do work in companies financed by them. This is considered unfair competition as PNG has a large supply of workers who could do the work while receiving on-site training (Non-government, Suva, 29 Nov. 2012). A government officer stated:

That is why there are negative social feelings with local people towards Asians. [...] Nothing can be done about it as Asian companies are driving migration and they only hire their wantoks as they understand the same language, some of their equipment are packed and labelled in their own language, so they [low- and semi-skilled Asian workers] understand it clearly. (Port Moresby, 8 Nov. 2012)

In addition, the high numbers of Asian migrants are often explained

as a result of a bribing culture that criminalizes the economy.⁴⁰ This perception is one of the reasons why PNG's local population justifies its antagonism towards Asian migrants. In May 2009, the first nationwide anti-Asian riots occurred in Port Moresby. A politician expressed the rationale for the riots saying:

We want investors but we do not want robbers. We see the Asians as robbers, not investors. So they do not have any respect for our laws, they do not have any respect for our customs, for our people. They are mafia. We do not need them. So we have given the Government as of 2009 to clean up the country and remove unwanted Asians from this country. And as of 2010, the first Parliament Session, we want a response from our Government regarding our position. (Smith, 2012:100 quoting Noel Anjo Kolae Radio New Zealand, 14 May 2009)

The riots quickly spread to Lae, Madang, Goroka, Kainantu and Mount Hagen towns, targeting Asian-owned trade stores and food bars. While property damage was not extensive, there were fatalities:

⁴⁰ When discussing why Asian businessmen are thought by government officers of having an involvement with irregular activities, a government officer mentioned that the trade of counterfeit goods, such as biscuits, drinks and medicines, are brought illegally into the country from Singapore and Malaysia. Similarly, Chinese businessmen are thought of keeping ties with local Chinese mafia (Port Moresby, 8 Nov. 2012).

four PNG nationals and three ethnic Chinese died during the riots. Among the PNG population there was a generalised feeling that Asian-run trade stores and tuck shops had a monopoly in an area of the economy “reserved” for Papua New Guinean nationals (Smith, 2012).

Ultimately, addressing Asian migration is a matter of political engagement. For the context of this study, what matters is that the factors that characterize Asian labour mobility into Papua New Guinea – strong international migrant networks,

dependence on wage-labour, low labour costs and porous border – have made it much more prevalent than labour mobility from neighbouring Melanesian countries. However, there is some South–South migration between PNG and other Melanesian countries although not to such a large degree.

6. Conclusions

To understand the extent to which labour mobility to PNG has come from the neighbouring Melanesian countries of Fiji and Solomon Islands, this study undertook 35 in-depth interviews with government officers, academics, private sector people and migrants. The interviews explored three different aspects of a South–South labour migration hypothesis - institutional factors, international migration networks and cultural/historical factors. The overall finding from this study is that migration from these two countries to PNG has had a minimal impact due to historical factors, topography and institutional structures in Melanesia. These issues, together with low productivity and high labour costs, have limited the labour migration among Melanesian countries. In turn, these factors explain why Asian labour mobility is more prevalent. This is despite a hostility among local people who feel it is unfair to give employment opportunities to these foreigners. Thus, the study argues that South–South labour mobility primarily comes from Asian countries rather than from neighbouring Melanesian countries such as Fiji and Solomon Islands. Three recommendations are put forward to support South–South migration between Melanesian countries.

1. Foster economic development in rural areas by establishing rural training systems

Migration and urbanization are serious concerns in PNG. To address them it is necessary for policymakers to consider developing strategies that emphasise integrated rural development that increase the number of jobs available in rural areas and raise rural incomes. A key area of work is the establishment of training schemes. The following schemes are proposed.

- 1.1 Skills-based trainings for illiterate low-skilled workers needs to be developed in order to complement training given through the formal education system. This system, practiced in the Philippines, has proved to be highly successful as it allows people to develop relevant employment skills without having to migrate to urban areas.
- 1.2 The establishment of private sector led training schemes that transfer skills to unskilled local workers, such as fast-track apprenticeship schemes, can become an important tool to provide training to rural population. The mining sector provides important lessons in this regard as they have invested heavily in human resource

development and supported skills-transfer from expatriates to national employees. The current availability of skilled labour, particularly in the mining sector, is a testimony of the success of this rural-based training skills system.

- 1.3 Training systems that foster the establishment of micro-enterprises in rural areas are very important as small enterprises tend to drive economic growth and provide labour opportunities. By focusing on providing training to the informal sector the Government of Papua New Guinea could help align both the capitalist and indigenous perspectives into the labour market and internal migration regulations that could lead to 'hybrid' solutions that benefit all.

The Government of PNG could establish stronger linkages between educational institutions and the private sector through internship schemes that allow graduates to be better prepared when entering the labour force. For example, University of Papua New Guinea and PNG University of Technology should consider teaching courses that keep pace with growing industries⁴¹ as

the private sector requires highly specialised professionals. This means limited employment opportunities for nationals unless higher education institutions work closely with the private sector to update their training programmes.

2. Migration policies that foster circular and return migration

PNG is currently experiencing increased immigration as the result of economic growth from the extractive sector. To benefit from this economic boom, the Government of PNG has to consider encouraging both circular and return migration of highly skilled PNG nationals through the following mechanisms.

- 2.1 Emigration policies could include requirements for students who obtain scholarships, offering financial and non-financial incentives to encourage returning professionals, as well as proposals for a temporary return to a home country, and measures to strengthen national institutions and virtual professional networks. Examples for bilateral and regional agreements show that policies encouraging the return of migrants, either temporary or permanently, have to bear in mind the conditions in the home countries. Removing

⁴¹ A private sector interviewee mentioned that these institutions have retained most of its curricula for the last 25 years. This is an important gap as PNG trained engineers lack the required skills.

obstacles for return migration and establishing policies that encourage ‘transnationalism’ will greatly facilitate the return of highly skilled nationals. Similarly, more has to be done to attract highly skilled Melanesian professionals to PNG.

2.2 The Government of PNG could focus on fostering new Seasonal Scheme programmes that allow PNG nationals to work in agricultural areas of Pacific Rim economies such as Australia, the United States and New Zealand. The expansion of this type of schemes could be very important for the country as it will provide unemployed youth with opportunities for them and their families in the form of remittances, work experience and training. This initiative could provide useful lessons to add depth to existing labour mobility schemes.

2.3 The Government of PNG could consider the creation of a government recruitment agency that advertises local job opportunities, supports people to apply and provides assistance to those filling job applications. All policymakers interviewed mentioned the need for the establishment of a rural and urban database of skilled PNG and expat workers. This database

could help identify skilled, semi- and low-skilled worker requirements in a short-time frame and potentially reduce the unemployment ratio. The recruiting agency could help companies could hire local people faster and at lower costs. This recruitment agency could also control existing employment opportunities.

3. Streamline institutional systems to foster South–South Melanesian migration

This study has shown that Melanesian countries face important challenges in the development of their labour markets. Streamlining institutional processes, such as strengthening commercial trade relations and simplifying visa procedures, could counteract the negative effects of nativism on labour mobility. This can also have an important effect on the establishment of Melanesian migration networks. In the long term, these networks will channel migrants to the Melanesian subregion. The study thus commends the work undertaken by the Melanesian Spearhead Group, as it is clearly important for countries in the subregion to act together, to streamline institutional systems, trigger policy dialogue and eventually increase circular labour mobility within the region.

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8. Appendix

Interviews undertaken in PNG, Solomon Islands and Fiji

| No. | Sector | Organization | Country |
|-----|----------------------------|-----------------------------------|---------|
| 1 | Government | Customs Service | PNG |
| 2 | Semi-skilled Fijian worker | Beauty salon | PNG |
| 3 | Government | Labour & Industrial Relations | PNG |
| 4 | Government | Department of Labour | PNG |
| 5 | Diplomat | Solomon Islands High Commission | PNG |
| 6 | Government | Fijian High Commission | PNG |
| 7 | Government | Foreign Affairs | PNG |
| 8 | Regional government body | Solomon Islands Foreign Affairs | PNG |
| 9 | Private sector | Telecommunications | PNG |
| 10 | Private Sector | Recruiting Agency | PNG |
| 11 | Academic | University | PNG |
| 12 | Private sector | Hotel | Fiji |
| 13 | Semi-skilled Fijian worker | Transport company | Fiji |
| 14 | Government | Ministry of Labour and Employment | Fiji |
| 15 | UN Agency | UN organization | Fiji |
| 16 | Government | Department of Immigration | Fiji |
| 17 | Regional organization | Tourism Organisation | Fiji |
| 18 | Skilled PNG migrant | Tourism Organisation | Fiji |
| 19 | Private sector | Private Bank | Fiji |
| 20 | Private sector | Hotel | Fiji |
| 21 | Academic | University | Fiji |
| 22 | Student | Melanesian student | Fiji |

| | | | |
|----|---|--|-----------------|
| 23 | International organisation | International organization | Fiji |
| 24 | Government | Central Bank | Solomon Islands |
| 25 | Government | Employment services | Solomon Islands |
| 26 | Private sector | Hotel | Solomon Islands |
| 27 | Government | PNG High Commission in Solomon Islands | Solomon Islands |
| 28 | Regional body | Fishery | Solomon Islands |
| 29 | PNG semi-skilled worker | Bookstore | Solomon Islands |
| 30 | Private sector | Private bank | Solomon Islands |
| 31 | Semi-skilled workers from Fiji and Solomon Island | Security firm | Solomon Islands |
| 32 | Private sector | Hotel | Solomon Islands |
| 33 | Private sector | Security firm | Solomon Islands |
| 34 | Academic | University | Solomon Islands |
| 35 | PNG semi-skilled worker | Security firm | Solomon Islands |

Aiming at answering these questions, this study finally reveals that migration from Fiji and Solomon Islands to PNG has had a minimal impact, due to factors such as Melanesian history and institutional structures, while it argues that South-South labour mobility primarily comes from Asian countries. Thus, it provides some innovative recommendations which seek to foster economic development in rural areas through training systems, encourage circular and return migration through migration policies, as well as to streamline institutional systems so that they support South-South migration between Melanesian countries.