

Mariana S. Cifuentes Montoya  
Rosa Sai'i Au  
Anglo Pacific Research Ltd.

# SOUTH–SOUTH LABOUR MIGRATION IN PAPUA NEW GUINEA: *Which workers are filling the gap?*

This study examines **how Papua New Guinea (PNG) is integrating human mobility into its national and regional development plans**. Available literature shows 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.

**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.

The migration of PNG nationals 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**.

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. 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. 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.

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**. In 2005, the idea of developing a scheme for the movement of professionals within Melanesian countries was endorsed by Melanesian Heads of State. Nevertheless, MSG members have to accomplish major tasks 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**. Another issue relates to an interest Melanesian countries have in protecting their national labour markets. This is due to important differences among these countries. 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.

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.** 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.** 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. Indo Fijian migration networks continue to influence patterns of emigration and immigration to the country and migration is now considered a way of improving the economic status of Fijian citizens, especially for skilled Indo-Fijians.

The third aspect is **whether cultural/historical similarities have encouraged South–South migration between PNG, Fiji and Solomon Islands.** 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. 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.

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, 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.** 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.

**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.

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. 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 have no interest in integrating into local cultures.

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.

See study for detailed references