

## Australia confronts its Pacific taboo: Pacific workers

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Labour mobility is the taboo subject Australia has banned from the regional agenda for 40 years. The subject is now on the table and in play as a policy issue. Among the elements that have produced this change are

- the 'barbed wire' experience that is impinging on the life of the middle class and governing elites across the South Pacific
- economic and political discussions within the Pacific Islands Forum, informed by the language of 'globalisation' and the negotiations under way on regional trade structures
- the evolution of Australian thinking in response to a series of challenges in the Pacific, encapsulated by the phrase 'the arc of instability'. The Pacific worker issue is now part of a much larger debate within Australia about the demographic future and quiet changes to the immigration program.

The formal line by the Howard Government on Pacific workers is 'no change'. Today, though, the Pacific cannot afford to accept that answer. And the detailed evidence being put forward within Australia

is changing the terms of the debate by offering depth and detail about the issue. An old line about the United Nations (UN) offered the view that the tragic paradox of the UN is that it became indispensable before it became effective. Australia has been forced to a new acceptance that it is indispensable in the Pacific—now it has to find out how to become effective.

Not enough jobs is leading to poverty, unhappiness and it results in crime, violence and instability. In the Pacific, this could lead to a lost generation of young people (Alexander Downer 2006).

It is clear that Australian rural and regional communities have jobs without workers and the Pacific Island nations have workers without jobs (Peter Mares 2006).

There is a strongly held opinion that the entry of Pacific nation workers into the Australian workforce on a seasonal or temporary basis is essential for the economic survival of Pacific nations and to the stability of those societies...in the near future an

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Australian government may need to put aside purely domestic considerations in order to address this problem (Senate Standing Committee on Employment, Workplace Relations and Education 2006).

One of the important rules I've been taught in the South Pacific is of the need to just sit down and shut up for a while. The lesson lodged in my brain when I flew back to Fiji in 1987 to report on the second coup. I got a car at Nadi and drove along the Coral Coast, stopping at several villages along the way.

I reached Suva that afternoon and rang Sydney to speak to the producer of the ABC Radio's evening current affairs program, PM.

'It's Gwaham Bobell here, I've just got to Suba. I've dwibben acwoss and stobbed a cubble of tibes to talk to the pebble.'

'Ah, Graeme, good to hear from you. You haven't, by any chance, had a few drinks of kava at some of those villages have you?'

'Oh, a bubble of bowls!' I replied.

And for a while after that I answered to the name 'Bubbles' in Sydney. The point was, of course, that after a couple of bowls of kava, I'd had to sit still and shut up, and I'd found out quite a bit.

The sight of an Australian sitting and just listening is still too rare in the Pacific. One of the leaders of our journalistic clan in the region, Mary-Louise O'Callaghan, says there should be a basic induction lesson for every Australian arriving in Solomon Islands to help run RAMSI, the Regional Assistance Mission. The Australians should be taken to a room in pairs and then made to sit and look at each other in total silence for five minutes. Then, she says, they need to be told that sitting in silence for that long with a Solomon Islander is quite acceptable, and

they might end up hearing something important.

One of the cultural differences between Australians and Islanders is the meaning of silence. For an Australian, a long period of silence in a conversation can often signify embarrassment, a lack of communication, even anger. In the Pacific, a period of silence can mean that a chief is present and he or she has the right to begin conversation; it can mean that due respect is being paid to the person who has the right to speak, and that person is collecting his or her thoughts; the silence can mean something important has been put forward and needs to be considered.

On the issue of Pacific workers, Australia has filled the silence with its own perspectives, and has taken the silence of the region for acceptance or acquiescence. The Canberra Cabinet documents from the early 1970s, when the Pacific Forum was being created, showed Australia's fear that the new regional body would be used to attack Australia's migration policies. And Canberra has worked hard, ever since, to make migration and mobility issues a taboo subject for the Forum. The taboo no longer holds its old power.

The Pacific can no longer afford to stay politely silent. Internal needs now demand that island leaders speak more explicitly to Canberra. The move to deeper free trade structures in the Pacific provides a natural framework for labour mobility to be discussed. Labour issues can be negotiated by playing back to Australia its own globalisation language of economic reform and international integration. While restating Canberra's formal 'no change' policy, Australian officialdom is also providing the islands the data and detailed arguments to bolster the Pacific case. The domestic pressures in the Pacific find an obverse echo in Australia, which must confront its own demographic future and changing migration needs.

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So labour mobility, the taboo subject, is on the table and in play as a policy question. The issue is, for the first time, a point of difference in Australian politics. The Opposition Labor Party has committed itself to the creation of a Pacific Community, with Australia accepting up to 10,000 unskilled workers from the Pacific each year.

What is most striking is the new willingness of Islands leaders to confront the Australian taboo and state their needs. Migration has always had strong polar effects (positive and negative) in Australia's political and popular culture. The attempt to make it a taboo subject in the region was an indication of the strong magic it has within the Australian polity. What has changed, in the past few years, is the sense of urgency being publicly expressed by Pacific leaders. An example was this interview with the President of Kiribati, Anote Tong, at the 2005 Pacific Forum, previewing the case the island leaders would put to John Howard for Australia to accept seasonal Pacific workers

ANOTE TONG: Australia, I think, is beginning to realise that there are jobs which their people are not willing to do, there are jobs which could be carried out by people from the islands, from the island countries, and it stands to reason that we would benefit and they would also benefit.

GRAEME DOBELL: How far do you expect Prime Minister John Howard to go at this forum to open the door to the Pacific?

ANOTE TONG: Frankly I really don't know how John Howard is going to respond. But naturally, to a proposal like that, I think it's very difficult to get a full yes. But I hope that we won't get a full no at the forthcoming session of the Forum.

GRAEME DOBELL: If you got a full no, what would that mean?

ANOTE TONG: It would mean that we would have to put it in a different package again and put it forward the next time round.

GRAEME DOBELL: You won't take no?

ANOTE TONG: I don't think we should ever take no, I think we're in a very difficult position. I think many of the, especially the small island states, are in a very, very difficult situation and as leaders I don't think we have the choice to take a no for an answer (Dobell 2005).

While Australia did say no at the Forum in Moresby and Madang, the Island leaders could congratulate themselves on having made significant ground. John Howard's hasty announcement of the intention to create a Technical College in the region marked his acceptance that just refusing Pacific appeals is no longer enough.

The college, of course, will teach to Australian standards, and play to the growing Australian emphasis on skills in the migration program. I don't put much store by the brain drain lament in the Pacific—a free person with skills is still a free person. Certainly, though, the college will be another means for Australia and New Zealand to snatch away the talent. The Islands are entitled to take the view that the training on offer will be as much for Australia's benefit as the South Pacific. Perhaps it merely underlines the questions island leaders are already asking about what more their societies should do to keep their best people, or at least attract them back at some point.

The other win for the Pacific islands at the 2005 Forum was that it put labour mobility on the leaders' agenda. The Pacific

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islands and the Secretariat are going to ensure that it stays on the agenda; this is a breakthrough. Every year, henceforth, the Prime Ministers and the Presidents are going to deal with this issue and keep coming back to it as a formal item. In politics, you seldom win the war at the first contact; you achieve your aims battle by battle, taking some losses and making some compromises. Greg Urwin and his team at the Forum Secretariat understand that reality quite well. The Secretariat and some of the Island leaders see the start of a continuing dialogue with Australia and New Zealand; and not only a start, but a move in the right direction.

The step-by-step methodology of the Pacific Plan indicates how you slowly warm up an issue, push it up the agenda and encircle it with facts. Negotiating theory would suggest that having won a Pacific College last time, the Island leaders should be thinking about what they settle for next time. A few more 'losses' like that will do the South Pacific no harm at all.

Australia's willingness to listen on labour mobility is directly related to Canberra's growing fears about what it sees happening in Melanesia. With apologies to Polynesia and Micronesia, the crucial element in the discussion of labour mobility is the desperate grasping for answers in Melanesia and a growing sense of crisis. An old Army line is that if you're not terrified out of your mind, it just shows you don't fully understand the situation. Well, in Canberra, a lot of people are looking at the facts in Melanesia and feeling pretty terrified.

Australia talks of Melanesia as the 'arc of instability'. The 'arc' is a useful term in Canberra, summing up a range of diplomatic, economic and geopolitical forces. The arc of instability is descriptive rather than explanatory; it doesn't seem to have much utility when you are standing in one of the individual states it encompasses. What has

changed for the people of Melanesia is the way they run their lives, particularly in the cities, in Moresby, Vila, Honiara or Suva. The middle class and the administrative and political elite in the Pacific know they have got a set of problems that seem to be getting worse. Let's call it the 'barbed wire reality'.

### The 'barbed wire' reality

Barbed wire around the house and bars on the windows, to keep out the rascals, used to be middle class accessory found mainly in Port Moresby. The joke used to be that when the journalists went across from Moresby to Honiara to cover RAMSI, they'd comment about how peaceful the Solomons capital was compared to Papua New Guinea. No longer.

Standing amid the ashes and ruins of Honiara's Chinatown a few weeks ago was to experience a profound sense of failure. RAMSI had failed, Australia had failed, the region had failed, that such devastation could happen. But Solomons society also failed if it could impose such a trauma on itself. For anyone who has spent any time in the South Pacific, it was a visual and emotional shock to stand in the middle of Chinatown after the riot. The street at the commercial heart of Honiara is rubble and ashes for most of its length. This was not the damage of a natural disaster—this cyclone was destruction visited on Honiara by its own people.

Australians looking at this ruin had to ask questions about the failure of intelligence and security that allowed the mob to run amok. Australia had to contemplate its policy lapses. The portents of failure for the rest of the Pacific islands are more personal, more direct. Other governments throughout the Pacific are looking at the ashes in Honiara and then turning a questioning eye on their own society.

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The barbed wire reality is no longer confined to Moresby. Personal security is now an issue for the middle class elite of Melanesia. The people who run government, who teach or do business, now have to worry about the safety of their homes and the security of their families.

The Pacific still has strong societies and weak states, but the middle class can no longer be as confident in the social and religious conservatism that has underpinned stability. I am mainly talking about Melanesia, but the same security consciousness is starting to appear in parts of Polynesia.

Along with the barbed wire and the bars, we have seen the arrival of the 'free shopping day.' A free shopping day is a polite way of describing riot, looting and arson. It happens in a Pacific capital when political planets get out of alignment and law and order breaks down. We have had such moments of madness in Port Moresby during the Sandline crisis, in Suva in 2000 during the Parliament hostage crisis (the strange saga of the Speight siege in Suva), and in Honiara this April. The riots and deaths in Dili fit the same pattern.

The free shopping day in Honiara had elements of smooth organisation. The taxi would pull up outside the burning store, the lads would load in the bags of rice and whatever else they'd looted, then head home to drop off the goods before returning to continue the fun. We saw some of the same methods during the rioting in Suva in 2000. A free shopping day happens when thousands of young men with no jobs and little future are hanging around a Melanesian capital.

Samuel Huntington's 'clash of civilisations' thesis ignored the South Pacific. But one part of Huntington's work should interest the region: his discussion of the political explosion that often accompanies a demographic explosion, with large numbers of unemployed young males

acting as a natural source of instability. 'Young people are the protagonists of protest, instability, reform and revolution. Historically, the existence of a large cohort of young people has tended to coincide with such movements' (Huntington 1997:117). Huntington points to the impact of youth bulges in key moments of history from the Protestant Reformation to the young recruits to Facism. His tipping point for when a youth bulge becomes revolutionary is when those aged between 15 and 24 start to exceed 20 per cent of the total population.

Parts of Melanesia are heading towards this youth bulge threshold. Papua New Guinea and Solomon Islands have 19 per cent of their total population aged between 15–24. Most Pacific countries have around 17 per cent of youths, as compared with Australia which has 9 per cent (Ware 2004:2).

This youth bulge and lack of jobs are part of the explanation for the violent unrest that is becoming too familiar in the arc of instability. And quite a few people have taken the next logical step: Polynesia is quiet because its young workers can go overseas, Melanesia faces turmoil because its young workers have no jobs and no hope.

Helen Ware talks persuasively about the 'stunning' shift of people to the cities in Melanesia and the need for emigration to provide a safety valve against urban warlordism.

Polynesian countries, in contrast to Melanesia, have been protected from civil conflict by high levels of emigration. Similarly, Kiribati and Tuvalu have achieved peace at home by sending many of their young men overseas to work as international seamen.

Civil conflict can be understood as involving both a supply of willing participants in violence and a demand for their services. The Pacific supply is found amongst groups of young men

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who can be as volatile as heaps of tinder ready to be ignited by a small spark. The demand is a more complex matter. Essentially all that is needed is a small group of leaders who expect to benefit from the conflict to make lighting the fire worthwhile. Often these leaders use the excuse of perceived ethnic and/or inter-island discrimination to motivate the young hotheads (Ware 2004:1)

The Core Group recommendations for the Australian Aid White Paper grappled with the same set of issues when discussing the problem of 'fragile states' in the South Pacific. The group argued that fragile states are prone to derailment, with factors ranging from instability and conflict to poor political leadership, weak governance and corruption.

The Melanesian islands of PNG, Vanuatu, Solomon Islands and Fiji appear to be particularly prone to instability. Analysts point to various factors to explain the high level of instability in Melanesia relative to Polynesia (Samoa, Tonga and Cook Islands). For example, Polynesia's much better access to developed labour markets and greater ethnic homogeneity, and Melanesia's weak governance and conflict over natural resources (Duncan, Williams and Howes 2005:9).

The Australian National University's Demography and Sociology Program has produced a paper on population pressures in Papua New Guinea, the Pacific island economies and Timor Leste, using some fertility and net migration assumptions. The report points to the youth bulge creating

...increasing numbers of long-term, unemployed and under-employed, and illegally employed youth...the large numbers of under-employed youth

have been linked to increasing social problems such as drug use, prostitution, crime, and suicide, and also provide one of the ingredients for social unrest. Hence, they become one of the factors behind the low levels of investment and job creation (Luthria et al. 2006:29).

The study makes the familiar point that migration has a significant impact on population growth in countries such as Samoa, Tonga and Cook Islands. By contrast, the net migration figure for Melanesia—Papua New Guinea, Solomon Islands and Vanuatu—is tiny.

While there is the reasonable likelihood that Australia and New Zealand will put in place some form of temporary work permits for low-skilled and unskilled labour from these countries, the numbers involved will be small and there will remain limited opportunities for such labour to move on a permanent basis (Luthria et al. 2006).

Papua New Guinea, Solomon Islands, Vanuatu, Kiribati and Marshall Islands have relatively high fertility rates and low to very low levels of net migration. The study says unless the gradual decline in their fertility rates accelerates, they will continue to experience population growth rates in excess of 2 per cent. Extrapolating past fertility trends (that is, a gradual decline in fertility) and assuming little net migration, Vanuatu's population almost doubles from 215,800 in 2004, to 409,500 by 2029.

In this scenario, Solomon Islands' population increases from 461,000 to 806,400. Over the same period, Papua New Guinea's population grows from 5.7 million to 9.8 million (Duncan et al. 2006).

Putting population and employment projections together, the report offers some estimates of the excess supply of labour that Melanesia will face. Thus, Papua New

Guinea is projected to move from having a working age population of 3.1 million in 2004, to a working age population of 3.9 million by 2015; only 5.8 per cent of these workers are expected to be in formal sector employment in 2015, giving Papua New Guinea 3.6 million workers outside formal employment.

Solomon Islands goes from a working age population of 209,000 in 2004 to 312,000 by 2015; only 10.4 per cent are projected to be in formal sector employment in 2015, leaving 279,000 Solomon Islands workers outside the formal sector. Vanuatu is projected to go from 94,000 workers to 147,000 by 2015, with only 12 per cent in formal sector employment, leaving 129,000 workers outside the formal sector.

Certainly, many outside the formal sector will remain in the villages. But as the study notes,

[t]hose countries with high fertility rates and low formal sector employment will generate the most excess labour and have the greatest demand for overseas employment. The high projected levels of excess supply of labour for the formal sector indicate the enormous challenge that the Papua New Guinea and Pacific island governments have in front of them (Luthria et al. 2006).

Aside from the explicit conclusion about the need for migration as a Pacific safety valve, the Australian Government has replicated most of this academic work in its own recent publications. Pacific governments can find most of the detailed evidence they need for a Pacific worker program in the AusAid Core Group Recommendations Report for a White Paper on Australia's aid program (December 2005), the White Paper on the Australian Government's Overseas Aid Program (April 2006) and AusAID's *Pacific 2020: Challenges and Opportunities for Growth* (May 2006). The *Pacific 2020* report

presented three scenarios for the Pacific: Doomsday, Muddling On or High Growth. Launching the study, Alexander Downer mused about the bleak future of the Pacific if it could not follow the growth path, and the danger of a lost generation of young people.

The report tells the simple but disturbing truth that per capita income in some Pacific island countries is no higher today than it was 20 years ago. Some countries have done a little better, but overall the region is being left behind. The report talks about 'doomsday' and 'muddling on' scenarios. This is not alarmist. Countries that are doing somewhat better than others are largely doing so because of aid and remittances. And no country has become wealthy that way (Downer 2006).

The final sentence about no countries becoming wealthy through aid and remittances is the sort of caveat politicians and bureaucrats insert when they want to avoid the ultimate logic of the evidence they have presented. Australian policy does not allow for the unskilled workers of Melanesia to come in to earn remittances. Thus, the value of remittances must be praised with faint damns.

### Australian migration policy

Labour mobility is caught up in the big argument Australia is having with itself about immigration policy and the demographic future. Australia is facing the prospect of negative population growth. Deaths will begin to outnumber births, and workforce growth is already levelling out (Withers 2006). The Treasurer, Peter Costello, has put a policy focus on how a steadily ageing population is likely to place significant pressure on Commonwealth finances (Costello 2002).

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The way Australia is doing immigration is quietly changing. Altering the substance of migration policy while keeping the old rhetoric is an Australian tradition. The Holt Government quietly started to dismantle the White Australia policy in 1966. Holt change course by stealth, so as not to alarm the voters, talking of a 'change of orientation' so immigration could be 'administered with a spirit of humanity and spirit.' It was the Whitlam Government, seven years later, that used blunter language to announce the death of White Australia and the shift to a non-discriminatory immigration policy.

Today, the Howard Government is quietly changing the fundamentals of policy while proclaiming the old language. The Prime Minister says Australia cannot accept guest workers from the Pacific because migration policy is based on the fundamental principle of bringing in permanent settlers. As Mr Howard argued at the Pacific Forum in Port Moresby,

[w]e have an open, non-discriminatory immigration policy and people from the Pacific area come in increasing numbers. We have always had a preference for permanent settlement or permanent migration (Dobell 2005).

Unfortunately, this argument is no longer true. Today, permanent settlers make up just half the inflow. The other half are, in theory, temporary residents - people with skills in short supply, students and young people on temporary visas such as working holidays. Many of the 'temporary' arrivals—the skilled and students—end up crossing over to become permanent residents.

Rational discussion of this new policy is not helped by the mix of xenophobia and foreign policy dangers that can be grouped under such headings as 'children overboard', the 'Tampa crisis', 'Middle East boat people' and now 'Papuan boat people' and, of course, 'the Pacific Solution'. But the policy

discussion is happening, forced along by 15 years of continuous economic growth, skills shortages and the global Zeitgeist. It's not just fruit farmers seeking Pacific workers who are picking at Australia's immigration edifice.

A piece in *The Australian Financial Review* opined that Australia is entering the early stages of a new immigration experiment.

Australia is embarking on the most ambitious and radical immigration program in its history, one playing a significant role in a new-millennium national makeover...Unlike the 'populate or perish' emotions that drove the mass-migration program half a century ago, the new experiment is pitched as a utilitarian, pro-growth response to the needs of a more sophisticated economy in a period of globalisation (Clark 2006:24).

Australia is moving from mass migration to skilled migration.<sup>1</sup> This is still a country with a migration 'habit', but the nature and needs of the program are evolving. The proportion of skilled immigrants in the program has grown from 29 per cent in 1995–96 to about 70 per cent in 2005–06. An increasing proportion of these skilled permanent immigrants are selected from people already in Australia on overseas student visas or temporary business visas (Clark 2006:xxiii).

### **The arc of instability and Pacific workers**

The Pacific worker issue in Australia is part of a broader policy conundrum facing Canberra encapsulated in the phrase the 'arc of instability'. For this discussion, think of it as really a Melanesian arc, stretching from East Timor through Papua New Guinea, Nauru, Solomon Islands, Vanuatu and Fiji

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(although in its original formulation in the late 1990s, the 'arc of instability' actually started in Indonesia).

In days gone by, New Zealand and Polynesia would sometimes complain about Australia's 'dark' view of the Pacific. The criticism has not been made as much since RAMSI. But the central reason for that pessimism still pulses in Canberra. Australia often views the Pacific through the PNG lens. And it can be a dark glass.

Australian official language about Papua New Guinea is becoming as explicit as it can be about danger of economic and social disintegration, pointing to the need to 'overcome major constraints to stability and growth'. Papua New Guinea is in danger of losing whatever gains it has made on health and education since independence because Port Moresby is unable to support all the programs in its own budget. Alexander Downer commented that the 'most dramatic decline in PNG' has been in the quality of governance: 'The fundamental weakness of governance undermines investment by government, private sector and development cooperation partners, threatening both prosperity and stability' (Downer 2004:13).

Australia's fears about a breakdown of order in Melanesia and broader concerns about South Pacific stability have driven a significant re-weighting of the aid budget towards governance and law and order. The Australian aid budget for 2004–05 gave about 33 per cent of the Official Development Assistance (ODA) to 'governance' projects. This was more than a doubling from 1999–2000 when governance got 15 per cent of ODA.

Australian talks of a more robust approach to the Pacific based on the belief that previous Howard Government interventions have worked. Yet when talking to Canberra policymakers it's striking how this assertiveness is linked to a sense of Australian failure. If the region is in slow

fall, then what does that say about Australia's role as the regional leader?

The language of robust policy and urgent action is driven by the fear of what is going wrong in the Pacific. That dualism erupted when the heads of key Australian departments met in Canberra at the end of 2000 to approve a whole-of-government review of policy on the Pacific. The review had been ordered after the twin shocks of the coups in Fiji and Solomon Islands. The draft report was a status quo document, reflecting the then dominant 'stand ready' view of the Foreign Affairs Department (stand there, be ready, and hope things don't go too bad too quickly). Australia should be content to intelligently manage trouble and seek to avoid responsibility for whatever went wrong in the Pacific.

The secretary of the Foreign Affairs Department, Ashton Calvert, was quizzed on how the review could conclude that past Australian policy on the Pacific was correct and should continue as before. One of the other secretaries put the problem succinctly: 'How can we say our policies are working when Solomon Islands is turning to shit?' That line was immediately trumped by the head of the public service, the secretary of the Prime Minister's Department, Max Moore-Wilton, who stated: 'Not just Solomon Islands—our policies in the whole of the South Pacific are going to shit!' A sense of failure and regional danger, as much as any feeling of Australian power, produced the policy U-turn that created the regional intervention in Solomon Islands. Those differing emotions still drive much of Canberra's desperate search for firm ground in the Pacific.

The policy somersaults Australia has performed bring to mind an old line about the United Nations—the tragic paradox of the UN is that it became indispensable before it became effective. Equally, Australia has been forced to a new acceptance that it is

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indispensable in the Pacific—now it has to find out how to become effective.

Australia has stopped talking about ‘failing’ or ‘failed’ states. Solomon Islands didn’t like it and it made Sir Michael Somare very irate. Instead, Canberra now uses the term ‘fragile’. To get a flavour of the discussion going on, look at the analytical paper on the Pacific Island Countries published by AusAID as part of the Core Group Recommendations in the preparations for the Australian Aid White Paper. The paper suggested that more than one-third of the Pacific Island Countries are weak or fragile—listing Solomon Islands, Tonga, Kiribati, Vanuatu, Fiji and Nauru (Duncan and Gilling 2005).

Ron Duncan and James Gilling started their analysis by noting that Australia has both humanitarian and strategic interests in the Pacific. But these interests were put at risk by weak Pacific states where health and poverty are getting worse, along with ‘rocketing’ youth unemployment and rapid urbanisation.

The key problem for the Pacific island countries is that they have not taken control of the factors that will determine their fate. Their political governance is weak. Policies are not credible. Political systems have in-built instability. Public sectors are mostly too large and inefficient, often due to support from aid inflows. There is minimal accountability and high levels of corruption (Duncan and Gilling 2005:8.5).

That, as my old football coach would say, is a backhander-and-a-half.

The key phrase in the background paper which finds its way into the recommendations of the White Paper Core Group is this: ‘aid and emigration opportunities are probably all that stand in the way of a more serious breakdown of state

legitimacy and capacity in the region.’ Consider that proposition: aid and emigration are all that is holding back the ‘doomsday scenario’. And then reflect that Melanesia has only aid to stave off this more serious breakdown, because it has no emigration opportunities.

The Core group recommended two things

- skills training for Pacific Islanders so they can migrate to Australia
- open a ‘Pacific window’ for unskilled migration, either temporary or permanent.

We suggest that the Government should consider developing a Pacific unskilled migration window to facilitate migration, especially from Melanesia and the microstates. This would complement the recently announced skills training initiative, [the Pacific Technical College] and help achieve more quickly the same aim of promoting migration from the Pacific Islands...Migration would not be a panacea for the Pacific Islands, particularly for the larger Melanesian countries, and it would take some time for its impact to be felt, especially in PNG. However, the need is urgent given rapid population growth in the Pacific and the ‘youth bulge’ some islands are experiencing. Worldwide, much larger countries than PNG are being sustained on the back of migration, including the Philippines and Nepal. And for microstates such as Nauru, Kiribati and Tuvalu, it is highly unlikely that these economies will be viable in the absence of migration opportunities (Duncan et al. 2005:69).

The Government’s White Paper, when it was issued in April, 2006, endorsed the first idea: Australia would provide skills training for the Pacific islanders to help labour

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mobility and migration. The Core recommendation about a 'Pacific window' for unskilled migration was dismissed using a strange formulation. The word 'unskilled' was not mentioned, more study was promised, but policy would not alter.

Further analysis and research will be undertaken on the relationship between migration and development, especially in the Pacific. Australia's current policies on migration in this regard will not change (Downer 2006:29).

The 'no change' stance by the Government on Pacific workers has become a point of policy difference with the Opposition Labor Party. In September, 2005, Labor released a policy discussion paper calling for the creation of a Pacific Community with a 20 year timetable for a common market, a Pacific Parliament (with powers of persuasion and normative value, not overriding national legislatures), a Pacific Human Rights Commission and monetary cooperation, which could lead to more Pacific countries adopting the Australian dollar (Sercombe 2005).

The Community would agree on 'limited labour mobility, vital for improving the skills base in the Pacific Islands, and increasing their remittances.' In the first year of the experiment, Australia would take 5,000 Pacific workers. By year five, the number would double to 10,000. Labor proposed that visas could be for 12 months for the equivalent of a worker holiday, or three months for fruit picking or labour hire. The proposal was endorsed by the Australian Council of Trade Unions. The ACTU President, Sharan Burrow, said the two critical requirements were a robust test of the Australia market to identify where labour shortages exist, and 'an absolute commitment to providing Pacific workers with Australian wages and conditions'.

The Labor policy built on the bipartisan recommendations of the Senate Foreign Affairs Committee in 2003 for a pilot program to be sourced from the Pacific for farm work in Australia. The Foreign Affairs Committee made its call after investigating relations with the South Pacific and Papua New Guinea.

The labour issue was taken up again when Senate Employment Committee conducted an inquiry in 2005–6 on 'Pacific region seasonal contract labour'. Four of its five terms of reference were to do with impacts on Australia, looking at labour shortages in rural and regional areas, social and economic effects of Pacific labour and legal and administrative issues. The fifth issue was to consider 'the effects of the scheme on the economies of Pacific nations.'

As an MP in the Lower House, Bob Sercombe did not sit on the Senate committee. But Labor's Pacific Affairs spokesman predicted the inquiry would follow the lead of the previous Senate report and accept the 'compelling' arguments for Australia to trial a Pacific workers scheme.

From Australia's point of view, we have seen the effects of lack of development in the Pacific very starkly over recent times. In simplistic terms, what's sometimes called the 'arc of instability' may well become the 'arc of chaos'. We've seen in the Solomon Islands and elsewhere evidence of what happens when young people do not have opportunities, don't have a sense of hope for their own future. And development is critical in the Pacific and some limited access to the Australian job market is an important component of providing support for the Pacific to develop and create those opportunities for young people (Sercombe 2006).

The chairman of the Senate inquiry into Pacific seasonal labour in its early stages

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was Labor Senator Gavin Marshall, who said a Pacific worker scheme was inevitable because of the needs of both Australia and the region: 'I think the dual benefit would be providing workers to Australian farmers and providing remittances back to South Pacific economies.' The crucial argument Marshall put to his colleagues in the union movement was that labour shortages meant that, eventually, unskilled workers would have to be allowed into Australia. Thus, Marshall argued, unions had an interest in acting now to create a system that protects Australian working conditions.

Our concern is that in five or six years there will be a [labour shortage] crisis and the response of the government will be to throw open the door. So I want to set some ground rules here. We want to ensure these people would have rights (Bita 2006:23).

Politics, however, often trumps sound arguments. By the time the inquiry reported in October, 2006, politics dictated that the Employment committee made no recommendation for a pilot scheme to admit Pacific workers. The reasons were all to do with Australia, and not with the region. The committee chairman, Judith Troeth was candid about how 'heightened sensitivity about entry arrangements for foreign workers' had caused 'the consequent switching of signals to "caution"'. As the report was being drafted, there was 'increasing evidence of unscrupulous exploitation of 457 visas [temporary entry for skilled workers] by some labour contract firms and their business clients'.

The Pacific worker idea ran up against three Australian public responses that had virtually nothing to do with the needs of the Pacific: anger at the abuse of the skilled visa system; worries about the threat overseas workers posed to local employment; and concern at the exploitation of foreign workers.

Any exploration of a proposal for admitting foreign workers, Senator Troeth said, was 'likely to be vulnerable to populist sentiment. This is understood by both government and opposition senators'. There was a hint of apology as the Senator observed: 'It is difficult for committee members to disregard the influences which affect them as party members at this moment in the electoral cycle'. She said the effect of abuses of skilled visas 'is to discredit any proposal for an unskilled seasonal harvest labour scheme, regardless of the particular circumstances and regulatory regime in which it might operate' (Troeth 2006:viii).

The Employment committee got around its dilemma by deciding that it hadn't been given clear evidence that Australia's horticultural industry had real harvest labour shortages. But the report said that as early as five years hence, Australia might have to introduce contract harvest labour. And if a harvest labour scheme was considered, it 'should be restricted to South Pacific Forum nations and be conducted with levels of formality and regulation'. While ducking the labour issue for political reasons, the Senators said that Australia would eventually need to face the looming instability in the Pacific.

Senator Troeth said Australia would have to take a broad view of the labour issue, that went beyond purely domestic perspectives.

There is a strongly held opinion that the entry of Pacific nation workers into the Australian workforce on a seasonal or temporary basis is essential for the economic survival of Pacific nations and to the stability of those societies. The prospect of 'failed states' in the South Pacific is seen by some as a serious challenge to regional security. The committee believes that in the near future an Australian government may

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need to put aside purely domestic considerations in order to address this problem (Troeth 2006:ix).

The evidence to the inquiry showed some of the currents running in Canberra's agonising over the Pacific. The submissions by the Department of the Foreign Affairs and Trade (DFAT) and the Immigration Department set out the debate in detail.

The papers reflected what went on inside Federal Cabinet in early 2005, when the Government decided to reject the Pacific worker idea. The debate was brought on by the Immigration Department, in the context of Cabinet's decision on the number of migrants to be accepted into Australia in the 2005–06 under the migration program. This meant that the Department with the strongest objections to a seasonal worker scheme set the terms of the debate and put the primary submission to Cabinet. Even so, the Immigration submission had a pilot scheme for Pacific workers as one of its options. I understand the Cabinet debate went into some detail, with about 60 per cent of Ministers opposed to a seasonal worker scheme, and 40 per cent in favour.

The Immigration Department argued that bringing unskilled workers into Australia would be fraught with potential difficulties; risks exploitation of the Pacific workers and higher than acceptable rates of overstayers; and may be of marginal economic advantage to the workers because of the costs of travel (Australia, Department of Immigration and Multicultural Affairs, 2006).

The Foreign Affairs submission to the Senate inquiry was more nuanced and had elements that supported arguments coming from the Pacific. DFAT drew a distinction between the terms 'labour mobility' and a 'seasonal (or guest) worker scheme'. The Department said the Government had refused the region's requests to admit

seasonal workers, but was willing to talk to the Pacific about labour mobility. The distinction was necessary because Australia had committed itself to a dialogue on labour mobility in the Forum. DFAT squared this circle by saying the discussion should be about increasing the training of Pacific islanders so they move to Australia and elsewhere as skilled workers.

And please don't get the wrong idea about Australia's plan to create a Technical College to train Pacific workers to Australian standards in automotive, electrical, health and community services, manufacturing, hospitality, tourism and construction. Proving that one skill of the diplomatic service is the ability to say almost anything with a straight face, DFAT assured the inquiry and the South Pacific that 'the College is not intended to encourage an outflow of qualified people with much needed skills'.

Foreign Affairs noted evidence from the Pacific about the 'substantial' benefits of remittances and the international consensus articulated by the World Bank and UN bodies that increasing the emigration of low or unskilled workers will significantly reduce poverty in developing countries. DFAT reported the 'safety valve' argument for Island countries with a large youth bulge and few employment opportunities. And the submission even praised the possible demonstration effect of showing Pacific Islanders modern farming techniques good governance though the chance to participate in the Australian private sector.

All that gives some idea of the struggle going on beneath the policy blanket. The stated policy is a rejection of the plea from the region.

Australia has not had season worker schemes in the past and is not attracted to them. Australia has a global non-discriminatory migration program under which Pacific islanders have the

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same opportunities as all others seeking to work in Australia (Australia, Department of Foreign Affairs and Trade 2006).

Perhaps, though, this is a non-core 'no', a bit like the non-core election promise that Mr Howard brushed aside when his government changed course after first being elected. The Pacific certainly has some more arguing to do with Canberra.

The message to South Pacific governments is that they are going to have to 'own' this argument in every sense. The region can not rely on Australia's farmers, or Senators or diplomats to change the policy. And the Pacific is going to have to 'own' any seasonal worker program. To work, it can't be a donor-recipient mindset. The Pacific islands will have to demonstrate that they will make this work, and build in the incentives to have their citizens play by the agreed rules.

The Pacific is arguing to Australia and New Zealand that this is an economic not a migration issue. That seems to be the logical way to go to circumvent some of the more emotional arguments in Australia about a return to Kanak labour. But it means the Pacific needs to look at what it is prepared to give in a negotiation of equals.

What is the Pacific willing to embrace in a free trade agreement with Australia and New Zealand in areas of pooled governance and economic reform, in return for a deal on seasonal workers? Perhaps the region should look at the special 'work and holiday' conditions Australia imposed on Thailand as part of its bilateral free trade deal. To get the visa to work in Australia for three months, Thais had to have the written support of the Thai government, had to possess tertiary qualifications and had to speak functional English.

The challenge for the Pacific is to negotiate as equals, to cut what may be a tough deal with Australia and New Zealand. So the big question is one for the Pacific, not for Australia. How much do you want this, and what are you prepared to give, and to do, to get it?

### Note

- <sup>1</sup> Australia has about 7 million more people (including descendents) as a result of migration since World War 2. In 2001, about 4.5 million people (23 per cent of the population) and 2.4 million workers (25 per cent of the workforce) were born overseas (Productivity Commission 2006:1).

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