

Underpaid at home, vulnerable abroad: How seasonal job schemes are draining Pacific nations of vital workers

November 29 2022, by Apisalome Movono, Leilani Faaiuasoo and Regina Scheyvens



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The economic impact of COVID on Pacific Island states, combined with major labor shortages in Australia and New Zealand, has created a perfect storm. A mass exodus means Pacific nations are now losing

crucial workers at such volume that their own development prospects are being undermined.

For 15 years we've been told Pacific seasonal labor schemes offer a "[triple win](#)"—for Pacific people wanting to earn decent incomes, for their home countries' revenues and skill base, and for Australian and New Zealand horticulturalists desperate for workers.

Recent developments, however, suggest Pacific labor schemes need a major rethink.

Pacific peoples have long moved across oceans and the world in search of opportunities. But in 2007 New Zealand formalized arrangements with its Recognized Seasonal Employment ([RSE](#)) scheme. This was followed by two schemes in Australia, which in 2022 were merged to form the Pacific Australia Labor Mobility ([PALM](#)) scheme.

Both countries target low- to semi-skilled workers, mainly for seasonal agricultural and horticultural work. The PALM scheme has [since expanded](#) to include hospitality, age care and tourism jobs. Predictably, supply has followed demand.

Supply and demand

The COVID-19 pandemic had a devastating effect on Pacific Island economies. For example, more than [100,000](#) Fijians lost their jobs, and the government lost half its tax revenue. Unsurprisingly, when borders began to open from late 2021, Pacific people queued for employment opportunities abroad.

This coincided with a severe labor shortage in a number of sectors in Australia and New Zealand. The New Zealand [fruit industry](#), for example, didn't meet forecast revenue and production levels in 2021,

leading to an urgent call for [new intakes](#) of Pacific workers.

The subsequent [rise in the RSE quota](#)—from 14,400 in 2020–21 to 19,000 in 2022–23—has seen more Pacific people than ever leave their own countries to work in New Zealand.

The total number of [Samoan workers](#) under the Australian and New Zealand work schemes, for example, doubled from 3,114 in 2019–20 to 6,600 in 2021–22. By this September, there were more than [29,000 PALM workers](#) in Australia, with plans to increase this to 35,000 in 2023.

One-way traffic

The flip side is that Pacific Island businesses are now lamenting the loss of experienced and well-trained workers, especially in tourism. Cook Islands faced an acute loss of employees earlier this year, with [700 job vacancies](#) reported in April.

More recently, [20 teachers](#) from Samoa joined the fleet of 3,000 workers in Australian labor programs. The resulting teacher shortage will be felt most by young people in the small nation. Similarly, Fiji has [lost 40 mechanics](#) to Australia's temporary skilled work visa schemes between 2016 and 2021.

Vanuatu is also experiencing a labor shortage, with [business owners](#) saying they train employees only to see them leave for New Zealand and Australia. A [shortage in chefs](#) threatens the viability of restaurants, but picking fruit overseas can be [more lucrative](#) than working in hospitality at home.

The same is true in Fiji, which has [lost hundreds](#) of front-line tourism workers this year—receptionists, managers and waiters, as well as

chefs—which may undermine the country's efforts to rebuild its tourism industry.

These statistics challenge claims by the Australian Department of Foreign Affairs that jobs programs provide a "[skills dividend](#) to Pacific countries."

Exploitation and poor conditions

The problem is part of a wider concern over Pacific labor schemes. For years, [questions have been asked](#) about whether such schemes truly live up to their aim of providing low-skilled workers with training and development opportunities as well as income.

As various commentators have noted, migrant work can have [real implications for well-being](#) due to long periods of separation from families, as well as mental and physical burnout.

With so many Pacific workers now overseas for long periods, these problems can have longer-term social costs. [Recent research](#) has detailed extramarital affairs, relationship breakdowns, [emotional distress](#), parenting problems, and child welfare issues.

And while Pacific workers can undoubtedly benefit from seasonal employment overseas, there have been serious allegations in New Zealand this year about unacceptable [working](#) and [living conditions](#). As [one analysis](#) put it, "Vulnerable workers are at risk of exploitation, underpay, and modern slavery conditions."

Vanuatu's government launched an [enquiry](#) after widespread complaints about treatment of its workers in Australia. Meanwhile, the Samoan government went so far as to temporarily [stop seasonal worker flights](#) after concerns were raised about the well-being and treatment of workers

in Australia.

Improvement at home

While ensuring workers are properly taken care of under the PALM and RSE schemes, Pacific governments also need to look inwards. Their citizens will continue to seek opportunities abroad if they don't feel they get a fair deal in their own labor markets.

RSE scheme workers are entitled to New Zealand's [minimum hourly wage of NZ\\$22.10](#). By comparison, Pacific wages are shockingly low. After a decade's stagnation, for instance, Fiji has begun an [incremental minimum wage increase](#)—but this will only see the hourly rate rise from FJD\$2.68 (NZ\$1.96) to FJD\$4.00 (NZ\$2.92) in 2023.

As well, there are serious concerns about work conditions and employment rights in some countries. Recently, the Fiji Trade Union Congress was [denied the right to protest](#) for the fifth time.

These issues—on top of ongoing uncertainty around post-pandemic [job security](#)—will have to be addressed if the current cycle of richer economies siphoning off vulnerable workers from the Pacific is to be broken.

Better job opportunities and pathways in Pacific nations are not only vital to their economies, they're also integral to the development of industries that will be [resilient and sustainable](#) in the future.

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Provided by The Conversation

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