

Baseline Assessment Summary June 2016

MSG Secretariat

TECHNICAL EXPERTISE REQUEST:

Baseline Assessment in the field of

Labour Mobility

Introduction:

The Melanesian Spearhead Group (MSG) is a sub-regional organization of the Melanesian countries in the Pacific region with its headquarters in Vanuatu. The Skilled Movement Scheme (SMS) is governed by the Memorandum of Understanding that was signed between MSG members States of Fiji, PNG, Solomon Islands and Vanuatu that came into force on 30th September 2012. The objective of the SMS is to facilitate the temporary movement of skilled MSG nationals within the MSG countries for the purposes of taking up employment without compromising national laws and policies on health and safety, minimum working conditions and border requirements. All parties to the MOU are required to undertake necessary modifications to their domestic laws and regulations to waive visa and work permit requirements to provide for the smooth and progressive implementation of the SMS in each country. Currently, Fiji is the only party that has significantly progressed this requirement. The failure of three of the signatories to the MOU has hindered the successful implementation of the SMS.

Reasons of the request:

The SMS could not be implemented according to plan because three of the member countries did not modify the national legislations to accommodate the SMS. Fiji was the only party that satisfied this requirement. The support requested through the ACP-EU Migration Action would be a worthwhile intervention to assist the work of the MSG secretariat and the Governments of Fiji, Papua New Guinea, Solomon Islands and Vanuatu to amend their domestic legislations on immigration and labour (and other related legislations) to waive visas and work permits to foster the progressive implementation of the SMS.

Learning from the Baseline Assessment (BA):

- The agreement unpinning labour mobility in MSG countries and hence the SMS, will likely be replaced with the Melanesian Spearhead Group Trade Agreement (MSGTA). Whilst there is understandable sensitivity regarding sharing details of this or even the expected special meeting of leaders in Honiara on 14 July 2016, sufficient information has been provided to demonstrate that the form of a labour mobility scheme under MSGTA if agreed would not be substantially different from the SMS.
- Drafting legislation using Fiji or CARICOM model as a starting point is not a particularly difficult challenge, the challenges will come with individual countries passing any legislation and with responsible agencies implementing it and doing so in a way that significantly streamlines to movement of skilled workers within MSG countries. If appropriate policy frameworks are not

put in place to support any changes in legislation it is possible that anything replacing current arrangements for skilled workers will be just as onerous a process as the current one.

- MSG countries do not appear ready for a full "Schengen" style common border, noting PNG does not facilitate even the short term temporary movement of MSG nationals. Enthusiasm for schemes such as a MSG Travel cards appears superficial. Indeed, a Travel Card for MSG countries would require an unnecessarily complex supporting structure and process when all that is required is reciprocity across all MSG countries in terms of short term temporary entry. The assistance sought will hopefully deliver a greater degree of mobility within the MSG that can be built upon to ultimately provide for a common border arrangement in the future.
- Primary and secondary research indicates there are not significant surpluses of skilled labour in MSG countries, with some possible exceptions in Fiji, due to Fiji Government retirement policies. In the absence of a pool of available skilled worker any uptake of a fully implemented SMS could be limited. Existing programs allowing some workers from MSG countries partial access to the Australian and New Zealand labour markets (SWP and RSE) also impact on the availability of workers to fill labour market needs in MSG countries. MSG workers who do wish to move to other MSG countries will also face competition from workers from non-MSG countries. These countries (such as China and the Philippines) have more experience in sending workers overseas and have established agents and networks to support this process.
- Feedback from some stakeholders in Vanuatu indicate there is considerable community resistance to the "import" of foreign workers, whether from MSG countries or elsewhere. It is likely this would also be the case in other MSG countries. This issue would need to be managed politically by MSG Governments both publically and within responsible agencies.
- There is low level of awareness of the SMS, this may be in part due to the fact that most MSG countries have not made any change to the way in which skilled workers can enter, however once countries have implemented changes to their legislation and processes a communication strategy would be required to ensure the benefits of change are realised.
- The limited range of occupations included in the SMS list for some countries may limit the uptake of SMS. These limitations may reflect the domestic political situation in some countries in respect of "foreign workers". If the Occupations included in the SMS do not reflect actual labour demand not only will it result in few people taking up the scheme but it will also create tension in situations where employers seek to recruit MSG nationals for non-listed occupations, noting that these can be approved but the exclusion from the approved list of clearly in demand occupations in some cases indicates this is unlikely.
- Information provided for each country in the BA is not consistent by topic. It is reflective of the available data including responses or lack of same to questions asked of key contacts.