



20 March 2014

Consultation Paper
on
National Policy Framework
- Labour Migration -



Prepared for:

Government of Vanuatu

and

The World Bank



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I. EXECUTIVE SUMMARY

1. International labour migration is an important part of globalization in the world economy, being of benefit to both the sending and receiving countries. For Vanuatu, labour migration can make a significant positive contribution, including remittance flows and the transfer of investment, technology and critical skills through return migration and engagement with diaspora communities.
2. While Vanuatu has had initial success in securing migration opportunities to New Zealand and Australia for its people the Government now recognizes the need for a coordinated plan and approach between all of the relevant government, non-government and private sector stakeholders. The aim is to unlock the potential for labour migration to contribute significantly to Vanuatu's achievement of an "educated, healthy and wealthy Vanuatu" as outlined in the Government's Priorities and Action Agenda¹.
3. In unlocking this potential there will be a number of economic, social and cultural choices to be made, each impacting on and potentially conflicting with the other. Further, each of these individual choices and how they are mixed together will have differing consequences that need to be both understood and considered. Therefore careful and deliberate decisions must be taken on trade-offs between seemingly conflicting consequences.
4. The development of an effective Labour Migration Policy for Vanuatu will enable this process of decision making to occur and will provide the Government a means for determining relative importance between conflicting demands and identifying and coordinating within and across sectors to implement effective responses for developing opportunities and/or managing risks.
5. This paper and the consultation process around the development of an effective Labour Migration Policy for Vanuatu is the first step in identifying and considering the range of issues and policy options to be reviewed. The feedback from the consultation process will both input into and inform on the issues and possible solutions and enable the development of specific policy solutions that contribute to achieving agreed policy objectives, aligned with clearly stated principles.
6. The Government welcomes the contribution from all actors to the development of an effective Labour Migration Policy for Vanuatu and believes in the maxim that "there is no monopoly on good ideas!"

¹ Priorities and Action Agenda 2006-2015 - *An Educated, Healthy and Wealthy Vanuatu*

II. INTRODUCTION

IMPORTANCE OF LABOUR MIGRATION

7. Globalization of the world's economies implies closer economic, financial and communication integration between countries including the closer integration of labour markets and easing movement of labour and skills across borders.

“International labour migration is defined as the movement of people from one country to another for the purpose of employment”.²

8. The World Bank estimates that migrant workers earned US\$ 440 billion in 2011, with some \$350 billion of that being returned to developing countries in the form of remittances.
9. International labour migration is not only of direct benefit to sending nations, it is also of direct benefit to destination countries with labour and skills shortages that threaten to jeopardise the sustainability and growth of key industries and sectors.
10. Migrants from sending countries can contribute to development at home by:
 - Sending home remittances;
 - Returning home and setting up their own businesses;
 - Using the skills they have learned and the experience they have had in jobs at home;
 - Contributing to more exchange between the countries; and
 - Creating pressure on institutions at home by transferring experience from abroad to demand more effective governance and better quality services.
11. Therefore, from Vanuatu's perspective, labour migration makes a significant positive contribution through remittance flows and the transfer of investment, technology and critical skills through return migration and engagement with diaspora communities. However, to secure all of these benefits will require pro-active policies from Vanuatu, effective international cooperation and most importantly a strong ongoing commitment from the Government of Vanuatu to resource this critical aspect of Vanuatu's economic growth.
12. Aside from the economic impacts outlined above, there are also significant social and cultural impacts arising from labour mobility that will need to be considered and, if necessary, measures to recognize these impacts incorporated in any Labour Migration Policy for Vanuatu.

VANUATU'S ACTIVITY TO DATE

13. While having no significant history of international migration, except to New Caledonia during the nickel boom of the 1960s and 1970s, Vanuatu has over the last five years been able to take the initiative and capture a large market share of the temporary labour migration opportunities.

² International Organization for Migration

14. The early mover advantage, combined with consistent and strong leadership by the Ministry of Internal Affairs through the Labour Commissioner, has allowed Vanuatu to capture a large proportion of migrants working under the New Zealand's Recognized Seasonal Employment scheme (RSE)³ and allowed the country to be a key participant in the Australian Seasonal Worker Program (SWP)⁴.
15. Operational mandates, laws and regulations were developed to meet this immediate imperative of sending workers to New Zealand and Australia. This effort in securing placements has, by and large, been successful.
16. Labour market opportunities in other countries are now also opening up, including: -
 - Recently introduced Skills Movement Scheme (SMS), which encourages labour mobility among Melanesian Spearhead Group (MSG)⁵ countries;
 - Labour migration discussions occurring within the PACER PLUS⁶ negotiations; and
 - Negotiations with the European Union (EU) for an Economic Partnership Agreement (EPA), which includes opportunities for labour mobility.
17. The initial focus by the ESU has been predominantly administrative, actively assisting Vanuatu's early involvement in the RSE and SWP, sending an average of 2,500 workers per annum under the RSE scheme, generating some Vtu \$3bn worth of inflows.

NEED TO INTEGRATE WITH GOVERNMENT PRIORITIES AND ACTION

AGENDA

18. While initial gains from early participation in the RSE and SWP labour migration schemes have been made, the efforts to date by the ESU have occurred mostly in isolation from the activities of other relevant government and non-government organizations within Vanuatu.

In order to unlock the full potential of labour migration, labour migration needs to be located within and contribute to Vanuatu's national development and employment strategies

19. If Vanuatu is to continue to develop safe and prosperous employment opportunities abroad for its nationals, there is a need now to ensure the machinery of Government, the private and the non-government sectors are all working together to achieve shared objectives. This is particularly important once the scope of the policy is confirmed. A wider focus beyond the temporary migration to date will require close co-ordination and cooperation.
20. The activity to date in labour migration has occurred in a vacuum and in the absence of a labour migration **policy framework**⁷ to help guide its development and anchor it

³ The RSE provides for the temporary entry of workers from certain Pacific Island Nations to plant, maintain, harvest and pack crops in the horticulture and viticulture industries in NZ.

⁴ The Pacific Seasonal Worker Pilot Scheme ceased on 30 June 2012 and was replaced by the Seasonal Worker Program which runs from 1 July 2012 to 30 June 2016.

⁵ The Melanesian Spearhead Group (MSG) is an intergovernmental organization, composed of the four Melanesian states of Fiji, Papua New Guinea, Solomon Islands and Vanuatu as well as the FLNKS of New Caledonia. Founded in 1983 it was formally established under international law on 23 March 2007 and is headquartered in Port Vila, Vanuatu.

⁶ Proposed free trade agreement between the Forum Island Countries and Australia and New Zealand

within wider Government policy and in particular the Government's **Priorities and Action Agenda**⁸.

21. The Priorities and Action Agenda (2006-2015) sets the national strategic priorities as:
 - Private Sector Development and Employment Creation;
 - Macroeconomic Stability and Equitable Growth;
 - Good Governance and Public Sector Reform;
 - Primary Sector Development (natural resources and the environment);
 - Provisions of Better Basic Services, especially in rural areas;
 - Education and Human Resource Development;
 - Economic Infrastructure and Support Services.
22. Any proposed labour migration policy framework needs to support the Government's vision that underpins these strategic priorities of "an Educated, Healthy and Wealthy Vanuatu". It needs to link into the national strategic priorities and be seen as a whole of government approach, bringing not only those groups, organisations and departments directly connected to labour migration, but also other interconnected stakeholders such as Vanuatu Qualifications Authority, Education providers (including Australia Pacific Technical Colleges).

RATIONALE FOR A NATIONAL LABOUR MIGRATION POLICY

23. A national Labour Migration Policy is therefore required to **unlock the potential benefits** for Vanuatu (as described above) and to **integrate labour migration within and contribute to the wider Government Priorities and Action Agenda (2006 – 2015)**.
24. The development of ***a coherent and sound national Labour Migration Policy*** is therefore timely and appropriate for the following reasons: -
 - The national Labour Migration Policy will need to be located within the context of the Priorities and Action Agenda (2006-2015), which will provide the framework against which the policy can be monitored in terms of its contribution to the economic, social and financial outcomes;
 - The international focus on Labour Migration Policy as an economic tool to help achieve sustainable growth and development through financial flows from remittances;
 - Acquisition of new skills and knowledge for empowerment to aid the development of domestic sectors;
 - More targeted skills development for employment opportunities including other markets and/or regions outside of the Pacific, especially with the implementation of the new labor market arrangements under the various agreements Vanuatu is or will be a party to;
 - The graduation of Vanuatu from its least developed country status makes it all the more critical that Vanuatu looks at targeting skills development under such a

⁷ A set of principles and long-term goals that form the basis of making rules and guidelines, and that gives an overall direction to planning and development.

⁸ Priorities and Action Agenda 2006-2015 - *An Educated, Healthy and Wealthy Vanuatu*

Labour Migration Policy if it is to be competitive in the global market for skills and labour;

- The importance of balancing imperatives for addressing the needs of the domestic sector for skills so that there is neither brain drain or waste, but gainful employment in both domestic and overseas labour markets for Vanuatu workers;
25. The imperative for government to review and establish the necessary institutional arrangements that will be required to support the movement of its people engaged under such labour migration arrangements, to secure their safety and welfare as a sending nation; but also as a receiving nation, protection of those migrant workers under binding bilateral, regional and international agreements.
26. In order to unlock the full potential and benefits of labour migration for Vanuatu and ensure Vanuatu's continued success in managing labour migration, ***the development of a coherent and sound national labour migration policy*** and that this policy framework clearly articulates:

What migration means to the people of Vanuatu, and what it is that the people want from it, and where they think they see their place in the world in the future?

SCOPE OF A NATIONAL LABOUR MIGRATION POLICY

27. The term labour migration covers a range of options from temporary and circular labour migration of unskilled people to the full gambit of migration, including permanent, temporary, skilled, semi-skilled and unskilled labour migrating or immigrating.
28. The discussion on what a national labour migration policy for Vanuatu should cover is important. While in all instances there is a need for a full and seamless integration between the various government, non-government and private sector organisations in terms of policy, participation and responsibility, the wider the scope of what is to be addressed in the labour migration strategy will require increased effort across the actors.
29. The determination of the scope of the labour migration policy raises the very important question that the people of Vanuatu and this consultation paper needs to consider and answer, namely:

“Aside from employment abroad, what else should labour migration policy cover?”

30. Thus does any Labour Migration Policy for Vanuatu need to go beyond temporary and circular labour migration of unskilled people in order to fully capture the full benefits of labour migration.
31. Should the Labour Migration Policy apply to: -
- (i) **Existing schemes** only⁹ or all **Government negotiated agreements** with a labour migration component¹⁰?
 - (ii) **Emigration** only or including **Immigration** of foreign workers?

⁹ NZ RSE and Australia's SWP

¹⁰ E.g. under MSG, SMS, EU EPA and the like.

For instance, outside of Governments mainstream immigration policies, there is currently no policy or established institutional arrangements for determining what the Vanuatu Government considerations would be as a labour destination country. However, the same organisations that review these requirements from Vanuatu’s migration perspective when sending labour abroad, would be well placed to determine these immigration requirements, including the need to properly inform decisions to open Vanuatu’s labour market (or specific sectors/occupations) to foreign workers, ensure the non-displacement of Vanuatu nationals, the maintenance of standards of safety and quality in the delivery of key services, guarding against the erosion of domestic employment conditions and ensuring foreign workers integrate well and depart at the end of their contracts. The only potential downside to including labour receiving in the Labour Migration Policy is that it may make the policy more complex and any risks arising from that complexity would therefore need to be actively monitored.

(iii) **Temporary labour migration only or temporary and permanent?**

Vanuatu nationals can already decide to migrate and work permanently or temporarily abroad utilising unilateral immigration policies of foreign countries. The movement of private individuals utilising mainstream unilateral immigration policies does not need managing and should fall outside the scope of the Labour Migration Policy.

(iv) **Unskilled and semi-skilled only, or including skilled?**

Any Labour Migration Policy should be concerned with enhancing employment opportunities abroad for nationals and improving access of Vanuatu’s industries to skills and qualifications not able to be sourced domestically. There appear to be no good reasons for discriminating on the basis of skill levels.

Proposed Scope of Labour Migration Policy

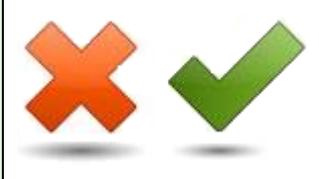
32. The Government proposes that: -

The Labour Migration Policy Scope is that the policy should apply to all Government agreements for temporary labour migration (both emigration and immigration and including all skill levels)

33. The reason for this suggestion is that practical requirements for facilitating the movement of skilled versus unskilled people are likely to differ (e.g. skilled people are generally better able to access information, are less vulnerable to exploitation, and more capable of expediting requirements for their employment abroad including through the use of private agents).

34. By focussing the scope on Government agreements for temporary labour migration (both emigration and immigration and including all skill levels), the Vanuatu Government can then consider on a case by case basis the formulas, targets, or specific

measures necessary to allow successful entry into overseas markets by Vanuatu nationals, while protecting and supporting workers and their families.

<p>Do you agree with the proposed Scope of the Labour Migration Policy?</p>	
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OBJECTIVES AND PURPOSES OF A NATIONAL LABOUR MIGRATION POLICY

35. If Vanuatu is to continue to develop safe and prosperous employment opportunities abroad for its nationals, there is a need to ensure the machinery of Government, the private and the non-government sectors are all working together with an agreed and common focus.
36. In developing an appropriate national labour migration policy there will be a number of (i) **economic**; (ii) **social**; and (iii) **cultural choices** to be made. Each of these individual choices and how they are mixed together will have differing consequences that need to be both understood and considered.
37. International labour migration gives rise to a complex set of economic, social and cultural choices and consequences for both labour sending and receiving countries, their communities and for labour migrants and their families. Examples of such “choices” between competing fiscal, social and cultural issues could include:
 - Increased opportunities to earn scarce foreign revenue *versus* the opportunity cost of household members being absent from families and communities for up to 7-months of the year;
 - Spending preferences for consumption goods *versus* investment in business and longer term income generating opportunities;
 - Brain drain *versus* brain gain (e.g. under the MoU for the MSG Skilled Migration Scheme, the preferential right of Vanuatu citizens to access the domestic labour market over that of other MSG SMS nationals could see a brain drain *versus* Vanuatu’s obligations and ability to accept skilled migrants from other MSG member countries could lead to a brain gain);
 - Encourage the opportunities for Vanuatu citizens to migrate and work abroad *versus* the need to ensure productive sectors that are key to the economic development of Vanuatu, such as Tourism and the associated services industry, have the access to the skills they need.
38. Where such conflicts exist, careful and deliberate decisions must be taken on trade-offs between seemingly conflicting consequences. The Government requires a means for determining relative importance between conflicting demands and also identifying and coordinating within and across sectors to implement effective responses for developing opportunities and/or managing risks.
39. Vanuatu’s labour migration policy must therefore enable the development of specific policy solutions that contribute to achieving agreed policy objectives and are aligned with clearly stated principles.

Proposed Objectives of a national Labour Migration Policy

40. The Government proposes that the objective of developing a national Labour Migration Policy for Vanuatu will be: -

To promote temporary labour migration in Vanuatu’s interest for sustainable economic growth and development.

Do you agree with the proposed **Objectives** of the Labour Migration Policy?



Proposed Purposes of a national Labour Migration Policy

41. The Government proposes that the objectives of developing a national labour migration policy for Vanuatu is to:

- Locate labour migration within Vanuatu’s national strategic priorities and in particular the national development and employment strategies;
- Promote opportunities for safe and productive employment abroad;
- Ensure Vanuatu is competitive in the global market for skills and labour;
- Protect workers from exploitation;
- Maximize development outcomes from labour migration;
- Ensure effective governance and coordination of labour migration;
- Ensure Vanuatu’s industries have access to essential skills and labour; and
- Focus the efforts of relevant organizations behind these shared objectives.

Do you agree with the proposed **Purposes** of the Labour Migration Policy?



III. LABOUR MIGRATION POLICY DEVELOPMENT PROCESS

42. The Government of Vanuatu has decided to develop a national labour migration policy for Vanuatu, by adopting a formalised process for the development of the Labour Migration Policy, recognising the:
- Importance of and benefits for Vanuatu from Labour Migration;
 - Need to develop a national Labour Migration Policy to unlock these benefits; and
 - Need to ensure this national Labour Migration Policy links into and supports Vanuatu's Priorities and Action Agenda (2006-2015) and national strategic priorities
43. This **policy development process** is integral to the outcome, as well as the **guiding principles** that will guide and shape the process.

PHASED POLICY DEVELOPMENT PROCESS

44. The Vanuatu Labour Migration Policy development process has a number of phases: -
- **Phase One:** Establishment of formal governance arrangements to achieve decisions related to the development of the policy;
 - **Phase Two:** Design and approval of the policy development process and timeframe;
 - **Phase Three:** Issues Identification and consultation; and
 - **Phase Four:** Development of policies to address the issues identified and achieve the objectives sought.
45. **Phases One and Two** have been completed with a formal structured process of development established, led by the Director General of the Ministry of Internal Affairs. Working under the direction and guidance of the Director General is a Policy Development Team led by the Commissioner of Labour and supported by consultants from the World Bank. (See Appendix I for further details of the governance arrangement for the policy design process, roles and responsibilities).
46. **Phase Three** commenced with an initial discussion with a small diverse selection of stakeholders to help identify a number of the issues of importance to stakeholders in order that a start could be made on issues and options prior to going out to formal consultation. The results on issue identification are attached as Appendix II.
47. The issue identification exercise assisted in the development of this consultation document and informed the parameters of the Labour Migration Policy and helped determine what might be considered in or out of scope for the Labour Migration Policy.

GUIDING PRINCIPLES USED IN POLICY DEVELOPMENT PROCESS

48. The Labour Migration Policy development process is guided by a set of strongly held statements of principles, especially as choices of policy objectives and decisions about trade-offs between conflicting consequences are made.
49. As part of the Labour Migration Policy process, these statements of principles will be tested during the national consultation phase.

50. The following principles are proposed to guide decision making during the policy development phase and ensure the robustness and integrity of both the process and the end policy document:

- **Accountability:** The policy and its processes should be driven by the Government of Vanuatu, its institutions and its people who are owners of the policy.
- **Practicality:** The policy and the process for developing it should be strategic, future focused and implementable.
- **Transparency:** The policy, processes and decisions taken in developing it should be consultative and transparent.
- **Equity:** The policy and its processes should provide equity of access and opportunity.
- **Development focused:** the policy should be focused on improving the lives of the people of Vanuatu and its economy.
- **Assessment and Management of risk:** The policy and its processes should integrate risk management principles in all phases.

Proposed Guiding Principles used in policy development process

<p>Do you agree with the Guiding Principles used in the Labour Migration Policy Development Process?</p>	
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OBJECTIVES OF THE POLICY DEVELOPMENT PROCESS

51. The purpose of this process is to prepare for Cabinet consideration, a national Labour Migration Policy that articulates Vanuatu Government’s labour migration objectives, the policies that support those objectives and identifies key roles, functions and responsibilities for implementing the stated policies.
52. The objectives therefore of the national Labour Migration Policy development process are to develop a national Labour Migration Policy that:
- Locates labour migration within the broader context of Vanuatu’s Development objectives outlined in the Priorities and Action Agenda (2006-2015) and sits coherently alongside other relevant policies of Government;
 - Is based on clear identification of key issues or consequences of labour migration;
 - Specifies objectives or solutions in response to key issues and enable the development of strategies;
 - Encourages innovation to capitalise on opportunities, including institutionalizing roles, functions and links between organizations and sectors;
 - Enables agreements on implementation plans, monitoring, reporting and evaluation requirements;
 - Provides a framework to guide future policy decisions; and
 - Enables national coordination based on clear mandates, objectives and roles and functions of relevant actors.

IV. POLICY FRAMEWORK

INITIAL CONSULTATION ON ISSUES

53. The Policy Development Team engaged in early discussions with a diverse selection of stakeholders, in order to identify issues and options for broader consultation. These initial discussions involved: interviewing a cross section of government officials across various ministries, civil society groups, the private sector (including recruitment agents and employer representatives) and of course, migrants' themselves and their families. The initial identification of issues culminated in a multi-stakeholder meeting to determine the key issues for taking forward into a national consultation process.
54. The detailed results from the initial discussions are attached in Appendix II: Feedback from Issue Discussion.
55. In developing the policy framework, the Policy Development Team grouped the issues identified, under four pillars of labour migration policy as follows: -
 - **Governance:** How do you effectively govern or manage labour migration? What are appropriate roles and responsibilities of various state and non-state actors?
 - **Protection:** How do you ensure protection of migrant workers and their families at home and abroad?
 - **Development:** How do you maximize labour migration's impact on Vanuatu's Economic and Social Development?
 - **Promotion:** How do you promote Vanuatu's access to the International Labour Markets? What are the opportunities? What are the constraints?

DEVELOPMENT OF A POLICY FRAMEWORK

56. As part of developing the policy framework, it is useful to bear in mind the proposed objective of the national Labour Migration policy:

To promote temporary labour migration in Vanuatu's interest for sustainable economic growth and development.

57. To support this proposed objective of a national Labour Migration Policy for Vanuatu, the Government will need to put in place policies that promote benefits and protect the welfare and rights of Vanuatu nationals and temporary foreign workers that enter Vanuatu's borders.
58. Where necessary such policies will be supported by legislation and assured the financial and technical means for implementation and effective and efficient administration, monitoring and enforcement. Efficiency is achieved through effective coordination of actors effectively delivering functions coherently and not at cross purposes.
59. To date, temporary labour migration for seasonal work on farms in Australia and New Zealand has been managed by the Employment Services Unit under the Department of Labour, within the Ministry for the Interior. The current functions of the ESU are, however, narrow in scope and include licensing private recruiters, permitting and assisting employers, identifying available workers in response to requests from overseas employers, delivering pre-departure briefings and attending to the paper

work associated with visa applications. The ESU operates in isolation from other Government Ministries, with the DG of the Ministry of Internal Affairs negotiating and signing off on MoU agreements on behalf of Vanuatu with Australia and New Zealand.

60. Negotiation of access to new markets and sectors via trade related agreements occurs via the Department of External Trade within the Ministry of Foreign Affairs. Negotiations occur in a disconnected fashion with and without coherent consideration regarding the risks presented and how market access opportunities gained could best be managed in order to achieve maximum market entry.

Governance

61. The roles and responsibilities that each of the state and non-state actors should play in the area of governance is an important issue in determining how to effectively govern or manage labour migration.
62. Form follows function and it is necessary to be clear on key functions in order to determine the optimal location of responsibility for those. This Labour Migration Policy development presents an opportunity to review the institutional framework for the effective governance of temporary labour migration in line with the proposed purpose and objectives of this policy.
63. The governance roles include: -
- **Policy** leadership, development, decisions and enactment;
 - **Regulation** of the sector, including:
 - Registration;
 - Enforcement;
 - **Coordination** and leadership of actors.

Policy development role

64. The Government will provide the leadership in policy development and enactment in close consultation with non-state actors. This process has begun with the establishment of the Steering Committee (comprised of key officials across the various organs of government, chaired by the Director General of the Ministry of Internal Affairs) to oversee the development of the Labour Migration Policy for Vanuatu and the establishment of the Policy Development Team led by the Commissioner of Labour, supported by the World Bank consultants.
65. The leadership in the policy development role would likely fall within the Department of Labour, which would need to seek and coordinate policy input from other Government agencies.

<p>Do you agree that the Policy Development role should reside in the Department of Labour?</p>	
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66. As part of the policy development role a number of policy issues arise for discussion with economic, social and cultural choices and varying impacts on the Government's

achievement of an “educated, healthy and wealthy Vanuatu” as outlined in the Government’s Priorities and Action Agenda.

67. In determining the policy, some initial questions that should be considered are as follows. Other questions may arise as part of the consultation process.

Who can recruit?

68. There are a number of policy options on who should be permitted or licenced to recruit. Determining this question may have a direct impact on the success or otherwise of the labour migration program and opportunities.

Who can recruit?

- Licenced agents?
- Employers?
- Employer’s agents (e.g. returnee workers)?
- A Government agency (e.g. ESU) or does it conflict with Policy Development and regulatory role?
- A mixture or combination of the above.

What should the selection process for workers be?

69. The migration policy may need to mandate a selection process that should be adopted, especially if it needs to take into account a number of wider policy considerations.

How should workers be selected?

- Should Government interfere in recruitment, if so when?
- Should a selection process be mandated in the policy and what should it address?
 - Compulsory requirement to register on the Work Ready Pool to be eligible for selection?
 - Equity issues - e.g. targeted development in certain communities etc.?
 - Role of church and communities in selection process?
- What wider government policies should be aligned with selection process?

Responsibilities of recruiters

70. The policy may address the roles and responsibilities of recruiters.

Responsibilities of recruiters

- What should the minimum selection/qualification criteria be to become and remain licenced agents?
- Should the number of agents be limited?
- What requirement should there be to undertake pre-departure briefings and adhere to mandated standards;
- What should the recruiters on-going responsibilities to workers be;
- E.g. pastoral care in the sending country?
- Provision of other information, e.g. worker’s rights
- Should recruiters or related parties be prohibited from lending money to workers and if not, how should this lending be regulated, if at all?

Standardization

71. The policy may address issues of standardization.

Should there be standardization across the process?

- Pre departure briefings;
- Minimum requirements for dealing with workers;
- Standardization of worker contracts;
- minimum key terms
- obligations to have informed consent
- Standardized forms?
- Standardized fees?

Regulatory role

72. The Government as the regulator will monitor and enforce the policies that are ultimately agreed upon, including licensing the activities of certain parties involved in the process. Therefore it is important that these policies are well thought through and understood, including the impact that they may have on labour migration and the wider Government policies under its Prioritized Action Agenda.

73. Questions that may arise on the regulatory role include:

Functions and role of regulator

- Separation of regulation and policy development and is it required?
- Decisions and appeals – role of government and role of courts;
- Enforcement.
- Should regulator be prohibited from being a deliverer of services, e.g. recruitment – feasibility in Vanuatu and comparison with other Pacific Island States

Coordination and leadership of actors

74. Another governance role is the effective coordination of a whole of government approach to ensure efficiency, cost effectiveness and coordination.

75. The pursuit of opportunities for employment abroad, responsiveness to skill and labour shortages domestically and internationally together with managing the ongoing migration of workers under existing and future schemes, supporting the rights and welfare of workers overseas and initiating measures for maximizing development impacts from labour migration all add up to a dynamic and complex space. In such a space there will be significant challenges for achieving coordination and coherence both at the policy and implementation level and moreover, the need for quick and well informed policy making capability.

76. The organization charged with leading labour migration for Vanuatu should be mandated and capable of leading and/or coordinating across government policy advice across all aspects of labour migration. A range of policy questions arise examples of which include whether government should intervene in individual's decisions to enter into employment contracts abroad given that's not the case for employment domestically and when (if ever) would the Government restrict nationals from

accepting overseas employment? What should be the minimum standards of employment? How should labour migration be organized e.g. through government monopoly/private monopoly or government regulation of private agencies? Should government be responsible for the welfare of its nationals abroad and if so, how would workers be protected and supported? Should government also have some concern for families of workers left behind?

77. Objectives and principles proposed for this policy mean that governments approach to such issues will be in line with proposed Labour Migration Policy objectives (e.g. protection of workers) and consistent with principles (e.g. be facilitative more than restrictive).
78. Common policies amongst labour sending countries elsewhere in the world include are designed to perform regulatory functions including:
 - Establishing minimum standards for employment contracts (so that Government stipulates the minimum terms and conditions necessary before it will entertain sending workers abroad) and requiring that migrant workers have their contracts approved by a designated government authority before departure.
 - Licensing and regulation of private recruitment agents, including permissibility of charging or limits on charging fees to workers; and
 - Restrictions on direct recruitment by foreign employers or their agents.
79. In addition there is a role to provide the face of Vanuatu in the international arena.

What other roles can the Government play in the governance process?

- Manage cost effectiveness of Government related and imposed costs and coordinate the activity for more efficient and effective delivery from all government departments or licensed providers, involved in the process of labour migration, including
 - Passports
 - Health checks
 - Visa fees
- Registry role: Maintain Register of Work Ready Pool – should this be government or non-state run and managed
- Information role: Provide information to workers and employers

Protection

80. The issues in this area include many of those outlined above.
81. Other pertinent issues include the threat from employers of going to a different PIC to recruit if the workers don't toe the line, which has allowed employers to keep wages at mostly minimum rates. For example, in developing the RSE policy in New Zealand, the New Zealand government did not see the purpose of the RSE to be a race to the bottom, indeed, it was supposed to raise wages/standards across the industry and make the sector more appealing to NZers. That is currently not happening.
82. Therefore, is there some kind of exit strategy in the policy where Vanuatu can expect employers to pick up more of the transactional costs of seasonal labour mobility? This is likely to require the PICs coming together as a block and negotiating wages for

Pacific RSE workers with employers as a group. They could also better influence change in policy if they did the same with Wellington/Canberra. Should Vanuatu take a lead on this?

Protection policies for migrants

- Are pre departure briefings adequate;
- Should training be given to Team Leaders?
- Standardization of worker contracts;
 - Minimum key terms
 - obligations to have informed consent
- Protection against usury money lending practices
- How should illegal recruiters be dealt with?
- Should the Government provide offshore assistance or representation?

Development

83. Labour Migration Policy can assist in the development of opportunities by:

- Coordinating the activities and policy of various Government actors to ensure that the policies match and ensure appropriate development.
- Linking the various Government strategies, e.g. education and skill training with labour migration.

84. For example, one are of development may be to promote other pathways for unskilled works to get training as well as labour migration employment opportunities. For example, the establishment of an Agricultural training unit, partially funded by government, donor agencies and the private sector (either \$\$ or in-kind). Through the Unit, people could be given access to a NZ recognised horticultural training, employers would be brought in to help design and deliver the courses with a high degree of practicality and possibly it would be through the Unit that employers would recruit under RSE and SWP – having access to trained, ready, willing workers. The Unit may well become the focal point for relationships with employers/ government/ and where policy can be tested.

85. Other development examples should be examined.

What policies can help promote development?

- How can the Government link other strategies, e.g. education into labour migration?
- Should the Government or recruiters provide information to workers on how they can maximise what they derive from their employment
- Money
- Skills
- Contacts

Promotion

86. The activity of promotion is a key focus area. In the PACER Plus negotiations the issue of what ‘labour mobility/migration’ is defined as and what the participants expect to gain from it are at the forefront.

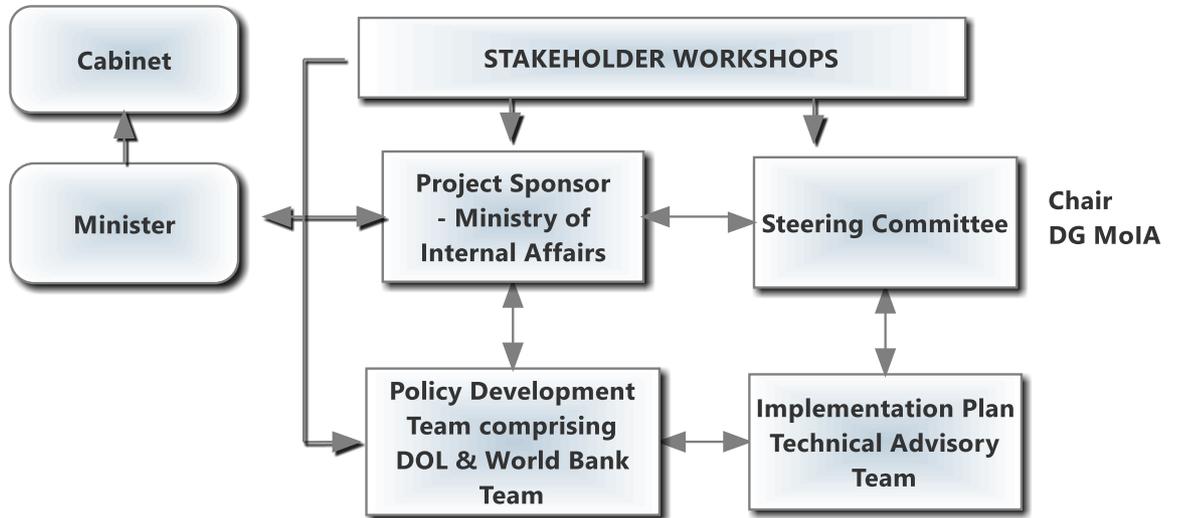
87. Unskilled labour migration (particularly if only focused on RSE/SWP and MSG) has a very narrow focus and relies almost exclusively of the shape of labour markets overseas. The difficulty arises where there is not a consistent level of employment opportunity somewhere in the world for the unskilled workers. In 2013 the RSE cap will likely be met (or close to) for the first time since inception in 2007. In 2014 there is some expectation that PICs might see a significant fall in numbers.
88. How will the policy address this and what is the risk if there are unmet expectations from the local population as to the continuing availability of these opportunities.
89. Does consideration need to be given on how to influence the policy makers in Wellington/Canberra. RSE is an incredibly important scheme for NZ employers – who all recognise that without it, their multi-billion dollar industry would be in real strife.
90. Should Vanuatu in concert with other PICs use this leverage they have with NZ industry to secure greater policy consideration?
91. Until there is closer cooperation between PICs and a closer and coordinated policy, the competition between the PICs may lead to employers continuing to pass on policy compliance costs to the Pacific. Should the PICs have to pay for all the running around they do for employers e.g. the ESU collecting money for immigration fees and running between the office and VAC?

Promotion policies

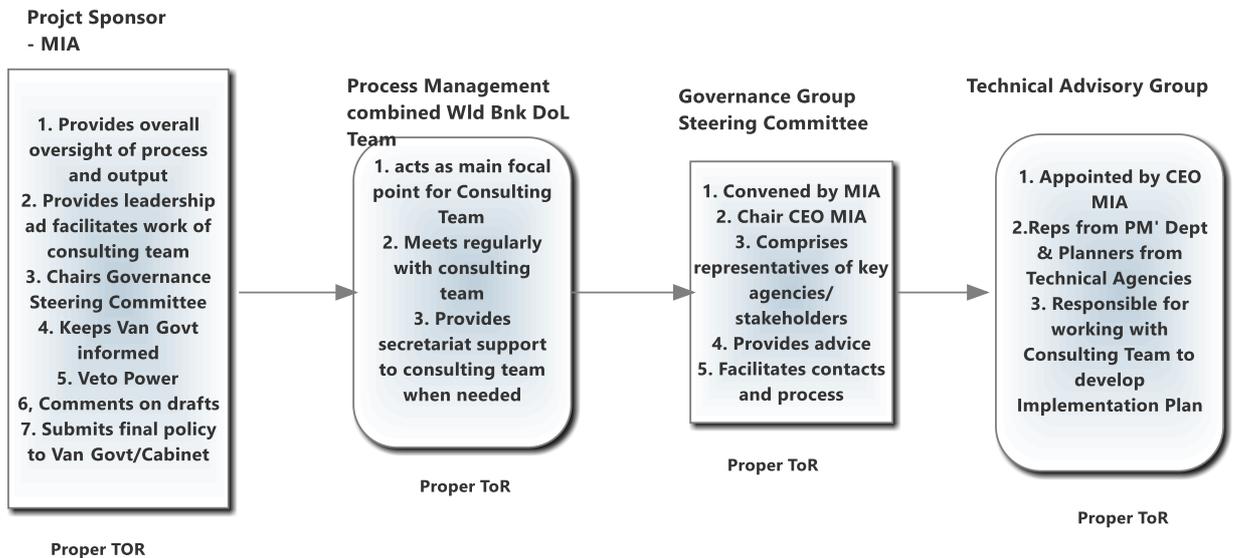
- Provide information
- Liaise and negotiate with foreign governments/officials
- Negotiate with employers on policy compliance costs
- Develop and coordinate efforts with other PICs
- Link migration in with other inter government discussions and negotiations

V. APPENDIX I: GOVERNANCE OF POLICY DEVELOPMENT

INSTITUTIONAL ARRANGEMENT



GOVERNANCE STRUCTURE



VI. APPENDIX II: FEEDBACK FROM ISSUE DISCUSSION

GOVERNANCE

The role and responsibilities of various state and non-state actors

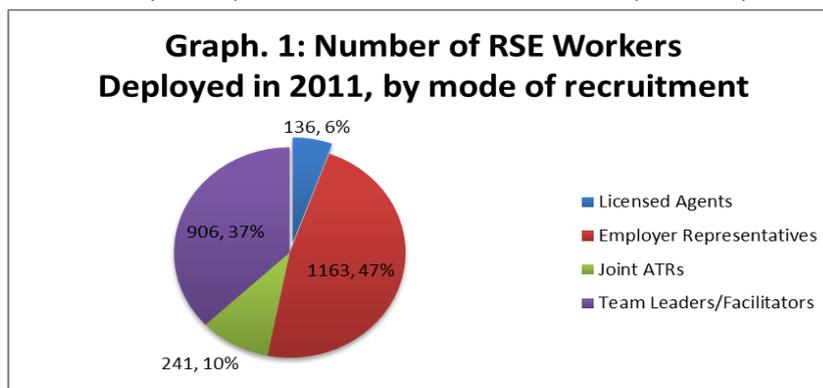
92. Vanuatu’s experience, especially in the RSE and SWP, raises an important issue about the state and non-state actors’ appropriate role in managing labour migration flows. Concerns in this area centred on three issues: (1) should the government stop direct recruitment and focus on regulation; (2) what role should chiefs and pastors play, especially in the recruitment and selection process and (3) how do we build the capacity of the government in managing labour migration. These are discussed in more detail below.

Should the government stop from facilitating direct recruitment and focus on regulating agencies, and if so why?

93. Currently, the government, through the ESU, has been actively involved in facilitating deployment of Ni-Vanuatu’s abroad, acting both as a **regulator** and as an **agent**.

94. For instance in 2011, 2500 workers left for New Zealand. The majority of these workers were directly recruited through the facilitation of the ESU. Only six percent of the workers were recruited through licensed agents here in Vanuatu. (See graph 1 below)

Source: Policy Development Team’s calculation based on data provided by the ESU.



95. Of those that were directly recruited, employer representatives recruited nearly half, while another 37% left largely through the help of the ESU and by one of their co-workers called “facilitators” or team leaders. They essentially do the work commonly attributed to agents but they don’t have a license. Currently, there are only three licensed agents in the RSE scheme and two in the SWP.

96. Attrition rate among licensees is high. In 2007 nine licensed agents left the market. More than half failed to send a single worker. Reasons behind the high attrition rate are hard to pinpoint, but a number stakeholders pointed on two reasons.

- **Capability and Capacity issues with Licenced Agents:** Agents have limited financial capacity and poor organizational time management and communication skills. For instance, one employer representative interviewed in preparation for this document reportedly spends 1-2 weeks in New Zealand every year to liaise with current and prospective employers. Each trip costs about three thousand New Zealand dollars per trip. Employers in New Zealand

and Australia are very demanding and require high level of professionalism. As one agent puts it, “the work demands meeting deadlines at all times.”

- **Perception of unfair competition from ESU by some Licenced Agents:** A number of stakeholders blame the ESU as an unfair competitor. In 2011, 23 employers hiring a total of 906 workers recruited via the ESU and used their team leaders as pseudo-agents or pseudo-market reps. Apart from the 20 thousand vatu the employers pay the Government of Vanuatu to get a Permit to Recruit, employers going through this route avail of the ESU services for free.
97. Some argued that the integrity of the recruitment system is at risk if the Government remains involved in direct recruitment. Some critics argue that the fact that private licensed agents currently deploy only six percent of migrants in the RSE suggests that the Government’s participation is impeding the growth of the private sector in the recruitment industry.
 98. The system also allows the creation of pseudo-agents, the team leaders and facilitators, who do the work of agents but with no experience or skills to perform such work. As one agent complains: “I paid to be a licensed agent. We all go through the motions to get the license, but then you find that a lot of the growers go directly to the team leaders, or the facilitators, or the chiefs. Legally, they can direct recruit, and that is what makes the scheme a success. But it is an unfair competition.”
 99. The team leaders and facilitator’s accountability to the co-workers they help to deploy is also not clear. “Are they working ‘unlawfully’,” one stakeholder asked. Should they also be licensed under the Seasonal Employment Act to be able to recruit? And should they be brought up to the same standards?
 100. Others, however, credit’s Vanuatu’s success to the Government’s direct recruitment activities, which provides employers an option to recruit directly and to not deal with private agents. As one stakeholder noted, “Direct recruitment is what makes the system works.” To some, the strength of the Vanuatu system is in giving employers an option to work with the ESU, to recruit directly, and to not deal with private agents.
 101. Changing the current system, according to some, risks alienating growers who may choose to stop recruiting from Vanuatu and start getting workers from other countries in the Pacific and elsewhere. One stakeholder explained, “It’s a marketing consideration. The RSE scheme is good because it allows the growers in New Zealand to directly recruit. No need to use an agent! The numbers went up because employers can do it themselves.”

Should chiefs and pastors be included in the recruitment and selection process, and, if so how?

102. Identifying chiefs and pastors’ role in the labour migration process is also another issue. There seems to be an agreement that chiefs and pastors should play an important role, especially in the selection and matching of workers, but there is no clear consensus on what that role should be.
103. The constitution recognizes the role of the chiefs. Vanuatu is also a deeply religious and predominantly Christian country. The current recruitment system upholds their roles by requiring workers to get the chief or pastor’s approval. Most agents and company reps say that they work closely with pastors and chiefs in the screening process. In the application form, there is a provision for chief or pastor clearance. However, there is a concern that implementation of such requirement remains lax.

104. Some workers who did not get approval from their own chiefs would seek the approval of other chiefs, and the lack of database of chiefs and pastors makes it hard, if not impossible, for the ESU to verify signatures and names. There are cases where the chief tried to stop a worker from leaving for the RSE but the police gave the necessary clearance anyways.
105. On the other hand, some have also raised concerns that the chiefs or pastors can also abuse their power. Some prioritize deployment of their own family while others even ask for bribes in exchange for giving recommendation to agents. The challenge is to find an appropriate role for chiefs and pastors while mitigating chances for abuse/misuse of their position.

How do we build the capacity of the Government to manage labour migration?

106. Lastly, effectively managing labour migration requires meaningful investment in capacity-building. There is concern that the government does not have the needed capacity— financial and otherwise—to manage the recruitment process and handle the anticipated and desired increase in labour migration in the immediate future.
107. Some expressed concerns that ESU needs more staff especially during the peak season. At least two more people are needed especially on the peak months of October, November, December, February, March and April. In 2011, for instance, the ESU handled the departure of 600 workers in just one month.
108. Staffing needs highlight how the ESU is funded. Some raise concerns over the need for the office to be more self-sustaining, possibly by asking for service fees from employers and/or increasing license fees. Budget constraints have serious impact on ESU's operation. For instance, ESU cancelled marketing and awareness programs planned for July to September 2012 due to lack of funds.

PROTECTION

Migrant Workers at Home and Abroad

109. Protection of migrant workers is also a key area of concern for almost all stakeholders consulted in preparation of this document. Stakeholders have identified five issues that need to be addressed: (1) how do you stop illegal recruitment; (2) how do you strengthen pre-departure orientations; (3) how do you lower the cost of migration to the migrants; (4) How do you ensure that contracts protect migrant workers and meet international standards; and (5) how do you expand presence and augment capacity of Vanuatu's diplomatic missions so that they can provide assistance to migrants while they are abroad?

How do you stop illegal recruitment activities?

110. There is a concern among licensed agents and market reps that illegal recruitment activities are on the rise on the islands, especially in anticipation of the opening up of the Australian market early this year. Although prospective migrants in Port Vila are more informed about the government's "no-placement" fee policy, there are reports of illegal recruiters charging prospective workers between 8,000 and 20,000 Vatu in exchange for non-existing jobs in Australia.
111. The DOL has recognized this problem and plans an Awareness Program, including a media campaign if budget permits. ESU has also suspended one license in September 2012 for charging workers fees, the first instance it has done so. Stakeholders suggest

that there are very strict provisions against illegal recruitment in the SE Act but implementation is lax. The Government of Vanuatu should therefore focus on enforcing existing legislations and ensure compliance.

How do you lower the cost of migration to the migrants?

112. A number of stakeholders have highlighted that costs at the pre-deployment stage are high for ni-Vanuatus, particularly documentation costs, and had been increasing through the years. Table 1 below compares costs in 2007, when the RSE scheme started, and five years later.

Table 1: Comparison of Documentation Costs of Workers in the RSE Scheme, 2007 and 2012

Item	2007	2012	% increase
Passport			
- 1 month processing	5,000	7,000	40%
- 2 weeks processing	7,000	10,000	43%
- 1 week processing	10,000	15,000	50%
X-ray	3,375	3,375	0%
Medical Clearance	1,000	3,000	200%
Police Clearance			
- 1 week processing	1,000	2,000	100%
- 1 day processing	2,000	4,000	100%
Visa Application	15,000	17,948	20%
TTS Services Fee	-	1,008	100%
Total in Vatu			
- Low	25,375	34,331	35%
- High	28,000	40,956	46%

113. In thinking about costs, it is important to identify not only what migrants actually pay, such as placement fees or high-interest rates on loans, but also what they 'lose' because they did not receive the monetary benefits they were promised or entitled to, in the form of reduced wage or forgone social security benefits. For instance, although workers do not pay placement fees, workers for the RSE pay half of the airfare and pay for their accommodation, transportation, food and taxes. These legal deductions amount to nearly a third of the migrants' income. Some migrants do not understand their net pay or its real worth. Some migrants reported paying 160 dollars per week for very basic accommodation.

How do you effectively adjudicate over complaints?

114. Implementing a meaningful adjudication process to more effectively address complaints from and to migrants also remains a challenge. Currently in the RSE, the Vanuatu Consulate-General in Auckland and the NZ government handles work-related complaints from workers while they are still in NZ. The ESU mainly handles non-work-related complaints, such as family and marital problems, through a newly appointed Labour Inspector. There are currently 5 complaints listed in the ESU database all relating to personal and not work-related matters.
115. Currently, the Department of Women is implementing the Family Protection Act and is raising concerns over the extent in which provisions in the Act are incorporated in the adjudication process for SRE and SWP. For instance, the process must ensure that

migrants can submit complaints for sexual harassment while in New Zealand and Australia, and upon return.

How do you strengthen pre-departure orientation?

116. Pre-departure orientation is an important tool for the protection of migrant workers, especially when abroad. There is a concern among various stakeholders that the pre-departure orientations given to migrants now could still be improved. Suggestions include:
- Involving family members in the actual orientation. There are myriad issues that need to be addressed during the course of any orientation, including communication, cultural adaptation, changing family dynamics, cross-generational issues, money management, financial literacy and more.
 - Developing a curriculum that is participatory and learner-centric: Migrants learn best, and the lessons learned are more meaningful, when the pre-departure training methodology is highly experiential and participatory.
 - Supplementing the pre-departure orientations with other information programs that could be useful when they return home, such as existing savings schemes and business development and entrepreneurship opportunities in their communities.

How do you expand presence and augment capacity of diplomatic missions so that they can provide assistance to migrants while they are abroad?

117. Welfare support in destination countries largely depends on what destination countries provide. However, diplomatic missions remain the most important resources for migrant populations abroad, especially for those in vulnerable situations. Providing direct support in the destination country requires an infusion of resources, particularly investments in expanding diplomatic presence abroad.
118. Currently, the Ministry of Foreign Affairs has a Consulate-General in Auckland which provides pastoral care to RSE workers. The challenge is to keep this post well-funded and running. In Australia, there is a high Commission in Canberra. There is also an honorary consul in Sydney but he has limited capacity. There is recognition of the need to strengthen Vanuatu's presence in Australia. The Ministry has recently released a decision to upgrade the honorary consulate in Sydney to a full consulate-general in anticipation of more workers.
119. More mobility among the Melanesian Spearhead Group nationals also requires Vanuatu to extend presence within the MSG, particularly in Fiji and Solomon Islands.
120. There is clearly recognition of the role of the diplomatic missions in protecting Ni-Vanuatu abroad. The question is whether there will be financial resources and political will to invest in them.

DEVELOPMENT

121. Finally, there are issues over how to further maximize labour migration's impact on the economic and social development of Vanuatu while recognizing associated threats and risks. Concerns on this area focus on six issues: (1) is migration detrimental to the growth and development of specific industry, such as agriculture and tourism; (2) Is labour migration destroying families and communities; (3) how do you protect workers from losing employment due to changing demand at the destination country; (4) should Vanuatu create a more targeted recruitment process aimed at maximizing

development impact; (5) should the government work more actively towards up-skilling migrants; and (6) should the government encourage migrants to engage in business and/or invest their money more productively?

Is migration detrimental to the growth and development of specific industry, such as agriculture and tourism?

122. There is a concern that RSE discourages farming and further utilization of land. One agent, for instance, sent around 300 workers, and only 3 came back to further develop their lands. The others use their money to build a house, pay school fees, and buy a taxi or a bus.
123. But officials in the agriculture sector find no reason for concern. The RSE provides a good opportunity for learning, up-skilling and transfer of skills and expertise. The RSE workers are doing specialized work in areas where government does not have resources to provide training for. One senior official admits, "The department of agriculture has been trying to help the farmers for a long time but with limited resources. Assistance provided to them is not sufficient. We don't have resources to train a lot of people and if the RSE can do that for us, then it's a huge favour because soon they will return and develop their lands."
124. RSE workers specializes in a number of areas that would be relevant for Vanuatu, such as picking and tending of apples, citrus and grapes and application of fertilizers. In NZ, they may also visit other farms, livestock and from there they can learn new knowledge.
125. However, officials in the agriculture sector admit there is also a need to determine the optimum number of seasonal agricultural workers. For instance, although sending 2,500 workers every year poses no serious threats to the agricultural sector, doubling deployment to 5000 might.
126. There is also a concern about whether opening up opportunities in Australia's tourism industry may be detrimental to Vanuatu's tourism sector, which is a key driver of growth.

Is labour migration destroying families and communities?

127. Many have raised concerns that individuals nominated to go to the RSE don't contribute back to their own communities, and even in some cases, neglected their families. Some workers spend the money on themselves or drink Cava.
128. How do you mitigate the risk to the family if the husband decided to renege on the family contract to provide for the family and worse, if the worker decided to leave the family? How can we ensure that families are not getting neglected?

How do you protect workers from losing employment due to changing demand at the destination country?

129. A demand-driven scheme works, but what if the demand changes? There is a concern that fewer RSE workers are going to be recruited this season due to New Zealand's push to lower local unemployment and/or low harvest season and crop problems. Last March 2012, RSE workers decreased by 108 due to lower harvest and kiwi fruit virus.
130. This change in demand is making agents and workers alike worried. Workers have relied on the scheme as a source of income. Some have also spent money on paperwork anticipating that they will be able to go as in previous years. "When you need us, we are here, now you don't need us, what do we do?"

Should Vanuatu create a more targeted recruitment process aimed at maximizing development impact?

131. Although a lot of migrants have improved the living standards of the community, and not just their families or themselves, there is a concern that migration could have a much stronger and positive impact on the community than currently achieved. Some suggest the need to ensuring that only those migrants that have contributed to their own communities can continuously work abroad.
132. This view holds that a village council should decide who can leave using criteria such as: strong aspiration to improve the family and to send the kids to school; to help the community; to improve living conditions etc. One stakeholder explained, "It's better to send someone who achieves their goal and returns to the community and contributes back. The agents, team leaders usually don't consult the family."
133. There is also a suggestion to spread the benefits of labour migration across Vanuatu. This can be done by instituting a quota system ensuring equal representation of various provinces to migration opportunities.

Should the government work more actively towards up-skilling migrants and ensuring that these skills are used in Vanuatu, and if so, how?

134. Although some New Zealand growers provide specialized training to their workers, for others, up skilling is not a key element. Training workers cost growers money. One idea is to train workers while in Vanuatu so that they arrive in New Zealand ready to apply their new skills. The New Zealand government have already expressed interest in such schemes and maybe able to marshal public and/or private resources to pilot the initiative. Indeed, the question is pooling of resources. Some of the skills are transferrable and the training has to be targeted to specific sectors, crops and techniques. As one stakeholder noted, "You can't just teach everything, like winemaking. You cannot just transfer Kiwi farming."
135. A particular constituency that may benefit most from training is the youth. Currently, the government has a National Plan for Skills Development, which has a very strong training component for the youth or those less than 30 years old. There is a concern that the government has trained young people in other sectors (such as sports community development) but they eventually left for the RSE and chose not to utilize their newly-acquired skills.
136. Others also raise the possibility of exploring schemes with other countries such as China. For instance, Vanuatu generally does not grow crops all year round, partly due to lack of expert knowledge. Farmers from China recently visited Vanuatu and showed that you can plant tomatoes all year round and not just for 3 months. A labour migration scheme can potentially be developed with China, as part of China's development aid to Vanuatu.
137. Migrant workers can also be linked to commercial and subsistence farmers so that they can share information and expertise gained abroad. Some of the migrant workers may not own lands or do not have intentions to go back to farming. However, the government can link these workers to commercial and subsistence farmers to share information and improve their practice.

Should the government encourage migrants to engage in business and/or invest their money more productively, and if so, how?

138. There is also more room in providing business and savings opportunities among migrant workers and their families by introducing them to various services already provided by the government. Various opportunities exist in this area such as:
- Building a cooperative of workers. The government has been approached by a migrant worker asking for help in creating a cooperative of 1,000 RSE workers. The idea was to ask workers to contribute 20,000 each into a pool, which would amount to 20 million Vatu, and use that money to create a cooperative engaged in a wholesale business.
 - Creating a Savings and Loan Bank for Migrants. Currently, Vanuatu has 143 savings and loan banks serving 5074 members and with savings of 78 million vatu, of which 42 million vatu has been given out for loan to finance small businesses.

PROMOTION

Vanuatu's Access to the International Labour Market: Opportunities and Constraints

139. Another critical challenge is how to continue promoting Vanuatu's access to the International Labour Market. There are a number of opportunities worth pursuing that would encourage more migration to and from Vanuatu. The question is should the Government of Vanuatu pursue them and how?

Should Vanuatu aim to send more workers in the RSE and SWP, and if so, how?

140. There is an agreement across the board of the value and importance of continuing the RSE scheme and exploring greater access to the Australian market. There is also move towards branding Ni-Vanuatu workers as "Alcohol-free" since de-brief reports have consistently showed it an issue. There seems to an overall support on this policy across various constituencies.
141. There is also a good deal of interest to explore markets outside of New Zealand and Australia, including the Middle East and the rest of Asia.

Should the Government aim to increase skilled labour migration to and from Vanuatu, and if so how?

142. There seems to be agreement among various stakeholders to facilitate labour mobility among the high-skilled. Vanuatu has acute gaps in key professions and a policy or scheme that would entice high-skilled foreigners to live and work in Vanuatu are generally welcomed.
143. An MOU among the Melanesian Spearhead Group: the Skills Movement Scheme (SMS) came into force on the 30th of September 2012 and facilitates the temporary movement of MSG nationals within the MSG countries in order take employment in occupations where there are known shortages. Vanuatu expressed need for high-skilled workers particularly professionals in the health, teaching, business and administration and science and engineering sectors. As for this moment, the SMS is limited to skilled employment. But it could potentially move beyond that as well. Fiji, for instance, proposed to open its market for workers in the sugar cane industry.