Migration and Development in the Pacific Islands: Lessons from the New Zealand Experience

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Executive Summary

An Overview of Recent Literature

Since the publication of our first report – *South Pacific Migration: New Zealand Experience and Implications for Australia* – in 1995, research undertaken by others has confirmed the South Pacific Region's sustained high rates of population growth. Indeed, the Region's young age structure (40 per cent of Island populations are aged under fifteen years) will almost certainly increase population growth and pressures into the next generation. The expected doubling of the Region's population within the next two decades will also make the restructuring goals set by individual countries difficult to achieve.

The MIRAB model, devised in 1984, identified migration, remittances, aid and state generated employment (bureaucracies) as a "perfectly sustainable strategy" for some Island States. Indeed, the development process in the Pacific region has been clearly influenced by flows of information, remittances, pocket transfers and skills, which have become an important aspect of today's global system. However, some of the Pacific Island countries (PICs), and in particular their supporters in national aid agencies and the Washington Consensus institutions, have been reluctant to accept MIRAB as a development model. At a conference held in 2004, entitled *Beyond MIRAB,* the view was expressed that the model had limited applicability outside a subset of small island states. Participants called for a broadening of the model's economic focus, not only to incorporate social, cultural and personal aspects, but also local political/jurisdictional issues that could contribute to the sustainable development of small island countries.

Just prior to the conference, the Global Commission had noted the close links that had developed in *all continents* between international migration and policies of development, trade, aid and human rights. These links have given international migration an important role in the development process. Countries comprising the South Pacific Region, despite their diverse economic/demographic size and structures, have supported emigration, especially to the so-called "metropolitan" countries of Australia, New Zealand and the United States, where many communities of former nationals had been established.

A dearth of relevant research makes it difficult to evaluate the nature and extent of the "close links" that have developed between migration and policies of development as articulated by the Global Commission. However, a 1988 study by Ahlburg and Brown on households of Tongan and Samoan residents in Sydney provided valuable information on the nature and extent of return migration and skills transfer. It found that only ten per cent of respondents intended returning to their Island countries. Other studies have emphasised that only in exceptional circumstances are returnees, such as Pacific Islanders returning home from Auckland or Sydney, significant "agents of change".

Whether the loss of labour can have negative consequences for sending countries has been a much debated issue, both globally and in the Pacific. An analysis of the welfare consequences of migration on sending PICs was undertaken by Walmsley and his colleagues using a well-known trade liberalisation impact model. They evaluated several scenarios relating to the migration of skilled and unskilled workers from Pacific Island countries to New Zealand and Australia. Their analysis indicated that substantial welfare gains could be achieved from Pacific regional labour mobility for both the sending and receiving countries, although the loss of skilled labour would have a negative impact on the PICs.

The salient outcome of migration for sending countries during the last decade has been the magnitude and importance of remittances. Amounts now dwarf development aid and rank alongside private direct investment as a major source of global development finance. Remittance payments, which take several forms including the value of goods sent to households, represent, in the cases of Tonga and Samoa, a very high proportion of national, village and household incomes. While the prospect of remittance decay has been raised (i.e. decline over time in the propensity to remit), there is general support for the view that so long as migration is sustained, remittance payments will continue. However, research needs to be undertaken on the relationship between ageing first generation, and second generation, migrants relating to remittances. Furthermore, there is support for the proposal that sending country governments should give more attention to promoting remittance policy, including measures to facilitate the inflow of remittances, which will benefit long term development.

Connell and Brown (2005) observe that as preferential trade agreements disappear and barriers to international migration become more selective, other forms of development and growth for the PICs will have to be found and implemented. To this end, Australia and New Zealand have encouraged the Pacific Islands Forum to embark upon a long-term strategy of regional economic integration under what is called 'The Pacific Plan'. The Eminent Persons group has also declared that globalization and the "uncertainties of the international security environment present major challenges". There is now a concerted push for regional integration, both in terms of economics and security, to be underwritten by "massive increases in Australian aid and commitment" (Firth, 2005:11). The economic context is one in which Australian engagement is meant to foster the further integration of Pacific Islands countries into the global economy. Increasingly, this integration will need to include enhanced regional labour mobility.

New Zealand's Immigration Policy

Although New Zealand's and Australia's immigration policies are similar, one of the main differences is that New Zealand has accorded some persons from nearby PICs special concessions concerning entry. These concessionary policies are:

1. the granting of New Zealand citizenship to residents of the Cook Islands, Niue and Tokelau;
2. the Samoan Quota scheme set up in 1970 that allows up to 1100 Samoan nationals, annually, to become permanent residents if they meet specific criteria;
3. the Pacific Access Category (PAC) introduced in 2002 that allows 250 persons from Fiji; 250 from Tonga; 75 from Kiribati; and 75 from Tuvalu, annually, to become permanent residents if they meet specific criteria.

An important dimension of the Samoan Quota and PAC schemes is that most persons entering under these schemes would have skill levels too low to allow them to qualify for entry under the skills/business program, as migrants from the rest of the world must do. Indeed, a ballot system is used for these schemes to ensure that skills are not "cherry-picked", as they would be if applicants had to meet the criteria required for permanent migration under the skills/business residence program.

From the beginning, New Zealand's concessional policies have been designed to assist the participating PICs in their economic development. In this regard, New Zealand's immigration

policy towards the PICs is unique. We cannot think of another developed country that admits migrants as part of its perceived duty to assist their economic development. However, Australia is beginning to envisage immigration policy toward the PICs as an adjunct to broader development strategies. The first manifestation of this new thinking is the development of the Asian Pacific Technical College that aims to train PIs to Australian standards, not only to address skill shortages in the PICs, but to enhance the migration opportunities of trainees.

Australia's migration involvement with the PICs is much less than New Zealand's. Whereas PIs made up 6.5 percent of New Zealand's population in 2001, the corresponding figure for Australia was 0.4 percent. The principal reason for the quite marginal immigration engagement with the Pacific is Australia's general policy not to discriminate against or give special concessions to any specific countries with regard to immigration. Given the low-skill levels of most Pacific Islanders, this ensures that the policy minimizes numbers migrating to Australia from the PICs.

Australia also grants significantly fewer visas for temporary residence for work purposes to PIs compared with New Zealand. For example, over the period 2003/04 – 2004/05, New Zealand granted over six times more work visas to PIs than Australia.

The Socioeconomic Integration of Pacific Islanders in New Zealand

The genesis of PI migration to New Zealand was the government's decision in the immediate post-war years to lead New Zealand into an era of industrial expansion. However, the overturning of state intervention and remodelling the economy commencing in the mid-1980s had adverse consequences for the manufacturing sector that relied heavily on low-skilled Pacific Islander labour. The consequence was a significant rise in the unemployment rate of PIs and a decline in their income relative to other ethnic groups that has begun to reverse itself only recently.

Data on work and labour force status show that Pacific migrants have lower employment and labour force participation rates than PIs born in New Zealand, and lower than the overall New Zealand average. Since economic restructuring, they also have experienced a significantly higher rate of unemployment than the New Zealand average, but a lower rate than experienced by New Zealand born PIs. Pacific migrants are proportionately over-represented in the lower skilled occupations and under-represented in the white collar occupations, compared with PIs born in New Zealand and the New Zealand workforce generally. Pacific migrants are also proportionately far behind the New Zealand born workforce in terms of vocational training and higher education. The collection of these labour market disadvantages gives rise to a personal income level of Pacific migrants that is only two-thirds of New Zealand born income recipients, although it is 90 percent of the income level of New Zealand born PIs. Duration of residence in New Zealand has a significant positive impact on the relative income of Pacific migrants.

It appears that younger New Zealand born PIs fare better than Pacific migrants. A smaller proportion are working in low-skilled occupations and a higher proportion are working in white collar occupations, compared with older PIs . This is a clear indication that younger PIs are obtaining the education and training necessary to reach higher rungs on the socioeconomic ladder. Nonetheless, they still fall below the national average for the relevant age group.

Recent data indicates a significant reduction in the unemployment rate for PIs, and a narrowing of the differences in the employment and labour force participation rates between PIs and all other ethnic groups. However, they still lag behind the national average for all measures of labour market outcomes. So while there is convergence between PIs and other ethnic groups with regard to labour market measures, it is the rate of convergence that is important.

Conclusions

In our 1995 study, we suggested that PICs can be divided into three groups – "unfurnished", "partly furnished" and "fully furnished"; or, using more conventional economic jargon, each group faces different resource constraints. Tuvalu, Kiribati, Tokelau, Niue and the Cook Islands are in the "unfurnished" category. In the "partly furnished" group are Tonga and Western Samoa. The Melanesian countries of Fiji, PNG, Fiji, Solomon Islands and Vanuatu comprise the "fully furnished" group.

For the "unfurnished group", it was and is our view that while limited increases in domestic productive capacity can be obtained through the implementation of more appropriate policies, attempts to achieve a sustained increase in per capita income through domestic efforts eventually will founder as a result of resource constraints and environmental damage. Consequently, the maintenance and improvement of living conditions will necessitate continued migration, remittances, aid and government employment. In short, we see these as classic MIRAB economies. However, we do admit to the possibility of some tourist-led development, as in the Cook Islands. But more generally, we argue that in the case of these "unfurnished" microstates it is essential that neighbouring developed countries provide at least limited access to their labour markets, either on a temporary or permanent basis, and whether unskilled or skilled.

With regard to the "partly furnished" PICs – Samoa and Tonga – our conclusions have not changed. Currently, these are largely MIRAB economies, but they have the potential to achieve a sustainable higher level of domestic output if aid and remittances are harnessed for the development effort. But in the short to medium term they will need continued access to migration opportunities if economic and political stability is to be maintained.

With regard to the Melanesian "fully furnished" group, it was our view in 1995 that these countries had a sufficient resource base to provide for current subsistence requirements and to provide the basis for sustained development if properly harnessed by appropriate development policies. However, much has changed in these countries during the last 10 years.

For Fiji, the negative and widespread consequences of its declining sugar and textile industry will require fundamental structural changes in the economy through diversification of its agricultural sector and new developments within its industrial and service sectors. Because of declining employment opportunities and slow progress in agricultural and industrial diversification, it is likely that Fiji will rely increasingly on labour migration for income and employment in the immediate future.

For PNG, Solomon Islands and Vanuatu (PSV), continuing rapid population growth and lack of migration opportunities is leading to a huge youth bulge in their labour forces. In combination with lack of employment opportunities because of failed development, we have reconsidered the issue of migration from these countries. PSV are in desperate need of a short-term safety valve that temporary migration can provide. By providing a breathing space for the PSV government to get their development on track, migration may help resolve what is becoming a concerning security situation. Migration is not the solution to development in PSV, but it can in the short to medium term serve as an important adjunct to development.

There are essentially two ways of expanding migration opportunities for the PICs. The first is to provide training for PIs that will achieve credentials of a sufficient level to meet the immigration requirements of Australia and New Zealand. The second is to provide opportunities for unskilled workers to access Australia's and New Zealand's labour markets on a temporary or permanent basis.

The proposed Asia Pacific Technical College (APTC) aimed at expanding TVET training in the PICs is being welcomed as potentially providing an important addition to skill stocks. However, the loss of skills is a matter of serious concern to the PICs, although the positive impacts of overseas workers' remittances and the importance of overseas work experience for skill development is also understood. If APTC provides sufficient credentials to allow graduates to migrate to Australia or New Zealand then the view from the Island countries is that the most beneficial form of migration would be on a temporary basis for around three to four years and, with return, opening up opportunities for other skilled workers to migrate temporarily – a revolving door.

However, by far the majority of PIs are low-skilled. If a migration policy is to have any meaningful impact as an adjunct to a broader development strategy in the PICs, it will have to include the migration of some low-skill workers. The current Australian government appears reluctant to allow low-skill PIs to migrate to Australia on a temporary basis as seasonal agricultural workers. However, the authors recommend that it consider programs such as the Samoan Quota or the PAC schemes, perhaps applied to other PICs. The authors also recommend that the government should be more proactive in targeting PIs for temporary migration for work purposes.

Another way in which Australia could assist the PICs' unskilled/low-skilled labour forces would be to help them access the extensive Asian and Middle Eastern contract labour markets. Facilitation of access to these labour markets could take the form of assisting in the establishment of the necessary institutional infrastructure and the setting up of the types of training facilities that would provide the rudimentary skills needed to successfully acquire employment in these labour markets.

Introduction

In 1995, AusAID commissioned us to undertake a study on New Zealand's experience with migration from the Pacific Island countries (PICs) and explore the implications of that experience for Australia's aid and migration policies toward the Pacific (Appleyard & Stahl, 1995, *South Pacific Migration: New Zealand Experience and Implications for Australia*). Our report acknowledged that South Pacific island countries had been significantly affected by international migration which, together with remittances, had played a crucial role in the maintenance of their economies. In 2006, AusAID, whose strategic plan aims to improve the impact and effectiveness of Australia's development cooperation programs by strengthening its analytical and strategic focus, invited us to "update" our 1995 Report.

We were asked to evaluate, as far as available information allowed, the consequences of post-1995 migration from the South Pacific islands to New Zealand for both the sending countries and New Zealand, and to undertake comparative analysis of Australian immigration policy toward the PICs. (Terms of reference are attached as Appendix 9.)

The nature and direction of world migration, influenced by globalization as well as security/defence issues, have changed markedly since 1995. The PICs and their metropolitan developed neighbours have not escaped these influences.

In a study almost 20 years ago, Connell (1988:1) set the Pacific Islands region into clear geographic and demographic perspective:

> Stretching across three distinct ethnic regions, including some 22 nations and territories, and speaking 1000 languages, the total population of the island countries in the Pacific numbers nearly 5 million persons. Comparatively, this population is less than that of Hong Kong.

Since the publication of that study, an additional four million persons have been added to the population of the Pacific Islands region. The region is dominated by Melanesia with 98 per cent of the land area and 86.4 per cent of the population, including Papua New Guinea's 5.9 million persons. Polynesia and Micronesia, on the other hand, contain only 7.4 and 6.2 per cent, respectively, of the region's population. (See Figure 1).

Small population island states are very sensitive to international migration. The low population growth rates in countries comprising Polynesia have been attributed mainly to out-migration during the last three to four decades. In the mid-1980s, an estimated 190,000 Polynesians were living outside their islands of origin (Hayes, 1992:278). The 2001 census of New Zealand enumerated 237,000 persons claiming Polynesian ancestry. If to this number are added Polynesians resident in Australia and the United States at that time, the number of Polynesians living away from their ancestral lands was 408,000. This significant level of out-migration has clearly impacted on demographic structure and been an important safety valve in relieving the twin pressures of high fertility and increasing life expectancy. That the combined populations of Samoa and Tonga, having increased by only 12 per cent between 1995 and 2005, has been a significant factor in their improved standards of living. Without migration outlets, it could be argued, these Polynesian countries would be facing

Figure 1: Pacific Islands

serious economic, social and political problems. Comparison with the Melanesian countries of PNG, Vanuatu and the Solomon Islands is stark. During the same period, their combined population rose by 73 percent, and living standards deteriorated. They did not have a migration outlet similar to that available to Polynesian countries.

New Zealand has become a major destination for Polynesian migrants and its close historical association with the islands has played an important role in the development of concessional migration policies toward these islands. These policies have been both de jure and de facto in nature. While New Zealand has enacted legislation which grants immigration concessions to Pacific Islanders, it has also permitted the entry of large numbers of Pacific Islanders on temporary work visas, as well as entry via family reunion.

Structure of Report

The study begins with an overview of relevant recent scholarly literature that has focussed on migration and development in the Pacific Islands during the last decade. It includes analysis of recent migration flows in the region within the changing complex patterns of global migration, the magnitude and impact of return migration and skills transfer, and the importance of remittances as a source of development finance. This is followed by a discussion in chapter II of New Zealand's immigration policies in relation to PICs, which includes a review of the various immigration programs under which PIs enter New Zealand, the types of occupations they pursue under these programs, and difficulties they encounter in meeting immigration criteria. The chapter concludes with a comparison of the outcomes of Australia's immigration policy toward the PICs with New Zealand's. Relying principally on a special run of the 2001 Census, Chapter III addresses the labour market outcomes of Pacific migrants and their progeny in New Zealand, with particular focus on their demographic characteristics, work and labour force status, occupational distribution, skill and educational attainment, and income level. Chapter IV concludes the study with some further observations on migration and development in the Pacific, which leads to a discussion of the lessons that can be learned from New Zealand's migration experience with the PICs and how these might inform Australian migration policy toward the region.

I. Migration and Development in the Pacific Islands: An Overview of Recent Literature

Recently, Allegro (2006:6,10) argued that changing migration flows associated with globalization had led to complex patterns of permanent and temporary migration becoming a "defining characteristic of the modern age". Her observation is clearly supported by a survey of recent literature on migration and development. Unfilled demand for labour in many developed countries, due in part to their demographic (ageing) structures being unable to provide either the quantity or quality of labour necessary to service economic growth, has led to the entry of many workers from other countries.

Described by Maragall (2006:10) as one factor of globalization, international migration has not only increased the flow of capital and services, but also the flow of ideas and "cultural products". Allegro (2006) described it as a collective process based on the needs and strategies of families, communities and nations. In addition to the gains obtained by receiving countries, it has also become a significant factor in the socio-economic transformation of sending countries, being especially beneficial to their growth and development (Reddy, Mohanty, & Naidu, 2004).

The Global Commission's 2003 Report, *Migration in an Interconnected World*, also observed the close links that had developed between international migration and policies of development, trade, aid, human rights and security. This increasingly more complex and diverse phenomenon, it declared, had affected all continents.

Characterised by mobility of both labour and capital, usually, but not entirely, to countries where a company's product can be made at lower cost and generally in partnership with a local company, globalization has greatly facilitated demand for temporary migrants. These include skilled and professional workers who provide the services that are essential for a company's international operations.

The "complex patterns" identified by Allegro (2006) and Maragall (2006) have also been exacerbated by increasing flows of irregular migrants and refugees. "New kinds of migrants" are appearing as the line between forced migration and migration linked to employment is becoming ever more diverse. Governments of receiving countries have therefore had to find ways of meeting unfilled demand for labour without necessarily supporting the entrants' calls for "permanent" status once they have settled in the receiving country.

In the United States, flows of irregular migration from Central and South America have increased greatly during the last decade. The legacy of the series of Bracero programmes and toleration of Mexico-US migration has seen increased irregular migration alongside increasing economic migration (Siddique and Appleyard, 2001:5). Countries comprising the European Union are presently facing large inflows of irregular migrants from Eastern Europe and North Africa.

Thirteen million persons worldwide have official refugee status under protection of the provisions of the 1951 Geneva Convention. A further 25 million persons, over half from the Africa continent, are considered IDPs (Internally Displaced Persons). In addition, many asylum seekers around the world live in uncertainty while they await decisions on their applications for status (IEMed, 2006:77). Though hardly "new kinds of migrants", it is the

increasing numbers of forced migrants, especially in Africa, Asia and Latin America, that is another manifestation of the complex and diverse pattern of contemporary global migration.

While scholars of international migration are clearly aware of the complexities associated with their discipline and the need to look for new ways of conceptualising and understanding them, existing theories have proven to have low predictive power simply because of the complexities. Inability to cope with the new dynamism has led to a notable shift away from narrowly-focussed models to more qualitative, even introspective, interpretations, as well as the need for migration transformations to be understood in relation to global linkages (Siddique and Appleyard, 2001:2).

Policy response has, of course, varied according to the parameters set by each country's economic and political circumstances. As noted in the World Bank's 2006 *Report on Global Economic Prospects*, the economic impact of migration in one location or another "depends heavily on the particular circumstances involved" (p.xi). It could, however, be argued that the number and type of migrants have increased faster than the capacity of national governments, regional bodies and international organizations and agreements to deal with them.

Pacific Island Countries: Migration and Development Data

The "diversity" which we claim describes the nature and direction of global migration applies with equal relevance to the economic/demographic structures of Pacific Island states, and therefore to the nature and direction of recent international migration. Table 1.1, compiled from a number of relevant sources, conveys information on the nature of each country's resource base. The five microstates of Tuvalu, Kiribati, Tokelau, Niue and the Cook Islands typically have small populations on many islands spread over thousands of kilometres of sea area. GDP per capita in 2004 ranged from $US2,010 (Tuvalu) to $US8,579 (Cook Islands), although each country had a very high negative balance of trade (exports less imports). The combined total population of these countries in 2005 was 135,000 persons, most of whom (99,000) lived in Kiribati. Although population growth was low, the percentage of persons under fifteen years of age was around 35, growth having been impeded by sustained emigration, especially of adult workers, to the neighbouring metropolitan countries of New Zealand, Australia and, to a lesser extent, the United States.

The demographic impact of out-migration on these microstates is shown in Table 1.2. The freedom accorded residents of Cook Islands and Niue to move to New Zealand, and then if they wish to Australia as a result of a similar "freedom", has contributed to a decline of populations in the Cook Islands and Niue. In 2001, seventy-five per cent of Cook Islanders (based on ancestry data) lived in New Zealand and Australia, as did ninety-two per cent of Niueans. Indeed the population of Niue was a mere 1788. Although 81 percent of Tokelauans also lived abroad, the percentages for Tuvalu (17) and Kiribati (1) were much smaller.

GDP per capita of Tonga and Samoa was similar to that of the Cook Islands and Niue, but their resident populations (97,000 in 1996 and 176,000 in 2001) were much larger. Both countries had significantly large adverse balance of trade and, among all countries in the Pacific region, had the highest level of remittances as a percentage of GDP (39 per cent for Tonga and 14 per cent for Samoa). These high levels had been achieved mainly because forty six per cent of Tongans lived abroad, including over 27,000 in the United States. Fifty-seven

Table 1.1: Pacific Islands Demographic and Economic Indicators

Country	Land Area (sq km)	Sea Area (EEZ) ('000 sq. km.)	Pop (2005) (000)	Pop 2050	Pop Den-sity	Pop Grow Rate (%)	Fertil-ity Rate (2005)	% Pop < 15	GDP Per capita PPP (2004) (US$)	ODA Per Capita (2004) (US$)	Human Dev Index (2003)	Exports (2004) (US$ millions)	Imports (2004) (US$ millions)	Remit-tances (2004) (US$ millions)	Remit-tances as % of GDP
Cook Is	237	1,830	21	-	76	-	-	30	8,579[a]	-	-	7.2	74.2	-	-
Niue	259	390	2	-	5	-	3.0	30	6,689[a]	-	-	0.2	7.9	-	-
Tokelau	10	310	1	-	150	-.01	-	41	-	-	-	-	0.1	-	-
Tuvalu	24	900	12	20	500	1.5	3.0	36	2,010[b]	-	-	0.1	11.3	3.1	17.0
Samoa	2,935	120	185	171	63	0.8	4.1	41	5,613	168	0.78	83	188	45	14.2
Tonga	747	700	102	188	137	0.4	3.7	36	7,870	189	0.81	15	102	66	39.2
Kiribati	690	3,550	99	235	143	1.5	3.6	40	2,339	171	-	3.3	58	7	12.0
Fiji	18,272	1,290	848	934	46	0.9	2.9	33	6,066	76	0.75	677	1,411	167	7.4
PNG	462,243	3,120	5,887	10,600	13	2.0	4.1	41	2,543	46	0.52	1,252	1,465	6	1.5
Solomon Is.	27,556	1,340	478	921	17	2.6	4.4	43	1,814	256	0.59	66	53	2	0.9
Vanuatu	12,190	680	211	375	17	2.0	4.1	42	3,051	179	0.66	149	175	9	3.3

Note: there are variations across databases for figures for population, projected population, fertility rate, and % of population less that 15 years of age.
a. Current US$
b. Estimate based on GDP for 2002, current US$.

Sources: IMF, World Economic Outlook Database, April 2006, http://www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm
UNFPA (2005), State of the World Population 2005, http://www.unfpa.org/swp/swpmain.htm
U.S. Census Bureau, International Data Base, http://www.census.gov/ipc/www/idbpyr.html
UNDP (2005), Human Development Report 2005, http://hdr.undp.org/reports/global/2005/
Globalis Interactive, http://globalis.gvu.unu.edu/
Secretariat of the South Pacific Community, Prism, http://www.spc.int/prism/
World Bank, World Development Indicators, *WDI Online*
Central Bank of Fiji
Central Bank of Samoa
Central Bank of Tuvalu
Unpublished data from Alpha Pacific Navigation, Funafuti, Tuvalu
Unpublished data from Household & Income Survey (HIES) 2004/05, Tuvalu
McKenzie (2006)

Table 1.2: PICs' Populations and Populations Abroad

Country	Year	Total in Country	in NZ (2001)[a]	in Aus (2001)[b]	in USA (2000)[c]	Total in NZ, Aus, US	% Away
Cook Islands	2001	18,027	51,141	4,742	-	55,883	75.6
Niue	2001	1,788	20,148	494	-	20,642	92.0
Tokelau	2001	1,537	6,204	450[d]	129	6,783	81.5
Tuvalu	2002	9,561	1,953	90	-	2,043	17.6
Samoa	2001	176,710	114,432	28,091	91,029	233,552	56.9
Tonga	1996	97,784	40,713	14,889	27,713	83,315	46.0
Kiribati	2000	83,856	504	358	90	952	1.1
Fiji	2005	846,085	26,259	44,261	32,332	102,852	12.2
PNG	2000	5,171,548	1,149	9,441	135	10,725	0.2
Solomon Islands	1999	409,042	507	769	12	1,288	0.3
Vanuatu	1999	186,678	276	898	6	1,180	0.6
Other Polynesian					3,497		
Other Melanesian					147		
Other Pacific			6,690	863	75,138		
TOTAL		7,002,616	269,976	105,346	230,228	605,550	

a. For Australia, figures for Kiribati, PNG, Samoa, Solomon Islands, and Tonga are based on ancestry. The figure for Fiji is based on birth as the ancestry figure includes only ethnic Fijians. Cook Islands, Niue, Tokelau, Tuvalu and Vanuatu are based on birthplace as ancestry figures are not available for these countries.
b. For New Zealand, figures for Samoa, Cook Islands, Tonga, Niue, Tokelau and Tuvalu are based on ancestry. The figure for Fiji is based on birth as the ancestry figure includes only ethic Fijians. Kiribati, PNG, Solomon Islands and Vanuatu are based on birthplace as ancestry figures and not available for these countries.
c. US figures are based on race alone, except for Fiji which is based on birthplace in order not to exclude Indo-Fijians. "Other Pacific" figure for the USA is made up of Micronesians.
d. estimate based on New Zealand citizens present in Australia by country of birth.

Sources:
Individual PIC census are accessible via the Secretariat of the Pacific Community, Prism, http://www.spc.int/prism/.
New Zealand 2001 Census.
U.S. 2000 Census.
Australia 2001 Census.

per cent of Samoans lived abroad, including 91,000 (of 233,000) in the United States. The others lived in New Zealand and Australia.

The population of Melanesia is dominated by Papua New Guinea with 5.9 million persons in 2005, and expected to reach 10.6 million in 2050. Although PNG's GDP per capita was one of the lowest of PICs in 2004 ($US2,543), its balance of trade was in better shape than any of the other PICs. Because only 0.2 per cent of its population lives abroad (mainly in Australia), remittances as a percentage of GNP is negligible.

Fiji has a much higher GDP per capita than any of the other Melanesian PICs and, as will be noted below, is acknowledged as one of the more successful economies in the region. Remittances (US$167 million in 2004) represented 3.5 per cent of GDP, due mainly to 80,300 Fijians living, in fairly equal numbers, in New Zealand, Australia and the United States. Hardly any (1,288) Solomon Islanders lived outside their country which, in 1999, had a population of 409,000. Remittances therefore played no part in GDP which, at $US1,814 per capita, was the lowest of all PICs. Furthermore, the Solomon Islands fertility rate (4.1) was

exceeded only by Samoa (4.2). It also had the highest percentage of population under fifteen years of any of the PICs. Indeed, the country's population is expected to double by 2050. Vanuatu had a population of 211,000 in 2005, but only 0.6 per cent of its people lived in New Zealand and Australia. Its population growth rate was two per cent, fertility rate a high 4.0, and with forty-two per cent of its population under fifteen years of age, total numbers are expected to almost double by 2050.

Pacific Island Countries: Migration and Development Analysis

Migration is a time-honoured strategy of moving from a poor to a rich area in search of social and economic mobility (Connell & Brown, 2005). In many poor countries there is a "powerful and almost universal recognition" that the best social and economic opportunities lie overseas.

As noted above, many Pacific Island countries have utilised migration as a major medium for economic development, especially *small countries* where, overall, there are generally few opportunities for socio-economic advancement. Perceived disparities between the small island countries and their metropolitan counterparts have led to substantial flows of migrants to New Zealand, Australia and the United States. Although numbers of Pacific Islanders in each country are based variously on birthplace and/or ancestry, there is evidence to show that island populations in the metropolitan countries have increased noticeably since the late 1980s (Appleyard and Stahl, 1995:27). Furthermore, most of the islanders and their children have settled in communities within cities such as Auckland, Sydney and New York (Connell & Conway, 2000).

Small island states face a range of factors that make stable economic growth an "uphill battle": small size, reliance on niche market opportunities, newly-independent, scattered islands and being vulnerable to climate and trade shocks. Duncan and Gilling (2005) also argue that these countries simply have not taken control of the factors that will determine their fate, including weak political governance, high barriers to trade and investment, inefficient State-owned enterprises and undeveloped financial markets[1]. Tisdell (2002) also emphasises the disadvantages that small island states experience by being isolated geographically from the larger markets of the world, and in the cases of Tuvalu and Kiribati, having little land mass, extremely poor soils and little diversity of natural resources. He also concludes that "all are hampered by inadequate education infrastructure". In the Solomon Islands and Vanuatu, education programmes are further hampered by a multiplicity of local languages.

Fiji, according to Lal (2003:2), is "easily the most economically developed of the South Pacific Islands". Its multi-ethnic population of 848,000 is 51 per cent Indigenous Fijian and 43 per cent Indo-Fijian, a diversity that set the context for recent political disturbance initiated by what Lal calls the "complex dynamics of its citizens' emigration". Prior to the coup of 1987, emigration from Fiji was 20,703 (1978 to 1986). From 1987 to 1996 it increased to 50,050. But the salient feature of this second phase of migration is that about 90 per cent were Indo-Fijians. While many emigrants from the first phase went to Canada and the United States, about two-thirds of those in the second phase went to Australia, attracted in part by the opening up of opportunities for skills-based migrants, their families, and greater employment opportunities. Some were also "pushed" by the expiry of agricultural leases and continuing uncertainly about the future of sugar producers' access to the European Union market (Lal,

[1] See also Cook & Kirkpatrick (1998) and Firth (2005)

2003:1-3). Fiji continues to lose through emigration large numbers of highly skilled and educated Indo-Fijians as a direct result of past political instability and the politics of race. In recent years there has been a steady expansion of ethnic Fijians migrating abroad for employment purposes as nurses, soldiers and security guards, to add to the exodus of Indo-Fijians on a permanent basis. With this migration, remittances are becoming an important item in household income. In the 7 years since 1999, remittances have risen by 524 percent. Labour services are now the second most important source of export revenue behind tourism, with remittances amounting to FJD310.92 million in 2005. This represented 26 percent of total export proceeds and 7.8 percent of estimated GDP for 2005. In comparison, the value of sugar production was FJD218 million and tourism FJD729 million.

As noted in Table 1.1, projected population growth varies considerably between countries in the region, being especially rapid for those countries comprising Melanesia. In 2005, their combined population was around 7.7 million, or 86 percent of the total population of PICs. By 2050, their population is expected to exceed 13 million, comprising 89 percent of the PICs population. PNG clearly dominates the Melanesian group, its population comprising 79 percent of the Melanesian population and 66 percent of the combined population of all the PICs. This rapid rate of population growth is reflected in a total fertility rate of 3.9. A consequence of these rapid rates of population growth is a very youthful population. For Vanuatu, some 41 percent of it population is less than 15 years of age. This, in turn, is manifest in a rapid growth in the working age population, but with few employment opportunities.

Duncan and Gilling (2005:11) contend that Fiji, Samoa, Tonga and Tuvalu, countries whose people have "relatively easy access to metropolitan countries", are likely to experience sustained population growth rates of about 0.5 to 1.0 per cent. Countries likely to have the most rapid rates of population growth during the next 25 years (Kiribati, Solomon Islands and Vanuatu) will have to achieve high rates of growth in GDP in order to achieve increased living standards. Countries whose citizens have had relatively easy access to metropolitan countries have not only experienced lower rates of population growth, but remittances from nationals in the metropolitan countries have contributed significantly to national economic development. However, for the region as a whole, population growth remains high. Forty per cent of Island populations are aged 0-15 years which Allegro (2006:15) argues will ensure that population growth, and pressure, will continue into the next generation. Demographic trends such as these will greatly influence the changing economic status of Pacific peoples (Ministry of Pacific Island Affairs, 2002). Indeed, on the basis of current trends, the region's population could double in two decades. The large numbers of young people in projected populations will, according to the FEMM meeting of Ministers during June, 2006, make restructuring goals difficult to achieve, and lead almost certainly to increased unemployment.

The MIRAB Model and Beyond

The unique structure, size and location of South Pacific Island countries led to some being dubbed MIRAB states, where migration, remittances, aid and state sponsored employment (bureaucracy) are central to the socio-economic system (Masters, 1985, cited by Connell and Brown, 2005). The five states identified as MIRABs in 1984 were Cook Islands, Niue, Tokelau, Kiribati and Tuvalu, each having a common heritage of colonial welfarism. Under this model,

> "… the sustainability and development prospects of such economies relied on the continuing operation of stabilising negative feedback loops which kept the aid flowing, the bureaucrats operating, and the remittance networks alive, while the islanders' society and culture were reproduced through time and across transnational space" (Bertram, 2006:1-2).

In 1993, Bertram argued that the MIRAB model was a perfectly sustainable development strategy so long as the "rent" from remittances, and international aid, could be obtained for an indefinite period. On the other hand, Pourine (2006) contended that there had been great reluctance on the part of South Pacific countries and agencies "to accept this development model as a valid and sustainable one". Somehow, it did not seem right to live off international aid and migrant remittances, although Pourine argued that Pacific Islands people should not feel guilty about accepting remittances because, in a way, they represent "invisible exports" to industrial countries. By exporting labour and "geostrategic services", he wrote, small Pacific Islands make the best use of the only comparative advantage they have that allows them to gain from international trade. For example, their domestic development opportunities are limited by transport costs, the impossibility of reaching large-scale economies, limited land surfaces and very small internal markets. There is no reason to hate or love MIRAB, Pourine concluded. It is a "pareto-efficient, welfare-maximising strategy to export labour services and geostrategic services".

Connell and Conway (2000:66) had already observed that the assumption of transnational identities – the flow of information, remittances, pocket transfers and skills – was being recognised as an important aspect of today's contemporary global system, particularly in relations between islands and metropolitan states. They therefore called for reassessment of the relationship between migration and development of island microstates, including their size, the "openness" of their economies, tourism and the evolution of international networks.

These and other aspects of island development were carefully evaluated in 2004 at a conference on the theme *Beyond MIRAB: the Political Economy of Small Islands in the 21st Century*[2]. Authors of papers presented at that conference criticised the MIRAB model both from "within" (its internal logic and empirical applicability) and "without" (the model is a reductionist economic exercise which fails to engage with the richness and detail of social and economic reality as lived by islanders). Frankel (2006) set the tone of the conference by declaring that available statistics on relevant variables were far too patchy in both coverage and accuracy. Marsters, Lewis & Friesen (2006) gave a new resonance to the concept "transnational corporation of kin" by proposing that the economic focus be broadened to incorporate "social, cultural and personal aspects".

Baldicchino (2006) argued that the MIRAB model had limited applicability outside the subset of world islands which are obliged to treat extra-territorial resources, not interior frontiers, as a substitute hinterland. With retreat into a geographic hinterland foreclosed, out-migration to other countries provides a partial substitute. The MIRAB strategy was only one of a number of possible ways of exploiting an external hinterland. In seeking to identify and describe the ideal-type alternative strategy, Baldicchino focussed on the political/jurisdictional rather than on the economic dimension. He believed that many small island economies could achieve economic advancement by shrewd immigration and cyclical migration policy, by engaging in tough external negotiations concerning the use of local mineral, natural, political and other

[2] Conference papers, and an Introduction written by Bertram, were published in *Asia Pacific Viewpoint*, Vol. 47, No. 1, April 2006.

"imaginative" resources, by securing and controlling viable means of transportation, and by luring foreign direct investment via very low, or no, taxes.

The crucial remittances issue was essentially introduced to the *Beyond MIRAB* conference by Poirine (2006) who declared that remittances now dwarf official development aid and rank alongside private direct investment as a source of global development finance. Exploring the economic logic of remittances driven by "altruistic motives", his model predicts that the amount remitted will be adjusted until a target ratio is established between the migrant's real consumption and the real consumption of back-home relatives. Because all the determinants of remittance volumes in his model are empirically measurable, it (the model) is suitable for econometric estimations. Poirine has therefore been able to cast legitimate doubts on some earlier treatises on, for example, the *sustainability* of remittance flows.

Bertram (2006, p. 11) concludes his discussion of the papers presented at *Beyond MIRAB* by saying that the new generation of economic research on small island states, which has added to MIRAB several additional taxonomic ideal-types of island economies, will "..enable researchers to predict, within limits, and on the basis of more informed judgement than of sophisticated modelling, the trajectories that particular island communities are likely to follow over the next decade or so, but they probably do not give good long-run forecasting or predictive ability".

Migration: Internal and International

The economic impact of labour migration on a sending country often begins with the "first step" taken by migrants from their villages to urban areas within their countries. Indeed Firth (2005:6) identifies this phase as one of four distinct kinds of migration in the Pacific Islands region. In addition to this migration from outer islands and rural areas to towns (a process that has been occurring for many years in every island country), there is also migration of skilled islanders from one part of the region, say, Fiji, to another, such as the Marshall Islands; migration to Australia, New Zealand, Canada and the United States; and what Firth calls "ethnic migration" which he claims is unique to Fiji, i.e., the departure of people of Indian descent, most of whom are highly skilled and well educated.

Again, the volume and impact of rural/island-urban migration is conditioned by the country's and region's economic size and structure. The Forum Economic Ministers meeting held at Honiara, Solomon Islands, during July 2006 was informed that the issue of rural-urban migration is more acute in Melanesian countries, especially in Papua New Guinea and Solomon Islands where "daily arrivals" number over one thousand per week. Stagnant rural opportunities have contributed to this influx of migrants to towns where they have been described as a "growing pool of unskilled workers". In Fiji, the impact of sugar cane farmers not renewing their leases but taking a lump sum and moving out of agriculture is expected to have "serious consequences for Fiji's agricultural sector" as well as placing high demand on housing in urban areas. However, those who are skilled and qualified, or have relatives abroad, can use their lump sum payments to emigrate (Reddy et. al., 2004:1452). On Kiribati, there has been an increasing migration of seafarers' families from outer islands to South Tarawa. Unlike many other migrant workers, seafarers are unable to take their families with them (Borovnik, 2006).

Redistribution of populations within the sending countries, as well as the emigration of workers abroad, whatever their skills, has clearly impacted on the productivity of rural agriculture. Duncan and Gilling (2005) conclude that in Polynesian and Micronesian countries, internal migration "is placing huge stress on local government resources". Stagnant rural opportunities have also led many workers and their families to move from rural villages to towns/urban areas in countries such as Papua New Guinea and Solomon Islands. But if the rural worker, whether or not accompanied by his family, emigrates abroad and while there obtains additional skills, these could be utilised with positive outcomes if, and when, he returns.

Return and Skills Transfer

A dearth of information on the incidence of return migration, including acquisition of skills while abroad, makes it difficult to evaluate the impact of return migration on the home country's economic development. A study by Ahlburg and Brown (1998) of 982 households in Sydney of persons from Tonga and Samoa found that only ten per cent indicated intention to return to their home country, although a further 23 per cent of Tongans and 38 per cent of Samoans were "undecided". The study concluded that return was not a major channel for the acquisition of human capital for Tonga and Samoa. The authors also noted that while gains of physical capital through remittance payments could be substantial (see below), gains from externally-acquired human capital "…do not appear to be quantitatively important" (1998:2). Connell and Conway (2000:65) also raised doubts concerning the magnitude of skill acquisition from overseas experience, claiming that it may or may not be immediately translated into productive capabilities at home in local communities. Opportunities at home, they argued, are limited, "…and change, expansion and reorganization is often necessary to accommodate skills acquired in another technological environment". Return migrants are only exceptionally the "agents of change" identified in modernization theories. On the other hand, in 2003, QFVG (Queensland Fruit and Vegetable Growers) representatives advised the Senate Foreign Affairs and Trade Committee that it supported the establishment of a formal programme of organized recruitment of workers from Papua New Guinea and other countries in the Pacific region, and that aside from filling many unfilled jobs in the industry, the workers would acquire formal skills that could be "utilised when they returned to their country of origin" (Australia - Senate Foreign Affairs and Trade Committee, 2003).

While the (present) authors have reservations regarding how vegetable and fruit pickers in Queensland could effectively utilise their "acquired skills" upon return to their island homelands, we certainly concur with Narsey (2004:22) that while Australia and New Zealand have focussed on human resource development in the Island countries, much of the resultant skills have not been retained in their home countries. The irony, Narsey argues, is that the very skills which have been needed to "make development work" in Pacific Island countries have been lost to Australia and New Zealand via their points system of granting permanent resident status. Narsey concludes that one enlightened response of Australia and New Zealand to the outflows of skilled and professional workers from Pacific Island countries would be explicit recognition that their permanent residence status be satisfied by residence and work in Pacific Island countries (2004:23).

Given limited research and hence understanding of the criteria to be met in order for return migrants to apply their newly-acquired skills, Connell and Conway (2000:53) appropriately called for a

> "…better and broader understanding of the ways in which migration and circulation patterns are related to remittances in today's transnational networks, and the ways in which return migration and remittance investment enrich social capital stocks and enable families to have both increased access to opportunities and more flexibility in their livelihood options".

Consequences of Skill Losses

There is a lack of consensus in the literature concerning the impact of labour emigration on domestic output and employment. Some researchers have found it to be an inexpensive and rapid method of alleviating unemployment, as well as a safety valve to relieve the social and economic pressures caused by unemployment. However, labour migration is often selective of the more talented and ambitious members of the workforce. If these persons were employed, and if they are difficult to replace, then their loss can have a negative impact on the industries affected. Their loss can even increase unemployment amongst the unskilled insofar as these latter workers are complementary to departing irreplaceable workers (Appleyard & Stahl, 1995:29).

In Fiji, the loss of skilled manpower, as noted above, has had far-reaching effects. Some Fijians have emigrated "permanently"; others for specific periods. But overall, according to Reddy et. al., (2004:1458), the migrant syndrome has been draining both labour and financial capital which may inhibit the country's economic growth and "greatly jeopardise its process of development". Indeed, the loss of human capital from Fiji during the last fifteen years was officially estimated as 76,000 and unofficial estimates are as high as 100,000 (Reddy et. al., 2004:1449-50). The loss of highly-skilled and educated Fijians, as well as recent emigration of nurses, soldiers and security guards, has occurred at a time when remittances have become an important item in household income. However, because of declining employment opportunities, as well as slow progress in agricultural and industrial diversification, Fiji will probably have to rely increasingly on labour migration for income and employment. Indeed, Narsey (2004) concludes that sustainable development in Melanesia as a whole in the 21st century will "depend heavily" on opportunities for young people to travel overseas for training and employment.

A generally held view in Samoa is that migration, especially for many young males from family plantations, has left fewer persons to do the "essential work" in villages. Together with cyclonic damage and severe blight to the taro crop, emigration has contributed to negative consequences for the agricultural sector, resulting in much arable land being left in fallow. Out-migration of both professional/technical and middle management workers has also created a significant skill loss in the country, as it has in Fiji.

These specific examples of the consequences of skill losses have support in a number of studies of Pacific Island migration (Appleyard & Stahl, 1995:30). Nonetheless, the question remains as to whether any negative effect on output of a loss in human capital is not more than offset by an inflow of physical capital financed out of remittances.

In one of the more sophisticated studies of the welfare consequences of increased labour emigration from the PICs, Walmsley et al. (2005) use a CGE model of bilateral migration

flows (GMig2) to quantify the benefits of liberalising GATS Mode 4 in the Pacific region. The following scenarios were modelled:

a. a one per cent increase in the quotas[3] for both skilled and unskilled labour in Australia and New Zealand, met entirely by Pacific Islands labour;
b. a one per cent increase in the quotas for unskilled labour only, met entirely by Pacific Islands labour;
c. a one per cent increase in quotas for skilled labour only, met entirely by Pacific Islands labour.

In all three scenarios, Pacific Islands workers return to their countries after 3-5 years; in other words, a revolving door whereby workers continually enter Australia and New Zealand and return home.

The results of these simulations are that a 1% rise in temporary migrant-labour quotas for skilled and unskilled workers from the Forum Island Countries (FICs) to Australia would result in a massive gain of US$1.4 billion for those PIs migrating, and US$168 million for those migrating to New Zealand. However, this positive outcome is offset partly by a welfare loss of almost US$488 million for those remaining at home in the FICs, despite an assumed inflow of remittances from temporary migrant workers abroad.[4] This loss occurs because the migration of their workers would reduce the FICs' already stretched skilled workforce by 21 per cent, with negative impacts on productivity and tax revenue. But their far more plentiful unskilled workforce would be reduced only by 2 per cent (ADB, 2005). Residents of Australia and New Zealand would gain from this movement of labour, Australians by about US$300 million and New Zealanders by about US$26 million. But workers from elsewhere in the world residing in Australia and New Zealand would lose because it is assumed they do not own capital in Australia and New Zealand and the influx of Pacific migrants would slightly reduce wage rates.

This model is the only serious attempt to gauge the welfare effects of labour market liberalisation in the Pacific region. It clearly shows that enormous welfare gains can be achieved for both the sending and receiving Pacific countries. But it also clearly highlights the negative welfare effects for the PICs of a reduction in their supplies of skilled labour.

It would seem then that there is a case to be made that loss of skills can be damaging to the development prospects of the PICs.

Remittances

In our 1995 report we gave considerable attention to the remittances issue, arguing that its magnitude and use largely determine the benefits of labour migration. Remittances can provide a variety of benefits to sending countries, including an important non-traditional

[3] A one percent increase in quota means an increase in migration equal to 1% of the ANZ workforce. This would boost the skilled workforces in Australia and New Zealand by 41,201 and 8,966, respectively, and increase their unskilled workforces by 111,096 & 71,546, respectively.

[4] Remittance rates depend on the underlying remittance data collected and estimates of wages. For example, for Kiribati the remittance rate is 40%, but PNG and Fiji it is only 2-3%. If remittance data were missing the figure was set at an average of about 25%. Because of aggregation, the total will depend on the mix of migrants in each host region. Currently, remittance rates range between 10-20% (personal communication from author).

source of foreign exchange which is often a scarce and constraining factor on development (p.32). This general evaluation has been largely confirmed by The World Bank's *Global Economic Prospects Report,* titled *Economic Implications of Remittances and Migration* (2006). The Report concludes that the bulk of economic gains from migration accrue to migrants and their families and that these gains are often large:

> "Wage levels (adjusted for purchasing power) in high-income countries are approximately five times those of low-income countries for similar occupations, generating an enormous incentive to emigrate. Moreover, to the extent that migrants devote a portion of their income to remittances, the gains are even greater." (p.xii).

While the impact of remittances on growth (of sending countries) is unclear, remittances do play an important role in reducing the incidence and severity of poverty with no significant effect on income inequality.

> "Remittances…help smooth household consumption, especially in response to adverse events, such as crop failure or a health crisis… Remittances appear to be associated with increased household investments in education, entrepreneurship, and health – all of which have a high social return in most circumstances." (p.xiii).

The remittances issue has certainly become a focal point in post-1995 literature on Pacific Islands development. And for good reasons. Indeed, a Remittances Round Table held in Suva during March 2005 was informed that remittances have become a critically important phenomenon for development all around the world – perhaps as high as $US90 billion in 2003 – and exceeding foreign direct investment as the main source of external funding for developing countries (Pacific Islands Forum Secretariat, 2005). Their estimate for the Pacific region was $US100 million, much of which had been provided by migrants living in the metropolitan countries of New Zealand and Australia.[5] In Polynesia alone, according to Connell and Brown (2005:vii), remittances represent the single most prominent component of national incomes, "reaching levels rarely found elsewhere in the world". From the host country's perspective, migration and remittances constitute a major form of economic assistance to Pacific Islands countries (Brown & Ahlburg, 1999). And although economic literature has tended to focus on negative aspects of international migration (including loss of skilled workers from sending countries), this assumption does not hold for remittance-induced migration and human capital investment (Brown, 2005). Nonetheless, the Round Table Forum agreed that further consideration needs to be given to the *relationship* between remittance flows and official development assistance.

Remittances take several forms: money transfers sent via the formal banking system; in cash via an informal agent; value of goods sent to households; payments made by the migrant on behalf of households; donations made by the migrant to institutions or organizations; and deposits made into bank accounts held by migrants overseas (Brown and Ahlburg, 1999:325).

For obvious reasons, this diversity of form has made it very difficult for scholars to evaluate the "value" of remittances transferred. Aside from the limitations of official remittance data, not all remittances are transferred in cash form, or through official banking channels. A very substantial amount of cash is sent out *informally* from Australia, possibly as much as forty percent for Tongans and sixty per cent for Samoans (Connell and Brown, 2005:14).

[5] This is a quite conservative estimate. Our sources, see Table 1.1, indicate that the PICs received some US$305 million in remittances in 2004.

Information obtained from a unique study of Tongans and Samoans in Australia enables us to gain a clearer picture of the magnitude and processes of remittance payments. Described as a template of remittance-dependent economies, it is a "good starting point" for other small countries in the region. Indeed, Connell and Brown (2005:54) lament not only that few studies on migration and remittances are "statistically significant", but not one study of a remittance-recipient village in a sending country has been undertaken.

Remittance transfers to Tonga and Samoa represent very high proportions of national, village and household incomes. For Samoa they represent a "crucial element" in national development plans; and for Tonga they (together with migration) are perceived solely as a means for improving family incomes and welfare (Connell and Brown, 2005:17). Lee (2004) calculated that remittances to Tonga reached US$60 million during 2002/3. Snell and Dixon (2004) calculated that they represented fifty per cent of GDP in 2002, thus keeping the country's economy "afloat". Seventy per cent of Tongan households receive remittance payments. At the village level, relatives not only regularly receive cash remittances but also "containers filled with appliances". Fiji has also received large and sustained remittance payments. The estimated US$107 million received in 2003 represented 43 per cent of the nation's merchandise export of goods (Narsey, 2004:25, table 2).

There seems to be widespread support amongst scholars for the view that investment in human capital is the most important and highly-valued use of remittances (Connell and Brown, 2005:36; Brown, 2005:248-49), although Connell and Brown also note that remittances are increasingly being directed into investment, i.e., to purchase local businesses, especially corner stores, fishing boats and taxis (p.19). The composition of consumption expenditure includes household goods, air fares, education and community and social use (pp.31-37). Connell and Conway (2000:61) also show that as the recipients of remittance transfers, women are the "primary dispensers" who take responsibility for their investment decisions. "If we were to assign priority among these investment options", write Connell and Conway, "a guiding principle would be that we would meet immediate needs first", i.e., family and dependents' basic needs.

In Tuvalu, remittances are used for both investment and consumption. The major investment items are fishing boats and retail activities. Other funds are spent in a way that enhances overall labour productivity. For example, the replacement of thatch roofs with corrugated metal and the installation of rainwater tanks results in a considerable saving of labour time that can be applied to other pursuits. Also, the purchase of motorized boats greatly reduces travel time to and from established gardens on the outer (uninhabited) islands. Improved animal husbandry through the construction of proper pig pens has reduced the extent of free roaming of animals and reduced the incidence of disease in both animals and humans. As well, some remittances are used for school fees, thus improving the stock of human capital.

Connell and Conway (2000:69-70) also conclude that the senders and receivers of remittances behave in an economically rational manner, thus enabling community-level interactions and investment to endow communities with increased social and cultural capital. Furthermore, the higher levels of consumption as a result of remittance income obviously contribute to the improvement of basic needs, and are important for *both* investment and savings. Brown and Ahlburg (1999:13) concur: in addition to supporting consumption levels, remittances are a major source of loanable funds for investment by "internationally-based Pacific Islands households".

However, remittances are often perceived to have some negative consequences for some receiving countries. Several scholars have stressed that the "crowding out" effect of remittances, whereby a remittance induced appreciation of the exchange rate reduces the competitive advantage of traditional exports, combined with notions of an easy subsistence lifestyle, have discouraged productivity. This argument was prominent during the initial formation of the MIRAB model (Connell and Brown, 2005:38).

In Tuvalu, discarded household appliances financed by remittances have added to a major problem of solid waste disposal on the main island of Funafuti. Lead/acid pollution from disposal of batteries used to power battery operated appliances is a growing concern on the outer islands. Remittances have financed importation of motor vehicles, whereas before there were only motor bikes. The consequence is a growing number of rusting hulks of broken down and discarded vehicles. Also, remittances have resulted in an enormous expansion in the number of pigs and pig pens. This has led to serious water pollution of the fresh water lagoon in the centre of the island.[6]

A recurring concern in the literature on migration is that the flow of remittances will decline over time as migrants become increasingly settled in their new country of residence – the remittance decay hypothesis. For example, Lee (2004) expresses concern about future flows of remittances received by Tonga, especially because many original migrants are ageing. She found that very few Tongans in her study who were under 30 years of age sent any money or goods directly to Tonga. She also noted a diminishing sense of identity towards an "increasingly disapproving attitude towards remitting". However, Connell and Brown (2005:20) claim that older migrants are increasingly likely to transfer income for their own use to finance retirement. Econometric analysis of remittance data relating to Tongans and Samoans in Sydney provided no evidence of support for the remittance decay hypothesis (Brown, 2005:52). In an earlier study, Brown (1998) had already concluded that "doomsday" assumptions regarding remittance decay were invalid, and Pourine (2006:14) recently declared that sustainability of aggregate remittances rests crucially on the *extent* of migration.

According to Connell & Brown (2005), it is neither the availability of savings nor the unwillingness of recipients to invest that explains the relatively poor performance of Pacific Island countries. Rather, policies are needed to encourage the use of remittances to promote longer-term development. There is, they declare, substantial scope for government policy interventions to increase the flow of remittances. So far there have been "no concerted efforts by any government" to offer incentives to invest remittances in productive activities (p. 46). PICs governments need to implement monetary policies that result in positive, internationally-competitive interest rates. Brown and Ahlburg (1999:10-14) have prepared a comprehensive schedule of possibilities for channelling remittances through official channels which shows the scope for policy interventions by migrant-sending countries to stimulate the flow of remittances. Allegro (2006:43) also argues that governments are in a position to control the legal and regulatory economic environment, increase accessibility to banking services, support financial literacy programmes, and link remittances to small-to-medium businesses development.

[6] This internal lagoon was created as a result of the excavation of coral rock for the airstrip built by the Americans in WWII. A proposal from New Zealand to fill it in by pumping in sand from the Funafuti's lagoon was killed off by objectives from environmentalists. So the pollution of the inner lagoon and its health risks remain.

Conclusions

This review of recent literature on South Pacific migration since 1995 shows that the region has not escaped the "close links" that have developed on all continents between international migration and policies of development, trade, aid and human rights. Although population growth in the region as a whole has been very high, rates nonetheless have varied considerably between constituent countries. Rates experienced by small island countries that have negotiated migration arrangements with so-called "metropolitan" countries (Australia, New Zealand and the United States) have been much lower than those experienced in the large island countries comprising Melanesia.

While a study of Tongan and Samoan migrants living in Sydney has provided useful information on both the nature and extent of "return", including skill transfer, of migrants from these countries, and confirmed the significant role that remittances now play in the development process, our specific task for this study was to examine New Zealand's experience with PI migration since 1995 and its implications for Australia's migration, aid and development policies in the region.

The following two chapters therefore evaluate the nature and success of New Zealand's immigration policies and, in particular, the socioeconomic integration of Pacific Island migrants who have settled in New Zealand in recent years.

II. New Zealand's Immigration Policy

Background

In the post-1945 period until the mid-1980s, New Zealand, unlike Australia, did not actively utilise immigration to achieve specific long-term population targets (Appleyard et al., 1988). New Zealand's approach, according to a former Minister for Immigration, Mr Kerry Burke, has been considerably more cautious than the "populate or perish" programme that he identified as Australia's objective. As can be seen from Table 2.1, although migration figures (both inflows and outflows) have reflected economic conditions in New Zealand, net gain to population through migration during the period 1945 to 1986 was a relatively small component of New Zealand's population growth.

The 483,000 overseas-born residents in New Zealand at the 1986 census comprised only 14.8 per cent of the population, and 62 per cent of these persons had been born in the United Kingdom or Australia. However, following a fundamental shift in immigration policy in the mid 1980's, there was a very substantial rise in immigration numbers and diversification sources. Shifts in policy were the result of a perceived need to offset high levels of emigration of New Zealanders, particularly to Australia, declining fertility and the need to attract skilled persons to accommodate policy-induced changes in economic structure that required a more sophisticated workforce (Brosnan & Wilson, 1989). Diversification of sources also reflected a belated but quiet change in New Zealand immigration policy away from bias toward migrants from Australia, Western Europe and the UK.

Between 1986 and 2001, the foreign born population increased by 75 percent. Usually-resident foreign born persons numbering 860,000 comprised 23 percent of New Zealand's 2001 population. Reflecting the geographical diversity of the new immigration intake, only 33 percent of these persons had been born in the UK or Australia (Statistics New Zealand, n.d.a.). Since 1986, the annual rate of immigration has matched that of Australia at around 0.75 percent of the population.

As noted, the United Kingdom was the main source of immigrants during New Zealand's early post-war migration programme, free and assisted passages being available to many Britons. An Assisted Passage Agreement negotiated in 1950 (also with the Netherlands) saw peaks of intake from the United Kingdom coincide, as in Australia, with events such as the Suez crisis in 1957. The terms of assisted immigration programmes changed to meet desired targets during this period. By responding mainly to short-term labour requirements, immigration intakes basically reflected contemporary economic conditions. As Minister Burke observed, the 1967-68 recession saw a lagged *emigration* of New Zealand workers to Australia and elsewhere, but booming export prices a few years later led the government to abolish its ceiling on subsidised immigration from the United Kingdom, and extend the Assisted Passage Scheme to other European countries and the United States. This led to the entry of 70,000 permanent and long term migrants in 1973-74. As in Australia, a Labour government elected in 1972 brought to an end the previously unrestricted access of British migrants and also the Assisted Passage Schemes.

For the next decade, immigration proceeded at "modest levels" (Table 2.1). With the election of a Labour government in 1984, immigration law and policy were carefully reviewed.

Table 2.1: Permanent and Long-Term Migration, 1925-2005 (000)

Year ended December	Permanent & long-term arrivals	Permanent & long-term departures	Net Immigration		Year ended December	Permanent & long-term arrivals	Permanent & long-term departures	Net Immigration
1925	15.7	1.9	13.8		1980	45.3	68.8	-23.5
1930	6.9	2.4	4.5		1981	45.0	61.8	-16.8
1935	1.6	3.6	-2.0		1982	45.7	47.2	-1.5
1940	7.3	3.1	4.2		1983	42.2	33.9	8.3
1945	1.7	2.4	-0.7		1984	37.1	40.2	-3.1
1950	17.7	6.9	10.8		1985	35.4	54.7	-19.3
1955	21.2	9.0	12.2		1986	41.6	60.4	-18.8
1960	20.0	14.3	5.7		1987	48.4	59.6	-11.2
1961	31.1	13.3	17.8		1988	46.5	70.7	-24.2
1962	32.6	13.9	18.7		1989	49.3	61.5	-12.2
1963	32.8	15.1	17.7		1990	56.5	47.5	9.0
1964	35.2	17.0	18.2		1991	50.6	44.2	6.4
1965	34.7	18.7	16.0		1992	48.1	43.5	4.6
1966	38.0	19.8	18.2		1993	55.1	41.1	14.0
1967	35.1	26.3	8.8		1994	64.4	44.5	19.9
1968	23.8	30.5	-6.7		1995	77.6	49.1	28.5
1969	25.6	30.0	-4.4		1996	79.0	54.2	24.8
1970	35.8	35.0	0.8		1997	67.6	60.0	7.6
1971	42.5	39.0	3.5		1998	58.2	64.5	-6.3
1972	52.2	34.6	17.6		1999	59.7	68.8	-9.0
1973	66.5	40.2	26.3		2000	63.0	74.3	-11.3
1974	68.1	45.3	22.8		2001	81.1	71.4	9.7
1975	53.1	40.5	12.6		2002	96.0	57.8	38.2
1976	39.5	51.9	-12.4		2003	92.7	57.8	34.9
1977	36.6	63.5	-26.9		2004	80.5	65.4	15.1
1978	39.9	73.2	-33.3		2005	79.0	72.0	7.0
1979	40.8	82.6	-41.8					

(1) Includes overseas migrants intending to stay 12 months or more (or permanently), plus overseas visitors arriving for a stay of 12 months or more.

(2) Includes New Zealand residents intending to be away for 12 months or more (or permanently), plus overseas visitors departing after A stay of 12 months or more.

Sources: New Zealand Official Yearbook 1988-89; Statistics New Zealand, http://www.stats.govt.nz/tables/tourism-migration-2005.htm

Thereafter, new immigrants (i.e. outside long standing bilateral preferential access arrangements with Australia, the Netherlands and Western Samoa) were selected on *personal merit*, without discrimination on grounds of race, national or ethnic origin. This represented a "significant departure from the bias in favour of the British and West Europeans which had shaped New Zealand migrant entry for almost a century'' (Burke, 1986). Interestingly, Minister Burke, who initiated the 1986 Review, noted that there was widespread recognition within New Zealand of the vitality contributed to Australian economic and cultural life by that country's acceptance of migrants from a wide range of sources. The government streamlined the basis of needed skills, abolished the guideline that a prospective migrant should have no more than four children, increased opportunities for business migration, and announced its intention of introducing legislation to clarify and improve procedures for determining the refugee status of persons seeking asylum (Burke, 1986).

In March 1991, a Working Party on Immigration reviewed the policy initiatives that had been implemented in 1986 and noted not only that there had been a doubling of applications for permanent entry between 1986 and 1990, but also that the source of migrants had changed: Hong Kong, Taiwan and Malaysia having become important countries of origin. The Working Party's main recommendation was to implement a points system based upon employability, age and financial independence. The present occupational category and Occupational Priority List, it recommended, should be replaced by a points system as simple, objective and transparent as possible. It also recommended changes in the working of the business investment programme, and supported retention of family reunion, refugee status and humanitarian reasons as grounds for permanent entry, as well as retention of specific provisions for immigration from the Pacific Islands and the Netherlands (Wilson et al., 1991).

In 1995, New Zealand's then Minister for Immigration, Mr Roger Maxwell, expressed concern that immigration was overshooting targets, running at twice the 20,000 to 25,000 net level that had been set by the government (*The Dominion* 2/3/95). This concern resulted in a review during October of that year that was to resolve whether to cut the number of immigrants by tightening entry criteria, or find ways to accommodate more migrants without causing social disruption. The review was also partly motivated by concern over the rising number of Asians arriving in New Zealand. One outcome of the review was to replace the previous points system with a 'pass mark', adjusted annually to achieve a set quota of immigrants. Moreover, English language requirements were also raised (Ministry for Culture and Heritage, n.d.)

In 2002, the drive to use immigration to address skills shortages, and as a response to continuing public concern about levels of immigration from Asia, led to further changes in policy. The standard of English required for the general skills category and some of the business categories was raised to the level required of students entering university. The following year, the general skills category was replaced by a skilled migrant category. This replaced the pass mark system with a process whereby persons qualifying above a level of points entered a selection pool from which they were invited to apply for residence. Applicants had to be of good health and character, and points were allocated on the basis of age, qualifications, employment status, work experience, identified skills shortage and the regional location of any job offer. The skilled migrant and business categories were expected to account for 60 percent of new immigrants. A further 30 percent were to be admitted under the family reunion category, and the remaining 10 percent of places were set aside for refugees and Pacific Islanders given special access (Ministry for Culture and Heritage, n.d.)

While New Zealand's immigration regulations remain unbiased with regard to race and nationality, there is some evidence that the focus on skills and the high level of English language requirements has led to a reduction in the number of immigrants from Asia.

New Zealand's Immigration Policy Relating to Pacific Island Countries

Pacific Immigration Policy in Historical Perspective

Since the 1950s, New Zealand and the United States have admitted Pacific Islanders primarily because of past colonial ties, whereas Australia and Canada have admitted islanders on the basis of skills and family reunion criteria rather than on the basis of a specific immigration

policies relating to Pacific countries (Geddes, 1987).[7] This, according to Brissette (1992), has meant that Pacific migrants in Australia have higher education and skill levels and better fluency in English than those in the United States and New Zealand. On the other hand, Polynesians (and others) with New Zealand citizenship or permanent residence status are able to reside in Australia under the Trans-Tasman agreement which permits the free flow of New Zealanders and Australians across the Tasman Sea (Hayes, 1992). Thus the historical basis and current implementation of New Zealand's immigration policies towards Pacific Island countries not only impacts on the development of island countries, but also has implications with respect to the potential magnitude of Pacific Islander migration to Australia.

Table 2.2, based on the 2001 Census, shows that approximately 232,000 persons of Pacific Island descent were living in New Zealand, comprising 6.5 per cent of the population. The population of Pacific peoples as a group increased by 39 percent between 1991 and 2001. The 2001 Census indicated that persons specifying Samoan ethnicity were by far the largest group (114,432), followed by Cook Islanders (51,141), Tongan (40,713), Niuean (20,148), Fijian (7,041) and Tokelauan (6,204). The Pacific Island population is the largest immigrant minority population in New Zealand, the fastest growing, and is characterised by a very youthful age structure, especially those born in New Zealand who comprise more than half the group (Statistics New Zealand n.d.-a).

Table 2.2: Population - Pacific Peoples in New Zealand

Ethnic Group	Census Year		
	1991	1996	2001
Samoan	85,743	101,754	114,432
Cook Islanders	37,233	46,092	51,141
Tongan	23,172	31,389	40,713
Niuean	14,427	18,477	20,148
Fijian (ethnic Fijian)	5,097	7,698	7,041
Tokelauan	4,146	4,917	6,204
Tuvaluan	432	879	1,953
Rarotongan	675	1,029	1,215
Society Islander (including Tahitian)	438	1,050	1,137
Other Pacific Peoples	1,779	3,495	4,338
Total People, Pacific Peoples	167,070	202,233	231,801
New Zealand Total	3,345,813	3,466,587	3,586,731

Note: Includes all of the people who stated each ethnic group, whether as their only ethnic group or as one of several ethnic groups. Where a person reported more than one ethnic group, they have been counted in each applicable group. As a consequence, the numbers for each ethnic group added together exceed the total for Pacific Peoples as the latter figure is based on actual numbers of Pacific Islanders.
Source: Statistics New Zealand (n.d.-a).

The genesis of Pacific Islanders migration to New Zealand was the government's decision in the immediate post-war years to lead New Zealand into an era of industrial expansion following declining demand for agricultural labour and fluctuating export commodity prices in world markets (Hawke, 1985). Such a policy required more labour than could be supplied

[7] Nonetheless, a large number of unskilled and semi-skilled PIs with New Zealand citizenship have been able to enter Australia for work and residence purposes because of Australia's bilateral migration policy with New Zealand.

locally; immigration was therefore a logical answer. As already noted, New Zealand had negotiated Assisted Passage schemes with the United Kingdom, and soon after with the Netherlands, for mainly skilled workers to service industrial expansion. Initially, the demand for unskilled and semi-skilled labour was filled by Maoris moving to Auckland and other cities from rural areas. As this supply became depleted, the government sought temporary and permanent labour migration from countries in the South Pacific (Brosnan & Wilson, 1989).

Policy at this time mirrored, to some extent, those of Australian governments during the 1950s and 1960s to recruit skilled workers from the United Kingdom and northern Europe, and unskilled workers from countries in southern Europe (Appleyard et al., 1988). Workers from the Cook Islands and Fiji were among the first to be recruited, initially by individual employers. Once in New Zealand, they sponsored family members (Spoonley, 1990). Demand for immigrants remained high during the 1960s and by 1970, labour shortages were acute, especially in the manufacturing sector (Krishnan et al., 1994). In the Fiscal Year 1973/74 a record 69,815 permanent and long term arrivals reached New Zealand. The Cook Islands, Fiji, Niue, Tonga and Samoa collectively provided six per cent of that number (Farmer, 1985).

The impact of the so-called OPEC crisis was as severe in New Zealand as in many other countries. High unemployment and worsening terms of trade led the government to greatly restrict immigration. As economic conditions deteriorated, Pacific Islanders "... being more visible than other groups, became a convenient scapegoat for some of the economic problems facing the country" (Krishnan et al., 1994:78). Indeed, according to Spoonley (1990), they were specifically targeted in government-led campaigns to identify and deport overstayers (see also Bedford, 1994:189). Spoonley argues that the term 'overstayer' became synonymous with Pacific Island communities, and that in the 1976 election campaign television advertisements were used to portray them as "... violent people who broke the law and who took jobs away from 'New Zealanders'". In 1976, dawn raids were carried out on the homes of Pacific Island people and, wrote Spoonley, random street checks were carried out on people who appeared to look like they belonged to a Pacific Island ethnic group. Even today, Pacific Islanders both in New Zealand and the PICs recall those dark days.

On its election in 1984, the Labour government began a program aimed at overturning state intervention and remodelling the economy. Controls over interest rates were abolished, the exchange rate was floated, government intervention in the market place was minimised and the public sector was restructured. On its re-election in 1987, privatisation became a major objective. The Labour government's pledge of 1984 to review New Zealand's immigration law and policy led to more liberal immigration policies which, in turn, led to increased immigration from Pacific Island countries. There was, for example, an experiment with visa-free entry for some Pacific Island countries in 1986/87. As a consequence, net migration of 27,000 in the late 1980s from Fiji, Tonga and Samoa was more than double the number during the previous five years (Larner & Bedford, 1993). Indeed, so successful was the visa-free entry with citizens of Fiji, Tonga and Samoa that it was abandoned only a few months after its implementation in late 1986 (South Pacific Commission, 1994; Bedford, 1994; Bedford et al., 2001). According to Bedford et al., (2001), the surge in immigration from the Pacific Islands between 1986 and 1991 had also been encouraged by more liberal provisions pertaining to family reunification and adoption, and the impact of the Fijian military coups in 1987.

As already noted, the 1986 policy review led to immigration selection procedures based on personal merit without discrimination on grounds of race, colour and ethnic origin. One major impact of the policy for nationals from Pacific Island countries, which hitherto had not been classified as "traditional sources", was that their applications would be assessed on an "equal basis" (Burke, 1986:11). Furthermore, the new Immigration Act of 1987 included provisions for a transition period during which overstayers could "regularise" their residence status[8]. This led to a large number of citizens from Fiji, Tonga and Samoa being granted residence status in 1988 and 1989. The migration of Pacific islanders came under close scrutiny in 1989 (Bedford, 1994:195). Officials questioned the wisdom of allowing essentially unskilled and semiskilled immigrants to continue to enter the country in large numbers. As a consequence, in 1991 immigration policy made it more difficult for unskilled migrants to enter New Zealand. The new system benefited those Pacific Islanders who had good qualifications and capital assets (especially the Fiji Indians), but it was not welcomed by those seeking unskilled work in New Zealand. Many industries in which Pacific Islanders had worked during the 1950s and 1960s had undergone restructuring as a consequence of government policies (Macpherson, 1991). In many ways, their plight was not dissimilar to that experienced by southern European unskilled workers who entered Australia during the same period and worked in industries that were also later subject to major restructuring. Krishnan et al., (1994) argue that Pacific Islanders in New Zealand have been more damaged by economic policy changes than any other group. Although there may have been some corresponding growth in the employment of Pacific Islanders in the service sector (Bedford, 1994:195), "this did not match the collapse in manufacturing employment..." He further points out that immigrant male Samoans, Tongans, Cook Islanders and Niueans who arrived between 1986 and 1991 have found it more difficult to get jobs than males of the same age who have been in New Zealand longer (p.199). This greatly reduced the number of immigrants from the Pacific Islands in the early 1990s. Indeed, as can be seen from Table 2.3., between 1991 and 1994 more Pacific Islanders with Samoan and Tongan nationality left New Zealand than arrived.

Concessional Policies for the Pacific Island Countries

While immigration to New Zealand from Pacific Island countries has occurred within, and been subject to, the economic and political context that determined overall migration targets, successive New Zealand governments have at the same time adopted concessional immigration policies for some Pacific Island states. Residents of the Cook Islands, Niue and Tokelau in Polynesia are New Zealand citizens by birthright and therefore free to move to and from New Zealand. New Zealand had acquired its Pacific empire by assuming responsibility for the Cook Islands and Niue in 1901, and Tokelau in 1925. Britain had initially annexed these islands but passed responsibility for their administration to New Zealand. When the Cook Islands and Niue gained their independence, leaders in these countries, and in New Zealand, realised "that a complete severance of ties could impoverish these islands ...". New Zealand therefore agreed to what Krishnan described as "... probably one of the most generous post-colonial arrangements in modern history" - the right to New Zealand citizenship along with the powers of self-government in free association with New Zealand (Krishnan, et al., 1994). Tokelau, on the other hand, decided that it was too small to even exercise the option of limited independence, which was recently confirmed by a referendum,

[8] "Regularisation saw the granting of residence, outside normal selection criteria, to some persons already in New Zealand whose immigration status was unlawful or uncertain" (Burke, 1986:12).

Table 2.3: Permanent & Long-Term Migration: Samoa & Tonga

Samoa					Tonga			
	Arrivals	Departures	Net Migration			Arrivals	Departures	Net Migration
1985	1,867	678	1,189		1985	273	247	26
1986	1,701	676	1,025		1986	264	218	46
1987	1,604	721	883		1987	304	194	110
1988	1,668	900	768		1988	345	314	31
1989	638	699	-61		1989	309	253	56
1990	791	708	83		1990	306	361	-55
1991	490	1,118	-628		1991	230	520	-290
1992	386	946	-560		1992	277	414	-137
1993	392	671	-279		1993	292	271	21
1994	630	495	135		1994	326	241	85
1995	1,253	429	824		1995	390	236	154
1996	1,216	375	841		1996	424	211	213
1997	1,078	498	580		1997	430	287	143
1998	951	366	585		1998	504	318	186
1999	919	406	513		1999	495	346	149
2000	1,310	296	1,014		2000	497	274	223
2001	977	248	729		2001	487	194	293
2002	725	243	482		2002	454	248	206
2003	711	222	489		2003	510	229	281
2004	874	296	578		2004	703	236	467
2005	1,431	333	1,098		2005	882	209	673

Note: Permanent and long-term arrivals include overseas migrants who arrive in New Zealand intending to stay for a period of 12 months or more (or permanently), plus New Zealand residents returning after an absence of 12 months or more. Permanent and long-term departures include New Zealand residents departing for an intended period of 12 months or more (or permanently), plus overseas visitors departing from New Zealand after a stay of 12 months or more.
Source: Statistics New Zealand n.d., http://www.stats.govt.nz/tables/tourism-migration-2005.htm, Table 9.10

and to this day remains a territory of New Zealand, although the islands are largely self-governed.

The demographic impact of these “most generous” arrangements is that there are now more than 10 times as many persons of Niuean descent living in New Zealand than there are on Niue itself (20,148 vs 1,788) (Statistics New Zealand, n.d.a; UNFPA, n.d.). The implications of this for resettlement, depopulation and remittance income has been substantial for both countries (Macpherson, 1992). Migration from the Cook Islands began when New Zealand and Australia established phosphate mines in French Polynesia during the 1940s and Cook Islanders were recruited on contract to work in the mines. The income they earned provided capacity to travel to New Zealand and “set the context for permanent Cook Islands migration to New Zealand” (Krishnan et al., 1994: 16). The flow was increased by the development of transport links between the two countries in the 1950s and 1960s (Brosnan and Wilson, 1989), as did the completion of an airport in 1971 on Niue which increased emigration from that country to New Zealand. Emigration from Tokelau, on the other hand, was initiated by a New Zealand government assisted resettlement scheme following a catastrophic hurricane in 1966 (Brosnan & Wilson, 1989).

The absence of restrictions on migration between the Cook Islands and Niue is reflected clearly in the demographic structure of their communities in New Zealand. Unlike the communities from other Pacific Islands which do not enjoy free entry to New Zealand, there is a much higher proportion of older persons in the Cook Island and Niuean populations in

New Zealand than, for example, among the Fijian, Tongan and Samoan communities (Bedford, 1994).

Other concessional immigration policies adopted by New Zealand in relation to the Pacific Islands that are currently operational are the Samoan Quota and the Pacific Access Category. Under these schemes, an annual set number of citizens of Kiribati, Tuvalu, Fiji, Tonga and Samoa are allowed to become permanent residents of New Zealand. We will discuss each of these schemes in turn.

The Samoan Quota

Western Samoa became a mandated territory under New Zealand administration in 1921 after New Zealand forces had seized the islands from Germany in 1914. New Zealand's colonial intentions, according to Krishnan et al. (1994), were benevolent, with successive governments administering the islands for the "good of the inhabitants, to protect the inhabitants from exploitation and population decline, to educate them, and to encourage the development of Christianity, modern government and commercial agriculture". However, an "unhappy state" of relations between Samoan and New Zealand authorities in the 1920s and 1930s created a strong move among Samoans for independence. This was achieved in 1962 with Western Samoa becoming the first fully independent Pacific Island state.

At independence, New Zealand and Samoa signed a Treaty of Friendship. The Treaty allowed for more extensive family migration of Samoans compared with countries such as Tonga and Fiji which did not have such an agreement with New Zealand (Bedford, 1994). In 1970, following discussion with the Samoan government, New Zealand adopted the *Western Samoan Quota Scheme*. Under this scheme, up to 1,100 Samoan citizens annually are granted residence if they meet certain criteria that have been subject to revision over the years[9]. Applicants have to meet normal requirements regarding age, health, character, etc., and have a guarantee of employment in New Zealand, although not necessarily one requiring skills listed on New Zealand's 'Occupational Priority List'.

Numbers immigrating under the Quota have fluctuated over the years. In some years, the numbers of persons admitted have been well below the 1,100 allowable. In particular, as can be seen from Table 2.4, numbers admitted under the scheme began to decline significantly in 1990. Cuthbertson & Cole (1995) attributed the decline to revised procedures, job scarcity in New Zealand and increased stringency of checks in New Zealand on the authenticity of job offers. Also, more skilled Samoans were able to enter New Zealand under the points system implemented through the 1991 immigration review.

As noted above, part of the explanation for the decline in the uptake of quota places in the early 1990s reflected a severe downturn in the New Zealand economy. The recession of 1989-93 witnessed a decline in per capita GDP that did not recover until 1994, and a significant rise in those seeking work. Indeed, the figures for permanent and long-term (PLT) migration show a net outflow of Samoans and Tongans over the period 1990-93 (Table 2.3 above).

[9] Current regulations are listed in Appendix 1

By the end of the 1990s, migration from Samoa under the Quota recovered and continued to meet, or almost meet, the quota annually until 2002. In that year, there was a precipitous fall in the numbers, as can be seen from Table 2.4. This was primarily a result of changes in

Table 2.4: Samoan Quota Scheme

Year	Numbers Approved[1]
1986/87	1,200
1987/88	1,449
1988/89	1,094
1989/90	1,308
1990/91	165
1991/92	135
1992/93	61
1993/94	105
1994/95	430
1995/96	1,182
1996/97	1,401
1997/98	1,004
1998/99	1,178
1999/00	1,066
2000/01	1,247
2001/02	1,042
2002/03	463
2003/04	641
2004/05	1,482
2005/06	1,330

1. The numbers approved exceed the number of applications as applications include dependents who are counted toward the quota..
Source: INZ

immigration policy in 2001 that made it difficult for Samoans to satisfy the criteria necessary to qualify under the Quota scheme. In particular, there was a shift in immigration policy in favour of skilled migration and a tightening up on the criteria for residency. This included the adoption of more stringent English language requirements, in part over growing concern of the number of Asians being approved for residence. Also, job offers under employer sponsored schemes as well as the Samoan Quota came under much closer scrutiny. As of 2001, 60 percent of migrants were to be in the skilled/business category, 30 percent in family reunion, and 10 percent in the category of international/humanitarian (which included the Samoan Quota). Consequently, total approvals for residence for Samoans across the above three categories declined from 1,669 in 2000/01 to 976 in 2002/03.[10] Paralleling this was a decline in (temporary) work permits issued to Samoans. They declined from 1,107 in 2000/01 to 430 in 2002/03, reflecting the tightening up of entry criteria.

An analysis of applications approved and declined over the period 2000/01 – 2005/06 indicates an annual decline rate of 27.6 percent for Samoan principal applicants under the

[10] These figures include those admitted under the Samoan Quota, which comprises most of those entering under the International/Humanitarian category, plus those admitted under the skilled/business category and the family reunion category.

Samoan Quota.[11] The decline rate has varied considerably over the years reflecting shifts in New Zealand immigration policy that has impacted on Samoan migrants. For the two year period 2000/01 – 2001/02, the decline rate averaged 8.8 percent. However, over the next two years it averaged 46.9 percent. As note above, this high rate of decline was due to the inability of many applicants to secure an acceptable job offer and more stringent English language requirements for all aspiring immigrants.

Continuing shortfalls of successful applicants under the Quota in various years led to a number of policy changes in 2004 that, in effect, were a relaxation of the original criteria. First, the minimum income level attached to the required job offer was reduced from $31,566 to $24,793. More recently (March 2006), this income threshold has been raised to $28,888. However, the applicant's partner's income from an acceptable job offer can now contribute to meeting the minimum income requirement. Second, either the principal applicant or his/her partner can now satisfy the requirement of a genuine permanent job offer. Third, quota places are now released over the entire year rather than during just one month as was the case before. Fourth, applications are now accepted from Samoans lawfully in New Zealand and who have a job offer. They no longer need to return to Samoa to submit applications for residence under the Quota. Fifth, the time in which those drawn from the ballot have to officially apply has been increased from three to six months. More recently, in 2006, greater flexibility has been given to immigration officials in the enforcement of this time period. Sixth, a cadre of relationship managers was to be created to identify and establish employment opportunities for prospective Quota migrants. However, only recently have efforts been made to appoint these employment liaison persons. Seventh, the unfilled Quota places from 2002/03 and 2003/04 were retained and were to be made available over the three quota years commencing in 2004/05 (Immigration New Zealand, 2005, 2006) [12]. Supporting this relaxation in application criteria, the Department of Labour has become more active in promoting the Quota (Immigration New Zealand, 2005).

The relaxation of entry criteria under the Quota, and its promotion by Immigration New Zealand and the Department of Labour, has led to a reversal of the high rate of rejection of applications under the Quota. The decline rate fell in 2004/05 – 2005/06, when it averaged 13.2 percent, and the Quota for those years was largely filled. As noted, a major explanation of the fall in the decline rate has been the result of proactive measures developed by Immigration New Zealand and the Department of Labour that encouraged New Zealand employers to travel to Samoa to interview applicants and make "sustainable" job offers on the spot. The employers are identified by an employment liaison person based in New Zealand. This proaction has been of considerable benefit to those Samoans who lack the network to secure a "sustainable" job offer on their own. In any case, the newly focused attention to the Samoan Quota scheme has paid off in terms of ensuring that an adequate number apply, perhaps more than the New Zealand Immigration Service would care for. For 2006/07, there were some 10,000 applications covering over 27,000 persons.[13] Of these 27,000, only enough

[11] These figures can be found on Immigration New Zealand's website at http://www.immigration.govt.nz/migrant/general/generalinformation/statistics/ under Residence Decisions by Financial Year.

[12] Also see INZ 2006, Amendment Circular 2006/07, April 2006, http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual/amendmentcircs.htm

[13] These figures were obtained by personal communication with NZIS personnel in Apia. It is worth noting that in 2006 the population of Samoa aged 18-45, the age range required for applicants, would have been approximately 69,000. Given 10,000 applications, it implies that just over 14 percent of those in the relevant aged range applied to migrate under the Samoan Quota in 2006.

applications are randomly selected to reach a target of 1,375 persons.[14] The extra 25 percent above the 1,100 quota is an estimate of the wastage, i.e. those invited to apply who will either not do so or will not meet the criteria.

Failure to secure a sustainable job offer has been the most important reason for declined applications. However, there are several other reasons why applications are declined and hence quotas not filled in some years. A second explanation is that after being selected in the ballot and applying, some applicants change their minds and withdraw. This can occur if the principal applicant or one of his/her secondary applicants acquires a good job in Samoa during the application process. A third explanation is that some applicants are declined because of poor health. Obesity and diabetes is a growing problem amongst Pacific Islanders, as it is in the Western countries, and some fail the required health test because of these problems. In the past, some applicants could not meet the English language requirement. However, in recent years the New Zealand Immigration Service has provided English language training to applicants who are somewhat below the standard expected to hold down the job they have been offered in New Zealand. In general, the standard of English required of applicants under the Quota is currently less than it is for aspiring immigrants from elsewhere (other than the PAC countries), and is another reason why the decline rate has fallen in recent years, ensuring the Quota is filled.

Jobs under the Quota

As discussed above, persons selected under the Samoan Quota are drawn from a ballot. A ballot is used to ensure that skills are not "cherry-picked", as they would be if applicants had to meet the criteria required for permanent migration under the skills/business program. The ballot allows unskilled/low-skilled workers the same chance of being selected as would a skilled person who has joined the ballot. However, skilled Samoans have the opportunity to immigrate under the skilled/business category or obtain a temporary work permit to work as a skilled worker under the general skills category.

The "sustainable" jobs offered to Samoans under the Quota are largely low-skilled/semi-skilled positions. Typical of the types of jobs offered are bus drivers, mechanics, aged health care workers, forestry workers, horticulture, and in fish and meat processing sectors. While the positions being offered are low-skilled operative type jobs, this does not necessarily imply that the people taking them are low-skilled. Some skilled persons take up low-skilled job offers just to get to New Zealand, and then look for better opportunities once they arrive.

New Zealand and Samoa have a long standing and deep relationship, and although certainly tested over the years, it remains strong. The increasing numbers of Samoans in New Zealand and their continuing socioeconomic progress has been manifest in increasing political clout. Even within Immigration New Zealand and the Department of Labour, Samoans now hold key senior administrative positions, as is the case in the Ministry of Pacific Affairs. In short, Samoans are well entrenched in New Zealand and have the numbers and professional representation to ensure that their voice and that of their compatriots in Samoa are heard in the corridors of power.

[14] Many applications will include both the primary applicant and dependents (classified as secondary applicants). Applications are drawn from the ballot until the total number of applicants -- principals and secondaries -- reach the required number of 1,375.

Pacific Access Category (PAC)

The Pacific Access Category scheme, like the Samoan Quota, is designed to grant permanent residence in New Zealand to persons who do not meet the regular requirements for residency (see Appendix 1). The PAC was initially established with Tonga, Tuvalu and Kiribati, and extended to Fiji in 2003. Each year there are 650 places under the scheme – Tonga: 250; Fiji: 250; Tuvalu: 75; and Kiribati: 75.[15] Under the scheme, people register to have their names placed in a ballot. From this ballot a sufficient number of names are drawn to fill the annual quota. Once a person's name is drawn they are invited to apply. Successful applicants must obtain a sustainable job offer from a New Zealand employer.

Because of difficulties in filling the PAC country quotas in the first couple of years of the scheme, INZ introduced the Residual Pacific Access Category Places Policy in early 2005. Under this new policy, if the annual quota for each country is not filled by applicants drawn from the ballot, INZ will, for the purpose of filling remaining places, call for residence applications within a specified period from persons residing in New Zealand who are citizens of the countries that have unfilled places. To be eligible to apply, a person must be lawfully in New Zealand at the time applications are called for and at the time his application for residence is made. Of course, they must meet all other requirements under the PAC scheme.

As an added measure to boost applications under the PAC scheme, the government relaxed the entry criteria along the same lines as the new criteria under the Samoan Quota. It has also encouraged employers (via the efforts employment liaison officers) to travel to Fiji and Tonga to interview those drawn from the ballot and hence invited to apply under the scheme. This has not been practical for Kiribati and Tuvalu since these two countries are relatively inaccessible and the number of principal applicants would be a fraction of the 75 places they are allotted under the PAC quotas. For these two countries the NZIS has adopted other strategies to assist applicants in securing job offers for those applicants unable to secure them through their community networks. First, NZIS has retained employment agents in New Zealand who pass on the resumes of applicants to prospective employers. Second, if requested, NZIS will allow the principal applicant to travel to New Zealand on a visitor visa to search for a job.

As can be seen from Table 2.5, in 2005/06, 1,114 people were approved for residence through the PAC scheme. These numbers exceed each of the countries' quotas under PAC. This is

Table 2.5: Pacific Access Category, Approved Persons

	2002/03	2003/04	2004/05	2005/06
Fiji		152	306 + (280)	127 + (243)
Kiribati	1	14	78 + (40)	37 + (107)
Tonga	129	106	443 + (310)	233 + (249)
Tuvalu	9	20	27 + (7)	22 + (95)
Total	**139**	**292**	**1,491**	**1,114**

Note: For 2004/05 and 2005/06, the figures in brackets are approvals under the PAC Residual Places.
Source: data provided by NZIS, Fiji Branch.

[15] In December 2006 the New Zealand government suspended Fiji's participation in the PAC scheme. Applications for 2006 were to be processed as usual, but no new application would be considered for 2007. (http://www.immigration.govt.nz/migrant/general/generalinformation/news/fijipolicychange.htm).

because the shortfalls in filling the quotas in 2002/03 and 2003/04 have been addressed by approving more applications in 2004/05 and 2005/06 under the PAC Residuals places policy. In fact, Residual places (shown in brackets) accounted for 62.3 percent of the total. The specific country numbers were Fiji: 370; Kiribati: 144; Tonga: 482; and Tuvalu: 117. In 2005/06, none of the countries filled their initial quota, but those applying under the PAC Residuals category pushed numbers well above the annual quota levels. Again, numbers approved exceeded country quotas in that year in an attempt to make up for past shortfalls in filling the quotas, as well as shortfalls in 2005/06.

The PAC scheme replaced the Tuvalu Work Scheme and the Kirabati Work Scheme. Both schemes were originally set up by the governments of New Zealand, Kiribati and Tuvalu to provide temporary work opportunities in New Zealand for a limited number of persons from these two countries. For Kiribati, 20 approved workers per year could be issued with work permits; for Tuvalu the number was 80. The idea was that the workers would spend a year in New Zealand and then return, and be replaced by new workers. However, in the case of both Tuvalu and Kiribati, the great majority of the original 20 and 80 workers did not return, i.e. they overstayed. This was one of the reasons for abandoning the Kiribati and Tuvalu Work Permit Schemes. It is also one of the reasons why it is today difficult for workers from these countries to get temporary work visas for New Zealand. The Tuvaluan government fully recognises the problem and is aware that it was disadvantaged by not playing a more proactive role in ensuring that workers under these schemes returned after their contracts. For example, in 2005/06, only 9 Tuvaluans living in Tuvalu were issued with work permits and 3 of these fell into the partnership category, 5 in the general category and one in the special s35A category. In contrast, 215 work permits were issued to Tuvaluans residing in New Zealand. Some 108 of these were in the s35A category.[16]

An analysis of applications approved and declined (for principal applicants) over the period since PAC has been in operation indicates that the decline rate has varied from 7.5 percent for Fiji and Tonga to 12.7 percent for Kiribati and 15.6 percent for Tuvalu. The average for the four countries was 7.7 percent. These decline rates are relatively low. As can be seen from Table 2.5, in 2002/03 and 2003/04, the three original PAC countries, Kiribati, Tonga and Tuvalu were well short of filling their annual quotas.

There are several explanations for these decline rates and why in some years the country quotas have not been fully filled. First, as has been the case with the Samoan Quota, the major explanation for unsuccessful applications is the inability of many applicants to secure an acceptable job offer. This has also served as a significant deterrent to the submission of applications. As in Samoa, this issue has been partly addressed in Tonga by the recent policy initiative to encourage New Zealand employers to travel there to interview applicants and offer jobs on the spot. A second reason has been problems of communication, particularly with regard to Kiribati and Tuvalu. Apparently, a proportion of applicants was unable to be contacted because of incomplete or incorrect contact details or changes in applicants' addresses of which the NZIS was not notified. A third reason is that job offers are either fraudulent or unsustainable. This has been a particular problem for Fiji. Poor English is a fourth reason for discouraged and failed applications. While the New Zealand Immigration Service provides some remedial English language training, it has not been sufficient to get

[16] "In special circumstances, a person unlawfully in New Zealand may be granted a permit as a special case under section 35A of the Immigration Act 1987" (Immigration New Zealand, 2005). These various categories will be discussed more thoroughly below.

some applicants across the line. Fifth, as is the case with Samoa, some applicants change their minds and withdraw. This can occur if the principal applicant or one of his/her secondary applicants acquires satisfactory employment during the application process. Finally, some applicants are unable to pass the health check for various reasons.

While these are specific reasons for failed applications under PAC, a more general reason, which also relates to Samoa, is that the degree of toughness that immigration officers display with regard to the enforcement of the application criteria relates to the employment situation in New Zealand. As noted above, in years of rising unemployment the number of approvals for immigration from the PICs went down, and vice versa.

Jobs under PAC

The types of jobs taken up by migrants under the PAC scheme vary across the four countries. Fijian applicants have a much wider range of skills and this is reflected in the types of jobs they are offered. Many obtain office jobs where they are employed in low to middle level administrative and managerial positions; others take clerical jobs. Another group is skilled tradespersons, such as air-conditioning mechanics. Because highly skilled and business type workers have opportunity to immigrate under skilled categories, they do not have to bother gambling with the PAC lottery. It also merits noting that by far the greatest proportion of Fijians applying under PAC are Indo-Fijians. As noted above, many Indo-Fijian emigrants are highly skilled professional workers. These persons find it relatively easy to migrate to countries such as Australia, Canada, New Zealand or the USA under those countries' skilled migration programs, whether permanent or temporary. The majority of those Indo-Fijians who apply to migrate under the PAC scheme are those who would not readily qualify to migrate as skilled workers. Very few ethnic Fijians apply under this scheme.

A study of successful Tongan applicants under PAC for the period 2002-2004 found that typical jobs taken up by males included factory workers, construction workers, carpenters, welders, builders and technicians.[17] Some 55 percent of all jobs were in construction and retail sales (Gibson and McKenzie, 2006). Typical jobs for Tonga females include cleaners, sales assistants and grocery packers. Although some of the Tongan PAC immigrants work in similar positions in Tonga, both men and women also worked in more white-collar jobs, such as teaching, banking services, business services and as government employees. Appendix 2 provides a clear indication of the types of jobs for which Samoans and Tongans are recruited under the Samoan Quota and PAC schemes by employers who travel to these countries. Transport, health care, horticulture, silviculture and process work are the principal jobs on offer by those employers recruiting directly from the Islands. However, many others acquire jobs through community networks and these jobs could be qualitatively different to those offered by through direct recruitment.

Tuvaluan migrants under PAC find employment principally in the agricultural sector. They seem to have a preference for jobs in garden hot houses, which is understandable given the warm and humid climate of Tuvalu. However, more generally, they find jobs in horticulture and viniculture, but not in fruit-picking.

[17] The information on jobs taken up by Tongans under PAC and their occupations prior to migration has been provided by INZ, and has been extracted by INZ from several studies prepared for that organisation.

A few PAC migrants from Kiribati take up white collar jobs, but like Tuvalu most are engaged in low-skilled labouring work. However, some are offered jobs that involve home care for the aged. Once again, skilled workers, whether from Tuvalu or Kiribati, have the opportunity to migrate to New Zealand under other programs.

Work Permits

It is interesting to note that the numbers of work permits granted to PAC countries often far exceed those admitted for permanent residence under the PAC program.[18] For example, Table 2.6 shows that in 2005/06 the numbers of work permits/visas granted to PIs were Fiji: 5,207; Kiribati: 183; Samoa: 1,325; Tonga: 1,239; and Tuvalu: 224. A very large proportion of work permits granted were to persons already in New Zealand. For example, for Fiji, only 890 work

Table 2.6: Work Permits Issued by Category, 2005/06

	Fiji	Kiribati	Samoa	Tonga	Tuvalu	PNG	Solomon Islands	Vanuatu
Approved In Principle	108	17	60	8				11
Asylum seeker	12						1	
Crew of foreign fishing vessel		5						
Crew of foreign fishing vessel Archive		2						
Entertainer/performing artist & support	2	1	6				2	
General	2,283	77	438	436	76	40	50	14
Graduate Job Search	68			10		1	1	
Job Search	2							
Long Term Business (Balance of 3 years)	2							
Long Term Business (Interim)	4							
Long Term Business (Renewal)	8							
Long Term Skill Shortage List Occupation	8			2				
Medical & dental trainee				1				
Minister/missionary/pastor	9		25	11	1			
Oct 2000 - 5 yrs in NZ			1		1			
Oct 2000 - Defacto to NZ cit/res				1				
Oct 2000 - Parent of NZ born child				1				
Partner of a worker	886	22	41	50	13		6	3
Partner of NZAID student	1	1	1			1		
Partner of Student	9			2			2	
Partnership	1,073	10	255	246	23	19	10	4
Partnership deferral	4			2				
Practical experience post study	22		1	3			2	
Reconsideration	7		4	2				
s35A request	261	46	400	361	109	2	5	2
Seasonal Labour Pilot	44	1	58	48		1		
Skilled Migrant	6							
Specific Purpose or event	127		13	29		14	6	2
Sports player/professional coach	3		7	4				
Spouse of NZ cit/res	1			1				
Spouse/Partner of Worker	4		2	1				
Talent - Arts, Culture and Sports				2				
Talent (Accredited Employer)	24						1	
Vary conditions	219	1	12	18	1	3		
Victims of Domestic Violence	3							
Work experience for student	4		1					
TOTAL	5,204	183	1,325	1,239	224	81	86	36

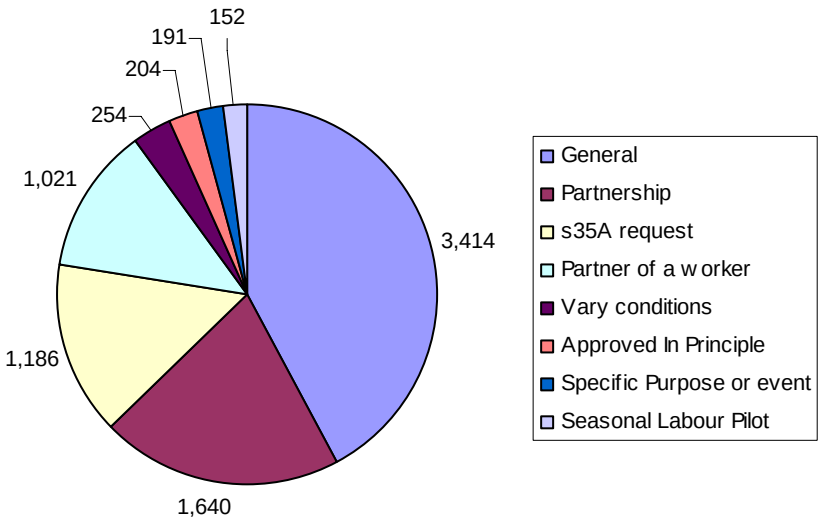
[18] See Appendix 3 for details of the various work/visa categories.

Source: Immigration New Zealand Statistics,
http://www.immigration.govt.nz/migrant/general/generalinformation/statistics

permits/visas were issued to Fijians residing in Fiji in 2005/06 out of the total 5,207. Many Fijians travel to New Zealand on a visitor's visa and obtain a work permit if they find a job while there. As can be seen from Table 2.6, very few work permits are granted to residents of PNG, Solomon Islands and Vanuatu, reflecting their lack of a migration tradition and a lack of networks in New Zealand.

As can be seen from Figure 2.1, the 3,414 "general" category work permits issued to nationals of Kiribati, Fiji, Samoa, Tonga and Tuvalu combined accounts for under 41 percent of the 8,378 work visas issued to citizens from these countries in 2005/06. Fijians, by far, receive the largest number of permits in this category, numbering 2,283 or just under 67 percent of visas issued in this category to citizens of the five countries. This reflects a greater diversity in

Figure 2.1: Work Permit Approvals by Major Category, 2005/06: Fiji, Kiribati, Tonga, Tuvalu, PNG, Solomon Is, Vanuatu



Fiji's labour market and a wider set of skills that can be drawn upon by employers in New Zealand.

Other work permit categories that feature prominently for PIs are Partnerships, s35A requests, Partner of a Worker and, increasingly important, "Approval in Principle". The partnerships are an obvious way by which PIs obtain visas. The decline rate for applications under this category is relatively low, indicating that the system is not being overly abused. As noted above, the s35A is a special category of visa and is often used to try and regularize illegal migrants. However, according to an official at INZ, it is sometimes used to allow someone who previously received a work permit that is about to expire to obtain another permit.

The category that has increased significantly since its introduction in 2000 is "Approval in Principle". Under this category, employers can recruit workers who will essentially be bonded to them for the duration of their permit. The employer must provide a sustainable job offer and the job must be labour market tested, i.e. it must be proven to the satisfaction of INZ that no New Zealanders are available to fill the job. Pay and conditions must conform to New Zealand standards for the particular job for which the workers are recruited. This category has been used to recruit workers from the islands to work in New Zealand's agricultural sector.

The "Approval in Principle" is one of the work permit categories that INZ has in mind when it says that there is sufficient flexibility under its existing immigration policies to expand access of PIs to New Zealand's unskilled/semi-skilled labour market without a change in its immigration policies. However, New Zealand growers (fruit and vineyards) complain that if they have not used the scheme successfully before, meaning that they have abided by INZ and Department of Labour regulation and their workers have returned home after completing their contracts, they are required to put up a $3,000 bond for each worker recruited. This could be a considerable risk factor for growers unfamiliar with the Pacific labour market and surely would act as a disincentive to access the scheme. Those growers in whom INZ has confidence on the basis of past successes can usually get by with guarantees of return such as a return air ticket. In any case, repatriation after contract is a critical consideration under the "Approval in Principal" and is written into the workers contracts. Enforcement of return is the "tricky bit" and makes growers somewhat shy of the scheme.

Seasonal Work Permit Scheme

The Department of Labour has established a pilot Seasonal Work Permit Policy to address growing seasonal labour shortages. "The purpose of this policy is to allow for the grant of permits for employment of workers to plant, maintain, harvest, and pack crops in the horticulture and viticulture industries, in regions where an absolute shortage of labour in these industries has been identified by the Ministry of Social Development (MSD)." [19] Permits will be granted only in areas of labour shortage identified by INZ in consultation with the MSD. The initial number of identified places available is 4000. As of 15 May 2006, regions declared by MSD to have a shortage are Marlborough, Central Otago, Hawke's Bay, and Western Bay of Plenty.

The pilot scheme allows for work permits to be granted to persons from visa-free countries, or from a visa-required country that were present in New Zealand on a valid temporary permit from 22 December 2005 until the date they make their application. This was later changed to 24 of March, while the end date of the work permit was extended from 01 July 2006 to 30 September 2006. [20]

Table 2.7 indicates the nationalities of those acquiring a work visa under this scheme. It should be emphasised that the scheme draws on persons who are already in New Zealand

[19]See INZ, Amendment Circular No. 2006/04
http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual/amendmentcircs.htm

[20]INZ, Changes to the Horticulture and Viticulture Industries Seasonal Work Permit (SWP) Policy – 2006 Pilot, http://www.immigration.govt.nz/community/general/generalinformation/news/Changestoseasonalworkpermit.htm

under some other visa. In some cases, visas are issued under the scheme to those whose visa for other work is about to expire. For others, they might be in New Zealand on a visitor's visa and apply for work under this scheme. Indeed, it is interesting that some of the countries that do not have working holiday schemes with New Zealand feature prominently in those taking up visas under this pilot scheme. In particular, Brazil accounts for 773 of the visas issued and Israel 212; combined they account 34 percent of the visas issued. Undoubtedly, the great majority of these Brazilians and Israelis would have been in New Zealand on a visitor visa.

Clearly, this is not a work scheme designed for PIs. Only 160 visas under this scheme have been issued to PIs, comprising 5.5 percent of the total.

Table 2.7: Seasonal Work Permits, 2005/06

Argentina	16		Latvia	5
Austria	19		Malaysia	435
Bangladesh	3		Mexico	23
Belgium	3		Nepal	1
Brazil	773		Netherlands	21
Canada	33		Papua New Guinea	1
Chile	62		Paraguay	4
China	71		Peru	3
Colombia	9		Philippines	17
Croatia	1		Poland	22
Czech Republic	327		Portugal	1
Denmark	3		Romania	4
Estonia	2		Russia	3
Fiji	46		Samoa	62
Finland	3		Singapore	19
France	25		Slovakia	59
Germany	61		Slovenia	9
Great Britain	125		South Africa	48
Greece	3		South Korea	34
Guinea	1		Spain	20
Hong Kong	21		Sweden	7
Hungary	41		Switzerland	21
India	54		Taiwan	7
Indonesia	4		Thailand	11
Iran	1		Tonga	49
Ireland	12		Tuvalu	1
Israel	212		United States of America	38
Italy	16		Uruguay	2
Jamaica	3		Venezuela	3
Japan	31		Vietnam	1
Kiribati	1		Grand Total	2,913

Source: INZ, Immigration Statistics
http://www.immigration.govt.nz/migrant/general/generalinformation/statistics/

South Pacific Work Schemes

From the 1960s until the 1987 coup, New Zealand was operating a scheme to allow entry to New Zealand of temporary workers from Fiji for *rural* employment for up to 6 months. New Zealand also implemented a number of temporary *urban* worker schemes for Pacific

Islanders: for Tongans in 1975 and Fijians (as well as Samoans) in 1976. Later that year the three schemes were amalgamated. Also, at the end of the 1970s, schemes were implemented for workers from Tuvalu and Kiribati, as noted above. Krishnan et al. (1994) identify the distinguishing feature of the work schemes as "rigorous entry and departure provisions" which were adopted in the mid-1970s when New Zealand had an overstayer problem. Responsibilities placed on employers to meet the contract criteria (11 months employment) meant that they had to seriously consider their positions before agreeing to employ Pacific islanders.

The Fijian Scheme

From the early 1960s until it was terminated by New Zealand as a result of the 1987 coup, Fiji exported about 100 workers per year, the great majority of whom were destined for the agricultural sector. There was not one case of overstaying. This is explained by several factors.

First, workers were selected from specific villages that were chosen on the basis of community projects proposed by the villages that were deemed by the Ministry of Rural Development and the Ministry of Labour to be of sufficient community developmental merit to warrant allowing workers to be recruited from that village. The workers would have about one-seventh of their earnings transferred into a community development account. The government would provide funds as well, e.g. the community might fund one-third of the project through their migrant workers' earnings, and the government would fund the other two-thirds. Fijian communities often wanted a church, but the government encouraged other community investments, e.g. a tank, school, clinic, etc. Hence the whole basis of an individual being chosen to go abroad was that he would contribute to the completion of the community project through his earnings abroad. In such circumstances, the individual migrant would stand to lose considerable face if he was to abscond. Not only would he not have abided by their commitment to the village, but he would also have spoiled the chances of other villagers getting the chance to migrate in the future.

Second, the migrant's travel documents were collected by the employer upon arrival and not released until his day of departure. This is currently standard practice throughout the Gulf states, Singapore and Malaysia.

Third, room and board were provided by the employer and a small amount of his pay would be advanced. The bulk of pay was deferred and paid only upon departure in the form of a money order which would be cashed upon return. This is similar to schemes operating elsewhere in the world that have had problems with foreign workers overstaying their visas.

Fourth, airfares were paid by the employer, although some employers recouped these fares through wage deductions.

Contracts were for three months with the possibility of extending for another three months. The work was primarily scrub cutting, gardening and tea picking, although the tea plantations have since closed down.

Such a scheme could serve as a model for rural development assistance for other islands of the Pacific. Indeed, the Ministry of Labour in Fiji claims that it is currently negotiating with New Zealand to reintroduce the scheme above. However, some officials in New Zealand consider this as wishful thinking on the part of Fiji.

Under these work schemes, the Department of Labour had to be satisfied that local labour was not available to fill the vacancies and that the terms of employment and accommodation offered by employers were acceptable (Burke, 1986:31). Numbers of workers under the bilateral agreements with Fiji, Tonga and Samoa fluctuated from year to year but averaged 320 per year during the last 3 years before the publication of the Burke Report. Minister Burke (1986:31) argued that these schemes were valued by the workers and their governments. The money earned contributes to community development and there is "often

an element of training involved as the workers become familiar with particular equipment or processes". For these reasons, the Government considered that there was a strong case for continuing with the schemes "as part of our close cooperation with South Pacific countries and our special responsibility to assist with their developmental efforts". The Minister did, however, seek more information on an appropriate period of stay, "taking into account local labour needs, opportunity to save and the personal and family circumstances of the workers ...". He also foreshadowed the possibility of new arrangements which could be integrated more closely with seasonal requirements of horticultural development in certain areas of New Zealand and assessment of the availability of New Zealand workers.

These schemes were abandoned after the 1987 Fijian coup and with the introduction of the PAC scheme. However, more recently, in October 2006, the New Zealand government flagged the introduction of a new seasonal work scheme for PIs commencing in 2007, after much lobbying by the PICs and continuing complaints of seasonal labour shortages by employers in the horticulture and viticulture industries. The scheme is called the Recognised Seasonal Employer policy and will replace the seasonal work permit pilot, and the Approval in Principle process in the horticulture and viticulture industries. Assuming employers in these industries cannot recruit adequate numbers of New Zealanders to fill their labour needs, they will be allowed to recruit from the PICs in the first instance and from elsewhere in the world thereafter.[21] Numbers under the scheme have been capped initially at 5,000, but this will vary each year depending on forecasts of the number of New Zealand workers available and industry demand. Employers will be able to recruit from all Pacific Islands Forum nations, viz. the Federated States of Micronesia, Fiji, Papua New Guinea, Kiribati, Nauru, Palau, the Republic of Marshall Islands, Solomon Islands, Tonga, Tuvalu, Samoa and Vanuatu. Through the development of special facilitative measures, the scheme will initially assist employers to recruit workers from Fiji, Kiribati, Samoa, Tonga, Tuvalu and Vanuatu.[22]

New Zealand's motivation for introducing the scheme reflects its perceived responsibility to assist the PICs in their economic development. To quote:

> New Zealand has a broad interest in seeing the Pacific being prosperous and stable. Temporary work access can make a positive contribution to our objectives of encouraging economic development and stability in the region. Temporary migration opportunities to New Zealand are vital for Pacific countries as an outlet for unskilled workers to earn an increased income, and to aid knowledge transfer through work experience. The Recognised Seasonal Employer Policy provides New Zealand with an opportunity to contribute to Pacific development and will contribute to New Zealand's objectives in the region for economic development and regional stability (Benson-Pope & Cunliffe 2006, p. 4).

[21] "To recruit overseas workers, an employer must apply for Recognised Seasonal Employer status through the Department of Labour. To gain recognition, an employer must provide evidence of good workplace practices, the ability to pay market rates and a commitment to providing pastoral care for workers. Once an employer gains recognition, it initially lasts for two years" (Benson-Pope & Cunliffe 2006, p. 2).

[22] Because of the Fijian coup, in December 2006 the New Zealand government banned Fijian participation in the seasonal work scheme for Pacific Islanders as well as the PAC scheme. (http://www.immigration.govt.nz/migrant/general/generalinformation/news/fijipolicychange.htm)

Residence Visas/Permits

It should also be borne in mind that considerable numbers of PIs are also allowed to enter New Zealand as residents under categories other than the Samoan Quota and the PAC scheme. Appendix 4 provides details of the various categories under which PIs can apply for residence in New Zealand and the number of approvals under all residence categories. Table 2.8 shows the number of applications approved in 2005/06 for persons from selected PICs within

Table 2.8: Approvals for Residence, 2005/06

	Business / Skilled	Family Sponsored	International / Humanitarian	Total
Fiji	921	1,053	392	2,366
Kiribati	2	17	144	163
Papua New Guinea	8	14	1	23
Samoa	9	811	1,368	2,188
Solomon Islands	14	10	1	25
Tonga	17	429	522	968
Tuvalu	9	31	120	160
Vanuatu	3	1		4

Note: These numbers include both principal and secondary applicants approved for residence. The PAC scheme and the Samoan Quota numbers are included under the International/Humanitarian category.

Source: NZIS, Pacific Division

the various broad categories under which residence visas are offered. Clearly, Fiji accounts for the greatest number of approvals and reflects both the diversity of skills in Fiji and the desire on the part of Indo-Fijians to emigrate. Table 2.8 also includes persons granted residency under the PAC scheme and Samoan Quota (included under the International/ Humanitarian category). Very few migrants from the Polynesian Islands qualify under the business/skilled category. Most enter under the family sponsored category.

Pacific Islander Migration to Australia

Australia's migration involvement with the PICs is much less than New Zealand's. Whereas PIs made up 6.5 percent of New Zealand's population in 2001, the corresponding figure for Australia was 0.4 percent. If Indo-Fijians are included the percentage rises to 0.6 percent. The principal reason for the quite marginal immigration engagement with the Pacific is Australia's general policy not to discriminate against or give special concessions to any specific countries with regard to immigration. Given the low-skill levels of most Pacific Islanders, this policy minimizes numbers migrating to Australia from the PICs. Exceptions to the non-discriminatory immigration policy include the limited number of countries with which Australia has signed Working Holiday arrangements and the relatively unrestricted movement

of (professional) service providers from the USA and Singapore as part of the free trade agreements reached with these two countries.[23]

As can be seen from Table 2.9, Fiji is the largest source country for Pacific migrants to Australia. However, the majority of these are Indo-Fijians. The 2001 Australia Census enumerated 16,620 persons with Fijian ancestry, 44,261 having been born in Fiji. The difference, 27,641, would be Indo-Fijians.

With regard to the Polynesian countries, Samoans by far are the largest group in Australia, followed by Tongans, Cook Islanders, Niueans, Tokelauans, and Tuvaluans. Migrants from the Melanesian countries of PNG, Solomon Islands and Vanuatu number just over 11,000, clearly indicating how unimportant migration has been to these countries, despite PNG's past colonial ties with Australia.

Table 2.9: Pacific Islanders in Australia, 2001[1]

Cook Islands	4,742
Fiji	44,261
Kiribati	358
Niue	494
PNG	9,441
Samoa	28,091
Solomon Islands	769
Tokelau	450[2]
Tonga	14,889
Tuvalu	90
Vanuatu	898
Other Pacific	863
TOTAL	105,346

1. Figures for Kiribati, PNG, Samoa, Solomon Islands and Tonga are based on ancestry. The figure for Fiji is based on birth as the ancestry figure includes only ethnic Fijians. Cook Islands, Niue, Tokelau, Tuvalu and Vanuatu are based on birthplace as ancestry figures are not available for these countries.
2. Estimate based on number of New Zealand born Tuvaluans in Australia.

Source: Australia 2001 Census.

Table 2.10 highlights a point made earlier, viz. New Zealand's immigration policies relating to the PICs ultimately affect the flows of PIs to Australia because of the unrestricted access of New Zealand citizens to Australia. It indicates the stock of New Zealand-born Pacific Islanders in Australia during the last few years. However, it is difficult to determine the period that these persons stay in Australia.

[23] The free trade agreements are more far-reaching than the liberalisation of trade in services agreed to by the three countries under the World Trade Organization's General Agreement on Trade in Services (GATS). It ensures that the three countries service exporters receive non-discriminatory treatment in relation to their counterparts the other two countries. This will be associated with relative free mobility of professionals between the US and Australia, and between Australia and Singapore, which will be further enhanced as issues pertaining to the mutual recognition skills/qualifications are progressed. (See: http://www.dfat.gov.au/trade/negotiations/us.html - Advancing Australian Investment and Services Exports)

Table 2.10 New Zealand Citizens born in PICs Present in Australia by Country of Birth, 2004-2005

Country of BIRTH	30/06/2004	30/09/2004	31/12/2004	31/03/2005	30/06/2005
Cook Islands	3,616	3,616	3,456	3,631	3,694
Fiji	2,617	2,646	2,913	2,568	2,595
Niue	718	751	743	754	769
Papua New Guinea	224	227	222	229	219
Samoa	11,683	11,696	11,358	11,826	11,912
Samoa, American	86	92	99	96	104
Tokelau	453	456	435	466	473
Tonga	3,541	3,531	3,409	3,622	3,664
Other	20,201	20,015	19,104	20,705	20,881
Total	*43,139*	*43,030*	*41,739*	*43,897*	*44,311*

Source: DIMA (n.d.), Publications, Research and Statistics, http://www.immi.gov.au/media/statistics/statistical-info/temp-entrants/nz.htm

With regard to flow of permanent migrants to Australia, for the years 2003/04 – 2004/05 there were 2,079 PIs arriving in Australia as settlers (Birrell et al., 2006). This comprised 1.6 percent of all new settlers. In comparison, New Zealand admitted 7,268 permanent migrants from the PICs over the same period, comprising 16 percent of the total number admitted as settlers.[24] That PIs comprise a significantly larger percentage of permanent migrants to New Zealand compared with Australia undoubtedly reflects the proportionately larger population of PIs in New Zealand relative to Australia. This network effect also extends to temporary migrants.

Table 2.11 provides information regarding the *stock* of temporary migrants in Australia from the PICs on work visas. These stock figures are reflected in a very low number of visas issued annually (*flow data*) to PIs for temporary residence for work purposes. For example, over the two year period 2003/04 – 2004/05, the number of PIs arriving in Australia with a temporary residence visa for work purposes was 1,047, including dependents.[25] This comprised only 0.85 percent of all arrivals issued with this type of visa over this period of time. In comparison, over the same two year period, New Zealand issued 10,032 work visas/permits to PIs (including dependents) for temporary residence.[26] This comprised 4.8 percent of all visas/permits of this type issued. Moreover, for 2005/06, New Zealand issued 8,409 work visas/permits for temporary residence to PIs, accounting for 6.2 percent of all visas issued in this category.[27]

[24] These figures can be found at http://www.immigration.govt.nz/migrant/general/generalinformation/statistics
[25] Calculated from unpublished data provided by DIMA.
[26] One cannot directly compare the number of arrivals on temporary work visas in Australia over a year with the number of work visas issued by New Zealand over a year. This is because in New Zealand many people have more than one permit/visa during a given year. For example, in 2005/06, 8,409 temporary work permits/visas were issued to 5,787 PIs. If we were to assume that this proportion was the same for the period 2003/04-2004/05 then 6,882 PIs would have been granted temporary work in New Zealand. This number still significantly exceeds, by a factor of 6.6, the 1,038 PIs arriving in Australia on temporary residence visas for work purposes.
[27] The numbers for Australia for 2005/06 are unavailable.

Table 2.11: Stock of Working Temporary Residents from the PICs in Australia, 2002-2005 (Primary Applicants)[1]

Country	2002	2003	2004	2005
Fiji	199	213	201	222
Kiribati	5	8	12	14
Nauru	7	11	12	9
PNG	107	111	130	169
Samoa	29	31	37	47
Solomon Islands	20	17	20	16
Tonga	43	42	40	50
Vanuatu	14	8	9	7
Other PICs[2]	11	13	13	17
Total	435	454	474	551

1. Includes 457s, but excludes working holiday makers and students.

2. French Polynesia, Guam, Marshall Islands, FSM, Palau, American Samoa Tokelau and Tuvalu

Source: calculated from data provided by DIMA

Immigration New Zealand does not publish data that breaks down the occupational distribution of immigrants by nationality, nor were the authors able to secure any unpublished information regarding the occupational distribution of temporary migrants. It is therefore difficult to determine if PIs entering New Zealand as temporary residents are filling jobs that they would not be allowed to fill in Australia. A scan of the skilled occupations that can be taken up by foreigners on temporary work visas in Australia and New Zealand does not indicate that New Zealand's list includes lower skilled occupations not on the Australian list. Nonetheless, anecdotal evidence indicates that many PIs do obtain work permits/visas to work in some of the more labour intensive industries that are having difficulty securing adequate supplies of labour, e.g. agriculture and horticulture. They are also finding lower-level jobs in the service sector, e.g. in health care. While it is possible that lower-skilled PIs might be finding jobs in New Zealand that they would not be allowed to take up in Australia, the most fundamental reason why New Zealand admits more PIs on temporary work visas/permits is because of the extensive networks that PIs have built up in New Zealand over the years. PIs resident in New Zealand can identify jobs for which their relatives and friends in the PICs might successfully apply. Also, friends and relatives of resident PIs can use a visit to New Zealand to seek out temporary employment.

Conclusions

New Zealand has had a long engagement with the Pacific Islands that has been manifest in substantial circulation of populations from the PICs to New Zealand. As related by several Samoans during our visit to Apia, "Auckland is just a suburb of Samoa". This notion captures fundamentally the migration relationship between the South Pacific Island countries and New Zealand. In the words of Dick Bedford (2001:608-609), "population movement between the Pacific Islands and New Zealand is much more complex than the stereotypical view of

regulated flows of settlers seeking opportunities in New Zealand's cities". Rather, there is "..substantial circulation of peoples between the islands, New Zealand and Australia" from which "New Zealand tends to gain in most years .. in terms of net migration, but the overall gains are small in relation to the total movement". Table 2.3 above highlighted the fact that permanent and long term arrivals and departures of Samoans and Tongans to and from New Zealand are substantial, and as Dick Bedford notes, in some years, losses exceed gains.

The flow of people to and from the PICs to New Zealand and the flow of remittances back to the PICs, are critical for their welfare. As noted in Chapter 1, remittances are the bedrock of the economies of all the South Pacific Island countries (not including PNG, Solomon Islands and Vanuatu), perhaps with the exception of Fiji, although even that country is becoming increasingly dependent on remittances as earnings from sugar and textiles dwindle.

We now turn our attention to the labour market outcomes of Pacific Islanders in New Zealand.

III. The Socioeconomic Integration of Pacific Islanders in New Zealand

The purpose of this chapter is to provide an overview of the socioeconomic integration of Pacific Islanders (PIs) in New Zealand, with particular focus on their demographic characteristics, work and labour force status, occupational distribution, skill and educational attainment, and income level. Where relevant, comparisons are made between migrants from the Pacific Islands, PIs born in New Zealand, and the New Zealand population at large. Following the presentation and description of the relevant statistical information, we will discuss the outcomes for PIs.

Demographic Characteristics

New Zealand's Pacific Islands population can be characterized as rapidly growing, young, ethnically diverse, and economically challenged. From 1945 to 2001, the Pacific population grew from a mere 2,200 to 232,000, comprising 6.5 percent of the population in the latter census year (Ministry of Pacific Island Affairs, 2002).

As a whole, the group has a much younger age structure than other broad ethnic groups. Their median age in 2001 was 21 years, compared with 35 years for the total population. However, there is an enormous median age difference between immigrants from the PICs and those PIs born in New Zealand. The former's median age is 37 years, comparable to the New Zealand population as a whole, whereas the latter group's median age is just 12 years (Ministry of Pacific Island Affairs, 2002). This is reflected in the proportion of their respective populations that are less than 15 years of age. For PIs born in New Zealand, 59 percent of their population is less that 15 years of age, compared with just 9 percent for immigrant PIs.[28]

New Zealand's Pacific peoples are a diverse group who trace their origins to many South Pacific countries. As shown in Table 3.1, Samoans comprised the largest ethnic group, followed by Cook Islanders, Tongan, Niueans, Fijians, and Tokelauans. The table also shows that of the Pacific people living in New Zealand in 2001, 58 percent were born in New Zealand. Of the larger Pacific ethnics groups, the Cook Islanders and Niueans had the highest proportion of their populations having been born in New Zealand (70 percent). Although small in number, 92 percent of Rarotongans were born in New Zealand. Only the Tuvaluans and ethnic Fijians, and an assortment of people from other Pacific islands, had less than 50 percent of there resident populations born in New Zealand.

Other relevant demographic and social characteristics of Pacific peoples have been highlighted in a recent study (Ministry of Pacific Island Affairs, 2002). It shows that PIs, on average, have a life expectancy of four years less than the total population. PIs tend to be more family oriented. Eighty two percent live in a family situation, compared with 77 percent for the general population. The average household size for PIs is 5.4, compared with 3.5 for the total population. Moreover, some 29 percent of PIs live in extended families,

[28]See Statistics New Zealand, Pacfic Peoples Living in New Zealand, http://www.stats.govt.nz/analytical-reports/pacific-peoples-in-nz/default.htm. Of course, the explanation for such a high percentage of NZ born PIs being young is that a large proportion of the PI population are first generation migrants.

Table 3.1: Pacific Population – New Zealand and Overseas Born, 2001

Ethnic Group and Sex	New Zealand Born	Overseas Born	Not Elsewhere Included[2]	Total	Percent Born in New Zealand
Samoan	66,198	48,132	684	115,017	57.9
Cook Islander	35,562	15,555	369	51,486	69.6
Tongan	21,363	18,858	495	40,716	53.1
Niuean	13,830	6,027	291	20,148	69.6
Fijian (ethnic Fijian)l	3,285	3,726	30	7,041	46.9
Tokelauan	4,026	2,115	63	6,204	65.6
Tuvaluan	552	1,386	27	1,965	28.5
Rarotongan	1,119	93	6	1,221	92.3
Society Islanders (including Tahitian)	834	357	6	1,200	70.0
Other Pacific Peoplesl	1,980	2,364	33	4,377	45.6
Total, Pacific Peoples	133,791	96,156	1,851	231,801	58.2

Notes:
(1) Includes all of the people who stated each ethnic group, whether as their only ethnic group or as one of several ethnic groups. Where a person reported more than one ethnic group, they have Been counted in each applicable group.
(2) Includes Inadequately Described and Not Stated.

Source: derived from Statistics New Zealand, Census 2001

compared with 8 percent for the population as a whole. Undoubtedly reflecting higher levels of youth unemployment, 17-19 year-old PIs have a conviction rate about 20 percent higher than the total population within that age group. Although PIs make up just 6.5 percent of the population, they account for 14.6 percent of convictions for violence in 2000. However, they are under-represented in drug convictions, accounting for just 3.6 percent (Ministry of Pacific Island Affairs, 2002).

Work and Labour Force Status

As noted above, the migration of PIs to New Zealand in the post WWII era has its origins in the drive by New Zealand to diversify the economy through the development of its industrial sector. The growth of that sector quickly ran up against labour shortages, both skilled and unskilled. While the government continued to recruit migrants from traditional sources, specifically the UK, Ireland and northern Europe, it increasingly turned to the Pacific Islands for factory labour. In the 1973/74 fiscal year alone, just over 4,000 PIs from the Cook Islands, Fiji, Niue, Tonga and Samoa arrived in New Zealand as permanent and long term arrivals (Farmer, 1985). However, the severe impact of the OPEC crisis on employment and growth led the government to greatly restrict immigration in subsequent years.

From the mid-1980s, the newly elected Labor government commenced fundamental reforms of the New Zealand economy. These caused many industries that employed PIs to wither in the face of global competition. Formerly state controlled enterprises were rationalized or privatized, causing a further decline in employment.

Between 1986 and 1991, the number of Pacific adults who were gainfully employed fell from 62 percent to 43 percent. This had climbed back to 55 percent by 2001, but was still 7 percent below the national rate. As can be seen from Appendix 5a, the employment rate in 2001 varied considerably across the different Pacific ethnic groups, ranging from above the national rate for Fijians to 13 percentage points below the national average for Tokelauans.

The severe impact of the economic restructuring on Pacific Island workers is also reflected in changes in their labour force participation rate (LFPR), which fell precipitously from 70 percent in 1987 to 59 percent in 1996, and rose to 65 percent in 2001, slightly below the national average of 67 percent.[29]

Appendix 5b compares the work and labour force status of PIs who have migrated to New Zealand with those who were born there. The data, from the 2001 Census, indicate that the employment rate and LFPR for New Zealand born PIs was higher than that for Pacific migrants, although for some ethnic groups the differences were small and for Tongan male migrants they were actually higher than New Zealand born Tongan males. For Pacific migrants as a group, the employment rate was 53 percent compared with 57 per cent for New Zealand born PIs. The national average for all migrants was 54 percent, and for all New Zealand born, 64 per cent.

The employment rate for PI migrants appears to have been dragged down by a low rate of employment for females in that group (46%). PI migrant males had almost the same employment rate as NZ born PIs – 61 percent compared with 62 percent. Compared with all migrants across all ethnic groups, PIs performed quite well. Male PI migrants had an employment rate of 61 percent, which matched the rate for migrants from all ethnic groups. Female PI migrants' employment rate was only two percentage points less than the rate for female migrants across all ethnic groups. Nonetheless, PI migrants as a group had an employment rate (53%) a full 11 percentage points lower than that for New Zealand born from all ethnic groups (64%).

Bearing in mind the caveat regarding measures of labour force participation outlined in footnote 28, we can see from Appendix 5b that the 2001 Census found that the LFPRs for migrant PIs of both sexes (70% and 55%, respectively) was less than the rate for their New Zealand born counterparts (74% and 66%). However, the LFPRs for PI migrants exceeded the rates for migrants across all ethnic groups for both sexes. Nonetheless, the LFPR of migrant PIs was substantially less than the rates for the New Zealand born population across all ethnic groups (76% and 62%).

New Zealand's recent stellar labour market performance is reflected in it having the lowest unemployment rate for the OECD countries, at 4.3 percent. Table 3.2 shows that this achievement has resulted in a significant increase in the employment rate and LFPR for Pacific peoples. Their employment rate has risen 5 percentage points between 2001 and 2006 to reach 60 percent, although this is still below the national average of 66 percent.

[29] The figures for the LFPR in Appendix 5a and 5b are different from those based on the 2006 Household & Labour Force Survey depicted in Table 3.2 and Figure 3.1 below. The HLFS uses a slightly different methodology for its calculation of its LFPR in comparison to that calculated from the census, although the employment rate and unemployment rate are very similar.

Table 3.2: Work and Labour Force Status by Ethnic Group, 2006

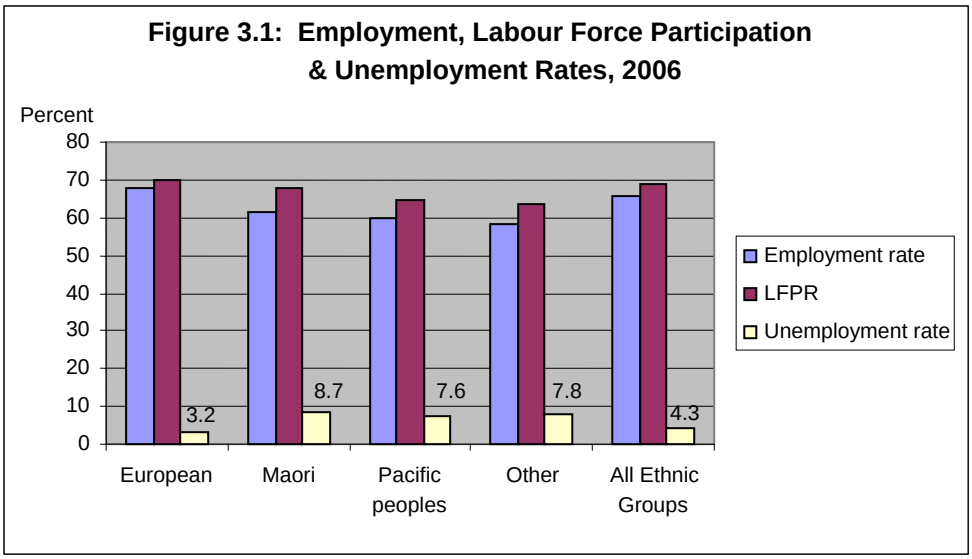
	Labour force			Not in labour force	Working-age population	Employment Rate	Labour force participation rate	Unemployment rate
Ethnic Group	Employed	Unemployed	Total					
	(000)					(%)		
European	1,631.7	53.5	1,685.1	723.7	2,408.8	67.7	70.0	3.2
Maori	184.3	17.7	201.9	97.0	298.9	61.7	67.6	8.7
Pacific peoples	95.0	7.8	102.8	55.8	158.5	59.9	64.8	7.6
Other	195.1	16.4	211.5	122.1	333.7	58.5	63.4	7.8
Total (all groups)	2,107.9	95.3	2,203.3	999.6	3,202.8	65.8	68.8	4.3

Note: People who did not specify their ethnic status are included in the totals only.
Source: Statistics New Zealand (2006), Household and Labour Force Survey, March.

The LFPR of PIs indicated in Table 3.2 is derived from the Household and Labour Force Survey. In 2001, the HLFS placed the LFPR for PIs at 61 percent. Thus based on the methodology of the HLFS, the LFPR improved by four percentage points since 2001, reaching 65 percent, although it still trails behind the national rate which reached 69 percent in March 2006. But what is abundantly clear is that the labour market performance gap between Pacific peoples and other ethnic groups in New Zealand has narrowed considerably in recent years.

Figure 3.1, derived from Table 3.2, shows a considerable difference across the broad ethnic groups with regard to the levels and differences in employment rate, LFPR and unemployment rate. The very low rate of unemployment of those classified as European is reflective of New Zealand's currently tight labour market. Nonetheless, within this broad context of skill shortages there is still a relatively high rate of unemployment amongst other ethnic groups. Maoris have the highest rate of unemployment at 8.7 percent. This is followed by "Others" (mainly Asians) at 7.8 percent. Pacific peoples have an unemployment rate of 7.6 percent. To some extent, this high rate of unemployment can be explained by youthful age structure and the high rate of unemployment of those aged less than 25 years. Some 18

Figure 3.1: Employment, Labour Force Participation & Unemployment Rates, 2006



percent of Pacific peoples were in the 15-24 years age group, compared with 13 percent nationally. The unemployment rate for the 15-24 years age group nationally was 12 percent. However, the unemployment rate across all age groups for Pacific peoples is higher than the national average (Statistics New Zealand, n.d.a.).

The economic challenges facing Pacific peoples are clearly indicated in the unemployment rates reported in Table 3.2, and Appendices 5a and 5b. For Pacific peoples as a group, both migrants and New Zealand born, the overall unemployment rate in 2001 was 16.2 percent, compared with 7.4 percent nationally (Appendix 5a). For Pacific migrants, the unemployment rate was 14.6 percent, compared with 18.5 percent for New Zealand born Pacific peoples (Appendix 5b). It appears that migrants have more difficulty accessing unemployment benefits than New Zealand born workers. However, as can be seen from Table 3.2, by 2006, there had been a significant drop in the unemployment rate for Pacific peoples, having declined by over half to 7.6 percent.

Despite significant improvements in the labour market status of PIs, they still lag behind the national average on all labour force measures. As noted above, part of the explanation lies in the young age profile of Pacific peoples, particularly those born in New Zealand. However, as discussed in more detail below, part of the explanation also lies in the skill mix they possess and the occupations in which they are employed relative to the changing patterns of labour demand.

Finally, it is important to note as that there may be important differences in the employment rate and LFPR between PIs who immigrated in the 60s, 70s and 80s, or who had been born in NZ, and those who have immigrated in recent years under the Samoan Quota and the PAC scheme. Principal applicants under these Samoan Quota and PAC schemes are not allowed to enter without acquiring “sustainable” employment. This would imply that their employment rate and LFPR would be significantly higher than the national average for all groups. However, immigrants under these schemes also arrive with dependents in tow. If these dependents had an employment rate and LFPR equal to PIs as a group then migration under these schemes would be responsible for lifting the overall employment rate and LFPR for PIs. However, the opposite outcome would apply if the dependents of the principal applicants had rates of employment and labour force participation less than the national average for PIs.

Occupational Distribution

A major part of the explanation for the continuing relative high rates of unemployment amongst PIs is their over-representation in occupations that have been hit hard by the rationalization of New Zealand’s industrial structure. Another major part of the explanation is the relatively low skill levels of PIs in comparison with the national average. Appendix 6a, deriving from the 2001 Census, shows that Pacific peoples are over-represented in the low skilled occupations of “Service & sales workers”, “Plant & machine operators & assemblers” and in “Elementary occupations”. Collectively, these three occupations employ 42 percent of Pacific peoples, compared with a national figure of 28 percent. The white collar occupations of “Legislators, administrators and managers”, “Professionals”, and “Technicians & associate professionals” comprise 38 percent of total employment whereas for PIs, 20 percent are employed in these occupational categories. Pacific females are better represented (24%) in the white collar occupations than their male counterparts (16%). However, both Pacific males and females lag far behind the national average for all ethnic groups for these occupations. Some

40 percent of females and 36 percent of males from all ethnic groups were employed in white collar occupations.

Appendix 6a also shows that there is considerable variation between the various Pacific ethnic groups with regard to occupational distribution. White collar occupations employ 29 percent of ethnic Fijians, but only 13 percent of Tuvaluans. Some 31 percent of Tongans and Cook Islanders find work in the low level occupations, compared with 18 percent for Fijians. As already noted, a large proportion of Fijian immigrants are Indo-Fijians with above average skills and education.

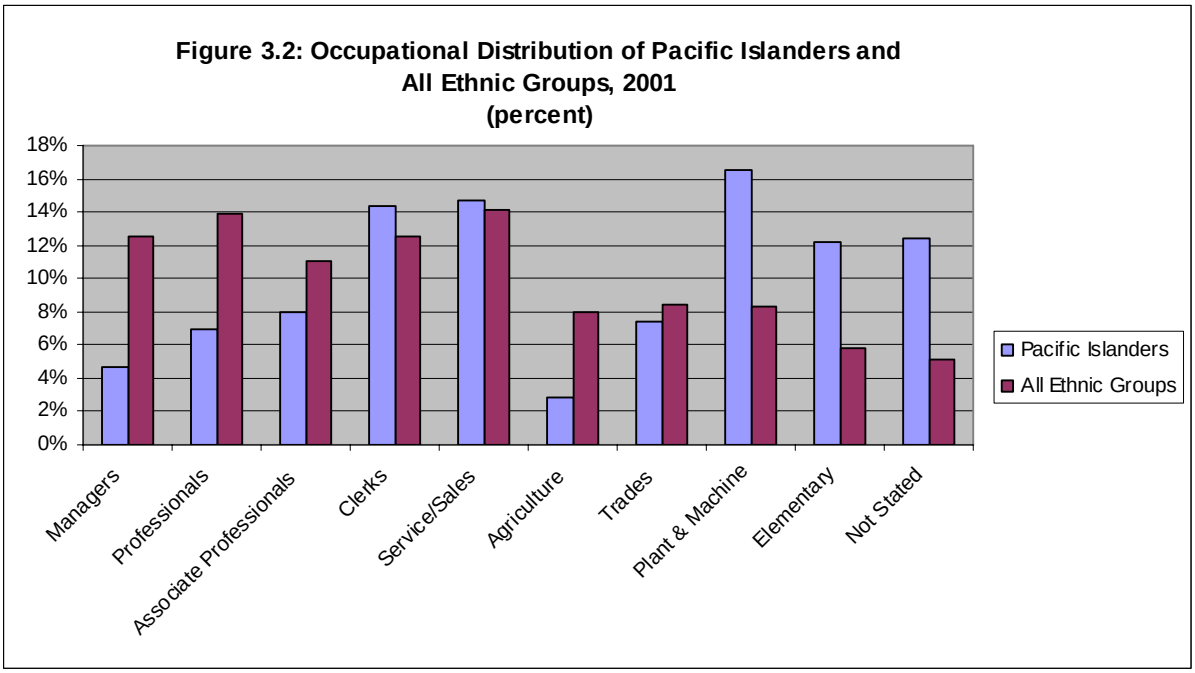


Figure 3.2 depicts the occupational distribution of Pacific peoples compared with all ethnic groups.

Appendix 6b compares the occupational distribution of Pacific migrants with PIs born in New Zealand and other ethnic groups. Focusing on the low-skilled occupations, it can be seen that 48 percent of Pacific migrants find employment in these occupations compared with 37 percent of New Zealand born PIs. With regard to the white collar occupations, some 15 percent of Pacific migrants find employment within these occupations compared with 26 percent of New Zealand born PIs.

Given the high levels of Pacific Islander immigration to New Zealand during the 1960s and 1970s, a large proportion of PIs born in New Zealand are second generation and effectively integrating into the labour market. While New Zealand born PIs still lag behind the national average in terms of proportion employed in the more highly skilled occupations (37% vs. 26%), at least some of the difference can be attributed to the very young age structure of the New Zealand born Pacific population.

Table 3.3 provides further evidence that younger PIs are improving their occupational profile. For example, the percentage of the prime-working age group aged 45-59 years employed in white collar occupations was 14.6 percent for males and 22.5 percent for females. However,

Table 3.3: Percentage of Prime-Aged Employed Workforce in White Collar Occupations by Age and Ethnic Group, 2001

	Pacific Islanders			Europeans			All Ethnic Groups	
Age Group	Males	Females		Male	Female		Male	Female
25-34	19.2	29.1		38.9	48.1		36.0	45.2
45-59	14.6	22.5		44.5	43.8		42.3	42.2
24-59	17.9	26.2		42.5	46.0		39.9	46.9

Prime-Aged Employed Workforce in White Collar Occupations as a Proportion of All Ethnic Groups

	Pacific Islanders			Europeans			All Ethnic Groups	
Age Group	Males	Females		Male	Female		Male	Female
25-34	0.53	0.64		1.08	1.06		1.00	1.00
45-59	0.35	0.53		1.05	1.04		1.00	1.00
24-59	0.45	0.56		1.07	0.98		1.00	1.00

Source: Statistics New Zealand (n.d.a)

for the 25-34 year old age group the corresponding figures were 19.2 percent and 29.1 percent. This is a clear indication that younger PIs are obtaining the education and training necessary to reach higher rungs on the socioeconomic ladder. Nonetheless, there is still considerable scope for improvement. For all ethnic groups aged 25-34, nearly twice as many males are in white collar occupations compared with male PIs. That is, for every 5.3 PI males in white collar jobs, there are 10 in white collar jobs from all ethnic groups combined, and 10.8 for Europeans. PI females in the age group 24-35 have only 6.4 persons in white collar occupations for every 10 from all ethnic groups, and 10.6 for Europeans. So while younger PIs are doing better than their parents, they still lag far behind the rest of the workforce in terms of securing white collar jobs.

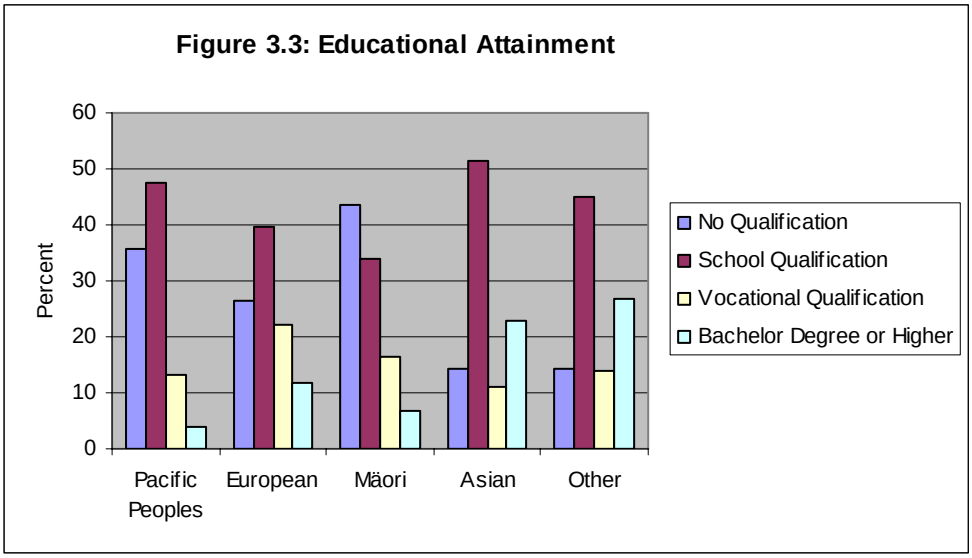
Educational Attainment

PIs' higher rates of unemployment and an occupational distribution skewed toward the lower end of the labour market are explained partly by their skills and educational attainment. As can be seen from Appendix 7a, only three percent of PIs have achieved a Bachelor degree or higher, compared with 11 percent for Europeans and 20 percent for Asians.[30] However, PIs

[30] PIs' participation in higher education has improved since 1990. They now account for 4.4 percent of all tertiary enrolments, but their rate of participation is only 15 percent compared with 32 percent for the population as a whole in the age group 18-24 (Ministry of Pacific Island Affairs, 2002).

fare comparatively well in terms of basic schooling. As a group, 39 percent of PIs held a school qualification. However they lag behind in vocational education with 11 percent having attained that level of training compared with 20 percent for Europeans. There is also considerable variation across the Pacific ethnic groups with regard to educational attainment. Some 26 percent of Fijian have either undergone vocational training or received a degree compared with 12 percent for Tongans. Some 38 percent of Cook Islanders have no qualifications, whereas only 17 percent of Fijians are in this category.

Figure 3.3 depicts the variation in educational attainment across broad ethnic groups.



Appendix 7b provides a more detailed picture of the relative performance of migrant PIs versus New Zealand born PIs and other ethnic groups, in terms of education and skill acquisition. As a group, 32 percent of migrant PIs have not received a qualification, compared with 17 percent of migrants from all ethnic groups combined. This clearly reflects New Zealand's concessional immigration policies toward the PICs that allow the immigration of low skilled workers with little education. The figures also reflect recent changes in New Zealand's immigration objectives that have placed increased emphasis on skilled migration relative to the 60s and 70s when unskilled migrants were welcomed as factory labour. More recent immigrants from all sources except the PICs are much more highly skilled. This is clearly reflected in educational attainment of migrants from Asia and "Other" countries, which would be the Middle East, Africa and Latin America. Some 21 percent of migrants from Asia and 24 percent of "Others" held a degree.

PIs have improved their level of educational attainment considerably in recent years. The proportion of PIs with no qualifications fell from 54 percent to 36 percent between 1986 and 2001. Moreover, they are staying at school longer, with 64 percent of 14 year olds staying until age 17, although they are achieving fewer formal qualifications compared with the total population. Twenty-six percent left school with no qualifications in 2001. On the positive side, PIs enrolment in tertiary education increased from 3,300 to 12,400 between 1990 and 2001. In 2001, they made up 4.4 percent of tertiary enrolments, but their participation rate at 15 percent (for the 18-24 year old age group) was less than half the 32 percent for the total population in that age group (Ministry of Pacific Island Affairs, 2002).

The challenge for PIs born in New Zealand is to translate their secondary school achievements into higher levels of education and vocational training. With regard to vocational training, only 8 percent of PI migrants have achieved a vocational qualification, compared with 15 percent for New Zealand born PIs and 19 percent for New Zealanders as a whole.

Income

The lower employment rates and labour force participation rates, as well as lower skill levels of PIs, are reflected in lower levels of personal income relative to other ethnic groups. As can be seen from Appendix 8a, as a group, New Zealand born PIs personal income at NZD18,964 was 74 percent of the average income of all New Zealand born (NZD31,680) in 2001. Looking at gender, the income of New Zealand born PI males was just 64 percent of the average of all New Zealand born males. In contrast, New Zealand born Pacific females attained 83 percent of national average income for females in 2001. This is partly explained by higher levels of education and skill attainment achieved by Pacific females compared with males. Looking more closely at Appendix 7b, it can be seen that 22 percent of New Zealand born Pacific females acquired either vocational training or a university degree, compared with 17 percent of Pacific males. This can also be explained partly by Pacific females being more represented in white collar occupations than Pacific males.

Focusing on the various PI ethnic groups, Appendix 8a shows that Tongan and Tuvaluan migrants have fared the worst in terms of their relative income. In contrast, Fijians migrants, and particularly Fijian females, appear to do reasonably well. Europeans have fared the best with regard to the income gap between migrants and those born in New Zealand. Not only do they earn more than migrants from all other ethnic groups, but their earnings also exceed the average for New Zealand born Europeans. In contrast, Pacific migrants as a group earned 67 percent of the average income of all New Zealand born, but 90 percent of the average income of New Zealand born PIs. Asian migrants fared only slightly better than PI migrants. They earned only 64 percent of the average New Zealand income. However, their New Zealand born compatriots fared much better, earning 97 percent of the average New Zealand income.

Figure 3.4: Personal Income of Migrant & New Zealand Born by Ethnic Group, 2001

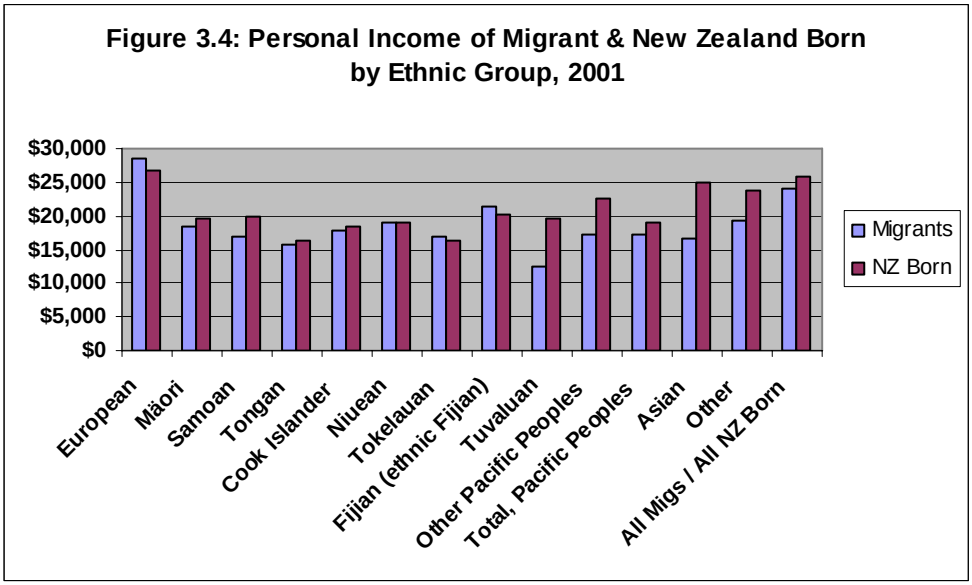


Figure 3.4 highlights the considerable variation in personal income across and within ethnic groups. Tongans, Tuvaluans and Tokelauans have the lowest mean income regardless of their length of residence. Although small in number, Fijians clearly out perform other Pacific ethnic groups in terms of income, regardless of length of residence. This reflects a more developed and diversified stock of human capital in Fiji that provides an array of skills that can fit easily into New Zealand's labour market.

Figures 3.5a and 3.5b show clearly that increased duration of residence improves income. For PIs as a group, relative income approximately doubled as duration of residence increased from 0-4 years to more than 10 years. But the most outstanding group, in terms of income gain, were Asians. As their duration of residence increased from 0-4 years to over 10 years, Asian males improved their income level from 46 percent of the New Zealand average for males to 90 percent, while the corresponding figures for Asian females was from 49 percent to 96 percent.

Figure 3.5a: Income by Duration of Residence by Ethnic Group - Males

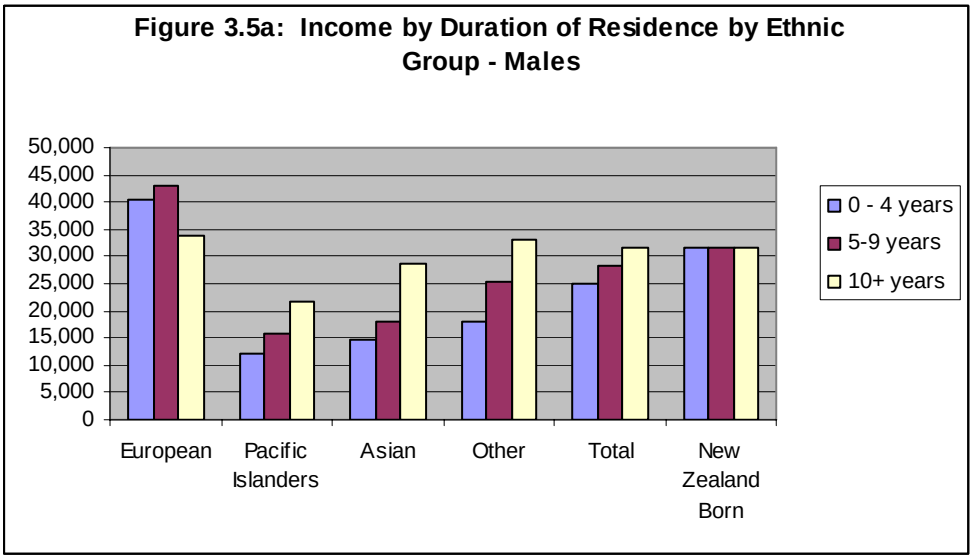
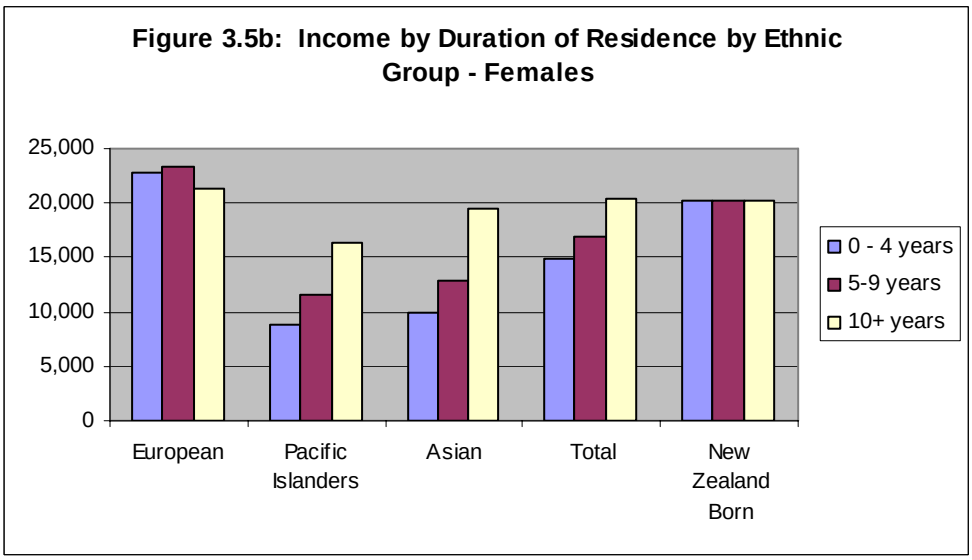


Figure 3.5b: Income by Duration of Residence by Ethnic Group - Females



The most recent data on income of PIs compared with other groups shows mixed results. The data in Table 3.5 derives from the most recent income survey in New Zealand (Department of Labour 2005). If only wages and salaries are taken into account then PI males earn NZD595 per week, which is 88 percent of the average for all ethnic groups. The corresponding figure for PI females is 102 percent. However, when looking at income from all sources, PI males earn only 71 percent of the national average, and just 67 percent of European average, while the corresponding figures for PI females are 88 percent and 85 percent, respectively.

The significant differential in earnings from wages and salaries and all income sources derives from the fact that other ethnic groups, and particularly Europeans, earn substantially more than PIs from self-employment and investments.

Table 3.5: Average Weekly Income of People in Paid Employment, June 2005

	Source of Income					
Ethnic Group and Sex	Wages and Salaries	Self-Employment	Government Transfers	Investments	Other Transfers	All Sources Collected
Male						
European	699	240	11	42	2	994
Pacific Peoples	595	64	11	1	0	668
All Ethnic Groups	679	218	10	35	2	944
Female						
European	495	96	21	24	1	634
Pacific Peoples	501	9	31	2	0	541
All Ethnic Groups	490	87	22	21	1	618

Average Weekly Income as a Percentage of All Ethnic Groups

	Source of Income					
Ethnic Group and Sex	Wages and Salaries	Self-Employment	Government Transfers	Investments	Other Transfers	All Sources Collected
Male						
European	103	110	110	120	100	105
Pacific Peoples	88	29	110	3	0	71
All Ethnic Groups	100	100	100	100	100	100
Female						
European	101	110	95	114	100	103
Pacific Peoples	102	10	141	10	0	88
All Ethnic Groups	100	100	100	100	100	100

Source: Statistics New Zealand, New Zealand Income Survey, June 2005 Quarter

Taking the average of these percentages across the period June 2001 to June 2005, we find that PIs (males and females combined) average weekly earnings from wages and salaries is 83 percent of the national average and 70 percent of the national average for income from all sources (Department of Labour 2005, NZ Income Survey: June 2005 quarter). These figures

remained fairly constant over the period. Thus it appears that despite the strengthening labour market in recent years that has witnessed a substantial decline in unemployment amongst PIs, this has not translated into any significant narrowing of income differentials between PIs and other ethnic groups combined.

However, if the employed workforce is disaggregated by age and ethnic group, there is some indication that younger PIs are improving their position vis-à-vis the national average and against Europeans. As can be seen from Table 3.6, which uses 2001 Census data, PI males and females in the age group 25-34 earn about 13 percent more than PIs in the 45-59 years age group. This is also reflected in a narrowing of the gap between PIs' income and the national average for those in the 25-34 year old age group compared with the 45-59 year old age group. Those PI males in the 25-34 year old age group earned 78 percent of the national average median income, while PI females in the same age group earned 86 percent of the

Table 3.6: Median Income by Ethnic Group, 2001

	Pacific Islanders			European			All Ethnic Groups	
Age Group	Male	Female		Male	Female		Male	Female
25-34	23,787	16,993		33,094	21,433		30,552	19,692
45-59	21,067	15,133		35,933	20,900		33,600	19,600
24-59	23,788	16,862		36,029	20,817		33,516	19,481

Median Income as a Percentage of All Ethnic Groups

	Pacific Islanders			European			All Ethnic Groups	
Age Group	Male	Female		Male	Female		Male	Female
25-34	77.9	86.3		108.3	108.8		100.0	100.0
45-59	62.7	77.2		106.9	106.6		100.0	100.0
24-59	71.0	86.6		107.5	106.9		100.0	100.0

Source: Statistics New Zealand, Census 2001

national average median income for females. The comparable figures for those in the 45-59 years old age group were 63 percent and 77 percent, respectively. Thus young PI males' income relative to the national average is 15 percentage points higher than older PI males. These figures are consistent with our finding above that younger PIs are proportionately more represented in white collar occupations compared than older PIs.

Finally, referring back to Table 3.5 we see that as a source of income, investments account for a miniscule proportion of PI income compared with other ethnic groups. PIs are not investing in financial and other income earning assets. Of course, the extreme youthfulness of the PI population is part of the explanation. However, another explanation is that PIs send a significant amount of remittances back to their countries of origin. As noted in our discussion on migration and development, even second generation PIs are sending remittances back to the islands. This undoubtedly reduces personal savings and hence investment income. Yet remittances can be viewed as an investment of a different sort. They provide the continued link between the remitter and the receiving family/village and ensure that in retirement there is the option to return home to family lands. In that sense, it is an investment in the remitter's future. Remittances thus provide social insurance for the remitter, while providing poverty

alleviation for families back in the islands. They also earn considerable social status for the remitting family, and insofar as they are used to further the education of family members in the islands they are providing an investment in human capital that potentially will benefit New Zealand in the future with more and better educated migrants.

Discussion

One important fact that emerges from the presentation and analysis of the data presented above is that PIs, in general, and Pacific migrants, in particular, have been disadvantaged within the labour market and this has been manifest in lower levels of personal income. However, their comparatively poor labour outcomes are a relatively recent phenomenon. A study by Winkelmann & Winkelmann (1998) found that in 1981, Pacific migrants had an employment rate similar to the rest of the population. However, by 1996 this had declined to be 15 percentage points below the New Zealand average. They also found that in 1981 income of Pacific migrants was 55 percent of the New Zealand average, but had declined to 41 percent by 1996. Their view was that deteriorating labour market outcomes for PIs cannot be explained by the changing country-of-origin composition or by changes in any of their observed characteristics. They posit that one possible explanation for the comparatively poor labour market performance of this group is that structural changes in the labour market have caused an increased penalty for migrants from predominantly non-English-speaking countries. We return to this theme below.

While a number of studies have compared outcomes of PIs, few have employed more complex statistical procedures in an attempt to explain their relatively poor labour market performance. Most studies have considered the various factors that could affect the labour market outcome of migrants. These include age, educational attainment, proficiency in English, transferability of skills, and length of residence, since it takes time to settle in. However, several studies have shown that even when adjusting for age and education, Pacific peoples have higher rates of unemployment and lower employment rates compared with all other ethnic groups combined (Humphris & Chapple, 2002).

One of the more rigorous studies on the labour market disparities of Pacific migrants was undertaken by Humphris & Chapple (2002). They focused on those characteristics that others believed were at the root of the employment disparity between Pacific migrants and the New Zealand born. With regard to the skewed age distribution of the Pacific population, they found that "there is no evidence that increased employment disparity has been caused by the growing relative youthfulness of the Pacific population" (Humphris & Chapple, 2002:180). With regard to the comparatively low levels of skills and educational attainment, they found that it "..seems unlikely that a lack of qualifications on the supply side is driving the increase in employment disparity" (p. 181). They also observed that the Pacific peoples appear to be slowly catching up to the rest of the population in terms of qualifications acquired. In their analysis, the authors also attempted to tease out the whether being born abroad was a major disadvantage in the New Zealand labour market. They found that "…being New Zealand born or overseas born is not a key indicator of Pacific employment disparity, except for recent migrants" (p. 183). The authors also found that "…changes in employment disparity are not due to a change in population composition over time towards worse performing recent migrants, but, rather, because of other factors that affected all three groups (short duration migrants, long duration migrants, and New Zealand born), but recent migrants perhaps more than others" (pp. 183-84).

Rather than attributing the employment disparities of Pacific migrants to supply-side factors such as their demographic and labour force characteristics, Humphris & Chappel (2002:185-187) argue that demand-side factors principally explain these disparities. They point out that there had been a significant decline in demand for unskilled labour (measured by qualification held) over the period 1986 to 1999, and that there is a comparatively larger number of PIs who do not have any qualifications, and therefore a disproportionately large percentage of PIs who were adversely affected by this decline in demand. They further argue that PIs were over-represented in sectors that experienced slow or negative employment growth over the period 1986-1999. They see a similar pattern in relation to occupational distribution of PIs. As we have shown above, they found that PIs are comparatively over-represented in the occupation of production and related workers, ".. which shrank by 19.3 percent between 1986-1999" (p. 189). On the other hand, comparatively few PIs were employed in white collar occupations which have shown the highest employment growth during the period 1986-1999. They also found a 10.9 percent decline in demand for those who had no qualifications over the period, and that PIs were over-represented in this group. On the other side of coin, PIs were under-represented in the group that has school and post-school qualifications, and this group experienced the smallest decline in employment (p. 187).

Humphris and Chappel (2002:191-192) conclude that "… the evidence suggests that labour demand changes in conjunction, perhaps with immigration shocks, were responsible for increasing employment disparity over the 1986 to 1999 period [for PIs]. Specifically, in the late 1980s and early 1990s there were decreases in labour demand in sectors that Pacific peoples were over-represented… At the same time, there were bursts of immigration of Pacific peoples into the low-skilled labour market".

Conclusions

The income and labour market disparities that characterise Pacific peoples in New Zealand have led some to posit that the migration of PIs into New Zealand has resulted in ghettos with consequent social pathologies that derive from such circumstances. However, we believe that this constitutes a fundamental misunderstanding of the labour market history of Pacific peoples in New Zealand. What led to the adverse labour market outcomes for PIs in New Zealand, and that continues today, was fundamental changes in the patterns of labour demand deriving from deliberate policy-induced changes in industrial structure. In short, the long overdue economic rationalization of the New Zealand economy came at a high price, and that price was borne disproportionately by Pacific peoples.[31] Particularly for male PIs, the collapse in manufacturing employment was not matched by expansion elsewhere in the economy that would have mopped up those displaced from low-skilled manufacturing jobs. The expansion of the services sector did provide jobs for an increasing number of Pacific females, and this helped to ease the plight of households that lost male employment.

The situation of PIs in New Zealand is very similar to the experience of southern European migrants to Australia. Many of these migrants were induced to come to Australia in response to labour shortages in Australia's expanding, but highly protected manufacturing sector. They were largely low-skilled and less than confident in English. In parallel with the experience of

[31] Krishnan et al., (1994: 86) argue that PIs in New Zealand have been more damaged by economic policy changes than any other group.

New Zealand's PIs, the radical restructuring of the Australian economy commencing in the 1980s under the Hawke-Keating Labor government led to massive unemployment amongst this group of southern European immigrants. Their lack of skills, education, and English language proficiency led to very high rates of unemployment, and low employment rates and LFPRs. However, there is no discussion in Australia of southern European ghettos.[32] It is accepted that this group of migrants were the ones that bore a large proportion of the cost of a necessary shift in economic policy. However, their children are doing much better and are attaining labour market characteristics similar to the rest of the Australian workforce.

On the basis of the data presented above, we have little doubt that second and third generation PIs in New Zealand will increasingly resemble the average New Zealander in terms of skills, education, workforce status, occupational distribution and personal income. Given the cost that PIs have had to bear in relation to government economic policy, it is also incumbent upon the government to ensure that this outcome is realized.

The most recent available data provides cause for optimism. It indicates a significant reduction in the unemployment rate for PIs, and a narrowing of the differences in the employment and labour force participation rates between PIs and all other ethnic groups that could signal a recovery in the labour market prospects of PIs after 20 years of policy induced disadvantage. The data also show that younger PIs are achieving greater parity in occupational distribution and income compared with their parents. However, they still lag considerably behind the average for all ethnics groups, and Europeans in particular. So while there is a convergence between PIs and other ethnic groups with regard to labour market outcomes, it is the rate of convergence that is of importance. It is this rate that needs to be addressed by policies that will encourage PIs to achieve higher levels of educational attainment and training. It is also important to expand opportunities for self-employment amongst PIs since it is this latter source of income that explains most of the considerable income advantage enjoyed by Europeans and Asians over PIs.

[32] In a study of the socioeconomic status of PIs in New Zealand, Krishnan et al., (1994: 83) concluded that the finding of greatest concern was the rapid acceleration during the 1990s of "trends linking race with economic status", and that a substantial Polynesian minority "are becoming an entrenched underclass".

IV. Conclusions

In this chapter, we first make some general observations about changes in the PICs since our last report on this subject and comment on how these changes have affected our perceptions regarding the role of migration in the development process of the PICs. This initial discussion establishes that, in our view, migration will continue to play and important role as an adjunct to the development strategies of the Polynesian countries, and is sorely needed for the same reason in the Melanesian countries, and in particular PNG, Solomon Islands and Vanuatu (PSV). We then turn our attention to what lessons can be learned from New Zealand's experience with Polynesian migration and how these lessons might inform Australian immigration policy toward the region. We conclude with some specific recommendation on how Australian migration policy might best serve the development needs of the PICs

Migration & Development in the Pacific: Some Further Observations

In our last study for AusAID on this subject (Appleyard & Stahl, 1995), we concluded that, given the heterogeneous nature of the PICs, it is difficult to make generalisations about their development prospects, in general, and the role that migration and remittances might play in that process, in particular. We posited that the PICs could be divided into three groups – "unfurnished", "partly furnished", and "fully furnished". Or, using more conventional economic jargon, each group faces different resource constraints.[33] We placed Tuvalu, Kiribati, Tokelau, Niue and the Cook Islands in the "unfurnished" category. In the "partly furnished" category we placed Tonga and Samoa. The Melanesian countries of Fiji, PNG, Solomon Islands and Vanuatu were placed in the "fully furnished" group, although in some cases, to push the analogy further, they were in serious need of home renovation.

It is on the basis of this classification that we made our recommendations for the various island groups regarding the role of migration and remittances in their development. For the "unfurnished" group of islands, it was our view that their development (or lack of development) is best described by the MIRAB model (Bertram, 1993, 2006; Bertram & Watters, 1985, 1986). As discussed in chapter I, for the PICs described by this model, capitalist development based on perceived comparative advantage and the development of domestic markets, as promoted by the aid-donor community and the Washington Consensus, has been largely unsuccessful. Yet this group of islands has had a long-standing economic and social system that appears to be in a sustainable steady-state. According to the MIRAB model, the explanation for this steady-state lay in two stock-flow relationships: sustained flows of remittances from overseas-resident migrants and new migrants, and a stock of domestic public sector employment that has been sustained by the flow of aid (Bertram, 2006).

It was and is our view that while limited increases in domestic productive capacity can be obtained through the implementation of more appropriate policies, attempts to achieve a sustained increase in per capita income through domestic efforts eventually will founder as a result of resource constraints and environmental damage. Rather, the maintenance and improvement of living conditions will necessitate continued migration and remittances through "transnational networks" (Marsters, Lewis, & Friesen, 2006; World Bank, 2006). As a consequence, it is imperative in the case of these "unfurnished" microstates that

[33] For purposes of this discussion, we will ignore the North Pacific islands and French Polynesia.

neighbouring developed countries provide at least limited access to their labour markets, either on a temporary or permanent basis, and whether unskilled or skilled.[34]

Within the "unfurnished" group, there is a possible exception to the steady state envisaged by the MIRAB model. That is the possibility of the development of a private sector based on tourism.[35] An example in the Pacific of a MIRAB economy that has broken the MIRAB steady state by the development of it tourism sector is the Cook Islands. However, it appears that this industry has run up against resource constraints and that a cap is to be placed on the number of tourists allowed on the islands at any one time. Thus while it may have reached a sustainable higher level of per capita income because of tourism, it is unlikely that this industry will provide for continued growth because of resource constraints.[36] In the end, it is most likely that a continuation of current consumption standards will require the continuation of migration and remittances.

With regard to the "partly furnished" PICs, viz. Samoa and Tonga, our conclusions have not changed. Currently, these are largely MIRAB economies, but they have the potential to achieve a sustainable higher level domestic output if aid and remittances are harnessed for the development effort. Over the last five years, Samoa's and Tonga's annual growth rate of real GDP has averaged 4.0 percent and 2.4, respectively. Of course, a considerable proportion of domestic demand and resulting domestic supply has been financed by a substantial inflow of remittances. In the case of Samoa, remittances are currently equal to just over 25 percent of GDP.[37] For Tonga, remittances amount to almost 40 percent of GDP.[38] Any significant reduction in this source of demand would result in equally significant reductions in GDP. It is also interesting to note that the growth in tourism in both countries relies quite heavily on overseas Samoans and Tongans returning for holidays. For both countries, over 40 percent of all visitors were their own nationals living abroad (Ministry of Finance Samoa, 2006; Statistics Department Tonga, n.d.). In both countries it is sectors directly linked to tourism that have shown the highest rates of growth. With the introduction of cheap flights from New Zealand by Virgin's Pacific Blue, visits "home" by Samoans and Tongans is set to increase significantly, giving further stimulus to those sectors linked to the expansion of tourism. Thus while both economies are striving toward diversification, they will continue to be heavily reliant on migration and remittances in the short to medium term, at least

As noted above, in our 1995 report we placed the Melanesian countries of Fiji, PNG, Solomon Islands and Vanuatu into what we euphemistically called the "fully furnished" group. It was our view at the time that these countries had a sufficient resource base to provide for current subsistence requirements and to provide the basis for sustained development if properly harnessed by appropriate development policies. However, one caveat that we advanced, particularly with regard to PNG, Solomon Islands and Vanuatu (PSV), was that their rapid population growth and unsustainable resource exploitation would need to be

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[34] The MIRAB model is not without its critics. Fraekel (2006) argues that while it is an accurate description of a subset of island economies, it is weak on predictions about the course of economic development and lacks policy prescriptions. Baldacchino (2006) sees a number of factors deriving from "local jurisdictional autonomy" that can lead to sustainable development of small island economies, e.g. taxation policy (tax havens and tax holidays), offshore finance, shipping registration, language policy and property ownership.

[35] McElroy (2006) argues that some small islands can achieve sustainable development through tourism. He calls this set of islands SITI (Small Island Tourist Economies).

[36] In remains to be seen the extent to which local industries linked to tourism can be developed, e.g. local restaurants, local tour companies, handicraft, textiles and clothing, etc.

[37] Unpublished data from Central Bank of Samoa for 2005.

[38] Statistics Department Tonga, http://www.spc.int/prism/Country/TO/stats/Economic/BOP/BOP-new.htm

brought into check. Neither of these has occurred in the 11 years since our report was published. Indeed, the situation in PSV has deteriorated, and currently Fiji is facing some formidable problems.

Fiji's sugar industry is experiencing a significant contraction due to high cost and low yields in the face of a discontinuation of payments of above world market prices by the EU that will be manifest in a decline in the price of sugar of some 37 percent by the end of 2007. Add to this the expiry of 10,300 farm leases over the next 25 years and the perilous state of the industry is clearly evident. Moreover, Fiji's garment industry is in serious decline as a result of displacement by cheap Asian imports to Australia and New Zealand. The negative and widespread consequences of its declining sugar and textile industry will necessitate fundamental structural changes in Fiji's economy through diversification of its agricultural sector and new developments within its industrial and service sectors.[39]

In view of declining employment opportunities and slow progress in agricultural and industrial diversification, it is likely that Fiji will rely increasingly on labour migration for income and employment. How extensive this will become and for how long is a difficult question to answer. It depends in no small measure on political stability and a shift in the focus of the political elite away from party politics toward development strategies.

The problems faced by PSV are daunting. Their unbridled population growth, lack of effective governance, and their complete failure at economic development has left the countries incapable of providing employment for a rapidly expanding young labour force and a security risk to the entire region. They are some of the poorest countries in the world.

Traditionally, PSV did not engage in international migration, and given their seemingly abundant resource base, we concluded in our 1995 report that there was no reason to grant them concessional migration to Australia. Rather, the role that we recommended for Australia was to assist in the development of their human resources and the strengthening of their institutions of governance and planning. However, the huge youth bulge in their labour force and the lack of employment opportunities has made us reconsider the issue of migration from PSV. Clearly, this young and growing labour force is putting enormous pressure on the PSV governments that have thus far been incapable of delivering anything like the levels of economic growth that are essential to provide jobs for their rapidly growing numbers of potential workers.

Indeed, we believe that regional mobility of Melanesian labour is arguably one of the most critical issues relating to regional cooperation and integration within the Pacific region. PSV are in desperate need of a short-term safety valve that migration can provide. Over time, the opportunity to migrate will not only assist in alleviating poverty, but it will also build capacity among the Melanesians by enhancing skills and entrepreneurship.[40] But perhaps even more

[39] In March 2005 the ADB approved a $25 million loan to cushion the impact of the declining sugar sector by supporting alternative on and off-farm employment options for those affected and promoting the diversification of agriculture. Its target is 8,000 sugarcane farmers, as well as cutters, mill workers, and landowners (ADB, 2006).

[40] This has also been recognized by Professor Vijay Naidu and expressed in a presentation made to symposium entitled "The Pacific Region's Global Challenges: Beyond the Doom and Gloom". Also, in the words of Richard Bedford (2006): "Arguably the most contentious demographic issue confronting Australia and New Zealand in the Pacific during the next half century will be how to cope with pressure for an emigration outlet from Melanesia. Sustainable development in this part of the Pacific will depend heavily on opportunities for young people to travel overseas for training and employment."

important is that by providing a breathing space for the PSV governments to get their development on track, migration may help to resolve what is becoming a concerning security situation. It is our view that migration is not the solution to development in PSV, but it can in the short to medium term serve as an important adjunct to development policy.[41] Failure of the PICs to make substantial development progress may require Australia and New Zealand to permanently deploy security forces in an attempt to keep the frustrations of economically disenfranchised youth from boiling over into social and political instability.

New Zealand's Experience

Following the discussion in the preceding section, it can be discerned that we believe there is compelling evidence that the opportunity to migrate to New Zealand has been, and will continue to be, of significant benefit to the Polynesia countries involved. It has served to relieve unemployment in the sending countries, both by providing job opportunities in New Zealand and through remittance induced demand in the sending countries. Remittances have provided a significant degree of poverty alleviation for receiving households and provided the financial wherewithal to boost educational attainment amongst family members. For those migrants returning, their work experience in a modern economy has provided both soft and hard skills that contribute to higher levels of productivity for those choosing to re-enter their country's labour market.

We have learned that New Zealand has given preferential treatment to immigrants from the Polynesian countries, Kiribati and Fiji. Importantly, New Zealand's ballot system for the Samoan Quota and the PAC schemes has been designed to take cognisance of the fact that skills are in short supply in the islands and that it should avoid "cherry-picking" those skills through its immigration policies, while at the same time providing migration opportunities for their abundant low-skilled labour. Indeed, if it were not for the Samoan Quota and the PAC schemes, given New Zealand's current immigration criteria, it would be mainly the skilled and educated who would have the opportunity to migrate to New Zealand.

As noted, migrants under the Samoan Quota and PAC schemes largely take up low-skilled jobs. One would therefore expect that labour market outcome measures such as occupational distribution and income would point to what might be construed as labour market disadvantage for these migrants in New Zealand. But this would be missing the point. New Zealand's concessional policies toward the PICs have been designed with the welfare of the PICs in mind. Those taking up the lower level jobs in New Zealand are significantly increasing their real income over what they could earn in the PICs, assuming they could find a job. Moreover, their remittances improve the welfare of the migrants' families left behind. For those taking up permanent residence in New Zealand, as migrants under the Samoan Quota and the PAC schemes can do, the assumption is that their children, through educational attainment and skill acquisition, will achieve labour market outcomes that resemble more closely the New Zealand average. Our analysis of data on labour market outcomes of New Zealand born PIs does indicate a considerable improvement in their labour market outcomes compared with PIs born abroad.

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[41] Our view is shared by the Core Group Recommendations Report for a White Paper on Australia's aid program which states that "Migration would not be a panacea for the Pacific Islands, particularly for the larger Melanesian countries, and it would take 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." (AusAID, 2005), http://www.ausaid.gov.au/publications/pubout.cfm?ID=1389_4378_1766_2500_8893&Type=

New Zealand also allows substantial numbers of PIs to immigrate on a temporary basis through the acquisition of work permits.

Implications for Australian Policy

It is clear from the discussion above that we believe that migration and remittances have an important role to play in the PICs' welfare and development. We share the doubts of many that the MIRAB Pacific microstates of Cook Islands, Niue, Kiribati, Tokelau and Tuvalu will ever achieve a sufficient level of development to dispense with the need for migration, remittances, aid and government employment. We also believe that migration and remittances will, in the short to medium term, continue to be an important adjunct to the development strategies of Samoa and Tonga. Moreover, while it is not a panacea for their economic development, the Melanesian countries of PNG, Solomon Islands and Vanuatu could significantly benefit by using labour export to assist broader efforts at economic development. As the region's largest and most developed economy, Australia can play an important role in providing limited employment opportunities to PIs.

As recognized by the White Paper Core Group (AusAID 2005), there are essentially two ways for Australia to expand migration opportunities for PIs. The first is to provide training for PIs that will achieve Australian credentials of a sufficient level to meet Australian immigration requirements, as well as those elsewhere. The second is to provide opportunities for low-skilled workers to access Australia's labour markets. We will discuss and reflect on each of these in light of the lessons learned from New Zealand's experience.

The first strategy is the one endorsed by the current Australian government and is manifest in the proposed Australia Pacific Technical College (APTC). The strategy envisages skills training in five areas, viz. automotive; construction and electrical trades; manufacturing; health and community services; and hospitality and tourism. It is argued that these represent occupations in demand in the both the PICs and Australia.

All PICs would agree that there is a pressing need to both expand and upgrade their TVET training. An Australian college operating in several countries in the region would provide a valuable benchmark against which their own programs could be measured. Moreover, local public and private TVET institutions might themselves be able to attain, through curriculum development and staff and facilities improvement, accreditation at Australian standards.

While not guaranteeing immigration to Australia, or other wealthy countries for that matter, the acquisition of skills recognised as satisfying Australian standards will greatly increase the prospect of successful migration.[42] In general, the loss of skills, whether newly created or upgraded, is a concern to the PICs in view of the substantial expansion in supplies of skilled labour necessary to underwrite economic development. At the same time, they recognize the value of on-the-job training and work experience for skilled PI workers in Australia and elsewhere. Thus, as they see it, temporary migration of skilled workers is to be preferred to permanent migration.[43] The PICs would benefit from temporary skilled migration in several

[42] The role of training in facilitating regional labour mobility is discussed by AusAID (2006:92-93).
[43] Robertson (2006) argues that skilled migrants should be allowed to take a "sabbatical" in the developed countries for one year every three years rather than migrating permanently.

ways. First, the families of migrating workers receive remittances from abroad and the workers themselves can save an amount of money that might be used for some entrepreneurial endeavour upon return. Second, the migrating workers will clearly benefit in terms of enhanced skills through work experience abroad. Third, the PICs gain a supply of scarce experienced skilled workers to aid their quest for development.

This issue of migration and PIC skills is one that has exercised the minds of New Zealand politicians and policymakers for years. They are very concerned about drawing the best and brightest out of the PICs and hence putting them at a development disadvantage. It is this concern that explains why a ballot is used to select permanent migrants under the PAC and Samoan Quota schemes. As discussed above, the ballot avoids the cherry-picking of skills.

The principal reason why New Zealand has a much higher level of migration interaction with the PICs compared with Australia is because of the number of PIs who are citizens or residents of New Zealand. This has allowed the development of extensive networks between the PICs and New Zealand that have significantly facilitated migration between the Islands and New Zealand. Let us not lose sight of the fact that Australia is home to around 104,000 PIs compared with New Zealand's 270,000. Taking into account the relative population sizes of Australia and New Zealand, if Australia were to have proportionately the same number of PIs in its total population as does New Zealand then Australia's Pacific population would number over 1.3 million. Even a quarter of this number would create a Pacific population base in Australia that would increase Australia's migration interaction with the PICs.

As is clear from the discussion in this and preceding chapters, by far the majority of PIs are low-skilled. If a migration policy is going to have any meaningful impact as an adjunct to a broader development strategy in the PICs, it will have to include the migration of some low-skilled workers. As we have learned, New Zealand is unique in the world in pursuing a migration policy aimed at assisting the development of its poorer neighbours by allowing access to its labour market of low-skilled workers both as permanent residents and temporary workers. The authors recommend that the Australian government consider programs such as the Samoan Quota or the PAC schemes, but perhaps applied to other PICs. The primary purpose of the programs would be assist the PICs in their development by providing some relief of unemployment, generate a flow of remittances that would enhance family welfare, and provide the opportunity for skill formation that could be used by those migrants wanting to return in the future. Of course, the migrants under this program would be employed in low-skilled and hence lower-paying jobs. However, that should not be of concern since the purpose of the exercise is to assist the PICs in their development, and besides, the migrants' real income would be much higher than it would be at home, even assuming the could find employment there.

There is yet another way in which Australia could assist the PICs' unskilled/low-skilled labour force through the use of migration policy. In East and Southeast Asia and the Middle East, the continuing breakneck speed of development relies heavily on immigrant contract labour. For example, in 2005 some 255,000 Filipino land-based contract workers found employment in Asian countries (principally Hong Kong, Taiwan, Japan and Singapore), while 394,000 found work in the Middle East (principally Saudi Arabia, United Arab Emirates, Kuwait and Qatar). A further 91,000 found work in other parts of the world (POEA 2005). Large numbers of workers from Indonesia, Sri Lanka, Bangladesh, India and Pakistan also find contract employment outside their countries. The skills of these contract workers vary widely, but many are low-skilled and find employment after only rudimentary training. In

view of the pressing need for employment outlets for the rapidly growing labour forces of the PICs, and particularly the Melanesian PICs, it could be of considerable development benefit if Australia could assume a role in assisting the PICs by facilitating access to these Asian and Middle Eastern contract labour markets. This facilitation could take the form of establishing the institutional infrastructure necessary to tap into these markets and the setting up of the types of training facilities that would provide the rudimentary skills needed to successfully acquire employment in these labour markets.

Australia is being asked to play an ever increasing role in the Pacific region, both by its Pacific neighbours and by partners in its broader global alliances. The issue of regional security is at the core of that role. However, security can only be built on the foundation of economic development and a well conceived migration policy can be an important adjunct to the PICs' development, as we have learned from New Zealand's experience.

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Appendix 1: Samoan Quota and Pacific Access Category

Samoa Quota (SQ)

The Samoan Quota Scheme has been running for more than 30 years. It is a key means of giving effect to the special relationship between New Zealand and Samoa that is enshrined in the 1962 Treaty of Friendship between the two countries. The Scheme allows a set number of citizens of Samoa to be granted residence in New Zealand each year. The Quota operates on an annual ballot basis. The number of people eligible is 1100 including partners and dependent children.

To qualify for residence under the SQ Scheme, the applicant must:

- Be a citizen of Samoa having been born in Samoa or born oversees to a Samoan citizen who was born in Samoa; and
- Be in Samoa or lawfully in New Zealand at the time they apply for residence
- Registration drawn from the ballot; and
- Application for residence is lodged under the SQ within six months of INZ writing to the applicant that your registration has been drawn from the ballot; and
- Aged between 18 and 45 years inclusive; and
- Have an acceptable offer of employment in New Zealand, and/or have a partner included in their application who has an acceptable offer of employment in New Zealand
- Meet a minimum level of English language ability; and
- Meet a minimum level of income if they have dependent children; and
- Meet health and character requirements as well as partners and children included in the application.

Pacific Access Category (PAC)

The Pacific Access Category (PAC) was set up in 2001 to allow a quota of citizens of Tonga, Tuvalu and Kiribati to be granted residence in New Zealand each year. Fiji was added to the Pacific Access Category in 2003. This scheme operates on an annual ballot basis.

To qualify for residence under the Pacific Access Category, the applicant must

- Register for the PAC quotas and have their registration drawn from the ballot for their country
- Be a citizen of one of the PAC Countries having been born in that PAC country, or born overseas to a PAC country citizen who was born in that PAC country
- Be in the appropriate home country (or in Fiji in the case of citizens of Tuvalu or Kiribati) or lawfully in New Zealand at the time they apply for residence
- Be aged between 18 to 45 inclusive
- Have an acceptable offer of employment in New Zealand, and/or have a partner included in their application who has an acceptable offer of employment in New Zealand
- Meet a minimum level of English language ability[44]
- Meet a minimum income requirement if they have dependent children

[44] Immigration and visa officers determine whether principal applicants* meet the minimum English language requirement by assessing whether they are able to (1) read English; (2) understand and respond to questions in English; and (3) maintain an English language conversation about themselves, their family or their background.

- Lodge their residence application within six months of advice from Immigration New Zealand that their registration has been drawn from the ballot
- Meet health and character requirements – as must any partner and dependent children included in their application.

Available Quota Numbers for each financial year since the Quotas first began.

- Pacific Access category includes Fiji, Tonga, Kiribati, and Tuvalu Nationals (PAC introduced in 2002, and Fiji was added in 2003). Under the quota, Fiji and Tonga are allowed 250 places per year and Kiribati and Tuvalu are allowed 75 places per year.
- Samoan Quota includes Samoa Nationals (has existed for many years with the limit of 1100 people per year introduced in 1976).

People approved in each financial year

Stream	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
PAC	n/a	n/a	139	292	1,491	1,114
SQ	1247	1042	463	641	1,482	1,330

The following two tables provide information on the number of people approved under the SQ and PAC policies in three parts.

- "Current Year Ballot" relates to applications approved in the year the applicants were balloted.
- "Previous Years Ballot" relate to applications which were balloted from a previous year but were approved in the financial year specified in the tables.
- "Residuals" relates to the policy which was released in December 2004 as a result of unfilled places from previous year ballots. Applications made under this policy closed on 31 March 2005. Some of these applications are still being processed.

Pacific Access Category (PAC) - Approvals

Stream	2002/03	2003/04	2004/05	2005/06
PAC – current year ballot	139	211	587	298
PAC – previous years ballots	0	81	267	122
PAC – residuals	0	0	637	694
Total	139	292	1491	1114

Samoa Quota (SQ) - Approvals

Stream	2002/03	2003/04	2004/05	2005/06
SQ – current year ballot	463	641	1006	722
SQ – previous years ballot	0	0	85	173
SQ – Residuals	0	0	391	435
Total	463	641	1482	1330

Source: NZIS Service, Pacific Division

Appendix 2: Tonga PAC and Samoan Quota Employer Engagement, 2005/06

	Samoa	Tonga	Total	Industry	Job Title Starting Rates
	31	13	44	Transport	Drivers ($11.97/hour however employer ensured base salary $25,585/pa)
	2	2	4	Healthcare	Healthcare workers ($14.42/hour)
	0	13	13	Horticulture	Crop Team members ($10.00/hour)
	15	0	15	Freezing Works	Process workers ($11.36/hour – single) ($12.30/hour – married)
	10	20	30	Service	Forecourt Attendant/Customer Service ($10.25/hour)
	0	10	10	Horticulture	Field Workers ($12.00/hour)
	25	0	25	Food	Process Workers ($10.25/hour)
	10	0	10	Horticulture	Horticulture Workers ($10.00/hour)
	30	0	30	Silviculture	Forestry Labourers ($12.30/hour)
	10	0	10	Silviculture	Forestry Labourers ($12.30/hour)
	12	0	12	Healthcare	Care-givers Nurses ($10.25 - $19.00 subject to experience)
	16	11	27	Horticulture	Fruit Pickers ($12.50/hour)
	9	11	20	Horticulture	Pack-house/orchard workers ($10.25/hour)
	4	0	4	Horticulture	Pack-house/orchard workers ($10.25/hour)
Total	**174**	**80**	**254**		

Source: Immigration New Zealand, personal communication

Appendix 3: Work visa/permit Categories [45]

PWE = Practical work experience required to meet course requirements
ISSL = Immediate skills shortage list
LTSS = Long Term Skills Shortage

Major stream	Sub stream		Job Offer required Y or N
Family – WF	Partner of a work permit/visa holder		N
	Partner of a student permit/visa holder		N
	Partner of a New Zealand citizen/residence		N
International / humanitarian – other WI5	Dependants of US personnel (very specific)		N
	Domestic staff of diplomatic and consular personnel		Y*
	Domestic staff of seconded senior executives		Y*
	Pitcairn Islanders		Y
	Refugees		N
	Domestic violence		N
	Oct 2000 Transitional Policy		N
International / humanitarian - WI	Pacific Quota Residuals[46]		Y
	Working holiday schemes		N
General – WG	ISSL or LTSS		Y
	Approval in principle (employer)		Y
	No NZers available – make a case		Y
	Chartered Foreign Fishing Crew		Y
	Horticulture and Viticulture Industries Seasonal Work Permits – 2006 Pilot		N
General – Other WG5	Specialised skills (NZ economy)		Y
	Ministers of religion		Y*
	Japanese interpreters		Y
	Thai Chefs		Y
Specific purpose or event – WS	n/a		Y*
Student and trainee – WE[47]	n/a		PWE
Study to work – WD	With offer of employment		Y

[45] With regard to categories which have an 'Y*', it may be incorrect to term the policy as requiring a job offer as it might require instead sponsorship from a NZ organisation in some shape or form.
[46] These work permits are for applicants for residence under either the Residual (Samoan) Quota Places Policy or the Residual Pacific Access Category Places Policy on which a final decision has not been made;
[47] Subject to certain requirements students can have work rights.

	Graduate job search		N
Work to residence – WR	Talent (accredited employers)		Y
	Talent (arts, culture, sport)		N
	Long term skill shortages		Y
	Long term business		N
	SMC connection		N

Source: NZIS, Pacific Division

Appendix 4: Other Categories under which PIs may apply for Residence

Major stream	Sub stream
Family	Partnership
	Parent
	Dependent Child
	Adult Sibling or Adult Child
Special Polices	Specific nationalities
	Refugees
	Special residence policies
Skilled Migrant	n/a
Business	Investor
	Long term business
	Entrepreneur
	Relocating Business
Residence from Work category	Talent (Accredited employer)
	Talent (Arts, Culture, Sports)
	Long term skills shortage
Family Quota	n/a

http://www.immigration.govt.nz/NR/rdonlyres/EFA678B7-EDE5-49CA-A8FE-74BD75CA30DE/0/10022up.pdf
http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual/

Residence Approvals under all Residence Categories

Nationality	2002/03	2003/04	2004/05	2005/06	Total
American Samoa	12	24	13	12	61
Federated States of Micronesia	1			3	4
Fiji	2602	2307	2894	2366	10169
French Polynesia		3	2	1	6
Guam					0
Kiribati	40	62	155	163	420
Marshall Islands			1		1
Nauru	6	9	2	8	25
New Caledonia				1	1
Pacific Island Trust Territory					0
Palau			1		1
Papua New Guinea	19	15	34	23	91
Pitcairn Islands				1	1
Samoa	1678	2203	2364	2188	8433
Solomon Islands	18	14	37	25	94
Tonga	1629	1801	1482	968	5880
Tuvalu	84	267	145	160	656
Vanuatu	11	14	10	4	39
US Outlying Islands					0
Grand Total	**6100**	**6715**	**7141**	**5923**	**25877**

Note: The PAC and Samoan Quota residence schemes are included in these figures.

Appendix 5a: Work and Labour Force Status by Ethic Group, 2001

(Usually resident population aged 15 years and over)

Ethnic Group and Sex	Work and Labour Force Status									
	Employed Full-time	Employed Part-time	Total Employed	Unemployed	Total Labour Force	Not in the Labour Force	Total	Employment Rate	Labour Force Participation Rate	U/N Rate
Samoan										
Male	17,826	2,880	20,706	3,516	24,225	9,306	33,528	61.8	72.3	14.5
Female	13,413	5,004	18,414	3,762	22,176	14,352	36,531	50.4	60.7	17.0
Total	31,236	7,881	39,120	7,278	46,398	23,658	70,056	55.8	66.2	15.7
Cook Island Maori										
Male	7,434	1,146	8,583	1,626	10,209	4,125	14,337	59.9	71.2	15.9
Female	5,130	2,157	7,284	1,851	9,135	6,438	15,573	46.8	58.7	20.3
Total	12,564	3,306	15,870	3,477	19,347	10,566	29,910	53.1	64.7	18.0
Tongan										
Male	5,787	924	6,711	1,248	7,956	3,573	11,532	58.2	69.0	15.7
Female	3,720	1,545	5,262	1,134	6,396	5,409	11,805	44.6	54.2	17.7
Total	9,507	2,466	11,973	2,379	14,355	8,985	23,334	51.3	61.5	16.6
Niuean										
Male	3,195	510	3,705	594	4,299	1,509	5,808	63.8	74.0	13.8
Female	2,181	957	3,135	630	3,768	2,385	6,153	51.0	61.2	16.7
Total	5,373	1,470	6,840	1,227	8,067	3,897	11,961	57.2	67.4	15.2
Fijian (non-Indian)										
Male	1,296	210	1,509	198	1,710	477	2,187	69.0	78.2	11.6
Female	990	483	1,470	207	1,674	840	2,517	58.4	66.5	12.4
Total	2,286	693	2,982	402	3,384	1,320	4,701	63.4	72.0	11.9
Tokelauan										
Male	807	153	960	234	1,197	504	1,701	56.4	70.4	19.5
Female	522	258	780	267	1,044	822	1,869	41.7	55.9	25.6
Total	1,329	411	1,740	501	2,241	1,326	3,567	48.8	62.8	22.4
Tuvaluan										
Male	264	51	318	66	384	138	522	60.9	73.6	17.2
Female	189	111	294	78	375	291	669	43.9	56.1	20.8
Total	453	159	612	144	756	432	1,191	51.4	63.5	19.0
Other Pacific Peoples[1]										
Male	1,074	159	1,242	219	1,452	570	2,025	61.3	71.7	15.1
Female	726	375	1,098	216	1,317	963	2,277	48.2	57.8	16.4
Total	1,803	537	2,340	435	2,775	1,536	4,305	54.4	64.5	15.7
Total - Pacific Peoples										
Male	35,832	5,676	41,511	7,260	48,768	19,242	68,007	61.0	71.7	14.9
Female	25,560	10,284	35,841	7,653	43,494	30,150	73,644	48.7	59.1	17.6
Total	61,389	15,963	77,352	14,910	92,262	49,389	141,654	54.6	65.1	16.2
Total - All Ethnic Groups										
Male	803,040	109,929	912,969	68,478	981,453	345,789	1,327,251	68.8	73.9	7.0
Female	512,409	285,678	798,084	69,249	867,333	572,025	1,439,376	55.4	60.3	8.0
Total	1,315,449	395,607	1,711,056	137,727	1,848,786	917,814	2,766,624	61.8	66.8	7.4

(1) Includes a small number of Rarotongans and Society Islanders. Where a person reported more than one ethic group they have been counted in both.

Source: Statistics New Zealand, special request

Appendix 5b: Work & Labour Force Status of Migrants and New Zealand Born Pacific Islanders by Ethnic Group, 2001

(Usually resident population aged 15 years and over)

	Employed		Unemployed		Not in the Labour Force		Total		Employment Rate (%)		Labour Force Participation Rate (%)		Unemployment Rate (%)	
Ethnic Group & Sex	**Migrant**	**NZ Born**	**Migrant**	**NZ Born**	**Migrant**	**NZ Born**	**Migrant**	**NZ Born**	**Migrant**	**NZ Born**	**Migrant**	**NZ Born**	**Migrant**	**NZ Born**
Samoan														
Male	12,294	8,307	1,944	1,554	6,003	3,204	20,238	13,062	61	64	70	75	13.7	15.8
Female	10,722	7,626	2,040	1,710	10,017	4,254	22,779	13,590	47	56	56	69	16.0	18.3
Total	23,016	15,933	3,984	3,264	16,020	7,458	43,017	26,652	54	60	63	72	14.8	17.0
Cook Island Maori														
Male	3,870	4,791	615	1,044	2,088	2,040	6,573	7,875	59	61	68	74	13.7	17.9
Female	3,183	4,167	612	1,275	3,450	3,033	7,245	8,472	44	49	52	64	16.1	23.4
Total	7,053	8,958	1,227	2,319	5,538	5,073	13,818	16,347	51	55	60	69	14.8	20.6
Tongan														
Male	4,995	1,620	840	390	2,520	990	8,355	3,000	60	54	70	67	14.4	19.4
Female	3,774	1,437	708	414	4,164	1,185	8,646	3,033	44	47	52	61	15.8	22.4
Total	8,769	3,057	1,548	804	6,684	2,175	17,001	6,033	52	51	61	64	15.0	20.8
Niuean														
Male	1,740	1,905	234	351	732	735	2,706	2,988	64	64	73	76	11.9	15.6
Female	1,500	1,596	216	411	1,266	1,071	2,982	3,078	50	52	58	65	12.6	20.5
Total	3,240	3,501	450	762	1,998	1,806	5,688	6,066	57	58	65	70	12.2	17.9
Fijian (non-Indian)														
Male	492	456	117	120	303	195	909	774	54	59	67	74	19.2	20.8
Female	387	378	126	141	480	333	993	852	39	44	52	61	24.6	27.2
Total	879	834	243	261	783	528	1,902	1,626	46	51	59	67	21.7	23.8
Tokelauan														
Male	1,038	468	126	72	360	114	1,524	654	68	72	76	83	10.8	13.3
Female	1,035	435	114	87	627	213	1,776	732	58	59	65	71	9.9	16.7
Total	2,073	903	240	159	987	327	3,300	1,386	63	65	70	77	10.4	15.0
Tuvaluan														
Male	291	24	54	9	129	6	477	39	61	62	72	85	15.7	27.3
Female	249	42	72	3	273	18	591	66	42	64	54	68	22.4	6.7
Total	540	66	126	12	402	24	1,068	105	51	63	62	74	18.9	15.4
Other Pacific Peoples[1]														
Male	534	501	78	81	312	162	924	744	58	67	66	78	12.7	13.9
Female	540	402	84	84	615	204	1,239	693	44	58	50	70	13.5	17.3
Total	1,074	903	162	165	927	366	2,163	1,437	50	63	57	74	13.1	15.4
Total - Pacific Peoples														
Male	25,254	18,072	4,008	3,621	12,447	7,446	41,706	29,136	61	62	70	74	13.7	16.7
Female	21,390	16,083	3,972	4,125	20,892	10,311	46,251	30,516	46	53	55	66	15.7	20.4
Total	46,644	34,155	7,980	7,746	33,339	17,757	87,957	59,652	53	57	62	70	14.6	18.5
Total - All Ethnic Groups														
Male	180,198	728,238	17,046	50,910	98,481	243,432	295,722	1,022,586	61	71	67	76	8.6	6.5
Female	153,993	640,572	16,068	52,746	148,356	417,660	318,420	1,110,996	48	58	53	62	9.4	7.6
Total	334,191	1,368,810	33,114	103,656	246,837	661,092	614,142	2,133,582	54	64	60	69	9.0	7.0

(1) Includes a small number of Rarotongans and Society Islanders. Where a person reported more than one ethic group they have been counted in both.

Source: Statistics New Zealand 2001

Appendix 6a: Occupational Distribution of Pacific Islanders in New Zealand, 2001[1]

Ethnic Group/Occupation	Legislators, Administrators and Managers	Professionals	Technicians & Associate Professionals	Clerks	Service and Sales Workers	Agriculture and Fishery Workers	Trades Workers	Plant & Machine Operators & Assemblers	Elementary Occupations	Not Elsewhere Included(4)	Total
Total - All Ethnic Groups											
Male	129,960	105,432	91,632	46,956	85,131	93,369	135,726	113,814	60,432	50,523	912,972
	14.2	11.5	10.0	5.1	9.3	10.2	14.9	12.5	6.6	5.5	
Female	85,086	132,786	97,866	168,426	155,793	43,032	8,418	29,163	39,375	38,142	798,084
	10.7	16.6	12.3	21.1	19.5	5.4	1.1	3.7	4.9	4.8	
Total	215,046	238,218	189,495	215,385	240,921	136,401	144,144	142,980	99,807	88,665	1,711,056
Percentage	12.6%	13.9%	11.1%	12.6%	14.1%	8.0%	8.4%	8.4%	5.8%	5.2%	
Samoan											
Male	1,014	1,041	1,455	2,037	2,178	576	2,481	4,779	2,460	2,682	20,703
Female	825	1,752	1,911	4,197	3,405	201	276	1,797	1,902	2,139	18,417
Total	1,839	2,793	3,366	6,237	5,583	780	2,760	6,579	4,368	4,821	39,120
Percentage	4.7%	7.1%	8.6%	15.9%	14.3%	2.0%	7.1%	16.8%	11.2%	12.3%	
Cook Island Maori											
Male	420	336	501	678	846	417	1,110	2,079	1,218	984	8,583
Female	390	570	729	1,527	1,524	150	117	660	897	726	7,287
Total	810	906	1,227	2,202	2,367	564	1,224	2,733	2,118	1,710	15,867
Percentage	5.1%	5.7%	7.7%	13.9%	14.9%	3.6%	7.7%	17.2%	13.3%	10.8%	
Tongan											
Male	255	279	342	468	540	330	873	1,527	990	1,110	6,711
Female	186	474	393	828	1,122	93	69	498	744	852	5,265
Total	441	753	735	1,293	1,662	426	942	2,025	1,734	1,962	11,973
Percentage	3.7%	6.3%	6.1%	10.8%	13.9%	3.6%	7.9%	16.9%	14.5%	16.4%	
Niuean											
Male	183	138	222	369	402	105	516	789	552	432	3,705
Female	141	297	342	681	666	30	36	318	321	306	3,138
Total	327	432	564	1,050	1,071	132	552	1,104	876	735	6,843
Percentage	4.8%	6.3%	8.2%	15.3%	15.7%	1.9%	8.1%	16.1%	12.8%	10.7%	
Fijian (non-Indian)											
Male	108	147	135	105	213	75	219	225	147	132	1,509
Female	99	189	183	306	390	27	12	51	105	111	1,470
Total	204	336	318	408	603	105	231	276	249	243	2,979
Percentage	6.8%	11.3%	10.7%	13.7%	20.2%	3.5%	7.8%	9.3%	8.4%	8.2%	
Tokelauan											
Male	30	57	75	90	105	54	147	165	129	108	963
Female	27	90	84	162	201	12	9	54	57	81	780
Total	60	144	159	255	309	66	156	222	189	186	1,740
Percentage	3.4%	8.3%	9.1%	14.7%	17.8%	3.8%	9.0%	12.8%	10.9%	10.7%	
Tuvaluan											
Male	6	6	15	18	36	60	30	51	39	60	315
Female	6	24	21	30	42	66	3	6	36	54	297
Total	12	33	36	45	78	126	33	57	78	117	612
Percentage	2.0%	5.4%	5.9%	7.4%	12.7%	20.6%	5.4%	9.3%	12.7%	19.1%	
Other Pacific Peoples [2]											
Male	102	126	123	78	147	75	150	183	117	159	1239
Female	84	156	120	216	240	51	15	42	69	120	1098
Total	177	279	243	288	378	126	159	222	180	285	2340
Percentage	7.6%	11.9%	10.4%	12.3%	16.2%	5.4%	6.8%	9.5%	7.7%	12.2%	
Total - Pacific Peoples											
Male	1,998	1,998	2,673	3,636	4,173	1,608	5,232	9,456	5,373	5,358	41,511
Percentage	4.8	4.8	6.4	8.8	10.1	3.9	12.6	22.8	12.9	12.9	
Female	1,632	3,339	3,513	7,458	7,209	600	510	3,348	4,017	4,212	35,841
Percentage	4.6	9.3	9.8	20.8	20.1	1.7	1.4	9.3	11.2	11.8	
Total	3,630	5,337	6,186	11,097	11,382	2,208	5,745	12,804	9,396	9,573	77,352
Percentage	4.7%	6.9%	8.0%	14.3%	14.7%	2.9%	7.4%	16.6%	12.1%	12.4%	

(1) Persons 15 years and older

(2) Includes a small number of Rarotongans and Society Islanders.

Source: Statistics New Zealand, special request

Appendix 6b: Occupational Distribution of Pacific Migrants and New Zealand Born, 2001 (percent)

Ethnic Group	Sex	Legislators, Administrators and Managers		Professionals		Technicians and Associate Professionals		Clerks		Service and Sales Workers		Agriculture and Fishery Workers		Trades Workers		Plant and Machine Operators and Assemblers		Elementary Occupations		Not Elsewhere Included		Total	
		Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born
Samoan	Male	3.2	7.4	4.0	6.6	4.4	11.0	8.0	12.7	7.1	15.6	2.8	2.8	12.5	11.3	29.3	14.0	12.5	11.1	16.4	7.5	12,291	8,304
	Female	3.1	6.5	8.1	11.5	6.9	15.3	16.3	31.9	17.9	19.4	1.3	0.7	1.9	0.9	14.1	3.7	14.2	4.9	16.1	5.0	10,722	7,626
	Total	3.1	7.0	5.9	8.9	5.5	13.1	11.9	21.9	12.1	17.4	2.1	1.8	7.6	6.3	22.2	9.1	13.3	8.1	16.3	6.3	23,016	15,930
Cook Island Maori	Male	3.9	5.8	3.4	4.3	3.8	7.5	6.8	8.8	6.7	12.6	4.3	5.4	12.2	13.3	30.2	19.7	15.1	13.5	13.8	9.0	3,870	4,791
	Female	3.6	6.6	6.9	8.7	7.6	11.7	14.8	25.8	19.1	22.4	1.7	2.4	1.7	1.5	12.7	6.2	17.3	8.4	14.5	6.1	3,183	4,167
	Total	3.7	6.2	5.0	6.3	5.5	9.5	10.4	16.8	12.3	17.2	3.1	4.0	7.5	7.9	22.3	13.4	16.1	11.2	14.1	7.6	7,056	8,955
Tongan	Male	3.1	6.1	3.4	6.9	3.9	9.1	6.4	8.7	6.4	13.3	5.0	5.0	13.5	11.5	25.7	14.3	15.6	12.8	17.1	12.4	4,995	1,620
	Female	2.5	6.3	8.9	9.6	5.2	13.8	11.6	26.9	20.7	23.2	1.9	1.5	1.4	0.8	11.7	3.5	17.4	5.2	18.6	8.8	3,774	1,437
	Total	2.8	6.2	5.7	8.1	4.4	11.3	8.6	17.3	12.5	18.0	3.7	3.3	8.4	6.6	19.7	9.3	16.3	9.3	17.8	10.7	8,766	3,057
Niuean	Male	3.4	6.5	4.0	3.3	4.5	7.4	9.1	10.7	9.3	12.3	2.4	3.1	14.1	14.2	25.2	17.6	15.3	14.3	12.4	10.2	1,740	1,905
	Female	3.2	5.6	9.8	9.0	7.6	14.1	16.8	26.7	21.2	21.6	0.8	1.1	1.0	1.1	15.4	4.9	12.4	8.3	11.8	7.0	1,500	1,596
	Total	3.3	6.1	6.7	6.0	5.9	10.5	12.7	18.0	14.7	16.6	1.7	2.2	8.1	8.2	20.8	11.9	14.0	11.6	12.0	8.8	3,237	3,501
Fijian (ethnic Fijian)	Male	7.0	7.7	10.1	8.3	8.4	10.3	7.0	6.4	12.2	19.2	5.2	5.1	13.9	15.4	16.5	11.5	9.6	10.3	10.4	5.1	1,035	468
	Female	7.0	6.2	12.5	13.8	9.6	19.3	20.3	22.1	27.0	24.8	2.0	2.1	0.6	1.4	4.1	2.1	7.5	4.8	9.0	2.8	1,035	435
	Total	6.9	6.7	11.3	11.3	9.0	14.7	13.6	14.0	19.7	21.7	3.5	3.7	7.4	8.7	10.3	7.3	8.5	7.7	9.8	4.0	2,073	900
Tokelauan	Male	2.4	3.3	6.7	4.6	8.5	7.2	6.7	13.2	7.3	15.1	4.8	6.6	16.4	14.5	20.0	14.5	14.5	11.8	12.1	8.6	495	456
	Female	2.3	4.8	12.4	11.1	8.5	12.7	14.7	27.8	22.5	28.6	2.3	0.0	1.6	0.8	10.1	4.8	11.6	3.2	14.7	4.8	387	378
	Total	2.4	4.3	8.9	7.9	8.5	10.1	10.2	19.8	14.0	21.6	3.8	3.6	9.9	7.9	15.7	9.7	13.3	8.3	13.3	6.8	879	834
Tuvaluan	Male	1.0	0.0	2.1	0.0	3.1	14.3	4.2	28.6	10.4	14.3	19.8	0.0	9.4	14.3	16.7	28.6	13.5	0.0	19.8	0.0	288	21
	Female	1.2	6.7	6.0	13.3	3.6	26.7	7.2	20.0	15.7	13.3	26.5	0.0	1.2	0.0	2.4	0.0	13.3	0.0	21.7	0.0	249	45
	Total	1.1	4.3	4.5	8.7	3.4	26.1	5.6	21.7	12.8	13.0	22.9	0.0	5.6	4.3	10.1	4.3	13.4	4.3	20.7	0.0	537	69
Other Pacific Peoples	Male	6.7	10.8	9.0	12.6	6.7	13.8	6.7	6.0	11.2	12.0	5.1	7.2	9.6	15.0	12.9	11.4	9.0	7.2	22.5	4.2	534	501
	Female	7.2	8.1	11.7	18.5	8.3	14.8	17.8	20.7	20.6	22.2	5.0	3.0	0.6	2.2	5.0	1.5	7.8	3.0	16.1	4.4	540	405
	Total	7.0	9.9	10.3	15.2	7.5	14.2	12.3	12.6	15.9	16.6	5.3	5.6	5.0	9.6	9.2	7.0	8.4	5.3	19.2	4.3	1,077	906
Total, Pacific Peoples	Male	3.5	6.8	4.2	5.8	4.5	9.5	7.4	10.8	7.4	14.3	3.8	4.0	12.8	12.5	27.3	15.8	13.5	12.1	15.7	8.5	25248	18,066
	Female	3.3	6.4	8.6	10.6	6.9	14.2	15.4	28.7	19.4	21.1	1.9	1.3	1.6	1.1	12.6	4.4	14.6	6.1	15.7	5.7	21390	16,089
	Total	3.4	6.6	6.2	8.1	5.6	11.7	11.1	19.2	12.9	17.5	2.9	2.8	7.7	7.1	20.6	10.4	14.0	9.3	15.7	7.2	46641	34,152
All Ethnic Groups	Male	15.4	14.0	16.2	10.5	11.2	9.8	5.7	5.0	10.0	9.2	4.7	11.6	13.1	15.3	9.9	13.1	5.9	6.8	8.1	4.8	180,198	728,238
	Female	10.6	10.7	19.4	16.0	11.7	12.4	19.1	21.6	17.4	20.0	3.4	5.9	1.2	1.0	4.8	3.4	4.9	4.9	7.3	4.1	153,993	640,575
	Total	13.2	12.4	17.7	13.1	11.4	11.0	11.9	12.8	13.4	14.2	4.1	8.9	7.6	8.6	7.5	8.5	5.4	5.9	7.7	4.4	334,191	1,368,810

Source: Statistics New Zealand, special request

Appendix 7a: Highest Qualification by Ethnic Group and Sex, 2001[1]

(Usually resident population aged 15 years and over)

Highest Qualification / Ethnic Group	Samoan	Cook Island Maori	Tongan	Niuean	Fijian	Tokelauan	Other Pacific Peoples	Total, Pacific Peoples	European	Māori	Asian	Other
No Qualification												
Male	9,345	5,877	3,552	2,076	396	609	450	21,372	261,099	61,533	9,765	1,083
Female	8,520	5,727	3,135	2,019	423	567	564	20,148	273,351	60,942	13,146	1,107
Total	17,865	11,604	6,687	4,095	819	1,176	1,014	41,520	534,450	122,475	22,911	2,190
Percent	25%	38%	29%	34%	17%	33%	21%	29%	24%	37%	13%	12%
School Qualification												
Male	14,241	4,338	4,464	1,908	951	570	750	25,788	367,008	43,953	38,325	3,609
Female	16,197	5,130	4,854	2,112	1,098	702	936	29,397	439,314	54,924	44,793	3,234
Total	30,438	9,468	9,318	4,020	2,049	1,272	1,686	55,185	806,322	98,877	83,118	6,843
Percent	43%	31%	40%	34%	44%	36%	35%	39%	36%	30%	46%	39%
Vocational Qualification												
Male	3,072	1,395	867	612	411	195	354	6,414	227,904	20,757	8,244	1,101
Female	4,461	1,926	1,230	798	465	243	393	8,919	223,194	25,494	9,825	1,023
Total	7,533	3,321	2,097	1,410	876	438	747	15,333	451,098	46,251	18,069	2,124
Percent	11%	11%	9%	12%	19%	12%	16%	11%	20%	14%	10%	12%
Bachelor Degree or Higher												
Male	975	312	387	144	147	30	198	2,046	123,438	5,583	18,351	2,292
Female	1,287	393	393	171	177	45	183	2,466	119,304	13,353	18,687	1,806
Total	2,262	705	780	315	324	75	381	4,512	242,742	18,936	37,035	4,098
Percent	3%	2%	3%	3%	7%	2%	8%	3%	11%	6%	20%	23%
Not Stated[2]												
Male	5,901	2,661	2,265	1,071	282	294	447	12,384	101,073	25,005	9,702	1,212
Female	6,072	2,649	2,184	1,050	351	309	519	12,711	119,832	23,844	11,064	1,098
Total	11,973	5,310	4,449	2,121	633	603	966	25,095	220,905	48,849	20,766	2,310
Percent	17%	17%	19%	18%	13%	17%	20%	18%	10%	15%	11%	13%
Total												
Male	33,534	14,580	11,529	5,808	2,184	1,701	2,196	68,010	1,080,519	156,828	84,384	9,297
Female	36,537	15,819	11,805	6,153	2,514	1,869	2,595	73,647	1,174,989	172,971	97,515	8,268
Total	70,071	30,399	23,334	11,961	4,698	3,570	4,791	141,657	2,255,508	329,799	181,899	17,565

(1) Includes all people who stated an ethnic group, whether as their only ethnic group or as one of several Pacific ethnic groups. Where a person reported more than one Pacific ethnic group, they have been counted in each applicable group.

(2) Includes unidentifiable qualifications and those not stating their qualification.

Source: Statistics New Zealand, special request

Appendix 7b: Highest Qualification by Ethnic Group for Migrants and New Zealand Born, 2001

Ethnic Group	Sex	No Qualification		Other NZ Secondary School Qualification		Vocational Qualification		Bachelor Degree or Higher		Unidentifiable/Not Stated		Total	
		Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born	Migrants	NZ Born
		%	%	%	%	%	%	%	%	%	%		
European	Male	14.8	26.0	37.4	33.4	21.8	21.0	17.4	10.3	8.7	9.3	175,791	898,554
	Female	15.0	24.8	41.5	36.7	18.9	19.1	15.3	9.2	9.3	10.1	182,700	984,642
	Total	14.9	25.4	39.5	35.1	20.3	20.0	16.3	9.8	9.0	9.7	358,494	1,883,193
Mäori	Male	22.9	39.6	44.0	28.0	15.1	13.3	7.6	3.5	10.4	15.5	1,848	152,913
	Female	18.7	35.5	46.1	31.7	17.1	14.8	8.6	4.5	9.4	13.5	1,908	169,275
	Total	20.8	37.4	45.0	30.0	16.2	14.1	8.1	4.0	9.9	14.5	3,759	322,188
Samoan	Male	30.5	24.0	39.6	47.2	6.7	13.1	1.8	4.6	21.4	11.1	20,238	13,062
	Female	26.2	18.6	41.5	49.3	9.1	17.4	1.9	6.3	21.3	8.4	22,779	13,590
	Total	28.2	21.3	40.6	48.3	8.0	15.3	1.9	5.5	21.3	9.7	43,020	26,652
Tongan	Male	32.2	27.6	37.7	42.7	6.4	10.9	2.7	5.2	21.0	13.6	8,358	3,000
	Female	28.6	21.4	39.9	45.3	8.4	16.6	2.5	5.7	20.6	10.9	8,646	3,030
	Total	30.3	24.5	38.9	44.0	7.4	13.8	2.6	5.5	20.8	12.2	17,001	6,033
Cook Islanders	Male	45.6	36.2	23.6	35.1	6.8	12.0	1.6	2.7	22.4	14.1	6,579	7,872
	Female	42.1	31.2	25.8	38.3	8.2	15.5	1.4	3.4	22.4	11.6	7,248	8,466
	Total	43.8	33.6	24.8	36.7	7.6	13.8	1.5	3.1	22.4	12.8	13,818	16,347
Niuean	Male	41.0	31.4	26.3	39.3	8.9	12.3	2.2	2.7	21.6	14.2	2,706	2,991
	Female	40.0	26.0	25.8	43.0	10.3	16.0	2.0	3.6	21.9	11.3	2,985	3,075
	Total	40.5	28.7	26.1	41.1	9.6	14.2	2.1	3.2	21.8	12.8	5,685	6,066
Tokelauan	Male	37.5	34.5	29.6	38.8	10.9	12.4	1.6	1.6	20.4	12.8	912	774
	Female	36.0	23.8	30.2	46.8	11.2	15.6	1.8	2.8	20.8	11.0	993	846
	Total	36.5	28.8	29.9	42.9	11.0	14.0	1.9	2.4	20.6	11.8	1,905	1,623
Fijian (ethnic Fijian)	Male	15.9	23.9	42.8	45.0	19.8	15.6	6.3	7.8	15.1	7.8	1,527	654
	Female	17.1	16.3	43.3	44.9	16.4	23.7	6.9	7.3	16.2	7.8	1,773	735
	Total	16.5	19.7	43.2	45.0	17.9	19.9	6.6	7.6	15.8	7.8	3,294	1,386
Tuvaluan	Male	30.8	23.1	31.4	53.8	8.8	15.4	2.5	0.0	26.4	7.7	477	39
	Female	35.2	17.4	24.0	39.1	8.7	17.4	2.0	17.4	30.1	8.7	588	69
	Total	33.5	17.6	27.6	47.1	8.7	14.7	2.0	11.8	28.2	8.8	1,065	102
Other Pacific Peoples	Male	14.9	20.2	34.1	35.5	14.9	22.2	9.4	13.3	26.6	8.9	924	744
	Female	17.7	18.3	38.0	43.0	14.8	20.4	7.0	11.3	22.5	7.0	1,239	690
	Total	16.4	19.0	36.4	39.2	15.0	21.3	7.9	12.5	24.3	7.9	2,160	1,437
Total Pacific Peoples	Male	33.3	28.6	35.5	42.1	7.4	12.7	2.3	4.2	21.5	12.4	40,791	29,130
	Female	29.9	23.2	37.1	44.9	9.3	16.8	2.2	5.2	21.5	9.8	45,174	30,513
	Total	31.5	25.8	36.3	43.5	8.4	14.8	2.2	4.7	21.5	11.1	85,962	59,640
Asian	Male	10.9	16.5	45.9	42.6	9.1	14.9	22.2	19.4	11.9	6.6	73,803	10,077
	Female	13.4	14.5	46.0	45.5	9.5	15.6	19.3	18.0	11.8	6.5	87,024	10,011
	Total	12.2	15.5	46.0	44.1	9.3	15.2	20.6	18.7	11.8	6.6	160,830	20,088
Other	Male	10.7	18.7	39.1	38.5	11.4	16.2	25.6	18.3	13.2	8.3	8,226	981
	Female	12.8	18.2	39.0	40.4	11.9	16.3	22.7	16.0	13.6	9.1	7,251	957
	Total	11.7	18.3	39.1	39.3	11.7	16.4	24.2	17.3	13.4	8.7	15,480	1,938
Total	Male	16.3	27.8	39.3	32.7	16.4	19.9	16.7	9.5	11.4	10.2	295,725	1,022,586
	Female	16.6	26.2	42.1	36.0	14.8	18.4	14.7	8.7	11.8	10.7	318,420	1,110,996
	Total	16.5	27.0	40.7	34.4	15.6	19.1	15.6	9.1	11.6	10.4	614,142	2,133,579

Source: Statistics New Zealand, special request

Appendix 8a: Personal Income of Migrants and New Zealand Born by Ethnic Group and Sex, 2001

Ethnic Group	Migrant Income (NZD)	% of All NZ Born Income	New Zealand Born Income (NZD)	% of All NZ Born Income
European				
Male	35,461	112	32,948	104
Female	21,698	107	20,701	102
Total	28,532	111	26,611	103
Mäori				
Male	20,914	66	22,725	72
Female	15,705	78	16,621	82
Total	18,396	71	19,565	76
Samoan				
Male	19,149	60	21,717	69
Female	15,032	74	17,981	89
Total	17,042	66	19,831	77
Tongan				
Male	18,364	58	17,980	57
Female	13,200	65	14,279	71
Total	15,810	61	16,211	63
Cook Islander				
Male	20,342	64	20,572	65
Female	15,258	75	16,318	81
Total	17,790	69	18,422	71
Niuean				
Male	22,036	70	21,299	67
Female	16,323	81	16,334	81
Total	18,994	74	18,917	73
Tokelauan				
Male	19,584	62	17,819	56
Female	13,560	67	14,701	73
Total	17,002	66	16,215	63
Fijian (ethnic Fijian)				
Male	24,816	78	24,705	78
Female	18,129	90	16,579	82
Total	21,185	82	20,254	79
Tuvaluan				
Male	14,083	44	21,356	67
Female	10,071	50	17,292	85
Total	12,439	48	19,690	76
Other Pacific Peoples				
Male	21,569	68	26,620	84
Female	14,798	73	18,491	91
Total	17,329	67	22,644	88
Total, Pacific Peoples				
Male	19,579	62	20,121	64
Female	14,826	73	16,870	83
Total	17,157	67	18,964	74
Asian				
Male	20,156	64	29,179	92
Female	13,763	68	20,739	102
Total	16,731	65	24,994	97
Other				
Male	23,122	73	27,115	86
Female	14,505	72	20,673	102
Total	19,207	74	23,855	92
All Migs / All NZ Born				
Male	29,510	93	31,680	100
Female	18,582	92	20,253	100
Total	23,925	93	25,799	100

Source: Statistics New Zealand, special request

Appendix 8b: Income by Duration of Residence by Ethnic Group & Sex

Duration of Residence	Mean Personal Income	% of NZ Male Income	Mean Personal Income	% of NZ Female Income
0 - 4 years	**Males**		**Females**	
European	40,421	128	22,881	113
Mäori	20,260	64	10,709	53
Samoan	11,262	36	8,593	42
Tongan	12,292	39	7,978	39
Cook Islander	13,099	41	9,483	47
Niuean	12,567	40	10,324	51
Tokelauan	10,402	33	8,650	43
Fijian (ethnic Fijian)	16,107	51	13,985	69
Tuvaluan	12,831	41	7,541	37
Other Pacific Peoples	11,264	36	9,304	46
All Pacific Islanders	12,047	38	8,863	44
Asian	14,652	46	9,992	49
Other	18,191	57	11,596	57
Total	24,984	79	14,951	74
New Zealand Born	31,680	100	20,253	100
5-9 years				
European	42,909	135	23,377	115
Mäori	10,330	33	14,100	70
Samoan	14,677	46	11,233	55
Tongan	15,661	49	10,241	51
Cook Islander	18,130	57	13,369	66
Niuean	16,997	54	11,807	58
Tokelauan	10,233	32	9,484	47
Fijian (ethnic Fijian)	23,196	73	15,277	75
Tuvaluan	14,473	46	10,947	54
Other Pacific Peoples	19,555	62	15,742	78
All Pacific Islanders	15,734	50	11,491	57
Asian	18,104	57	12,906	64
Other	25,236	80	15,310	76
Total	28,289	89	16,849	83
New Zealand Born	31,680	100	20,253	100
10 years or more				
European	34,001	107	21,394	106
Mäori	22,478	71	16,530	82
Samoan	21,099	67	16,488	81
Tongan	20,834	66	15,191	75
Cook Islander	21,622	68	16,237	80
Niuean	22,971	73	16,762	83
Tokelauan	22,076	70	15,128	75
Fijian (ethnic Fijian)	27,178	86	19,866	98
Tuvaluan	18,840	59	12,875	64
Other Pacific Peoples	27,924	88	17,763	88
All Pacific Islanders	21,600	68	16,348	81
Asian	28,578	90	19,519	96
Other	33,203	105	20,764	103
Total	31,663	100	20,416	101
New Zealand Born	31,680	100	20,253	100

Source: Statistics New Zealand (n.d.a.)

Appendix 9: Terms of Reference for the Research Project

To update the 1995 "South Pacific Migration: NZ Experience and Implications for Australia" report by R. T. Appleyard and Charles W. Stahl.

(a) A literature review of recent, relevant scholarly papers on migration and development, focusing on the experience of Pacific Island Countries.

(b) A general review of New Zealand immigration policies relating to Pacific Island Countries, focusing on changes and experiences since 1995.

(c) Review of number of Pacific Islanders in New Zealand, directly migrated and descendents, Australia, US and still at home.

(d) A profile of Pacific migrants to New Zealand entering under the various work permit schemes, with particular focus on their skill levels, the types of visas on which they enter, the types of jobs they take up, the extent to which country quotas are filled and why quotas are often not fully filled, which entry requirements are the most difficult to meet, how successful candidates are identified and meet the pre-arranged employment pre-requisites, etc.

(e) A review of outcomes for Pacific migrants in New Zealand, with discussion of their socioeconomic integration in New Zealand, focusing on skill acquisition, educational attainment, income, and labour market status. Investigation will also be undertaken into the extent of return migration.

(f) Discussion of the costs and benefits of New Zealand's labour immigration programs from the point of view of the sending countries.

(g) Comparative analysis of current Australian immigration regime in relation to the Pacific.