

at Home & Away

**A view of the Pacific and
some useful lessons from
the Canadian TFWs
Program**



The World Bank

TOMAS ERNST

AGENDA

- Demographic and Economic factors at play in the Pacific
- Australia and The Pacific
- World Bank – Lessons learned from the Pacific
- The Canadian TFW program
 - Evolution from AID-centric approach
 - Strengths and Weaknesses
 - Recent AG's Report on TFW program

Demographic Pressures

- The Pacific – demographics set stage for labour mobility
 - Small size, isolation, remoteness = job creation challenges
 - Total Pac. population 7.5 million people
- Australia and New Zealand
 - Low and declining fertility rates
 - Ageing baby boomers + Shrinking work force
 - Lab. Shortage costing AU economy \$100's of millions/year

Demographic Pressures

- Forty percent of Pacific region under 25 years
 - Youth eager to move away from subsistence farming
- Parts of the Pacific's working age populations will increase 30% in next decade – Sols. and Vanuatu
- WB estimates by 2015:
 - 370,000 in Fiji
 - 279,000 in Solomon Islands
 - 129,000 in Vanuatu – **unable to find work.**

Melanesia, Polynesia and Micronesia

- PICs are highly diverse, therefore, a one-size fits all approach doesn't work.
- **Melanesia:** Ethnically diverse, social fragmentation challenges, larger landmasses. Access to wider range of natural resources, but subject to resource conflicts
- **Polynesia:** More culturally uniform, but resource base fragile and thus heavy reliance on migration + remittances
- **Micronesia:** Tends to be culturally integrated, but faces high communications and transport costs. Sound pub. sector mngmt, but PS growth may not be sufficient to guarantee economic stability. Thus, AID and lab. mobility.

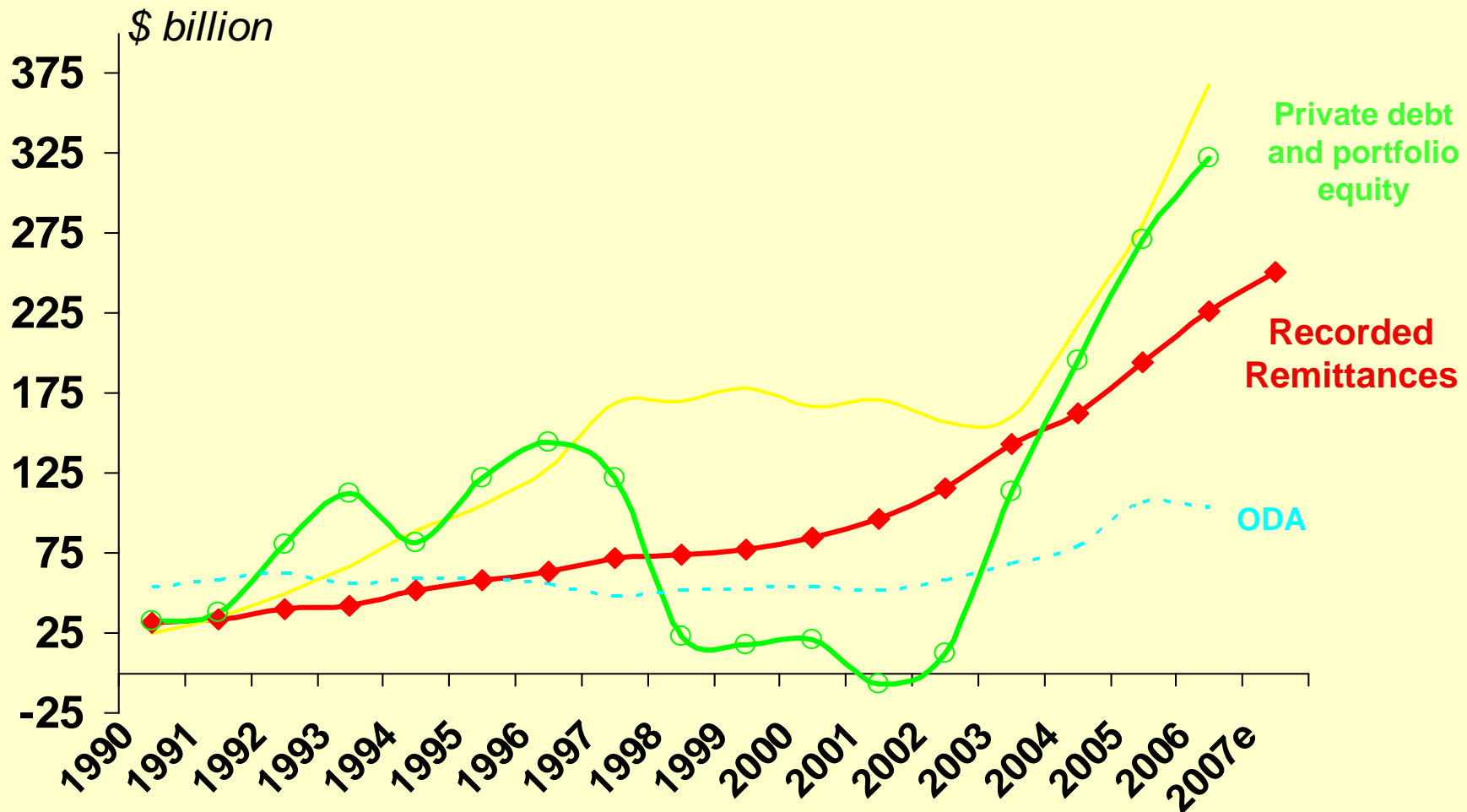
Australia and The Pacific

- PM Kevin Rudd “Arc of Instability to our North and North-East have gone from being a strategic concept a decade ago to becoming an unsettling reality today.”
 - “Deterioration of economic drivers leading to social/political instability.”
- Priority is to heal wounds. A proactive program in Pac. to deal with causes rather than symptoms of instability.
- WB President Zoellick: Conflict **prevention** must be a better way to ensure stability and peace than picking up the pieces after conflict has destroyed societies, instns. + lives.

World Bank – Lessons Learned

- Labour mobility is a form of export diversification
- Four C's as key to Success.
 - The right incentives.
- Access is NOT Entry
 - Vanuatu/Melanesia pilot facilitated by Bank
 - **Key:** Strengthening Supply-side arrangements
- Remittances in the Pacific
 - Regulatory reform and new competition
 - High Costs

Remittances are large, have continued to increase



Remittances: Burden of High Costs

	First Transaction	Subsequent Transaction	Electronic Processing	Explanation
Sending Staff	2.50	0.83	0.50	10 minutes of staff time at \$15/hr
Receiving Staff	0.17	0.17	0.17	10 minutes of staff time at \$1/hr
Fixed Costs	0.27	0.27	0.27	\$40 million system cost recovered over 10 years; 2,000 branches with 20 transactions/day
IT, Telecom	0.60	0.60	0.60	1 minute international phone call
Rent	1.50	1.50	1.50	\$30 rent per day; 20 transactions/day
Admin Costs	0.50	0.50	0.50	Compliance, general overhead
TOTAL COSTS	5.54	3.60	2.94	

The Canadian TFW program

- **TFW** = skilled workers, live-in caregivers, occupations requiring lower levels of formal training + SAWP
- **SAWP** started in 1966, viewed as a form of AID
- 2007. 20,000 SAWP workers from Mexico and Caribbean entering/year.
 - TFW (other than skilled workers) = 88,000
- SAWP vs. TFW program
 - TFW - After 2 years can become a Permanent Resident
 - SAWP – Seasonal, no path to PR

The Canadian TFW program

- SAWP not official program
 - Not subject to Parliamentary scrutiny
 - WTO Exemption due to original MoUs
- IRPA 2002.
 - Immigration and Refugee Protection Act 2002.
- Regional and National Meetings

Recruitment

- AGAIN, supply-side management crucial.
 - Example of Philippines.
 - Strong institutional capacity of O.P.E.A.
- IOM: Took over Labour Ministry in Guatemala
 - Increase global competitiveness.
- Major differences in supply-side arrangement: SAWP vs. TFW program
 - SAWP recruitment managed by MoL in Jamaica but labour sourced for TFW programs in Canada falls outside Jamaican government institutions.

Worker's Rights

- Consulate capacity – Limitations of Representation
 - Ability to effectively monitor??
- Jurisdictional gaps – Fed, Prov, Local gov.
- Unions active. Report GoC to the UN.
- Housing complaints biggest issue
 - Media as Watchdog

AGs Report (2009) on TFW Program

- Poor inter-departmental collaboration
 - Unclear roles and responsibilities.
- Inventory of applications: backlog of 620,000 applications
 - Waiting an average of 62 months.
- Ruby Dhalla scandal
 - MP abuse of Filipino Care-Givers?