Pacific Labor Mobility, Migration and Remittances in Times of COVID-19:

Interim Report

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Dung Doan
Matthew Dornan
Kenia Parsons
Kirstie Petrou
Soonhwa Yi

LIST OF ACRONYMS

CNMI	Commonwealth of the Northern Mariana Islands
EPS	Employment Permit System
FCI	Finance, Innovation and Competitiveness
FNPF	Fiji National Provident Fund
FSM	Federated States of Micronesia
GFC	Global Financial Crisis
ILO	International Labor Organization
IMF	International Monetary Fund
LFSP	Labor Force Status
LMIP	Labour Market Information Portal
MTI	Macroeconomic, Trade, and Investment
NHPI	Native Hawaiian and Other Pacific Islanders
OECD	Organisation for Economic Co-operation and Development
OTC	Over-the-counter
PICs	Pacific Island Countries
PLS	Pacific Labour Scheme
PNG	Papua New Guinea
RMI	Republic of the Marshall Islands
RSE	Recognised Seasonal Employer
SPJ	Social Protection and Jobs
SWP	Seasonal Worker Programme

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EXECUTIVE SUMMARY

Pacific Island countries (PICs) are projected to experience a significant economic downturn in 2020 due to the COVID-19 crisis, mainly driven by sharp declines in tourist arrivals, disruptions to donor-financed infrastructure activities, lower commodity prices and lower remittance inflows. The impact of the pandemic on tourism, which many PICs rely on, is expected to be five times larger than that of the 2008 Global Financial Crisis. The GDP of PICs is expected to shrink significantly in 2020, accompanied by unprecedented job losses. Fiji, Samoa, Tonga and Vanuatu are expected to see double-digit contraction at -24.7 percent, -12.5 percent, -15.1 percent and -13.1 percent, respectively; while the GDP of Solomon Islands is projected to fall by 7.7 percent. Further downside risks to growth remain as fiscal gaps widen.

COVID-19 has also disrupted labor mobility from the Pacific and introduced critical challenges to Pacific migrant workers and the economies that their remittances support. Many Pacific workers find employment in Australia under the Seasonal Worker Programme (SWP) and Pacific Labour Scheme (PLS), and in New Zealand under the Recognised Seasonal Employer (RSE) Scheme. In Samoa, Tonga and Vanuatu, seasonal workers under these schemes account for 6.0 percent, 14.7 percent and 8.1 percent of the workforce, respectively. They engage primarily in low-skilled jobs in the agriculture sector under short-term contracts of 6-11 months. International travel restrictions aiming to curb the spread of the pandemic have left thousands of seasonal workers stranded in Australia and New Zealand while halting the arrivals of new workers under such schemes. At the same time, the Pacific diaspora, concentrated in Australia, New Zealand and the United States, has been affected by adverse labor market conditions in those countries.

The crisis has caused broad-based and significant reductions in employment and earnings among Pacific seasonal workers. Close to two-thirds of workers under the SWP and RSE schemes have experienced fewer work hours and lower weekly earnings as compared to the period of January and February, according to a phone survey undertaken as part of this study. Among those reporting a decrease in income, the average reduction in their weekly earnings was 50 percent (or $A 400) among SWP workers and 48 percent (or $NZ 364) among RSE workers. Facing income losses, stranded seasonal workers have been largely unable to access formal social protection systems in host countries while being cut off from safety nets at home.

Pacific Islanders working under longer-term visas also faced significant risks of employment and income losses due to the impacts of COVID-19. In all three main host countries – Australia, New Zealand and the US – Pacific workers are employed in occupations that are predominantly low- and semi-skilled, with high physical proximity and limited capacity to work from home. This makes them particularly susceptible to the effects of the pandemic and associated public health responses. Economic hardship among Pacific diaspora groups, documented through recent World Bank interviews of diaspora representatives in Australia and New Zealand, has been compounded by limited access to social protection measures due to migration status, language barriers that make accessing available assistance difficult, and larger households among several Pacific Island groups.

In addition to detrimental economic impacts, the crisis has caused mental distress among Pacific migrants, both seasonal workers and members of the diaspora. Concerns and anxiety related to employment, visas, repatriation uncertainties and the welfare of family back home were reported as major issues faced by seasonal workers. The diaspora also reported a higher risk of family conflict and gender-based violence due to social distancing measures.

Although more resilient than expected, remittances to the Pacific are expected to decrease due to the COVID-19 pandemic, as existing migrant workers either lose their employment in host countries, have their work hours reduced, or return home early at a time when new workers are not taking up employment overseas. The World Bank estimates a 4.3 percent decrease of remittance flows to the Pacific region for 2020, with country-specific projections ranging from 3 percent in the Federated States of Micronesia (FSM) to 29 percent in Palau. Data collected by monetary authorities in receiving countries and by the World Bank phone survey on Pacific seasonal workers confirms a sharp decline in remittances during the early months of the crisis, followed by a recovery.

More than half of surveyed seasonal workers reported remitting less than they did during the period of January-February 2020. Among those remitting less, the amount sent per transaction fell by 53 percent among SWP workers and 48 percent among RSE workers. The extent of the decrease in remittances sent by seasonal workers, however, has been less significant than the decrease in their earnings. This suggests that workers have adjusted their own consumption and saving behaviors to cope with the impacts of the crisis and maintain the level of money sent home.

The loss of remittance income is likely to worsen the welfare of remittance dependent households, given the heavy reliance on remittances in the region. Seven of the top ten remittance recipients by share of GDP in the East Asia and Pacific region are in the Pacific. In Tonga and Samoa, remittances were equivalent to nearly 38 percent and 16 percent of GDP in 2019, respectively, with remittance income equivalent to approximately 30 percent and 8 percent of household consumption, respectively.

Future remittance flows are difficult to project. Despite the ongoing economic impacts of the crisis, aggregate remittance data has shown signs of recovery recently. Both cumulative and monthly remittance inflows to Fiji, Samoa and Tonga have gradually returned to positive growth on a year-on-year basis since May. A shift from carrying cash back home to sending through remittance service providers could have contributed to this recovery in the recorded remittance flows, while masking a decrease in total remittances. At the same time, other factors are likely to have played a role in sustaining the level of remittances. These include social protection measures and better-than-expected performance of the labor market in host countries, which has benefitted the Pacific diaspora; the depreciation of Pacific Island currencies against the Australian dollar and other hard currencies; and counter-cyclical remitting behavior by migrant workers.

Looking forward, overseas employment opportunities for Pacific Islanders are likely to be adversely affected for some time, even after borders are reopened. Labor market conditions in migrant destination countries are likely to remain weak, especially in occupations at the lower end of the skills spectrum, in which a large part of the Pacific diaspora and migrant worker community are employed. In addition, weak labor market conditions will reduce employer demand for migrant workers under skilled visa categories. Travel restrictions and mandatory quarantine requirements that limit travel numbers (due to caps on quarantine capacity) will also potentially restrict the numbers of incoming migrant workers in the short- to medium-term.

Notwithstanding this, demand for Pacific Island workers in certain industries in regional areas, particularly in horticulture, is likely to remain strong. Production in horticulture has continued despite COVID-19 lockdowns, and there is a high demand for workers given the departure of other migrant groups (especially backpackers) which form an important source of labor in the industry. This is evidenced by the ongoing lobbying efforts of employer groups requesting government-sponsored incentives for workers (both domestic and migrant) in the sector. Given the need for labor in this sector and the poverty alleviation impacts of such employment, there is a strong case for re-commencing these schemes in a way that reduces costs to employers and workers whilst also safeguarding against potential infection. Recent pilot arrangements to bring Tongan and ni-Vanuatu seasonal workers to Australia could lay the foundation for a larger return of Pacific seasonal workers.

There are also other policy responses that PICs and host countries could consider to support migrant workers and their families. For host countries, potential policy options include: (i) expansion of employment retainment policies, such as wage subsidies, reductions or deferrals in social insurance contributions, and paid sick leave for migrant workers affected by COVID-19; (ii) employment promotion measures for low-skilled temporary and seasonal migrant workers to improve their employment prospects, reduce the risks of illegal work engagements, and facilitate more efficient reallocation of labor from sluggish sectors (such as tourism) to booming ones during the crisis (such as agriculture); and (iii) expansion of social and health services to migrant workers, including access to COVID-19 testing and treatment. For PIC governments, potential policy interventions include: (i) repatriation and reintegration support for returning workers; (ii) support for workers stranded overseas; and (iii) initiatives that support the sending of remittances.

1.

INTRODUCTION

The COVID-19 crisis is likely to severely impact labor mobility and diaspora groups from the Pacific, with consequent reductions in the value of remittances. Many Pacific workers find employment in Australia under the Seasonal Worker Programme (SWP) and Pacific Labour Scheme (PLS), and in New Zealand under the Recognised Seasonal Employer (RSE) Scheme. They engage primarily in low-skilled jobs in the agriculture sector under short-term contracts of 6-11 months. As a result of COVID-19, new arrivals under such schemes have largely ceased. Pacific Islanders who are working in Australia and New Zealand under longer-term visas, including those under the semi-skilled PLS, also face higher unemployment risk as host economies are affected by the pandemic. COVID-19 is therefore likely to result in income loss amongst migrant workers due to reduced work hours, loss of employment, and even potential infection. Border restrictions will also prevent travel by new workers and will increase costs incurred by workers to comply with COVID-19-related rules, such as mandatory quarantine.

This briefing note presents interim findings on the impacts of COVID-19 on Pacific migrant workers and the Pacific diaspora, discussing likely implications for resulting remittances to Pacific Island countries. It forms part of an ongoing study of Pacific labor mobility, migration and remittances, which involves surveys of Pacific workers and their employers under various labor mobility schemes in Australia and New Zealand, as well as diaspora groups in both countries. A final report will be completed in December.

2.

THE ECONOMIC IMPACTS OF COVID-19

The COVID-19 pandemic is expected to deliver the deepest global recession in eight decades (World Bank, 2020a). Unlike the Global Financial Crisis in 2008, it has involved both a supply and a demand shock, owing to changes in individuals' behaviors and the containment measures of governments, which have included lockdowns and travel/mobility restrictions. It is forecast that the world is likely to see negative global GDP growth in 2020 of -4.9 percent (IMF, 2020). Job losses could amount to 305 million globally according to the International Labor Organization (ILO).

Pacific Island Countries (PICs) face strong headwinds through their interconnectivity with the global economy, despite to date having experienced only small numbers of COVID-19 cases domestically. Key transmission channels of COVID-19 impacts include a combination of disruptions to donor-financed infrastructure activities (such as in Kiribati, where travel restrictions have prevented foreign skilled workers from entering the country), sharp contractions in tourist arrivals (particularly in tourism-dependent economies like that of Fiji, Vanuatu, Samoa, Tonga, and Cook Islands), lower commodity prices (important in the Solomon Islands and Papua New Guinea (PNG)), and a reduction in inward remittance flows (particularly significant in Tonga and Samoa). Lower oil prices will offset some of these impacts, but the net effects will almost certainly be negative. On the fiscal side, falls in revenue are already creating challenges for governments which are at the same time seeking to increase counter-cyclical spending and bolster healthcare readiness. Development assistance will become particularly important as a result, given the inability of PICs (aside from Fiji and PNG) to raise capital on international credit markets.

The impact of COVID-19 on tourism is projected to be five times larger than the impact of the 2008 Global Financial Crisis, and is estimated in 2020 to result in 100.8 million job losses within the sector globally and a 2.9 percentage point increase in the global unemployment rate (WTTC, 2020). For countries like Fiji, Samoa, and Vanuatu – where tourism accounts for over 50 percent of total exports – the disappearance of tourism is likely to cause significant macroeconomic contractions. In April and May 2020, very few tourists arrived in Fiji, Samoa and Vanuatu (Figure 1a). This resulted in Samoa recording zero tourism earnings in both months (Figure 1b). Employer surveys in Vanuatu suggest that the number of employees in the tourism industry has contracted by about 64 percent owing to COVID-19 (Vanuatu, April 2020). In Fiji, the CEO of the Fiji Hotel and Tourism Association recently claimed that over 100,000 locals have lost their jobs due to COVID-19.

Remittances are also likely to be affected by the crisis which is significant given that PICs are heavily reliant on them. In 2019, seven of the top ten remittance recipients by share of GDP in the East Asia and Pacific region are in the Pacific.[1] Fiji is among the region's top ten recipients by value of remittance inflows, receiving nearly US$ 290 million in 2019. In Tonga, remittances were equivalent to nearly 38 percent of its GDP in 2019 (Figure 2). In Tonga and Samoa, four out of every five households receive remittances from abroad, with a similar share of households across the consumption distribution benefitting (Figure 3). Nationally representative household data in Tonga indicates that remittances are equivalent to approximately 30 percent of household consumption, while in Samoa they are equivalent to 8 percent of household consumption.

1. The other three countries are the Philippines (9.9 percent), Vietnam (6.5 percent) and Cambodia (5.9 percent).

FIGURE 1A. **Fall in tourist arrivals (Jan-May 2020)**

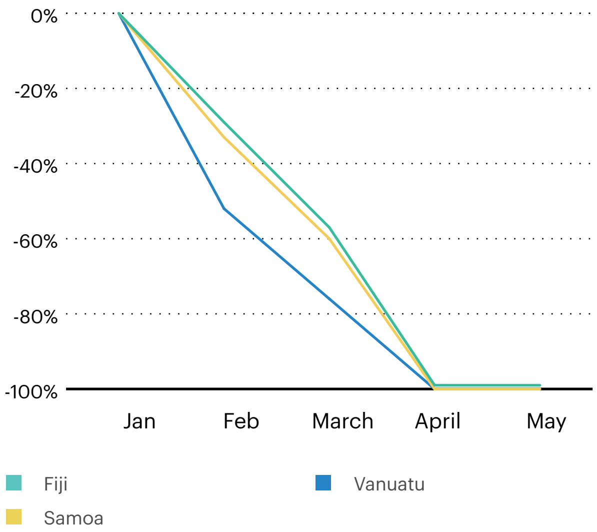
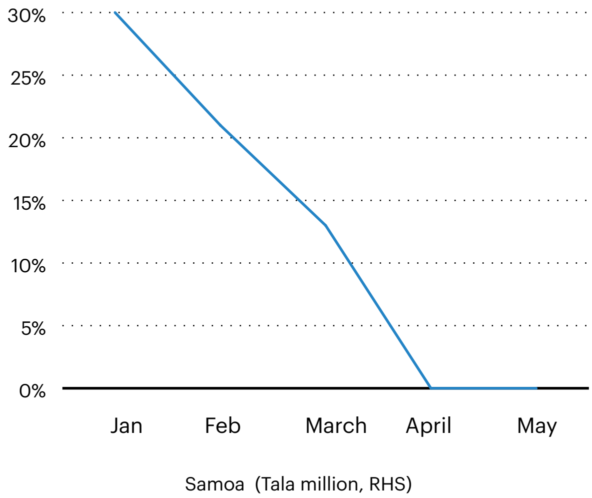
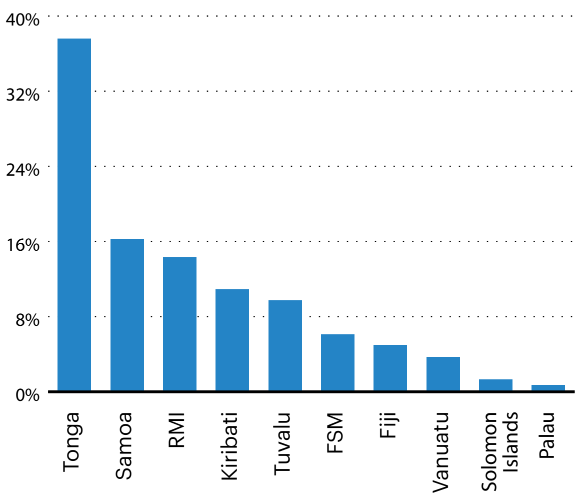


FIGURE 1B. **Fall in visitor earnings (Jan-May 2020)**



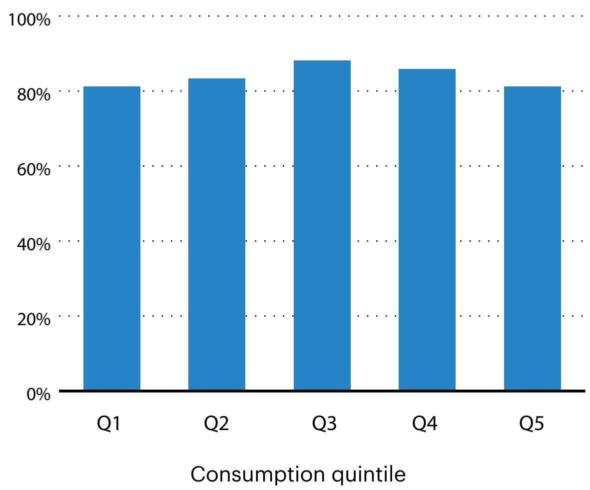
Sources: Reserve Bank of Fiji, Reserve Bank of Vanuatu, Central Bank of Samoa.

FIGURE 2. **Remittance inflows as a percentage of GDP (2019)**



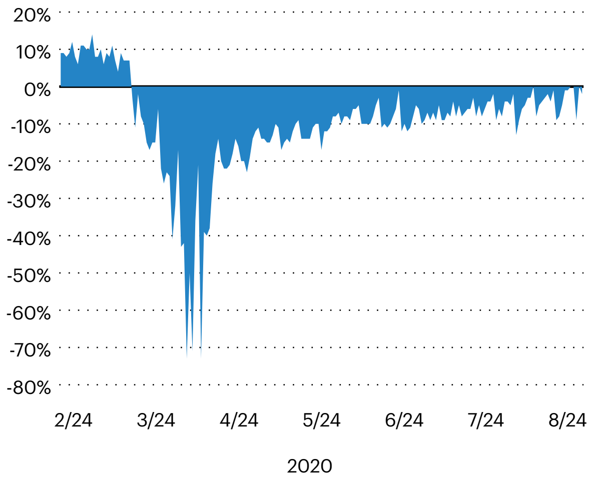
Source: Migration Data Portal

FIGURE 3. **Percentage of households receiving remittances in Tonga by welfare status (2015/16)**



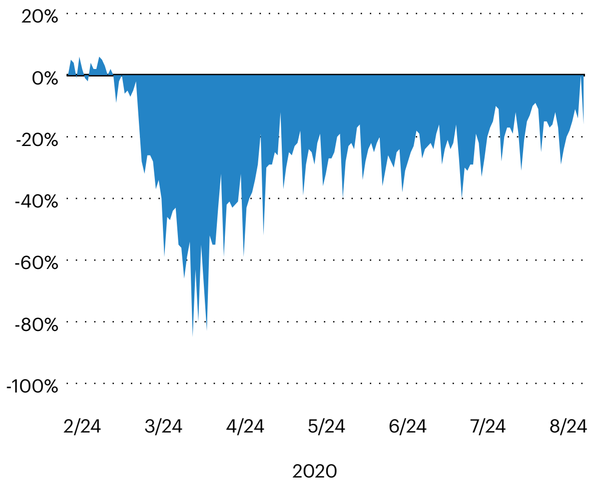
Source: Household income and expenditure survey data

FIGURE 4A. Fiji: Sharp drop in population movements in Fiji in workplaces



Source: Google Community Mobility data

FIGURE 4B. Fiji: Sharp drop in population movements in Fiji in transit stations



Source: Google Community Mobility data

There is strong evidence of subdued domestic demand resulting from COVID-19 in Pacific Island countries. In Fiji, domestic cement production contracted by 29 percent during January-May 2020, according to the June Economic Review of the Reserve Bank of Fiji. In April, the Solomon Islands Central Bank monthly production index dropped to a record low – a dip of 60 percent compared to March, although the index bounced back in May, suggesting a potential sign of recovery. Data from Google Maps showed that Fiji experienced a sharp drop in people's movements to restaurants, shopping centers, bus stations, and places of work in April (Figure 4). There has been a recovery since lockdowns were relaxed but movements remain considerably lower than January levels.

Macroeconomic projections are inevitably prone to errors in the current context given high levels of uncertainty surrounding the continued spread of COVID-19, the development of a vaccine, and public health responses (including border closures). Growth projections have been revised multiple times in this fast-changing environment. Much depends on public policy responses – both in the health and economic spheres - and assumptions on a recovery path. It follows that downside risks will be influenced by the duration of COVID-19 containment measures, monetary and fiscal measures put in place by respective authorities to moderate the effects, and the global development of the pandemic.

Current projections are for very severe contractions in GDP among Pacific Island countries in 2020. These will be particularly pronounced in countries which already have experienced setbacks, such as Tropical Cyclone Harold (Fiji and Vanuatu in particular, and Tonga and the Solomon Islands to some extent) and the measles outbreak in the fourth quarter of 2019 (Samoa). According to the World Bank's forecast as of September 2020, Fiji, Samoa, Tonga and Vanuatu are projected to see double-digit contractions in GDP at -24.7 percent, -12.5 percent, -15.1 percent and -13.1 percent, respectively. GDP of Solomon Islands is projected to contract by 7.7 percent. Further downside risks to growth remain, as fiscal gaps are likely to widen.

2. There exists considerable variation in the growth projection for Fiji. The World Bank's growth projection for the country in 2020, as of June 2020, is much more moderate at -4.3 percent (World Bank, 2020a). The Asian Development Bank also produces a similar estimate at -4.9 percent. Source: https://www.adb.org/countries/fiji/economy.

Job losses from this pandemic are unprecedented, particularly in the tourism sector. Fiji saw some 115,000 jobs at risk[3] – equivalent to a third of the total labor force[4] or about two-thirds of paid employees in 2018. Jobs at risk encompass unemployment, reduced working hours, and 'on-leave' status without pay. Unemployment benefit claims in the Fiji National Provident Fund (FNPF), under COVID-19 withdrawal schemes, rose sharply in May and were sustained in June at 85,959, compared to the annual total of some 30,000 in 2019. The majority of these new applications came from members in the tourism, taxi, and small/micro enterprise sectors who had been laid-off or were experiencing reduced hours and lower income due to COVID-19 (RBF, 2020). In PNG, a quarter of workers who had been employed before the crisis reported not working in June 2020 (Himelein *et al.,* 2020).[5] Furthermore, new recruitment intentions are falling, as businesses are still closed or cancelling investment plans (they fell by 60 percent in Tonga in March compared to March 2019 and by nearly 50 percent in Fiji during January-May 2020 compared to the same period in 2019). In PNG, advertised jobs posted by the National Employment Service fell from 497 in February 2020 to 117 in May 2020.

Job losses and loss of livelihoods will inevitably push some households into poverty. Preliminary modelling by the World Bank's Poverty Global Practice projects that in a "moderate" scenario, household consumption could drop by 50 percent for one quarter (a 12.5 percent drop of annual consumption). In this scenario, the proportion of households involved in tourism, food or accommodation that live below the US$5.50 poverty line could increase by 9.3 percent in Fiji, 10.2 percent in Tonga, and 12.7 percent in Samoa. Continued links between those in urban and rural areas will provide some support for those that lose employment, given the prevalence of subsistence agriculture in many Pacific Island countries. However, impacts will still be significant due to poverty rates being markedly higher among those engaged in subsistence agriculture than among the rest of the population (World Bank, 2020b).

Fiscal stimulus packages have been rolled out by PICs governments to moderate the effects of COVID-19. Most have scaled up support for health systems to enhance their response capacity. Support to both firms and workers have helped cushion the employment impact: providing liquidity to firms to sustain their businesses (PNG and Tonga); helping firms to retain cash flows (e.g., tax or import duty relief in Samoa and Solomon Islands, or deferred social security contributions in Fiji); supporting worker retention (e.g., wage subsidies in Vanuatu, Tonga and Samoa, and paid sick leave in Fiji); and employment support for vulnerable groups (e.g., youth and women in the Solomon Islands). Social assistance measures have also helped to support consumption among households and unemployed individuals, including one-off cash transfers to informal workers (Fiji and Tonga), and unemployment benefits for formal sector workers that draw on superannuation savings (Fiji and PNG). Support to the informal sector has been limited, despite implementation of some positive responses. Governments in PICs, as in other parts of the world, have found it challenging to reach workers in the informal sector, with many citizens not aware of measures that target informal workers (as shown in surveys in Vanuatu April 2020).[6]

3. https://www.ilo.org/suva/publications/WCMS_751883/lang--en/index.htm
4. According to the 2015-16 Employment and Unemployment Survey, 346,214 persons aged 15 and above were in the Labor Force and 167,300 (63.5 percent) were employed in the formal sector.
5. According to the World Bank's High Frequency survey data collected during June 18 through July 3, 2020.
6. Department of Tourism & Vanuatu Tourism Office "Survey Results: National Tourism Business Impacts Survey, TC Harold and COVID-19 Pandemic," April 24, 2020.

3.

THE PACIFIC DIASPORA

The Pacific diaspora is an essential source of support for many households in the Pacific, with remittances performing an important informal social protection function. Many Pacific Island countries have a large diaspora living overseas. Tonga, Samoa, as well as smaller countries like the Cook Islands and Niue, have extremely high rates of emigration.

The vast majority of Pacific Islanders[7] living in OECD countries reside in Australia (28%), New Zealand (32%) or the United States (30%). Of those, Micronesians make up the majority of Pacific Islanders living in the United States, and South Pacific Islanders make up the majority living in Australia or New Zealand.

TABLE 1. The size of the diaspora differs across PICs

	Stock of emigrants	Resident population	Emigrants/ population
Marshall Islands	11,841	52,786	22.4%
Micronesia (Fed. States of)	40,642	103,718	39.2%
Palau	6,855	20,919	32.8%
Fiji	189,571	880,487	21.5%
Samoa	87,949	190,390	46.2%
Tonga	53,247	105,139	50.6%
PNG	17,464	7,308,864	0.2%
Solomon Islands	1,768	560,685	0.3%
Vanuatu	2,280	253,165	0.9%
Kiribati	4,324	108,544	4.0%
Tuvalu	1,816	9,876	18.4%

Source: Population statistics are taken from the UN Population Division (2015). Migrant stocks in 34 OECD countries taken from the DIOC Database on Immigrants in OECD Countries 2010/13.

Note: Due to data constraints, this table only includes emigrants to OECD countries. Emigrants to the US territories of Guam and Commonwealth of the Northern Mariana Islands (CNMI) are also included. Migrant stocks for Kiribati, PNG, Solomon Islands and Vanuatu have been adjusted to record only migrants in Australia who claim their ancestry is indigenous to their country of birth. The population used as a denominator in the third column is the resident population only.

7. Polynesia, Melanesia and Micronesia are three subregions of the Oceania region. Polynesia includes Austral Islands, Cook Islands, Easter Island, Hawaii, Kermadec Islands, Marquesas Islands, New Zealand, Samoa, Society Islands, Tokelau, Tonga, Tuamotu Archipelago and Tuvalu. Melanesia is made up of Bismarck Archipelago, Fiji, New Caledonia, Papua New Guinea, Santa Cruz, the Solomon Islands and Vanuatu. Micronesia includes Caroline Islands, Kiribati, Mariana Islands, Marshall Islands and Palau.

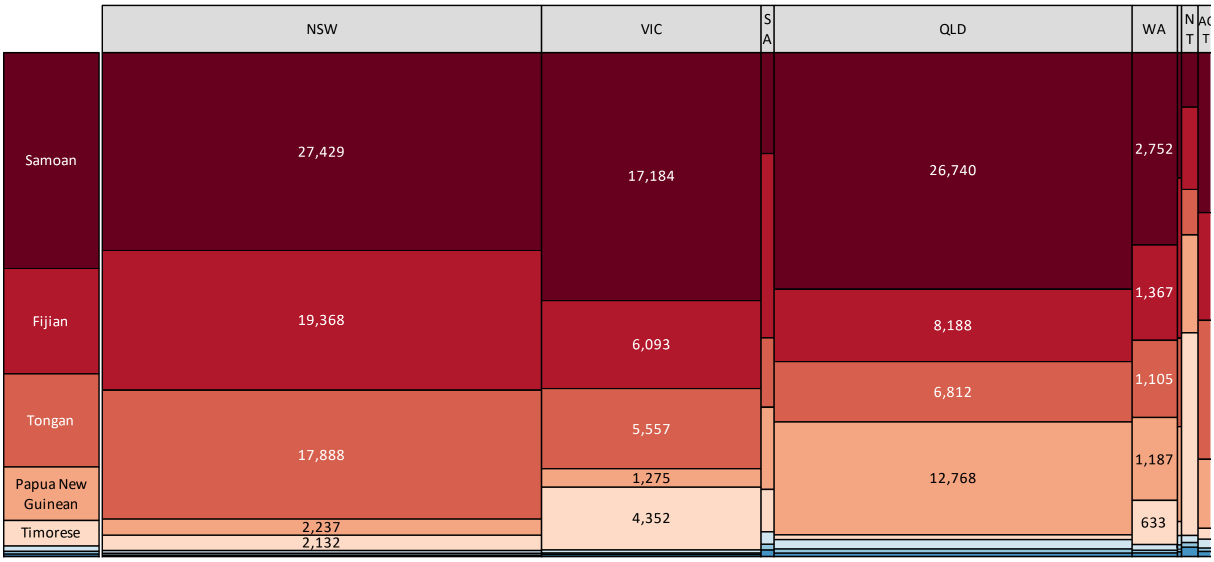
The diaspora faces a high risk of job and income loss as unemployment soars in host countries, given low education levels and a large reliance on low-skilled and casual jobs, which have been severely affected by the economic fallout of social distancing measures. Jobless claims have reached historical highs in the US, while the unemployment rate reached 6.8% in August 2020 in Australia, the highest in the last decade (Australian Bureau of Statistics, 2020) and is expected to remain between 7 and 9 percent in 2021/22 (Reserve Bank of Australia, 2020). The impacts of COVID-19, however, are likely to differ across Pacific nationalities due to varying education levels, which influence employment.

3.1 PACIFIC ISLANDERS IN AUSTRALIA

According to the 2016 Census, the largest Pacific diaspora groups in Australia are Samoans (75,755 individuals), followed by Fijians (37,001) and Tongans (32,697).[8] Most of the Pacific diaspora groups live in New South Wales, Queensland and Victoria – two of these states have been heavily hit by the pandemic in terms of numbers of infection cases. There is a higher number of people with Fijian and Tongan ancestry in New South Wales and a higher number of people from PNG in Queensland (Figure 5). Although Samoans are Victoria's largest Pacific diaspora group, there are more Samoans in Queensland and New South Wales.

8. It is important to note that the Census allows for multiple ancestries as well as birth places. Among those that self-identified as having Samoan ancestry were respondents born in New Zealand (27,203) and Australia (26,057). On Census night, 19,632 people that were born in Samoa and self-identified as having Samoan ancestry were living in Australia. We have chosen to focus on ancestry here given its broader scope and the fact that evidence suggests that Samoans not born in Samoa regularly remit to family in Samoa. This also has the advantage of excluding (for example) Australians born overseas who live in Australia and have no ongoing relationship with their country of birth.

FIGURE 5. Selected Pacific diaspora groups by location in Australia (2016)



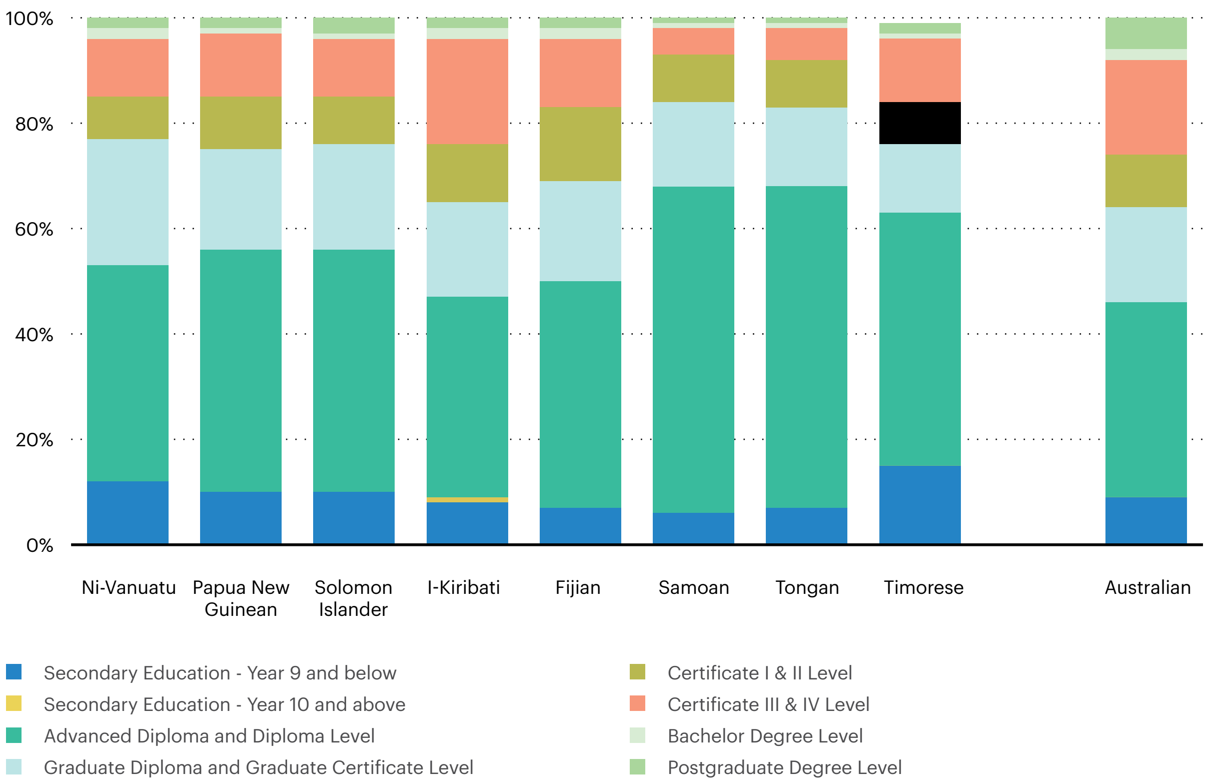
	New South Wales	Victoria	South Australia	Queensland	Western Australia	Tasmania	Northern Territory	ACT	Other Territories
Samoan	27,429	17,184	416	26,740	2,752	161	284	790	8
Fijian	19,368	6,093	760	8,188	1,367	206	429	532	51
Tongan	17,888	5,557	286	6,812	1,105	114	237	686	5
Papua New Guinean	2,237	1,275	339	12,768	1,187	122	511	341	15
Timorese	2,132	4,352	175	538	633	18	1,057	54	-
Solomon Islander	382	213	51	1,059	81	12	37	44	-
Ni-Vanuatu	264	108	24	467	40	9	24	17	10
I-Kiribati	188	138	27	390	51	6	49	25	-

Source: World Bank staff calculations based on the Census of Population and Housing, 2016, TableBuilder. Place of Usual Residence. Ancestry, multi-response. Copyright Commonwealth of Australia, 2018. ABS data licensed under Creative Commons. Note: No reliance should be placed on small cell frequency count (e.g., cells with less than 20 counts).

Most of the Pacific diaspora in Australia has up to secondary education and a Certificate III & IV. Between 68-87 percent of individuals above 15 years of age that have Pacific ancestry have completed secondary school and/or hold a Certificate III & IV or diploma (Figure 6). This is the situation for 8 in 10 Tongan and for 9 in 10 Samoan diaspora members. Amongst all diaspora groups, i-Kiribati have the highest level of education completed, with 20 percent having a university degree – this is comparable to Australian levels of educational attainment.

As expected, education levels have a substantial impact on the employment of Pacific diaspora groups living in Australia. Higher education levels yield better job prospects, particularly for those with more than secondary education. Pacific diaspora groups have similar proportions of individuals in employment to that of the average Australian with comparable levels of education.[9] However, there is some variability amongst Pacific groups.

FIGURE 6. Australian and Pacific diaspora groups by level of highest educational attainment (2016)



Source: World Bank staff calculations based on the Census of Population and Housing, 2016, TableBuilder. Place of Usual Residence. Ancestry, multi-response. Copyright Commonwealth of Australia, 2018. ABS data licensed under Creative Commons.

Note: Calculations excluded persons under 15 years of age, those with no educational attainment, not stated and inadequately described. No reliance should be placed on information for Solomon Islanders, Ni-Vanuatu and i-Kiribati Graduate Diploma, Postgraduate degree and Certificate level I and II due to small cell frequency count.

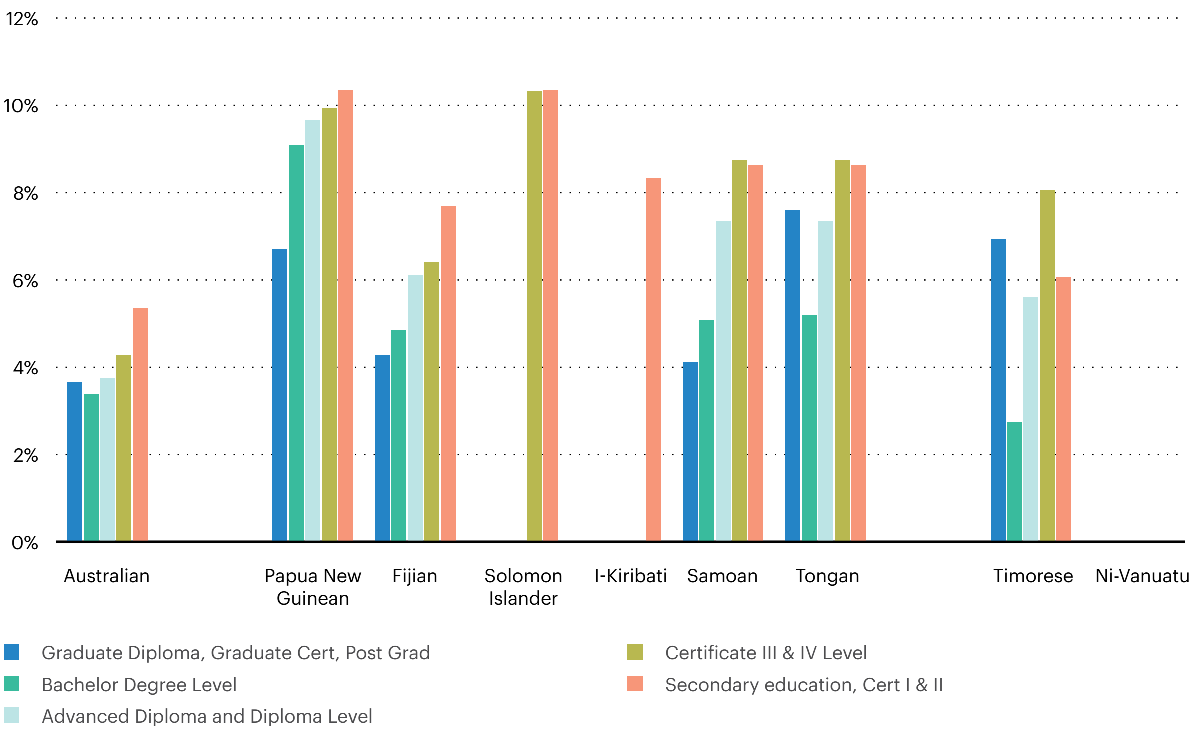
9. Census 2016 is the main source of information for analysis of small population groups. It allows for an analysis on labor market statistics at a more detailed level, as required by this study. The ABS Labor Force Survey does not provide detailed information for Pacific Diaspora groups. The statistics produced by these two collections are not comparable. For more information: https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2900.0main+features101432016 (Accessed 28 August 2020).

The Census data indicates that Papua New Guineans have a lower proportion of adults employed per educational levels compared to Australians; whilst other groups (such as Fijians, ni-Vanuatu, Tongans, Timorese and Samoans) have a comparatively higher proportion of those in employment per educational levels.

At the same time, Pacific diaspora groups have comparatively higher rates of unemployment than Australian cohorts, particularly for those with Certificate III & IV level and below (Figure 7). The proportion of 15 years and over of Pacific diaspora members by highest level of educational achievement that are looking for part-time or full-time work are particularly high for Papua New Guineans, Solomon Islanders, Tongans and Samoans.

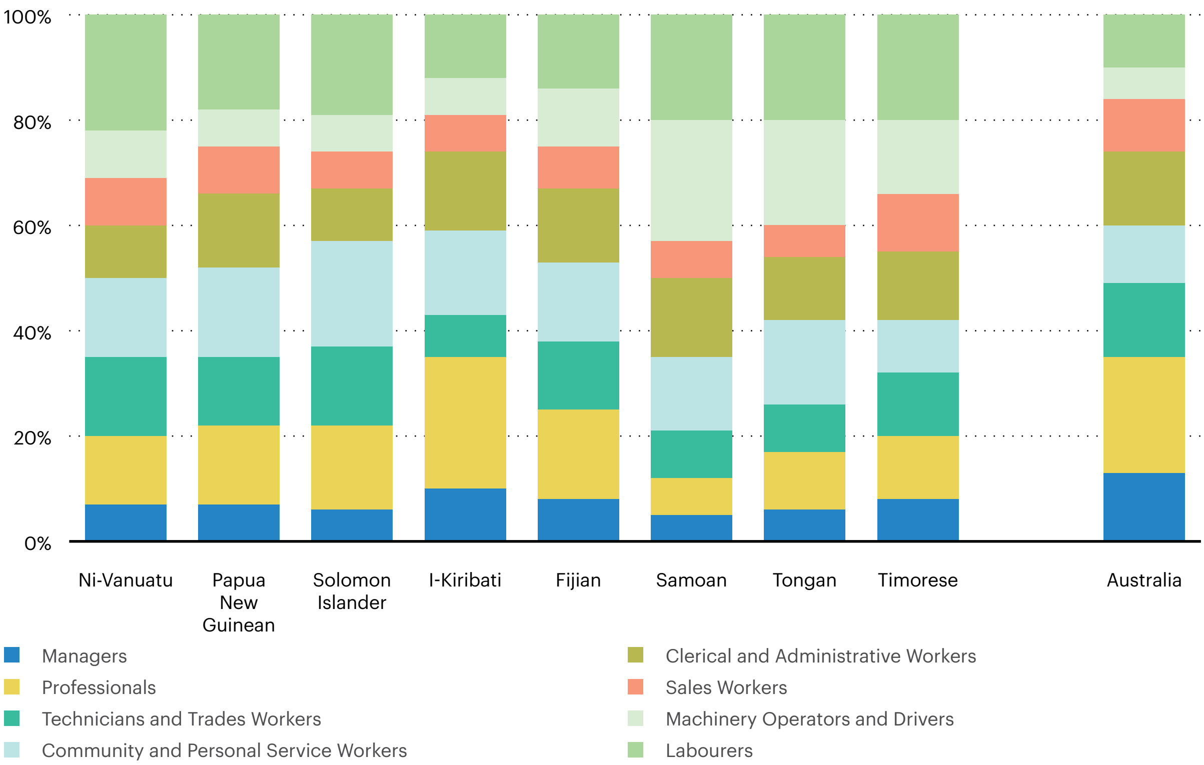
The Pacific diaspora work in occupations that are predominantly low- and medium-skilled. Laborers, machine operators and drivers constitute between 19-43 percent of the main occupations of Pacific diaspora groups, most predominantly Tongans and Samoans, as opposed to only 16 percent on average for Australia. When sales workers and clerical and administrative workers are included, these percentages increase up to 60 percent. The i-Kiribati diaspora, once again, are employed at occupation levels that are comparable to those of the general Australian population (Figure 8).

FIGURE 7. **Higher rates of unemployment by education levels for Pacific diaspora groups living in Australia compared to general population (2016)**



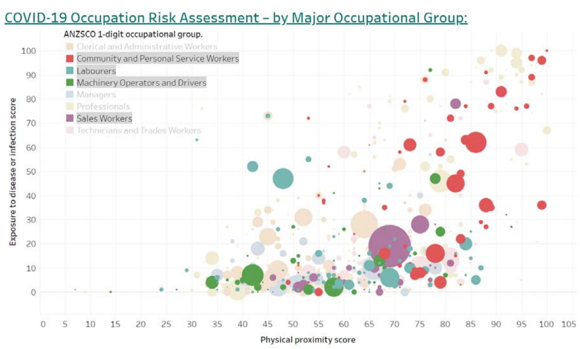
Source: World Bank staff calculations based on the Census of Population and Housing, 2016, TableBuilder. Place of Usual Residence. Ancestry, multi-response. Copyright Commonwealth of Australia, 2018. ABS data licensed under Creative Commons. Note: Unemployed includes those looking for full-time or part-time jobs; not in the labor force was excluded from this calculation. Data includes individuals 15 years and older. Low frequency cells were excluded from this calculation.

FIGURE 8. Australian and Pacific diaspora by main occupations (2016)



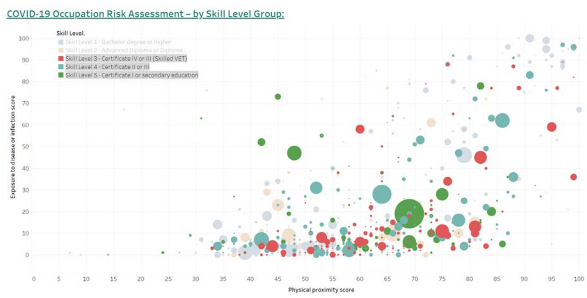
Source: World Bank staff calculations based on the Census of Population and Housing, 2016, TableBuilder. Place of Usual Residence. Ancestry, multi-response. Copyright Commonwealth of Australia, 2018. ABS data licensed under Creative Commons. Note: Occupations using ANZCO occupation list. Calculations excluded persons under 15 years of age, unemployed persons looking for either full-time or part-time work, persons not in the labor force, persons with Labor Force Status (LFSP), not stated and inadequately described.

FIGURE 9. COVID-19 physical proximity score by selected major occupational groups (2020)



Source: Australian Government (2020) Labour Market Information Portal (LMIP)

FIGURE 10. COVID-19 physical proximity score by selected skill level group (2020)



Source: Australian Government (2020) Labour Market Information Portal (LMIP)

The majority of Pacific diaspora groups work in occupations with a high physical proximity score or in occupations with skill levels that are not easily transitioned into digital or home-office settings. These low- to medium-skilled occupations require some degree of physical proximity (Figures 9 and 10). Some of these occupations also have high exposure to disease and infection, such as community and personal service workers.

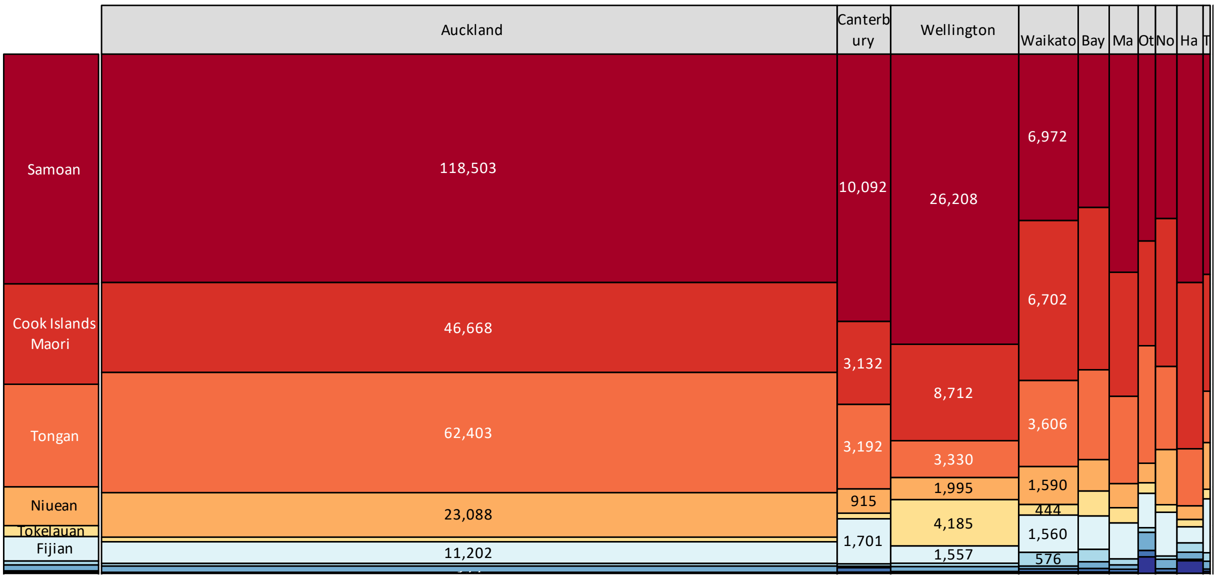
These occupations are at greater risk of being affected by the COVID-19 crisis; for example, job advertisements for sales workers and clerical and administrative workers have declined by 35 and 43 percent, respectively (Australian Government, 2020b). It follows that the Pacific diaspora is more vulnerable than the general Australian population to loss of employment and livelihoods, with concomitant implications for remittances.

3.2 PACIFIC ISLANDERS IN NEW ZEALAND

The Pacific ethnic group[10] is the fourth largest ethnic group in New Zealand and is projected to comprise 10 percent of New Zealand's population by 2026. Most migrants from the Pacific to New Zealand have originated from the Cook Islands, Niue, Tokelau, Samoa, Fiji and Tonga. Pacific peoples live primarily in the North Island, mostly in Auckland, although there are also large populations in Canterbury, Wellington and the Waikato regions (Figure 11).

10. The New Zealand Census uses variable ethnicity to identify groups of persons with a sense of belonging. It is a measure of culture affiliation as opposed to race, ancestry, nationality or citizenship. It is self-perceived and a person can belong to multiple ethnic background.

FIGURE 11. Pacific diaspora groups by selected locations in New Zealand (Census 2018)



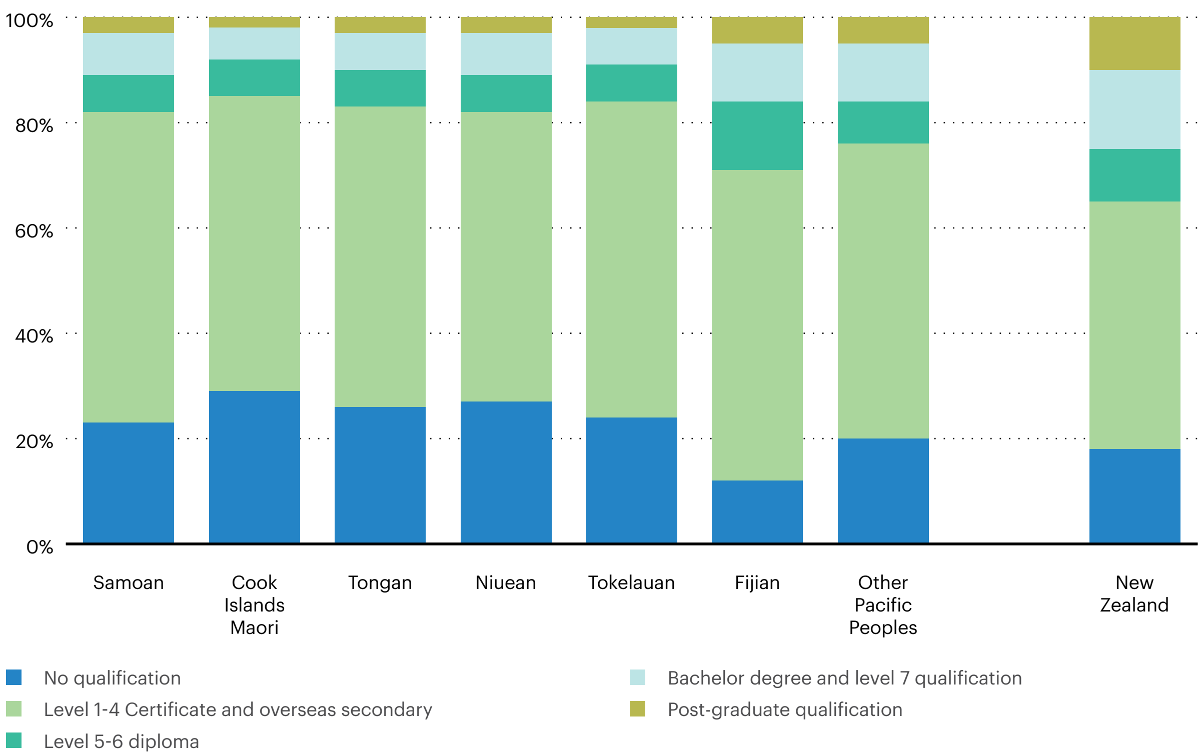
	Auckland	Canterbury	Wellington	Waikato	Bay of Plenty	Manawatu-Wanganui	Otago	Northland	Hawke's Bay	Taranaki
Samoan	118,503	10,092	26,208	6,972	3,354	4,458	2,286	2,487	4,215	1,092
Cook Islands Maori	46,668	3,132	8,712	6,702	3,552	2,535	1,281	2,238	3,069	579
Tongan	62,403	3,192	3,330	3,606	1,965	1,785	1,437	1,257	1,053	255
Niuean	23,088	915	1,995	1,590	687	492	240	834	252	231
Tokelauan	2,406	213	4,185	444	546	312	129	114	135	48
Fijian	11,202	1,701	1,557	1,560	729	735	420	663	297	267
I-Kiribati	1,410	90	309	576	273	123	57	48	171	42
Tuvaluan	3,231	57	447	120	147	87	222	144	132	39
Papua New Guinean	372	165	111	120	75	63	78	54	27	12
Ni-Vanuatu	150	45	48	63	30	21	201	15	231	9

Source: World Bank staff calculations based on 2018 Census Dataset. Extracted from NZ.Stat 29 June 2020. Area: Regional Council/SA2.
Note: No reliance should be placed on small cell frequency count (e.g., cells with less than 20 counts).

Between 71-85 percent of individuals above 15 years of age that self-identified as having Pacific ethnicity have up to a secondary school level of education. Amongst all diaspora groups, Fijians have the highest level of post-secondary education completed, with 29 percent having a Level 5 Diploma or above (Figure 12). The 2018 Census (Stats NZ 2020) reveals that younger Pacific ethnic groups are acquiring more formal qualifications than before. Pacific students gaining post-secondary school qualifications (Level 5 Diploma or higher) increased from 13 percent (2013 Census) to 18 percent in 2018.

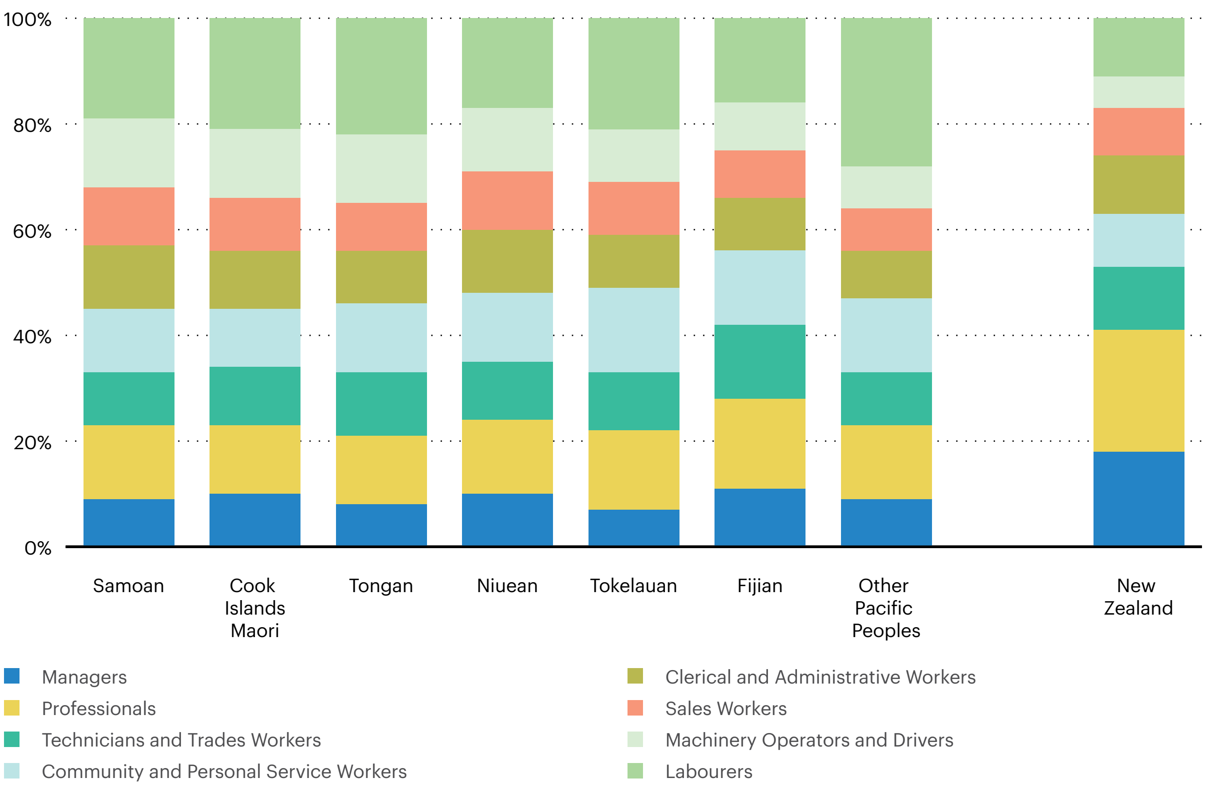
Despite educational improvements among the younger population, Pacific diaspora groups work in low- and medium-skilled occupations which require high levels of physical proximity. Laborers, machine operators/drivers and sales workers constitute between 33-45 percent of the main occupations of Pacific diaspora groups, most predominantly among Tongans, Cook Islanders and Samoans, as opposed to only 26 percent of the general population of New Zealand. Laborers represent one-fifth to one-quarter of Pacific diaspora workers (Figure 13).

FIGURE 12. New Zealand and Pacific diaspora groups by highest level of educational achievement (2018)



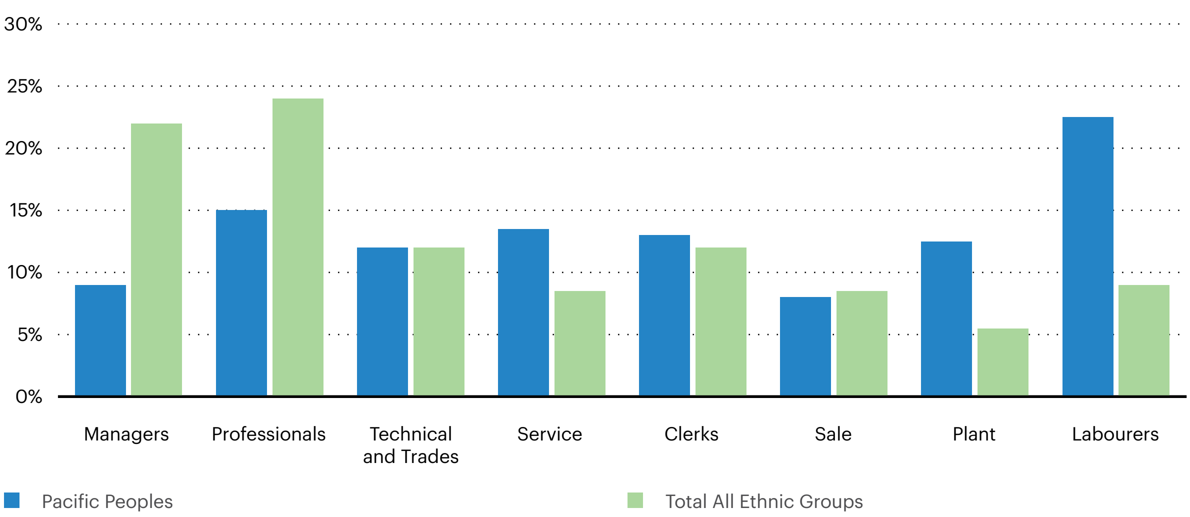
Source: World Bank staff calculations based on 2018 Census Dataset. Extracted from NZ.Stat 29 June 2020. Area: Regional Council/SA2. The National Certificate of Educational Achievement is the main secondary school qualification in New Zealand and it can be awarded at Certificate level 1,2, and 3. Resident population aged 15 years and above.

FIGURE 13. New Zealand and Pacific diaspora groups by main occupations (2018)



Source: World Bank staff calculations based on 2018 Census Dataset. Extracted from NZ.Stat 29 June 2020. Area: Regional Council/SA2. Resident population aged 15 years and above, full-time and part-time employed.

FIGURE 14. Pacific peoples' occupational representation (Dec 2019)



Source: MBIE (2019)

Similar to the case of Pacific Islanders residing in Australia, employment in low- and medium-skilled jobs makes Pacific Islanders in New Zealand more vulnerable to COVID-19 impacts than the general New Zealand population, affecting their employment prospects and their ability to send remittances. Income levels for these jobs are also lower than average, further increasing vulnerability. The average income of Pacific Islanders employed in New Zealand in 2018 was $NZ 40,300 per year, lower than that of non-Pacific Islanders ($NZ 53,500 per year). In addition, the Pacific Island diaspora in New Zealand is largely employed in occupations that were highly impacted by COVID-19 lockdown policies as they are less able to work from home.

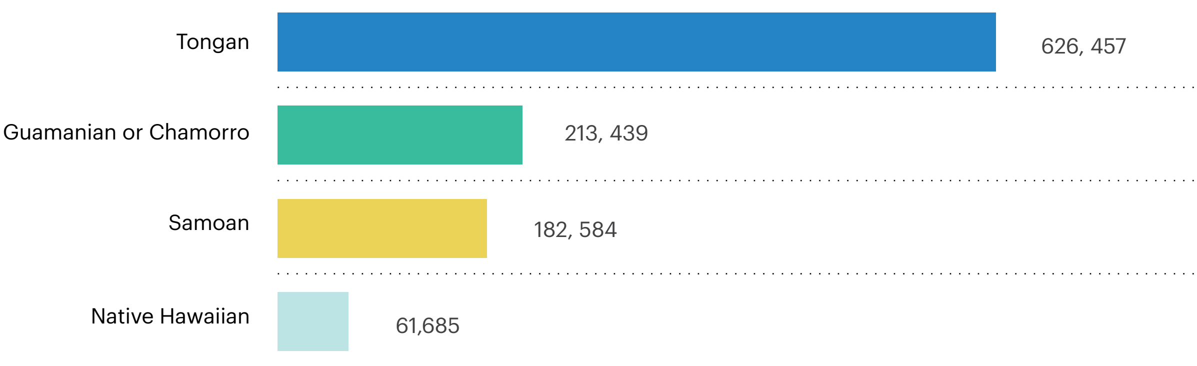
3.3 PACIFIC ISLANDERS IN THE UNITED STATES

There is comparatively less information available about Pacific Islanders in the United States, owing to the fact that the US Census groups them together with Native Hawaiians. This group is referred to as Native Hawaiian and Other Pacific Islanders (NHPI).

Samoans, Guamanians, Tongans, Fijians and Marshallese continue to represent the most populous diaspora groups in the US, according to the 2018 American Community Survey (Figure 15). Nearly three-fourths of the NHPI population live in the West of the US in areas that are high risk for COVID-19.

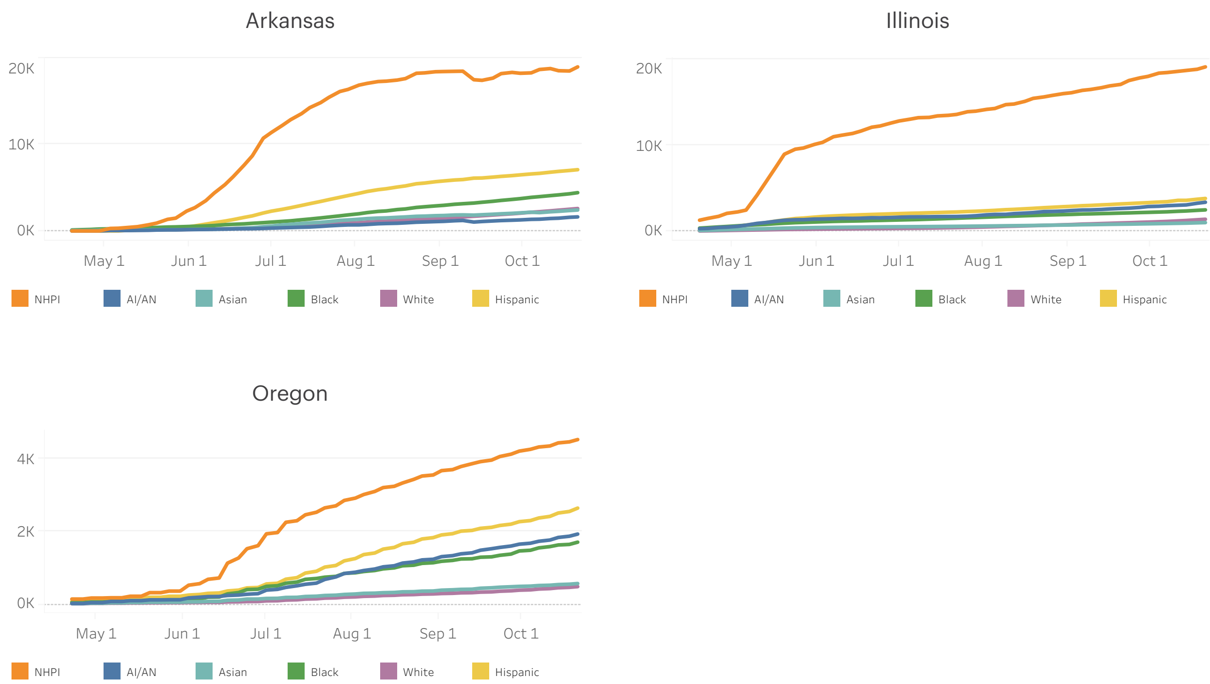
Native Hawaiian and Other Pacific Islanders have been disproportionately affected by COVID-19, according to UCLA's Centre for Health Policy Research COVID-19 Tracking Project (Figure 16). Existing chronic health conditions, such as heart disease and cancer, place this group at higher risk of death. One in five NHPI have been diagnosed with heart disease and they are 46 percent more likely than average to be diagnosed with cancer (PI-CoPCE, 2020). NHPI also have slightly higher poverty levels and lower health insurance coverage, according to the US Census. There were 20.1 percent of NHPI living in poverty (compared to 15.8 percent for the general population) and 17.9 percent of them living without health insurance in 2013 (compared to 13.4 percent) (U.S. Census Bureau, 2015; Bishaw & Fontenot, 2014; Smith & Medalia, 2014).

FIGURE 15. Native Hawaiian and Other Pacific Islander population (2018)



Source: 2018 American Community Survey, 1-Year Estimates, Table B02019: Native Hawaiian and Other Pacific Islander Alone or in Any Combination.z

FIGURE 16. **COVID-19 cases by race per 100,000 (2020)**



Source: Ponce et al. (2020)

Within the NHPI group, poverty statistics are particularly stark for migrants from the Micronesian island states. An American Community Survey in 2015 estimated that just 4 percent of Marshallese aged 25 years and over were college graduates and 75 percent were high school graduates. These figures are low compared to both the general population and other migrant groups. In terms of occupation, Marshallese living in Arkansas work primarily in manufacturing (1 in every 3), whereas Marshallese living in Hawaii work primarily in the recreation and accommodation sectors. Before COVID-19, approximately 41 percent of all Marshallese in the United States in 2015 lived in poverty; about two in every five Marshallese lived in Arkansas, but more than half of the Marshallese lived in Hawaii. These figures can be attributed to the lack of skills required for higher level employment (Levin, 2017).

This lack of skills required for higher level employment is likely to be similar for migrants from the Federated States of Micronesia (FSM). Among FSM migrants in Hawaii, 5 percent held a bachelor's degree, while on the mainland, 6 percent had a full college degree. FSM migrants take largely entry-level jobs as house cleaners, aides in nursing homes, security guards, delivery drivers, and cashiers at convenience stores and eateries. In addition, FSM migrants are disproportionately employed in large plants, especially food processing plants, canneries, and lumber mills (Hezel & Levin, 2012).

Many low-skilled jobs have been affected by the COVID-19 pandemic, impacting migrants' ability to find work and send remittances back home during the pandemic. An analysis by McKinsey on the impact of COVID-19 in the US labor market indicates that the pandemic has hit the leisure and hospitality sectors hardest.

Occupations that registered absolute decreases in job postings from March to April 2020 were restaurant services (-30 percent), restaurant cooks (-30 percent), personal care aides (-25 percent), light truck delivery drivers (-21 percent) and retail salespersons (-12 percent) (Lund, Ellingrud, Hancock, & Manyika, 2020). Low-wage, part-time, and minority workers are the most likely to hold vulnerable jobs. Eighty-six percent of jobs that the pandemic has made vulnerable paid less than US$40,000 a year. Part-time workers were disproportionately represented in vulnerable jobs. Workers without bachelor's degrees were nearly twice as likely to hold vulnerable jobs during the COVID-19 crisis.

3.4 COVID-19 IMPACTS ON THE PACIFIC DIASPORA

The education and employment profiles of the Pacific diaspora suggest that Pacific Islanders living overseas will be disproportionately affected by COVID-19 job and income losses. Across all three main host countries – Australia, New Zealand and the United States – Pacific Islanders on average have lower educational attainment than the rest of the population and engage in low- and semi-skilled jobs, which are less suited for home-based work. These characteristics expose them to relatively higher risks of contracting the virus but also having adverse labor market outcomes, potentially leading to negative flow-on effects on remittances.

While evidence on COVID-19 impacts specific to Pacific Islanders in these countries remains limited at the point of writing, available data reveals an outlook that is both challenging and varied. Preliminary findings from qualitative work to capture the impacts of COVID-19 on Pacific diaspora groups in Australia and New Zealand suggest that impacts vary by location.[11] In South Australia, for instance, there is a higher concentration of Pacific Islander employment in professional roles than in other Australian states, potentially reducing the likely impacts of COVID-19 on Pacific Islanders in the state.

Interviews with diaspora representatives reveal that many Pacific Island communities have been under a lot of stress during the pandemic. Culturally, many are reluctant to ask for help, and Pacific community members and organisations have played an important role in making sure food relief and other non-monetary support reaches those in need. Nonetheless, there is some concern that increased financial (and emotional) stress resulting from the pandemic and being cooped up together in small spaces might be associated with a rise in gender-based violence within Pacific households.

Many Pacific Islanders are employed on casual contracts, and some are reported to have experienced reduced hours. Self-isolation and quarantine arrangements have also contributed to hardship. For example, Fijians employed on a casual basis who have been required to self-isolate for fourteen days after returning from Fiji forfeited pay for that period.

11. Interviews with eight representatives of Pacific diaspora communities in Australia, after having contacted more than 50 groups in Australia and New Zealand. The sampling frame was designed to capture a variation of country of origin, location and organisation type (e.g., religious, cultural association or business), illustrating the diversity of experiences these communities are facing during the pandemic. Interviews range from 45 minutes to just over one hour and are still being conducted at the moment. The final report will reflect a more complete picture of the impacts of COVID-19 on the Pacific diaspora.

There is variability in access to and use of JobKeeper[12] payments among the diaspora in Australia. There are also reports of difficulties in applying and accessing social services, particularly among Pacific Islanders who are not confident with their English. This has been especially problematic for those attempting to communicate with Centrelink[13] over the phone, with some community members consequently not accessing social services.

In Australia, many Pacific Islanders have not had access to JobKeeper payments during the crisis. Many are ineligible because, having migrated to Australia via New Zealand, they are not Australian citizens. Others have been unable to access these payments as their employers have not applied for the scheme.

"I think it really highlighted that...we are not so much part of the Australian community as we thought we were in terms of being able to access some of the social services that were available."

MEMBER OF THE SAMOAN COMMUNITY

While average household sizes vary geographically, most community leaders agree that Polynesian households tend to be large, which magnifies economic hardship when income reduction or income loss occurs. Samoan and Tongan households can contain around 10-12 people. In Melbourne, the Fijian community also contains households of this size. In contrast, in South Australia, due to the lower cost of living, most households contain nuclear families comprising about five people. Job losses and reduced work will thus impact households differently, but the income loss of one earner may directly impact more than ten other people.

Remittances to the Pacific during the pandemic have varied across communities. Some diaspora community leaders were of the view that in some countries, like Papua New Guinea[14], people back home have been able to rely upon subsistence agriculture in the face of COVID-19. Remittance behaviors in their communities, therefore, have not changed substantially. In contrast, members of the Fijian community spoke about an increased need to send remittances due to the lack of tourism and associated job losses occurring in home communities. Community representatives reported that Fijians in Australia have made large sacrifices in order to meet increased remittance needs. One community leader observed that people were subsisting on instant noodles in order to support their families at home.

12. The JobKeeper payment was introduced on 30th March 2020 by the Australian government to support employment during the COVID-19 crisis. Under JobKeeper, eligible businesses were granted A$1,500 per employee every fortnight until the 28th September 2020, when slightly lower payments were introduced based on whether employees were full-time or part-time. The payment is currently scheduled to end on 21st March 2021.
13. Centrelink is the Australian government agency that delivers social security payments and related services to Australian residents.
14. Interviews took place in July and August 2020, before the COVID-19 outbreak in PNG.

Cultural factors have also played an important role in how remittances have been sent during the pandemic. For many members of the Samoan community, money and goods are remitted primarily when there are lifecycle events or celebrations. As funerals, weddings and other events have been cancelled in some communities during the pandemic, the Samoan diaspora have reduced their remittances accordingly. Community members have described this as ‘a relief’ and ‘a blessing’ as the cultural pressure to remit has virtually disappeared and they have been able to save money instead. While they hope that it will stay this way, the Samoan community believes that once the restrictions ease, there will probably be an increase in the number of weddings and other celebrations, which might represent a large drain on their finances over a condensed period.

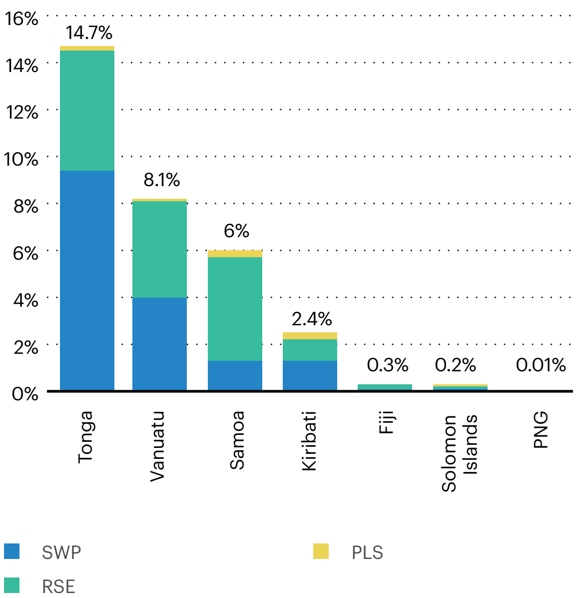
Most Pacific diaspora community members remit to the Pacific using online banking or Western Union. There has been no noticeable increase in remittance fees, and some have reported that Western Union reduced their fees for a period. Most community leaders believe that social distancing has not impacted how remittances are sent or received; however, one member of the Fijian community noted that reduced opening hours at Western Union branches in Fiji and Samoa have made it harder for some family members to receive money.

4.

SEASONAL WORKERS

Approximately 25,000 seasonal workers from the Pacific are employed in Australia and New Zealand each year. The majority come from Tonga, Vanuatu and Samoa, and participate in either Australia's Seasonal Worker Programme (SWP) or New Zealand's Recognised Seasonal Employer (RSE) scheme. Tonga, Vanuatu and Samoa also have the largest number of workers as a proportion of their labor force. In Tonga's case, almost 15 percent of the workforce participated in the SWP or RSE last year (Figure 17). The numbers of Pacific seasonal workers in Australia or New Zealand at any given time vary, influenced by the harvest seasons for different products. As of May 2020, there were approximately 7,000 Pacific seasonal workers in Australia under the SWP and 9,300 in New Zealand under the RSE scheme.

FIGURE 17. Seasonal workers/labor force ratio (2018/19)



Source: World Bank staff calculation based on data from the Australian Department of Education, Skills and Employment, Pacific Labour Facility, Immigration New Zealand, and World Development Indicators database.

The COVID-19 crisis has imposed serious challenges on seasonal workers from Pacific Island countries. Border closures by both destination and origin countries, aimed at slowing the pandemic, have left thousands of seasonal workers stranded in Australia and New Zealand. Although early concerns related to the legality of their stay have been addressed by visa extensions and re-deployment options, lack of work remains an issue in some areas given the seasonal nature of employment. Data from the World Bank phone survey on how COVID-19 has affected these workers suggests substantial and varying impacts on employment, earnings, and remittances. Domestic border closures and the dependence of workers on their employers to apply for visa extensions and redeployment (in Australia) and transportation to new workplaces (in both Australia and New Zealand) present additional challenges to the continuation of their employment and expose them to risks of exploitation and distress. The workers' distinct living and working conditions (often in crowded spaces), together with their low levels of income, make them particularly vulnerable to infection[15] and consequent economic hardship.

15. While there has been no reported case of COVID-19 infection among Pacific migrant workers in Australia and New Zealand in 2020, a cluster of infection has been recorded among meat workers in Melbourne. In the US, by early May about 5,000 meat workers, roughly 4 percent of the industry's workforce, had tested positive. Outbreaks among migrant workers have also been recorded among meat workers across Europe and among migrant construction workers in Singapore, highlighting the health risk that seasonal workers face during this pandemic.

4.1. EMPLOYMENT, EARNINGS AND SAVINGS

Demand for seasonal workers during the pandemic, typically in the agriculture sector, has remained strong. About half of SWP and RSE employers interviewed in the World Bank phone survey reported having experienced labor shortages for at least one month since March 2020, with the cancellation of incoming Pacific workers and decreases in the number of backpackers, international students and local farm labor being the main reasons. This confirms earlier news of farm labor shortages in both Australia and New Zealand shortly after lockdowns[16] as border closures and health concerns curbed the flow of both Pacific seasonal workers, holiday markers and international students, who farmers traditionally rely on for fruit picking, precisely at the peak of the winter harvest season – May in Australia and June-August in New Zealand. Vanuatu, the largest sending country, had banned new participation in the SWP and RSE schemes since mid-March (though several hundred have recently travelled to the Northern Territory, which is free of COVID-19, as part of a pilot). There was also a net outflow of almost 40,000 backpackers in Australia under the Working Holiday Maker visa in April and May, a group that is estimated to comprise approximately 60 percent of the horticultural workforce (ABS 2020, Curtain et al. 2018).

Despite an aggregate labor shortage, the pandemic has led to broad-based decreases in employment and earnings of seasonal workers, though the impacts are far from uniform.[17] Preliminary data from the World Bank phone survey reveals that two-thirds of Pacific seasonal workers under the SWP and RSE[18] schemes have experienced fewer work hours and lower weekly earnings as compared to the period of January and February (Figure 18 and 19).

Of those surveyed, 35.7 percent had experienced at least one week without any work since the lockdowns in March and 8.3 percent anticipate that their total earnings from this work season will fall short of the pre-departure costs that they incurred to participate in their labor mobility scheme. In contrast, a minor but non-trivial proportion of this group worked more hours (13.2 percent) and earned a higher income (18.2 percent) than they did pre-lockdown.

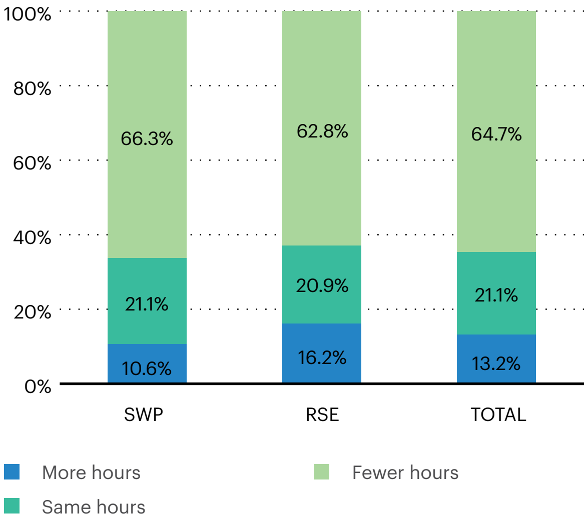
The crisis appears to have highly similar impacts on employment and earnings across SWP and RSE schemes. A notable difference is that the proportion of RSE workers having more work is moderately higher than in the case of the SWP (16 percent as compared to 11 percent). RSE workers also seem more positive about their earning prospects, with only 6 percent expecting their total earnings from this work season to be insufficient to cover their pre-departure costs (nearly 2 percent being unsure) compared to a similar response among SWP workers of 11 percent (and 5 percent for unsure). These differences could be attributable, at least partly, to a more severe labor shortage in New Zealand. The survey found that 57 percent of Recognised Seasonal Employers were unable to find enough manpower to meet their needs for at least one month after lockdowns were imposed, as compared to 44 percent of SWP employers. Differences in re-deployment efficiency might also have played a role, although this is uncertain.

16. https://www.rnz.co.nz/news/country/411844/coronavirus-further-strain-on-fruit-picking-labour-shortages

17. Data as of 20 August 2020 and based on surveys of 507 workers (273 from the SWP, and 234 from the RSE).

18. Data on PLS workers is being collected by the Pacific Labor Facility and not yet available.

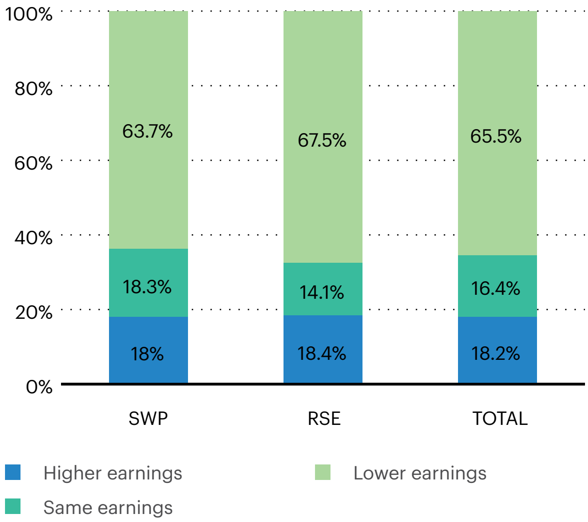
FIGURE 18. Change in working hours after lockdown



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances.

Details may not add up to exactly 100% due to rounding.

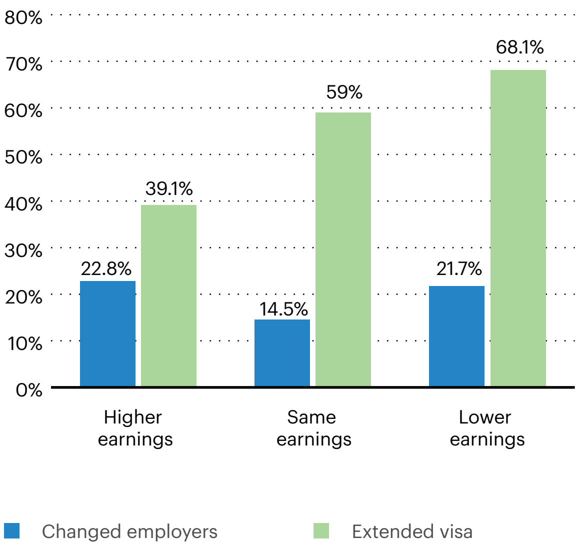
FIGURE 19. Change in weekly earnings after lockdown



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances.

Details may not add up to exactly 100% due to rounding.

FIGURE 20. Proportion of workers who extended their visas and switched employers



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

Not only has COVID-19 had widespread impacts on Pacific seasonal workers, but the magnitude of these impacts is also significant. Workers who experienced fewer work hours lost about 18 hours per week, on average, whereas those who had a heavier workload gained 12.8 hours per week. Among those reporting a decrease in income, the average reduction in weekly earnings amounted to 50 percent (or $A 400) among SWP workers and 48 percent (or $NZ 364) among RSE workers (Table 2). Among those who reported an income gain, the average increase was 69 percent ($A 209) for SWP workers and 66 percent ($NZ 315) for RSE workers.

TABLE 2. Changes in work hours and earnings after lockdowns

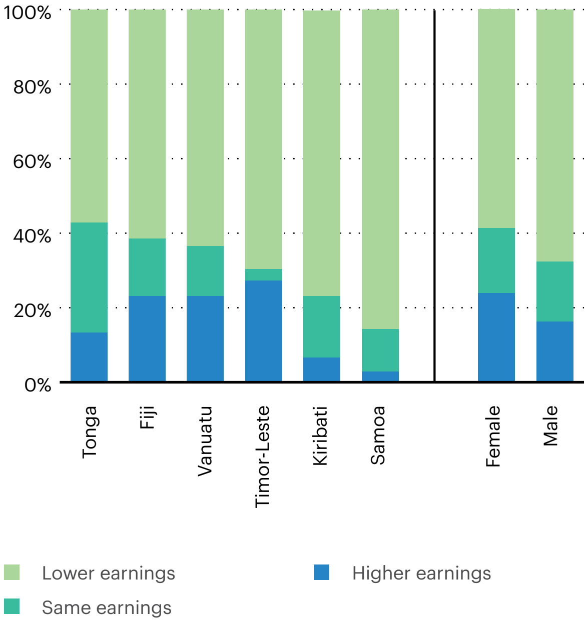
Average change in weekly work hours	SWP	RSE
Workers experienced more work hours	8.3	16.2
Workers experienced fewer work hours	-17.8	-18.2

Average change in weekly earnings			
Workers experienced higher earnings	Absolute change	$A 209	$NZ 315
	Relative change (%)	68.7	66.2
Workers experienced lower earnings	Absolute change	- $A 400	- $NZ 364
	Relative change (%)	-49.7	-47.7

Several factors are associated with whether workers benefited from the lockdown-induced labor shortage. Across the schemes, workers reporting higher earnings originally worked considerably fewer hours and made less money pre-lockdown than those reporting lower or unchanged earnings. In addition, while there is no considerable difference in the likelihood of changing employers between these two groups of stranded workers, those who witnessed increased income were significantly less likely to have their visa extended (Figure 20). Since contracts of Pacific workers are typically aligned with the seasonal demand for farm labor of their employers, it is possible that the lockdown-induced labor shortage was largely local-based and only benefited those working below their full capacity pre-lockdown. Workers approaching the end of their contracts around lockdown were highly likely to be employed on farms which had passed their peak seasons and hence no longer had as much work to offer. Workers in certain regions were more likely to see their earnings increase – in particular, Queensland and South Australia in Australia, and Bay of Plenty and Marlborough in New Zealand. The survey sample, however, is insufficient to ascertain whether the extent of labor shortages varied across regions.

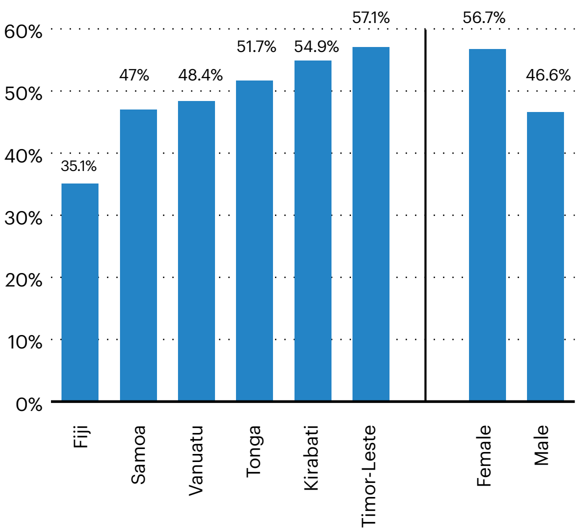
Female workers have been more severely hit by the crisis. Although male workers are more likely to see their earnings drop than their female counterparts, when they do, the extent of reduction in their income is less severe (although still substantial) at 47 percent as compared to 57 percent. Consistent with previous surveys undertaken by the World Bank, female workers also earn significantly less than male workers, despite working roughly the same number of hours. This appeared to be the case both pre- and post-lockdown, and as noted in previous studies, may be the result of the type of work that females undertake on farms (with women more likely to be engaged on an hourly rate in packing, while men more likely to be engaged on piece rates for picking fruit) (World Bank 2018).

FIGURE 21. **Changes in weekly earnings by nationality and gender**



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

FIGURE 22. **Percentage reduction in weekly earnings among workers reporting lower earnings**



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

The income effects of COVID-19 vary considerably across nationalities. Samoan and i-Kiribati workers have been hit hardest, with approximately 86 percent and 77 percent respectively seeing their earnings decrease. Tongan and Fijian workers were least impacted, with 57 percent and 62 percent respectively reporting a reduction in their earnings (Figure 21). The magnitude of the impacts also varies from country to country. I-Kiribati workers remain among those worst affected, together with Timorese workers – while Fijian workers, on average, experienced the smallest earnings decrease (Figure 22).

The reduction in earnings is strongly associated with substantial decreases in savings and consumption. I-Kiribati, Samoan and Timorese workers, who were more likely to witness their earnings decrease, are also more likely to save less and cut down on their own living expenses, such as food, accommodation, phone, clothing and entertainment (Figures 23 and 24).

FIGURE 23. Changes in savings after lockdown

Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

FIGURE 24. Changes in expenditure after lockdown

Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

4.2. REMITTANCES

Remittances from seasonal workers, unsurprisingly, have significantly decreased. About half of the surveyed workers reported that their remittances were lower than the pre-lockdown months of January and February, while only about 17 percent reported remitting more each time as compared to the pre-lockdown period (Figure 25). Among those reporting a reduction in remittances, the average amount sent each time dropped by 53 percent for SWP workers and 48 percent for RSE workers (Table 3). Across workers of different nationalities, the reduction is between 41 percent (Fiji) and 61 percent (Timor-Leste). In addition, among those who reported a higher remittance amount per transaction, part of the increase could be attributed to the fact that they remitted less. The high percentage increase in their remittance amount is also partly mechanical – during the pre-lockdown period, these workers used to send much less than those who reported lower remittances, hence the percentage change in their remittances is larger. In aggregate terms, the average amount remitted each time by SWP and RSE workers has dropped by $A 80 and $NZ 58, respectively.

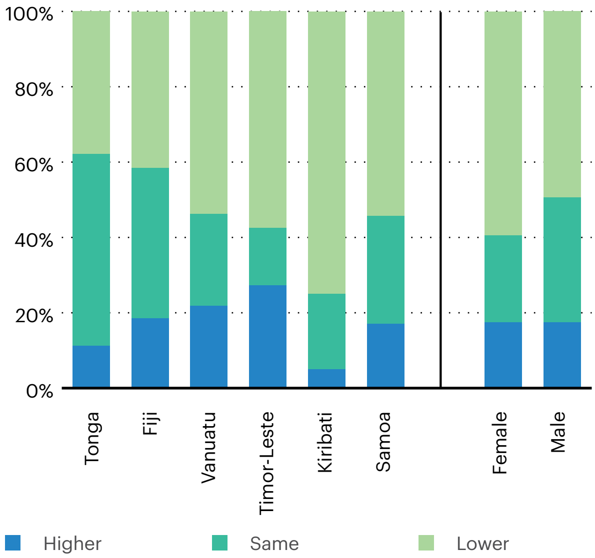
The decrease in remittances, although substantial, is less drastic than that in earnings. Whilst about two-thirds of interviewed workers saw their earnings fall, only half reported remitting less. Workers who earned more tended to remit more and vice versa, but the correlation between the changes in earnings and the changes in remittances was only moderate – approximately 61.1 percent of those earning less remitted less, and only 30.4 percent of those earning more remitted more. When disaggregated by change in earnings, the average changes in remittances were also markedly smaller than those in earnings in both absolute and relative terms, regardless of whether earnings increased or decreased. This suggests that many workers adjusted their spending and saving behaviors to cope with the income impacts of the crisis and maintain the level of money sent home.

FIGURE 25. Changes in remittances after lockdown by scheme

Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances.

Details may not add up to exactly 100% due to rounding.

FIGURE 26. Changes in remittances after lockdown by nationality and gender



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances.

Details may not add up to exactly 100% due to rounding.

TABLE 3. Average changes in remittances sent per transaction

		SWP	RSE
Workers remitted more	Absolute change	$A 556.9	$NZ 434.8
	Relative change (%)	183.1	161.8
Workers remitted less	Absolute change	- $A 484.6	- $NZ 306.1
	Relative change (%)	-53.1	-47.6
Fiji	Absolute change	- $A 337.5	- $NZ 264.3
	Relative change (%)	-45.1	-35.0
Kiribati	Absolute change	- $A 196.7	- $NZ 196.0
	Relative change (%)	-54.8	-41.4
Samoa	Absolute change	- $A 83.3 *	- $NZ 143.8 *
	Relative change (%)	-26.2	-45.0
Timor-Leste	Absolute change	- $A 828.6	N/A
	Relative change (%)	-60.5	N/A
Tonga	Absolute change	- $A 593.5	- $NZ 302.2
	Relative change (%)	-48.0	-52.7
Vanuatu	Absolute change	- $A 590.2	- $NZ 427.4
	Relative change (%)	-57.1	-50.9
All workers	Absolute change	- $A 80.4	- $NZ 57.5
	Relative change (%)	16.2^	7.8^

Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances.

* Based on fewer than 30 observations due to preliminary status of survey data.

^ The average relative change is positive mostly because of some outliers, whose remittances were very small pre-lockdown but increased substantially post-lockdown, resulting in drastic increases in percentage terms.

Remittances have also become less frequent. Comparing remitting behaviors before and after lockdowns, the share of workers remitting on a weekly or bi-weekly basis has fallen, compensated by an increase in the share of workers remitting once a month or less frequently. There is no remarkable difference between RSE and SWP workers in terms of changes in remitting frequency. Notably, 11.4 percent of workers, who were interviewed between late June and early August, had not sent any money back since March. This signals a critical and sustained fall in income for their remittance-receiving families.

Amidst lockdowns and social distancing measures to curb the spread of COVID-19, Pacific seasonal workers have shifted away from over-the-counter (OTC) remitting services and toward online transfers (Figures 28 and 29).

The transition, however, is quite modest and slightly more visible in New Zealand, where the usage of OTC services fell by 8.5 percentage points as compared to 7 percentage points in Australia. This modest increase in online transfers is seemingly at odds with the sharp increase observed at the aggregate level by central banks. The Reserve Bank of Fiji, for instance, recorded in April 2020 a month-to-month increase of 68 percent in inward remittances credited to mobile wallets. Similarly, during the same period the Central Bank of Samoa observed a month-to-month increase of 157 percent in mobile money wallets, despite a decrease of 23 percent in total remittance inflows. This could indicate that seasonal workers, unlike other Pacific migrants, have limited access to and/or knowledge of digital remittance services.

FIGURE 27. Changes in remitting frequency

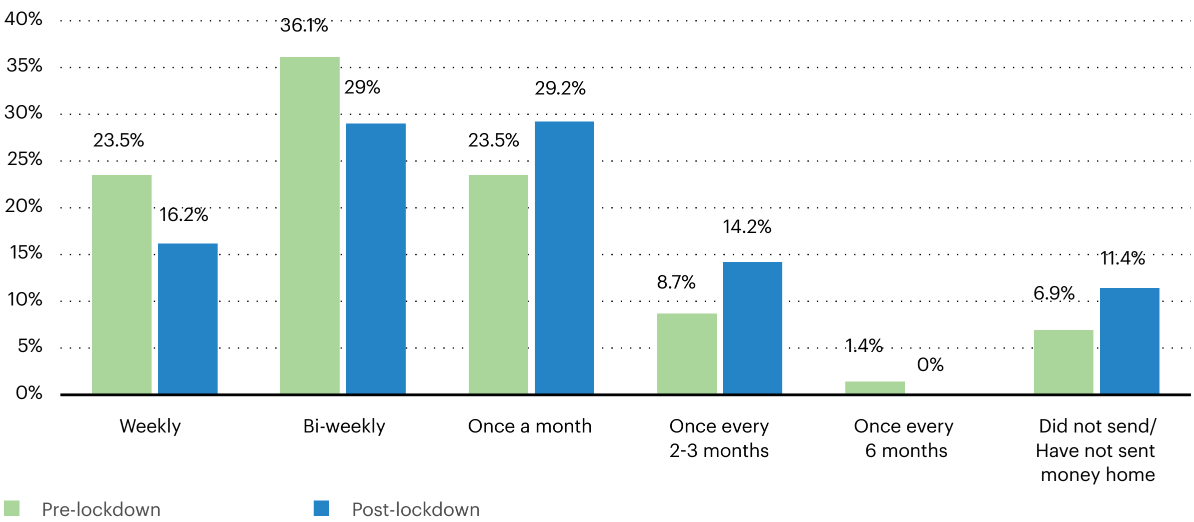
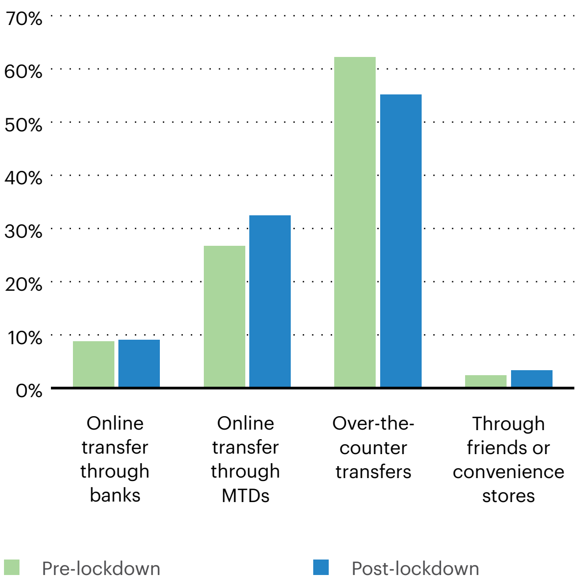
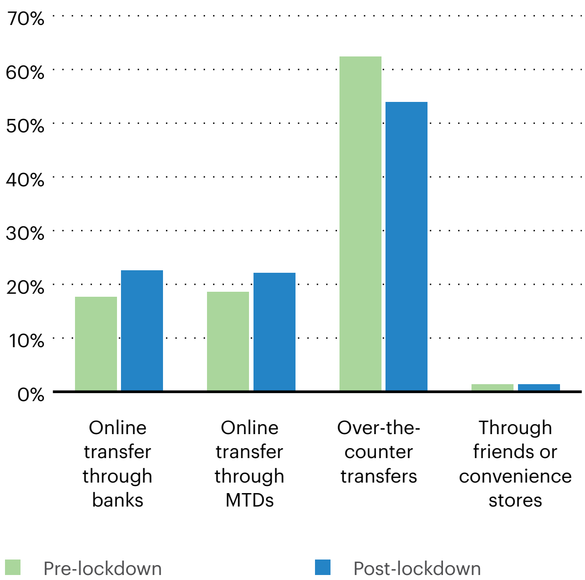


FIGURE 28. Changes in remitting channels among SWP workers



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

FIGURE 29. Changes in remitting channels among RSE workers



Source: World Bank survey on COVID-19 impacts on Pacific labor mobility and remittances

Remittances from seasonal workers can be expected to continue to decline in the medium-term if travel restrictions on incoming workers remain in place. Workers who have completed their employment assignments are gradually returning home, with special repatriation flights arranged for seasonal workers from both Australia and New Zealand in recent months. This has potential to impact output in the horticultural industry in the future unless labor force issues are addressed. There are promising developments in this area. Recent moves to bring ni-Vanuatu workers to work in the Northern Territory mango industry in Australia could lead to the re-commencement of labor mobility programs, particularly from Pacific Island countries that have not recorded COVID-19 cases. Longer-term prospects are therefore promising, notwithstanding current restrictions.

4.3. SUPERANNUATION, EXPECTATION AND SATISFACTION WITH LABOR MOBILITY

Despite the overall negative impacts of the COVID-19 crisis, Pacific seasonal workers remain fairly satisfied with their experience in Australia and New Zealand and the vast majority wish to return next year. When asked to rate their satisfaction with working in Australia/New Zealand on a scale of 1 to 10 (1 being 'Not at all satisfied at all' and 10 being 'Extremely satisfied'), the average rating was 7.8 among SWP workers and 7.9 among their RSE counterparts (Table 4). The variation between the two schemes is minor; the only exception is that Tongan workers in the SWP scheme gave a markedly higher rating than Tongan RSE workers (9.2 compared to 7.1). Across nationalities, Timorese workers gave the lowest average rating at 6.8, which is likely related to the fact that they have experienced the largest reduction in earnings, in percentage terms, during this crisis.

Compared with data collected by the World Bank on SWP workers in 2015 (World Bank 2018), SWP workers appear less satisfied this time with the exception being ni-Vanuatu workers, although the large time gap and different survey samples make it difficult to pinpoint what has driven such changes.

Share workers wanting to return next year might be partly driven by the detrimental impacts of COVID-19 on their families and domestic labor markets, which could strengthen their incentive to continue working in the schemes. This also highlights the demand for and the role of labor mobility in supporting employment and livelihood among Pacific workers.

For seasonal workers that remain in Australia or New Zealand, an ongoing risk relates to the fact they are not covered by the formal social protection systems in their host countries. The pandemic-specific support provided by host governments to seasonal workers has been modest.

TABLE 4. Satisfaction rating (out of 10) of working experience in Australia and New Zealand

Nationality	SWP	RSE	SWP 2015^
Fiji	8.2	8.3	N/A
Kiribati	8.4	8.6	N/A
Samoa	9.3*	7.9*	8.5
Timor-Leste	6.8	N/A	7.9
Tonga	9.2	7.1	9.9
Vanuatu	7.0	7.9	6.3
Overall	**7.8**	**7.9**	**N/A**

* Based on fewer than 30 observations due to preliminary status of the survey data

^ World Bank (2018)

RSE workers are eligible for the COVID-19 sick leave scheme, as well as some government funding under the COVID-19 Economic Response Package, whereas SWP workers can withdraw up to $A 10,000 of their superannuation if they are having difficulty meeting living costs. Data from the World Bank phone survey of SWP workers, however, revealed that nearly 42 percent of workers are unaware of this entitlement. Seasonal employment also provides no guaranteed paid leave for workers who are forced to self-isolate.

Cut off from their traditional social safety net at home, workers in this situation are left exposed to both financial and health risks without unemployment benefits or income support[19]. Community leaders interviewed by the World Bank report that in recent months community organisations have been providing food relief for workers in some cases where work has been in low supply.

The accommodation arrangements, work environments and remote locations of seasonal workers have also put them at risk in present circumstances. Seasonal workers tend to live in crowded, shared rental accommodation, and employment typically involves working in close proximity with one another for long hours. Home-based work is rarely an option and many workers are based in remote rural areas without good transportation. Together with the hour or piece-rate nature of a lot of seasonal employment, this makes it unlikely that workers will seek testing for COVID-19 and medical treatment if they fall sick. Indeed, earlier research on both SWP and RSE workers has found that they tend to avoid visiting doctors and taking sick leave because they do not want to forfeit their daily earnings[20]. While both Australia and New Zealand have managed to avoid significant outbreaks to date and workers have gradually been repatriated, the global pandemic is unlikely to recede in the medium-term. Health and income protection for seasonal workers who stay in hosting countries should therefore remain a priority going forward, as labor mobility pathways are opened up with relaxation of travel restrictions.

19. PIC workers are not the only groups on temporary visa holders in Australia that are not covered by the formal social protection system. The other groups include: international students; temporary graduate visa holders; temporary skilled workers and their families; working holiday makers and New Zealanders who are long-term residents of Australia but don’t qualify for most government payments and services apart from Medicare.(https://insidestory.org.au/of-visas-and-viruses/)

20. https://ourarchive.otago.ac.nz/handle/10523/5063

5.

DISCUSSION

The impact of COVID-19 on employment opportunities for Pacific migrant workers and the Pacific diaspora, and the resulting impacts on remittance income, are cause for concern. Some Pacific Island countries are highly reliant on remittances, which form an important informal safety net for a large proportion of the population. Similarly, labor mobility programs are a significant source of employment opportunities for low- and semi-skilled workers, with 6 to 15 percent of the labor force in some countries engaged in such schemes. This section discusses the likely impacts of the crisis on remittances, drawing on both available data and projections. The section that follows discusses the outlook for labor mobility in the medium- and long-term.

5.1. REMITTANCES TO THE PACIFIC IN TIMES OF COVID-19

Remittances and remitting behaviors are influenced by a range of factors, including economic conditions in both source and receiving countries, the employment and income profile of migrant workers, living costs, cultural norms, the costs and accessibility of remittance sending services, and exchange rates. The dynamic interactions among these factors shape the flow and magnitude of remittances over time.

Projecting remittances during COVID-19 is particularly challenging, partly due to the likely combination of cyclical and counter-cyclical effects. When crises affect the Pacific but not remittance-source countries, remittances often behave in a counter-cyclical manner, with the diaspora remitting more money in times of hardship back home (remittance responses to tropical cyclones, for instance). The opposite is true when crises affect remittance-sending countries. During the 2008 Global Financial Crisis (GFC), for example, global remittances dropped as remittance-source countries entered recession. In the Pacific, remittances to Tonga and Fiji dropped by 20.8 percent[21] and 19.9 percent[22], respectively, between 2007-2008, a decline considerably larger than that experienced globally. (The decrease in Fiji, however, was partly a continuation of a declining trend since 2006). As the COVID-19 pandemic has been causing economic damages in both source and receiving countries, remittances to the Pacific region are unlikely to follow a monotonous trajectory.

Data collected by monetary authorities in Pacific countries and by the World Bank phone survey of Pacific seasonal workers confirms a decline in remittance inflows during the early months of the crisis, followed by signs of recovery. More than half of surveyed SWP and RSE workers reported lowering their remittances as compared to the period of January-February 2020. At an aggregate level, Fiji, Samoa and Tonga all experienced sharp drops in remittances during February-April (Figures 30 and 31), with the decrease most severe in Fiji. These declines in remittances were expected as existing migrant workers either lost employment in host countries, had their work hours reduced, or returned home early at a time when new workers were not taking up employment overseas. Yet the three countries (Samoa and Tonga in particular) have all seen signs of recovery in their remittance inflows from May until September, with both year-to-date and monthly remittances having returned to positive YoY growth.

These recoveries may be explained by several factors. One is a shift from carrying cash back home, to sending through remittance service providers due to international travel restrictions. Total remittances therefore might still decrease despite observed recovery in the recorded remittance flows. The second factor is social protection measures in host countries, which might have mitigated income losses of migrant workers and hence sustained at least part of their capacity to remit.

21. Data from the World Bank Remittance database shows that the decline in remittance inflows to Tonga that started in 2008 continued until 2010, whereas data from the country's central bank shows the declining trend persisted until at least 2012 (Source: https://devpolicy.org/tonga-averting-a-bleak-economic-future-20121029/).

22. World Bank Remittance database.

Third, the economies of Australia and New Zealand, the two major sources of remittances to the Pacific, are gradually returning to normal and, therefore, the negative impacts on employment of migrants might be less severe than initially predicted.[23] The US economy has also been performing better than anticipated, with the unemployment rate, by October, steadily declining for six consecutive months and job gains occurring in leisure and hospitality, professional and business services, retail trade, and construction. Depreciations of Pacific currencies against the Australian dollar and other hard currencies is another factor contributing to higher value received by Pacific Island countries. Counter-cyclical remitting behaviors by migrant workers might have also played a role in sustaining the level of remittances. As discussed earlier, a considerable portion of seasonal workers have maintained or even increased their remittances despite earning less money, often at the expense of their own consumption.

In this dynamic context, the World Bank projects that remittances to Pacific countries will decrease by 4.3 percent overall in 2020 (Table 5). This is a milder contraction than expected in low- and middle-income countries in the East Asia and Pacific region (11 percent in 2020) and the global average (7 percent). Despite recent signs of recovery, the main host countries – Australia, New Zealand and the US – are still forecasted to experience economic contraction in 2020.[24] This translates into lower demand for migrant workers. In all three host countries, Pacific Islanders are predominantly employed in low- and semi-skilled jobs with high physical proximity and limited capacity to work remotely, making them particularly susceptible to the adverse effects of COVID-19 and associated public health responses, including lockdown and social distancing measures.

Remittance projections, however, are subject to the evolution of the COVID-19 pandemic and consequent changing macroeconomic conditions. One source of uncertainty is the risk of a COVID-19 resurgence and renewed lockdowns, as observed recently in Auckland (New Zealand) and Victoria and South Australia (Australia). Moreover, the pandemic in the US is showing no sign of plateauing. The macro dynamics, with respect to the disease's containment, economic downturn, potential recovery and international mobility as the pandemic evolves, make projections of future remittance flows difficult and mean that remittance forecasts should be treated with caution.

COVID-19 has also encouraged migrants to shift away from cash-based remittance services and toward digital transfers. In some cases, remittance service providers have been unable to open due to lockdowns and social distancing measures, meaning that cash-based remittance services have become limited, or unavailable, in both sending and receiving countries. In Fiji and Samoa, for instance, some operators suspended their businesses and announced that they would reopen once lockdown rules were eased. Travel restrictions have also meant that the physical transfer of cash across borders is not possible. This has increased the relative importance of electronic transfers. In all Pacific receiving countries, monetary authorities have noticed a peak in digital crediting in bank accounts and other digital wallets. In Fiji, the value of inward remittances credited to mobile wallets increased by 23 percent in March and 68 percent in April on a month-on-month basis, while by volume the increases were 30 percent and 59 percent, respectively.

23. Early estimates released at the peak of the crisis in April by the World Bank, central banks of several Pacific Islands countries and ANZ, for instance, were more pessimistic about the extent of the decrease in remittances (Table 5).

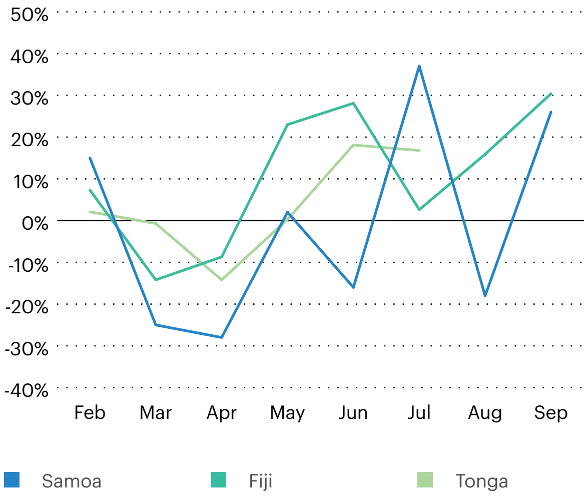
24. The US Federal Reserve forecasts a 3.7 percent contraction in 2020, as of September 2020. The Reserve Bank of Australia as of November projects a contraction of 4 percent whereas New Zealand expects a contraction of 2 percent.

Source: https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20200916.pdf;

https://www.rba.gov.au/publications/smp/2020/nov/forecasts.html;

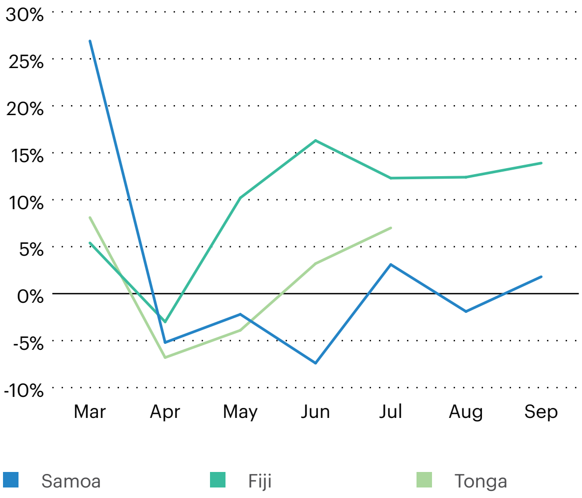
https://www.stats.govt.nz/indicators/gross-domestic-product-gdp

FIGURE 30. **Monthly remittance inflows to Fiji, Samoa and Tonga in 2020 (year-on-year change, percent, in local currencies)**



Source: Reserve Bank of Fiji and Central Bank of Samoa.

FIGURE 31. **Cumulative remittances to Fiji, Samoa and Tonga in 2020 (year to date) (year-on-year change, percent, in local currencies)**



Source: Reserve Bank of Fiji and Central Bank of Samoa.

Crediting remittances in money wallets from the UK, US, New Zealand and Australia increased by 39, 32, 14 and 11 percent in April, respectively.[25] Both Australian and New Zealand financial regulators also confirmed that collection via digital channels increased in April (World Bank, 2020c).

The relative increase in digital transfers, which are cheaper than cash-based transfers, has led to a slight reduction in the average cost of remittances. The average cost of sending US$200 in remittances to the East Asia and Pacific region dropped to 7.13 percent in the first quarter of 2020, compared with 7.21 percent in the first quarter of 2019. Poorer migrants and their households, however, might lack knowledge of and access to online services as they require the origination and distribution of funds through bank accounts, payment cards or mobile money (World Bank, 2020c). This is supported by survey data on seasonal workers in Australia and New Zealand, whose switch to digital transfers during the crisis has been marginal.

Employer promotion of digital channels for sending of remittances could be explored in the future for such workers, both as a means of reducing the risk of infection where COVID-19 cases are high, and in order to reduce costs for workers. This already occurs in other countries such as Qatar where all remittance transactions are now done online and employers have been mandated to train migrant workers to use online-based transfer services (Moroz *et al.*, 2020).

25. It is important to highlight that the remittances via mobile wallets only accounted for 3 percent of the total volume of remittances received in Fiji.

TABLE 5. Remittance projections and experience during the Global Financial Crisis (GFC)

	Reduction during GFC	Expected reduction due to COVID-19			
		World Bank (October 2020)	World Bank (April 2020)	Central banks	ANZ Pacific Insights
East Asia and Pacific region		11%	13%		
Pacific region		4.3%	16.9%	10-20"%	22%
Fiji	20% (between 2007-2008)	4.6%	17.5%	10-15%	18%
Samoa	5% (between FY2008-2009)	3.7%	17.0%	15-20%	
Tonga	21% (between 2008-2009) 30% (between 2008-2011)	4.0%	16.7%		33%
Kiribati		4.5%	16.0%		
Palau		29.3%	9.1%		
Marshall Islands		3.7%	1.4%		
Federal States of Micronesia		3.3%	9.4%		
Solomon Islands		5.2%	21.8%		
Tuvalu		N/A	19.5%		
Vanuatu		4.6%	20.2%		
Papua New Guinea		4.3%	20.0%		

Note: World Bank estimates are based on remittance inflows for 2019 and projected remittance inflows for 2020.

5.2. OUTLOOK FOR LABOR MOBILITY AND REMITTANCES

Looking forward, the impacts of COVID-19 on migrant workers, the diaspora and remittances to the Pacific will depend on the future trajectory of the pandemic and its ongoing economic impacts in countries with large Pacific Island diasporas. The length of the downturn will also be important. If the global economic downturn is prolonged and recovery is years away, this will mean that tourism receipts and remittances will remain below trend for some time. It is worth noting that this was the experience after the GFC for countries like Tonga, where remittances did not recover to their pre-GFC levels until well into 2011.

The reopening of borders will be crucial to the recovery of Pacific Island countries, yet it will likely be a slow and multi-phase process, with openings occurring between countries when there's confidence that the disease is under control and adequate outbreak measures are in place. The resurgence of COVID-19 in Australia and New Zealand in August 2020 shows how rapidly the situation can deteriorate. For the recently proposed Pacific bubble, trans-Tasman bubble, Tamtam bubble, and Bula bubble to be realized, it will be important that Pacific Island countries put in place adequate testing, quarantine, and other public health initiatives, with appropriate support from development partners (World Bank 2020d).

Opportunities for Pacific migrant workers are likely to be adversely affected even after borders reopen. High domestic unemployment, weak consumer demand, and political pressure to substitute foreign workers with domestic labor will reduce employment opportunities for all migrant workers, and Pacific workers in particular. Fewer jobs overseas will be detrimental to remittance-dependent households and Pacific Island economies where domestic jobs are limited, and remittance income is an important source of consumption and investment financing as well as foreign exchange.

Non-seasonal migrant workers and the broader Pacific diaspora are particularly vulnerable to weak labor markets in hosting countries. Not only will job opportunities for foreign workers in generally be limited, the Pacific diaspora is likely to be disproportionally affected by pandemic-induced job cuts given their educational and employment profiles. Migration programs that target Pacific Islanders, like the Samoa Quota and Pacific Access Category, will also be affected as the migration of successful lottery winners depends on finding employment in New Zealand.

Notwithstanding this, there is reason to be positive about the future of Pacific labor mobility. Pacific Island countries have the advantage of having largely escaped COVID-19 and hence are likely to benefit from preferential assess to Australian and New Zealand labor markets (provided they can established testing regimes to the satisfaction of overseas immigration and health authorities). Recent arrangements to bring seasonal workers from Fiji, Tonga, and Vanuatu to Australia are encouraging initial steps for larger-scale resumption of Pacific labor mobility schemes, when fewer workers from other parts of the world are available for hire. This is especially important in the case of Australia's SWP, given that demand for seasonal labor remains strong whilst backpackers, which account for about 60 percent of seasonal farm labor, are unlikely to be able to return for some time. The same advantage might be evident in other areas, such as semi-skilled work under the Pacific Labour Scheme, although higher domestic unemployment will likely dampen this prospect, especially in urban centers.

Travel under the various Pacific labor mobility schemes also seems more feasible than other types of travel, including tourism-related travel, when borders reopen. Mandatory quarantine for travelers is likely to remain in place in the absence of an effective vaccine or treatment.

The recent pilot, that has seen ni-Vanuatu workers travel to the Northern Territory to work in the mango industry, involved a 14-day quarantine, funded by the state government and the industry. With the Vanuatu government exploring the possibility of sending more workers to the Northern Territory, the success of this pilot could lay the foundation for larger-scale return of Pacific seasonal workers.

There is a strong case for waiving quarantine or enabling work to be undertaken as part of the isolation period. The remote nature of seasonal work reduces the risk of spreading infection. More importantly, the fact that most sending countries in the SWP and RSE are free of COVID-19 makes mandatory quarantine seem unnecessary. Flexible arrangements have been used in other contexts. In Germany, for example, workers are able to work on arrival provided they live and work separately from non-migrant groups for a period of 14 days (they also undergo pre-travel screening).

Arrangement of flights also seems more feasible for seasonal workers than for other groups of travelers. Although there are concerns about the availability of standard commercial flights for seasonal workers, charter flights could be used as an alternative, particularly for the SWP and RSE schemes where workers tend to travel in groups. Logistically, this would be relatively simple for countries that send large numbers of workers, such as Vanuatu and Tonga. Such flights have already been used, both for returning workers and for those participating in pilot schemes aimed at reopening seasonal work.

5.3. POLICY RECOMMENDATIONS [26]

At the time of writing, policy interventions by both labor-sending and host countries to buffer Pacific migrant workers and their households against the damaging impacts of COVID-19 have been limited. Most PICs governments were yet to roll out any support measures targeting migrant workers and their households (Tonga is one exception, providing financial support to families of SWP workers who were stranded in Australia). Assistance to seasonal workers under the SWP and RSE schemes has been confined to visa extensions, permission to change employers – and in the case of workers in New Zealand and Tasmania, cash support if required to isolate,[27] or if they fall sick or are unable to work due to lockdowns. Members of the diaspora who do not have permanent residency status are ineligible for most government support.

Looking globally, a range of policy interventions have been adopted by countries in order to support migrant workers. Interventions range from short-term emergency social assistance, employment support and provision of social services, to measures that aim to resume labor mobility and encourage remittances in the medium-term. Some of those measures are extended to migrants as part of broader supports to the host population while others cater specifically to them.

26. These policy recommendations are in line with those stipulated in Moroz et al. (2020) which discusses the World Bank's potential responses to the COVID-19 crisis in support of migrant workers.

27. The Pandemic Isolation Assistance Grant provided by the Tasmanian government only cover self-isolation and requires applicants to demonstrate genuine financial hardship as a result of the pandemic.

Social safety nets: Destination governments should wherever possible extend emergency social assistance (such as cash transfers, vouchers, or in-kind support) to migrant workers and diaspora populations that have lost employment or livelihoods as a result of COVID-19. A number of migrant destination countries have moved to extend social assistance to migrant populations in response to the pandemic. For instance, a one-time cash transfer during the COVID-19 crisis was provided to all registered populations who have resided in Japan for three months or more. A similar payment was made by the state of California to undocumented migrants who are ineligible for unemployment insurance benefits and disaster relief measures (Moroz et al. 2020). In Korea, a repatriation cost insurance scheme is in place under the Employment Permit System (EPS), allowing EPS workers to withdraw funds should they become unemployed and need to return home. Sending countries can also support migrant populations stranded overseas. Tonga, for instance, has provided a one-off payment to students, seasonal workers, and seafarers who are overseas. In the long-term, social safety nets should be incorporated into labor migration policies.

Employment retention: The economic literature shows that migrant workers, especially low-skilled workers, tend to complement domestic workers, creating new jobs for high-skilled native workers and promoting task specialization (Dadush 2014, World Bank 2015). It is therefore important that migrant workers are covered by employment retainment policies, such as wage subsidies, reductions or deferrals in social insurance contributions, and paid-sick leave for employees affected by COVID-19. Kuwait, for example, has mandated that employers pay salaries, food and shelter to all migrant workers while in quarantine (KNOMAD, 2020). New Zealand offers a similar version of this policy, where RSE employers are required to provide accommodation and pastoral care to RSE workers in self-isolation, and can apply for wage subsidies if workers are unable to work due to COVID-19. In Australia, the World Bank COVID-19 phone survey revealed demand amongst SWP employers for JobKeeper benefits to be extended to seasonal workers.

Employment promotion: With severe threats to job security resulting from COVID-19, some employment promotion measures need be introduced for low-skilled temporary and seasonal migrant workers, not only to improve their employment prospects and reduce the risks of illegal work engagements, but also to facilitate more efficient reallocation of labor from sluggish sectors (such as tourism) to booming ones during the crisis (such as agriculture). In Australia and New Zealand, permission to switch employers has been granted to workers under the SWP, PLS and RSE schemes. Additional support could include:

i. Facilitation of job matching, given the fact that low-skilled migrant workers tend to have limited job market information. (This has occurred in the case of PLS workers and is also undertaken in Korea).

ii. Incentives to firms to arrange job-sharing schemes for migrants.

iii. Provision of language training, upskilling or reskilling opportunities to jobless migrants (as done in Sweden and Korea).

Social and health services: (i) Equitable access to COVID-19 testing and treatment. COVID-19 is a public health crisis and thus, free prevention and treatment should reach the entire population, regardless of migration status. While this agenda has been implemented in New Zealand, implementation in Australia has been partial, covering migrant workers in four out of eight states and territories (the Australian National Territory, New South Wales, Western Australia and Victoria). The US Families First Coronavirus Response Act mandates that COVID-19 testing is free to anyone in the US, including the uninsured, but patients can incur significant bills for treatment.

(ii) Accommodation and workplace compliance with social distancing requirements. Several countries have offered housing services to facilitate compliance among migrant workers. For instance: Portugal set up numerous quarantine houses for seasonal agriculture workers who needed to isolate; Canada mandates that housing complies with social distancing requirements (KNOMAD, 2020); and local governments of Korea provide free disinfection services to migrant housings estates upon request. Under the SWP and RSE schemes, where employers are responsible for providing accommodation to seasonal workers, adjustments have reportedly been made by employers under guidance from authorities to enable workers to limit contact outside of the workplace with the aim of reducing COVID-19 risks.

(iii) Scale up outreach activities to keep migrant communities informed. Low-skilled migrant workers may face information disadvantages owing to their remote working and living locations, limited social networks, or language constraints. Outreach targeted to migrant populations helps to ensure effective delivery of social support and COVID-19 information to migrants. In Australia and New Zealand, additional support for employers of seasonal workers could help them keep Pacific Island workers informed, so far these initiatives seem to have been limited – only about two-thirds of SWP and RSE employers surveyed by the World Bank translated and provided information to their workers in response to social distancing requirements.

(iv) Free tests and paid quarantine for newly arriving migrant workers. As countries look to re-open borders for labor mobility, it is important that health and safety arrangements to limit the spread of COVID-19 do not increase the costs incurred by migrant workers, especially low-skilled workers who tend to come from low-income backgrounds. The pilot to bring workers from Vanuatu to work in the mango industry in Australia's Northern Territory does well in this respect, with the cost of flights and quarantine funded by the state government and industry. Questions remain as to how such costs are best managed when the borders are open to larger numbers of workers.

(v) Repatriation support measures. As migrant workers worldwide have been stranded by border closures, a number of destination countries have supported repatriation services (Qatar and UAE) and flights (Norway, New Zealand, Bangladesh and Vanuatu). Looking forward, high-level coordination between labor sending and host countries is needed to establish repatriation protocols and ensure adequate quarantine capacity for returning workers if labor mobility is to resume at a meaningful scale. In some PICs, limited quarantine capacity has acted as a bottleneck for the return of workers.

Remittances: Initiatives could be taken in both labor sending and host countries to facilitate the sending of remittances. Potential actions could include the development and scaling up of digital remittance channels for migrants and their families (as has occurred in Qatar, where all outward remittances must now be sent online), actions that reduce remittance transaction costs such as the exemption of remittance inflows from regulations and taxes (as implemented in Sri Lanka), and relaxation of regulations to allow unbanked populations to access digital remittances (KNOMAD, 2020, Moroz et al., 2020).

Reintegration support: The return of migrant workers due to COVID-19 presents not only public health risks for sending countries, but also an additional source of pressure on the domestic labor market. Income and employment support can help returning workers cope. Examples of such support include one-time cash benefits (as in the Philippines and Bangladesh), loans (India and Nepal), and provision of employment in public construction projects (Kerala state of India). Improved understanding of what kinds of migrant workers are returning home could help governments design adequate assistance. In this vein, the Philippine Department of Labor and Employment has launched a tracking system to provide appropriate government assistance to returned Filipino workers who have lost employment (support includes testing, pick-ups and transfers to quarantine hotels).

6.

CONCLUSION

The COVID-19 crisis has adversely impacted the employment, earnings, and remittances of Pacific migrant workers and Pacific diaspora members. Job loss, reduced working hours and financial stress are reported among Pacific communities in Australia and New Zealand while data on seasonal workers also reveals a significant decrease in earnings and working hours. Remittance inflows to Pacific Island countries, as a result, have been negatively affected, particularly remittances from seasonal workers.

Employment impacts, however, are far from uniform across locations, communities, and genders – with some groups less affected than others. Pacific Islanders engaging in professional jobs are likely to have been less affected. In addition, a non-trivial proportion of seasonal workers have benefited from the local shortage of farm labor that arose from travel restrictions, experiencing more work and hence higher incomes. Survey data suggests that the earnings of female seasonal workers have been more severely hit than those of their male counterparts.

The effects on the frequency and value of remittances has also varied and depends not only on the earnings of migrant workers but also demand for income support from their families and the availability of remittance services under social distancing measures. While demand for remittances reportedly increased, for instance, among Fijian communities affected by falls in tourism income, it was reported to have decreased among Samoan communities given fewer community commitments at home, such as funerals and weddings. There is also evidence that seasonal workers have remitted less frequently and more likely through digital channels due to a limited availability of over-the-counter services. This implies that a decrease in remittance flows does not necessarily translate into an equal reduction in household economic wellbeing; further examination is required to ascertain how changes in remittances have affected household consumption, investment and community building in the Pacific. It is also important to note that the detrimental impacts of COVID-19 have spread beyond economic losses.

Seasonal workers have reportedly been under significant stress from social distancing, uncertainty regarding repatriation, and longer-than-expected separation from loved ones. Stress and mental health issues have also been observed among Pacific diaspora groups due to a reduction in the number of community gatherings. Research shows that conflicts and gender-based violence is more likely to occur when family members are confined to their homes.

Looking forward, the employment prospect for longer-term Pacific migrant workers depends largely on the economic recovery in host countries. Not only will job opportunities for foreign workers generally be limited, Pacific Islanders are also disadvantaged given their dominantly low- and semi-skilled employment profiles. This will likely mean a lower level of remittances to the Pacific in the long-term.

Despite this, Pacific labor mobility programs appear well-positioned for a post-pandemic world. Demand for seasonal workers as well as workers' willingness to return next season remain strong in both Australia and New Zealand. As the number of other migrant workers has declined, there may be scope to expand participation in labor mobility schemes – particularly in the case of the SWP, creating valuable opportunities for Pacific workers given the economic downturn in their home countries. For these opportunities to materialize, authorities in both labor-receiving and sending countries should prioritize re-commencement of these schemes.

Various policy interventions could be considered by PICs and destination governments to reduce the negative impacts of COVID-19 on migrant workers and their households, and to support the resumption of labor mobility schemes. Such policies should target the protection and promotion of employment of migrant workers, expand their access to social assistance and social services in host countries, support arriving and returning workers to cope with quarantine and testing requirements, facilitate contactless money transfers to reduce the risk of COVID-19, and reduce the cost of remittance services.

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