

**Development on the Move:
Measuring and Optimising Migration's
Economic and Social Impacts in Fiji**

Foreword

This report is one of the main outputs produced by the project '*Development on the Move: Measuring and Optimising Migration's Economic and Social Impacts*', (DOTM). *Development on the Move* is a joint project of the Global Development Network (GDN), an international organisation headquartered in Delhi, India and dedicated to promoting development research; and the Institute for Public Policy Research (ippr), one of the UK's leading think tanks.

Development on the Move is a ground-breaking global research project gathering new qualitative and quantitative data about migration's development impacts. The project aims to comprehensively assess how migration affects development in a number of different countries around the world, and how policy can maximise migration's development benefits and minimise its costs.

We believe the project is unique in terms of scope, depth and focus. We have conducted comparable research in seven countries, each on a different continent, speaking to hundreds of thousands of people and gathering in-depth data from almost 10,000 households. The project examines a wide range of migration's development impacts, thinking about how migration *as a whole* affects development *as a whole*. And it is uniquely policy focused, with policymaker inputs at various stages of the research and fresh, workable policy ideas as one of the key project goals.

This report into migration's development impacts in Fiji provides a wealth of new information on migration and its relationship with development, as well as setting that alongside what it already known in the Fiji context. Fiji poses a very interesting case study for any examination of migration's development impacts for a range of reasons including its status as a small island developing state, which, as previous research has shown, tend to experience some of the most profound effects that migration can have. We hope this report is useful to policymakers in Fiji and also in other small island nations facing some of the same challenges and opportunities.

All the in-depth country reports produced as a part of this project are authored by research teams primarily composed of researchers living and working in the country of study, with this no exception. This, we hope, ensures that our research is shaped by and references the local context, making the analysis and resulting policy recommendations as relevant as possible. We would like to thank everyone who contributed to this report. It has greatly benefited from the expertise of Mahendra Reddy who set the project up with such energy and designed the research so well; from the survey expertise of Mili Kaitani, who met the challenges of conducting a national survey in an island nation like Fiji head on; from the efforts of Vijay Niadu in pushing the work forward; from the inputs of the rest of the research team who contributed to the writing of this report; and the time and effort put in by the interviewers, University of the South Pacific students, who showed a real passion for and interest in the project.

Development on the Move would also not have been possible without the generous support provided by an international group of donors, comprising the Australian Agency for International Development, the Austrian Ministry of Finance, the Finnish Ministry of Foreign Affairs, the Luxembourg Ministry of Finance, the Norwegian Agency for Development Cooperation, the Spanish Ministry of Foreign Affairs, and the UK Department for International Development. However, the views in this paper do not necessarily represent those of any of the project funders.

If you are interested in the project more widely it has also produced a diverse range of additional outputs including workshops, a working paper series, a short film, a number of comparative reports, a publicly available household dataset, and the other in-depth country studies (which examine Colombia, Georgia, Ghana, Jamaica and Macedonia). Other outputs can be obtained from GDN and ippr's websites www.gdnet.org and www.ippr.org.

Please contact ippr and GDN with any questions or comments you have on reading this report. Development on the Move has been a collaborative endeavour between partners from all over the world hoping to learn from one another while adding to the global stock of knowledge. We would be delighted to further broaden that dialogue.

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Table of Contents

About the Authors

Acknowledgements

Executive Summary

Section 1: Introduction

- 1.1 Definitions
- 1.2 Methodology
- 1.3 Structure of the report

Section 2: Patterns of migration in Fiji

- 2.1 A history of Fijian migration
- 2.2 Current profile of Fiji's migrants
 - 2.2.1 Socio-demographic characteristics
 - 2.2.2 Countries of destination
 - 2.2.3 Education and employment
 - 2.2.4 Motivations for migration

Section 3: Remittances

- 3.1 Fiji as a remittance economy
- 3.2 Household survey analysis

Section 4: Impact analysis of Fijian migration

- 4.1 Economic impacts of migration
 - 4.1.1 Material poverty of migrant households receiving remittances
 - 4.1.2 Impact of emigration on labour supply
 - 4.1.3 Education and employment
 - 4.1.4 Material poverty of migrant households receiving remittances
- 4.2 Educational attainment of migrant households' members
 - 4.2.1 Impact on educational achievement of migrants
 - 4.2.2 Impact of remittances on household educational achievement
- 4.3 Gender roles within migrant households
 - 4.3.1 Gender roles in non-migrant households
 - 4.3.2 Gender roles in absent migrant households of return migrants
 - 4.3.3 Gender roles in return migrant households
 - 4.3.4 Gender roles and remittances
- 4.4 Cultural and other social impacts
 - 4.4.1 Culture and norms
 - 4.4.2 Family structure
- 4.5 Opinions on the impact of migration on life in Fiji

Section 5: Policy discussion and recommendations

- 5.1 Current domestic migration policies in Fiji
 - 5.1.1 Emigration policies in Fiji
 - 5.1.2 Immigration policies in Fiji
- 5.2 Current domestic non-migration policies in Fiji
 - 5.2.1 Wage policies
 - 5.2.2 Educational policies
 - 5.2.3 Health policies
 - 5.2.4 Structural adjustment programmes, unemployment and poverty
 - 5.2.5 Currency and investment policies

- 5.2.6 Border security
- 5.2.7 Government retirement policy
- 5.3 Current Non-domestic migration policies of major destinations
 - 5.3.1 Australia
 - 5.3.2 New Zealand
 - 5.3.3 Canada
 - 5.3.4 US
 - 5.3.5 United Kingdom
- 5.4 Policy recommendations

References

Appendix 1: Sampling strategy

Appendix 2: Fiji country profile

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The project allowed more than 85 students to be exposed to various aspects of doing field research and data entry. This is of significance in Fiji and the Pacific region where research capacity is limited. We thank these research assistants (enumerators) and data entry assistants who conducted the questionnaire survey under the watchful eyes of supervisors and helped enter the data. We also express appreciation to colleagues who interviewed the stakeholders.

The Team would also like to say a big thank you to Laura Chappell, Danny Sriskandarajah, Ramona Angelescu-Naqvi and George Mavrotas for their unstinting support and encouragement as well as their comments on the very first draft of this report.

Executive Summary

Although migration come to play an increasingly significant role in Fiji's economy and society over the past few decades, its impacts on the country's development have been mixed. While skilled migrants contribute a great deal to Fiji through remittances and other forms of social capital they send home, their departure also deprives the country of vital human resources and appears to be leading to 'brain drain'. However, to date, the data on these impacts has been fairly patchy. This report therefore aims to fill some of the gaps in the evidence base by providing the first nationally representative dataset on migration and development in Fiji, and by using econometric methodologies to assess some of the economic and social impacts that migration appears to be having on individuals and households who remain in the country. Below we present some of the key findings of the report, and the implications of these for Fijian policymakers.

Key findings

1. It is apparent from the study that people who migrate are generally of productive working age and tend to be better educated and trained than non-migrants. The data shows that more than 59 per cent of all absent migrants are professionals and only 5 per cent belong to the unskilled category. It is also estimated that about 28 per cent of the migrants are university degree holders or with higher qualifications. These migrants have tended to stay abroad for longer periods of time (5 years or more) in virtually all destination countries.
2. A majority of the emigrants surveyed for this project were found to have gone abroad because of better economic opportunities available in other countries. This is a dramatic change from earlier periods, when political instability was the main push factor.
3. Migrants return to Fiji mainly because of personal reasons, including family reunion. For younger migrants, the primary reason for returning was because they were legally bonded to do so by the government.
4. Those with higher levels of education tend to emigrate during periods of political turmoil. Since the late 1980s Fiji has experienced considerable brain drain, which has had a negative impact on poverty reduction efforts.
5. Following a relatively modest remittance flow in the 1990s there has been a rapid growth in the amount of remittances sent to Fiji from 2000 onwards. Remittances have become crucial for the survival of many households in Fiji. Funds and in kind contributions from relatives overseas have ensured that households are able to provide for their basic needs as well as access education and health services. This is an extremely positive outcome for households with absent migrants.
6. The research findings also indicate that Fijian migrants abroad continue to remit over time and there is little evidence of remittance levels dropping off after the migrant has been away for a long time. There is therefore some similarity with Samoan migrants and their propensity to remit over time.

7. Evidence from the research suggests that there is some variation between Ethnic Fijian and Indo-Fijian remittance behaviour with more regular remittances being sent by the former. Patterns of remittance behaviour appear to vary depending on the gender of the remitter. For example, the proportion of female migrants sending remittances to rural households is significantly higher than that of males.
8. The findings also show that some return migrants bring back advanced technical skills that they learn while overseas. Some also set up their own small businesses.
9. The findings indicate that there has not been a significant change in gender roles as a result of migration. If anything, women's domestic work had increased in all the households that were studied.
10. There did not appear to be any significant change in household cultural values and norms, although their material conditions were likely to be significantly improved as a result of migration.
11. Encouragingly, a majority of respondents indicated that in their perception, migration improved the quality of life of both migrant-sending households as well as migrants themselves.

Policy responses

To improve the development impacts of migration in Fiji, we draw on our findings to make the following recommendations to Fijian policymakers:

1. There is evidence of a net loss of skilled personnel from Fiji, which means that brain drain has been occurring. Terms and conditions of employment as well as issues of political stability and personal security need to be addressed in order to encourage more return migration and brain 'circulation' or 'gain'.
2. The practice of bonding overseas scholarship holders so that they return to work in the country for three years has proven to be a relatively effective way of making sure that migrants return to Fiji and use any skills or qualifications they have gained abroad. It should therefore be continued.
3. Although the migration of Fijians for security work and for care giving has significantly boosted remittance earnings, these two categories of absent migrants face particular risks: security workers due to the nature of their profession, and care givers because they frequently work illegally without valid work permits. The government should do more to support these absent migrants. For example, negotiations with receiving countries for Fiji's care givers should be intensified so that employment arrangements can be regularised.
4. Remittances have made a positive contribution both to families and to the foreign exchange earnings of the country. A significant proportion of remittances are used to fund children's education and to pay for medical services. Remittances also alleviate household poverty. However, only very small amounts of remittances are currently saved. Increasing access to banking services in rural areas and the provision of micro-finance should

enable greater saving by households. Initiatives to encourage and facilitate savings should be promoted.

5. The Fiji Diaspora constitutes a major asset abroad for the country. They provide remittances, they are a market for Fiji exports and they also contribute to tourism by publicising the country as well as travelling to Fiji periodically. In times of natural disasters in the country, they have responded by providing considerable cash and in kind relief supply. Effective connections need to be maintained with Fijians abroad. The reform and deregulation of telecommunications will facilitate improved and regular communication with absent migrants and the Diaspora.

Section 1: Introduction

This report on migration in Fiji is part of ‘Development on the Move: Measuring and Optimising Migration’s Economic and Social Impacts’ – a multi-year, innovative and policy-focused research project jointly run by the Global Development Network (GDN) and the UK-based Institute for Public Policy Research (ippr) that has collected new quantitative and qualitative data on some of the key developmental impacts of migration. A pilot study was conducted in Jamaica to develop the research instruments, which were subsequently adopted and adapted to the other country case studies: Columbia, Ghana, Georgia, Vietnam, and Macedonia. For the Fiji study, AusAid generously provided funds via GDN.

The relationship between migration and development relationship is complex and multidimensional. It is a two-way process in which migration affects development and development determines migration patterns. The unprecedented rate of movement across borders has many demographic, cultural, social, economic, and political ramifications. These impacts can be positive and negative, direct and indirect and short-term and long-term. For instance, globalising processes have prompted both a ‘brain drain’ through large scale emigration and also a ‘brain gain’ through returned skilled migrants and immigration of non-nationals. This has led many developing countries to view migration as a strategy of poverty alleviation and development, particularly in Small Island Developing States such as Fiji where skilled human resources are limited, and the demand for such resources far exceeds supply.

Despite the importance of migration for Fiji’s development, there is a lack of high quality data on this phenomenon. The Development on the Move project therefore aimed to make a significant contribution to the evidence base by:

- undertaking a nationally-representative household sample survey within the selected ‘small areas’;
- examining the development impacts of migration in Fiji, especially on the economy (poverty, remittances, economic growth, labour market, financial system), education, health, gender roles, ‘other social issues’ such as family structures, social network and governance; and
- reviewing policies and making recommendations based on the research findings.

1.1 Definitions

There are two categories of migrants examined in the study. These are return migrants and absent migrants. *Return migrants* are household members who have spent more than three months living abroad within the last ten years and have now returned to Fiji. *Absent migrants* are household members who were overseas during the time of the survey, and have lived in a country other than their country of residence (Fiji) for more than three months within the last ten years. A three month definition of migration differs from the usual definition used in official data sources, which only includes people who moved for a year or more. We feel our definition is more useful as it allows us to capture short-term, irregular and seasonal movement, as well as more permanent migration.

A *household* refers to individuals or persons who use common eating and cooking facilities/utensils. A household can be made up of a nuclear family or an extended family with relatives and friends. Households can include members who do not have blood ties to the family.

A *stakeholder* in the study refers to individuals who work in the field of migration as academics, practitioners or policymakers. They are considered to be experts because of their position of authority and/or because they have expert knowledge on migration. As most of the research team members were academics who specialise in migration, the stakeholders were those in authority as practitioners and policy makers. These stakeholders were identified by the research team.

1.2 Methodology

This study began with an empirical review of the literature, documentary sources and resources available on the internet, including official information from the Fijian Government website.

Two research methods were used in the field research. First, a survey was conducted to assess the impact of migration on households. The standard questionnaire for the household survey was provided by the Global Development Network and adapted for the specific context in Fiji. Second, an in-depth interview schedule was designed to collect information from stakeholders. Meetings were also held with key stakeholders to ascertain their support for the research project and to brainstorm different aspects of the project. These key stakeholders played a major role in influencing the design and implementation of the project.

Household survey

The household survey used multi-stage stratified sampling to identify enumeration areas (EAs). The EAs for the 2007 Fiji Census were used. The EAs from the four government administrative divisions (Northern, Western, Eastern, and Central Division) were listed. From each division provinces were randomly selected using a random table. From each selected province EAs were randomly picked. A total of 34 EAs were selected. More details of the sampling strategy can be found in Appendix 1.

The national sampling frame was worked out in three stages. The survey included 1380 households from the four divisions (Northern, Central, Western, and Eastern Division). The primary sampling unit, the household, was selected using stratified random sampling. This involved the selection of rural and urban sectors in the divisions, as strata. The second stage was the selection of suburbs in urban areas and in villages/settlements in rural localities. The third stage was the selection of households from the suburbs and villages/settlements.

Using the population and household distribution information from the 2007 Census data, the number of households from each division was identified. A random selection of at least two urban areas from the division and four rural districts from each division were identified. The distribution of the sample size was based on the population distribution in accordance with the three stages outlined below. First, the divisional distribution of the total number of households was calculated, followed by the calculation of household distribution in rural and urban areas in each division. The screened households in selected EAs were then divided into four categories, namely non-migrant households, return migrant households, absent migrant households, and households containing both absent and return migrants. At this level, systematic random sampling was conducted to ensure unbiased representation of the sample. Every 4th household was selected from the non-migrant households, and every 2nd or 3rd household was selected from each migrant group. The selection

ensured that each division had 50 per cent migrant household and 50 per cent non-migrant households.

The household survey was conducted between June and September 2008. Most of the data was collected between July and August. The tables below show the distribution of screened and surveyed households by division.

Table 1.1: Distribution of all screened households by division

Division	Migration Status of Household				Total number
	Non-migrant	Return migrant	Absent migrant	Return and absent migrant	
Northern	844	211	126	89	1270
Central	2651	782	439	300	4172
Western	2134	664	368	270	3.436
Eastern	184	50	24	4	262
Total	5813	1707	957	663	9140

Source: DOTM Household Survey Data 2008

Table 1.2: Distribution of surveyed households by division

Division	Migration Status of Household				Total number
	Non-migrant	Return migrant	Absent migrant	Return and absent migrant	
Northern	110	37	35	22	204
Central	281	137	61	68	547
Western	313	120	72	55	560
Eastern	53	11	5	1	70
TOTAL	757	305	173	146	1381

Source: DOTM Household Survey Data 2008

Since the process used for selecting the migrant and non migrant households was not adequately representative, there was a need to weight the sample. The following equation was used for weighting the sample:

$$W_n = P_n/S_n$$

P is the number of households in the EA and S is the number of sampled households. This was calculated for each classification namely the non-migrant, return migrant, and absent migrant groups. The weights have been applied to the calculations that are shown in this report.

Stakeholder Interviews

Interviews with stakeholders were an important source of data. The first task was to determine the stakeholders to be interviewed; second, a list of guiding questions (which were mainly open-ended) was prepared. Stakeholders targeted included individuals from government departments and ministries, financial institutes, regional organisations, NGOs, and diplomatic missions.

The most significant problem encountered during the interview process was the unavailability of senior government officials chosen to be interviewed. The team was however contented with the cooperation given by persons delegated by the senior officials. Diplomatic missions were very co-operative. Five diplomatic mission representatives were interviewed. Officials from the Department of Immigration, the Department of National Planning and the Ministry of Labour were interviewed. Eight community leaders, one regional organisation and three NGOs participated in the interview. A total of 20 interviews were conducted.

Two team members and one research assistant conducted the interviews. The interviews were recorded on tape and responses were also written down. The duration of the interviews ranged from 30 minutes to 2 hours depending on the availability of the interviewee and their knowledge and understanding of the questions put to them.

1.3 Structure of the report

The remainder of this report is organised as follows. Section 2 provides a descriptive analysis of the history and dynamics of migration in Fiji, while section 3 gives an overview of remittance patterns. The fourth section considers the economic and social development impacts of migration, focusing on educational, health, gender and other wider social and cultural, and governance impacts. Each of the major impacts mentioned above is addressed at various levels of data analysis and sophistication. A concluding section reviews domestic and non-domestic policies, and then makes recommendations based on the research findings.

Section 2: Patterns of migration in Fiji

This descriptive analysis discusses the history of migration in Fiji, focusing on the trends, patterns and destinations of migrants. It also considers who moved and for what purposes.

2.1 A history of Fijian migration

The history of human migration to the Fijian islands goes back more than 3,000 years to the Austronesian speaking Lapita people and subsequent 'waves' of migrants – all of whom had Asian ancestry. However, the first significant flow of European migrants did not take place until the 1840s and 1850s. Their number increased to 4000 by 1860 as cotton plantations were established to grow 'South Seas' cotton for European markets. Pacific Islanders from the Solomon Islands, Vanuatu and Kiribati were 'black-birded' (people taken from other British colonies to work in Fiji) to work in these plantations. From 1879, Indian labour migration started under the indentured labour system, largely in response to the demands of sugar cane plantations. Following the establishment of the Australian-owned Colonial Sugar Refinery (CSR) Company in the 1880s, large-scale organised immigration of Indian indentured labour took place for almost 40 years. Some 60,500 labourers were imported, around 60 per cent of whom settled permanently in the country. This labour immigration phase continued as a 'free migration' phase throughout the 1930s and 1940s.

Meanwhile, a process of emigration from Fiji started during the late 1960s and accelerated soon after independence in 1970 (Mohanty 2001: 60). Immigration policies of other countries influenced this emigration flow. For example, the Work Permit Schemes in New Zealand developed during the 1970s benefited Fijian citizens throughout the decade (Bedford and Levick 1988).

The pace of outwards migration increased during and after the military coups and political upheavals of 1987 and the year 2000. The non-renewal of expiring farm land leases since the late 1990s further aggravated this situation. From independence to the present day, the total gross outflow from Fiji is estimated to be over 160,000, although this is commonly believed to be an underestimate because the Fiji Bureau of Statistics relies on departure card based information in which many long-term migrants on work permits and 'refugees' do not state that they are migrating (Bedford 1989; Naidu 1989).

There have been varied rates and types of migration during different periods. These rates are official figures and it must be noted that most of these figures are estimates. Prior to the 1987 coup, the annual average outwards migration rate was 2,300 migrants per year. This increased to 4,900 between 1987 and 1999 and to 5,800 migrants a year during 2000-2003 (Mohanty 2006).

In recent years, Fiji has been witnessing a significant outflow of skilled and professional people such as architects, engineers, electricians, accountants, managers, teachers, health workers and plumbers. Empirical studies on the migration of professionals from Fiji to New Zealand have provided evidence of political instability as a major determinant for emigration (Gani and Ward 1995; and Gani 1998, 2000). The Reserve Bank of Fiji Quarterly Review argued that, 'it is quite clear that the political instability generated by events of 1987 and 2000 gave greater impetus to the emigration process' (Government of Fiji 2002: 40). Besides political instability and accompanying insecurity, other significant reasons for migration that have been cited include increased levels of violent crime, difficulties in securing or

renewing leases of land and declining employment and investment opportunities (Norton 2004).

Both push and pull factors explain this migration of skilled people. Factors such as insecurity of land tenure, military coups and political upheavals have been main push factors. Wages and salaries in Fiji are also much lower than what is offered for similar positions in Pacific Rim metropolitan destination countries and elsewhere. Increases in income level and higher standards of living; better social and economic opportunities in Australia, New Zealand, Canada and United States and elsewhere are some of the pull factors that influence migration decisions.

Indo-Fijians comprised close to 90 per cent of emigrants between 1987 and 2004 (see Table 2.1). It is estimated that a third of the population of Indo-Fijians before 1987 have left the country as long-term migrants. In more recent times significant numbers of ethnic Fijians have been migrating. There also appears to be a gross underestimation of ethnic Fijian and 'Others' migration.

In terms of gender, female migrants constitute more than half of the total number of emigrants (Mohanty 2001: 60). However, professional skilled migration is male dominated, with the proportion of male emigrants being 64 per cent among Indo-Fijian migrants (ibid). Teachers are the largest professional group that the country has been constantly losing, and this has significantly affected the quality of educational services in the country (see Voigt-Graf, Iredale and Khoo (2007) for a reflection on the processes and impacts of secondary school teacher migration in Fiji).

Table 2.1: Emigration of Fiji citizens by ethnicity, 1987-2004

	Fijians	Indo-Fijians	Others	Total emigration	Annual avg. emigration rate	Professionals**	
						Total	Annual Average
1987-1999	3,926	57,159	3,124	64,209	4,939	6,869	528
2000-2004*	2,373	23,585	3,124	27,066	5,413	3,826	765
1987-2004*	6,299	80,744	4,250	91,275	5,070	10,695	594

* The figure for 2004 is from January to September. ** includes professionals, technical and related workers.

Source: Mohanty 2006

A World Bank household survey in 2006 found that, of the total migrants surveyed, nearly two-thirds were Indo-Fijians and 31 per cent were indigenous Fijians (See Table 2.2).

Table 2.2: Migrants by ethnic group based on Household Survey, 2006

Ethnic group	Total migrants	Percentage
Indo-Fijian	174	65.90
Indigenous Fijian	83	31.40
Other Fijian	7	2.65
Total	264	100

Source: World Bank 2006

Historically, Australia, New Zealand, Canada and USA have been the four major destination countries for Fiji's migrants (Mohanty 2001). In the 1980s, about two-thirds of Fiji's total emigrants were received by Canada and USA together and another 29 per cent by Australasia. However, since 1987 this trend has been reversed (Mohanty 2001: 62). The reversal in migration direction towards Australasia in the last two decades is attributable to many factors including geographic proximity, skilled labour demand and above all, the changing immigration policies of these two receiving countries (Mohanty 2006).

In recent years, Fiji has experienced a 'new' form of migration involving the departure of military and police officers, peace keepers and freelance security workers to the Middle East and other non-traditional global destinations (Kelsey 2006; Mohanty, 2006). Students, care givers and trades people are other new types of temporary migrants from the country (World Bank 2006). Elements of this 'new migration' have generated substantial remittances for Fiji. While traditional patterns of migration involved the whole family migrating to another country, there has been a move towards contracted worker migrants leaving their family members behind and sending remittances home to support them. Section 3 will consider this issue in more detail.

Fiji is both a migrant sending and a migrant receiving country. Emigration has been accompanied by the simultaneous process of immigration of managerial, professional and technical workers. There is a substantial immigrant population. Asian immigrants account for over half of the total immigrants in the country. Chinese immigrants are among the oldest and the largest Asian migrant groups accounting for more than half of the Asian immigrants and nearly one-third of the total immigrants in the country (Fiji Immigration Department 2006). Other immigrants are from India, South Korea and from within the Pacific region including from Australia, New Zealand, Kiribati, and USA.

Consequences of emigration

Bartsch's (1974) work was one of the earliest studies in the post-independence era to draw attention to the loss of human capital from Fiji and its negative implications for development. Jones' study (1976: 22) showed that a vast majority of migrants were young, with a majority departing from the capital city of Suva.

Apart from the drain in human capital resources consisting of professional and managerial people, a substantial financial capital outflow takes place through emigration, which has serious affects on the country's development prospects. With the outflow of human capital resources, Fiji not only loses the quality personnel but also the confidence of potential investors for future development. The emigration of educated and skilled workers causes a substantial loss of public funds already spent on the education and training of migrants. Moreover, the gaps created by the emigrant skilled workers are filled either by less qualified or by unskilled/semi skilled workers, which is likely to cause declines economic growth and processes of development. These migrants also take their life savings with them together with their purchasing power thereby reducing aggregate national savings and weakening the domestic market.

The migration of Fiji's citizens has affected adversely families and communities as well. As Naidu, Voigt-Graf, Mohanty and Muliaina (2007) observed, men who have

been employed in the Middle East in peacekeeping roles have been exposed to extraordinarily high levels of violence and suffering and are often traumatised by their experiences. Separation from their wives and children has sometimes caused problems, and family breakdowns for security workers (as was the case for military personnel serving overseas previously) are not uncommon (Naidu, Voigt-Graf, Mohanty, and Muliaina 2007).

Despite these negative impacts of migration there are many positive consequences too. One of the positive impacts is that emigration provides a 'safety valve' for unemployed youth and relieves pressure on the labour market.

The international migration system is now more integrated and has become more transnational in nature than ever before. Due to globalising processes today, the migrants have access to modern tools such as internet, cell phone and e-mail for close interaction with their homelands. As a result, transnational global social networks have been established (Mohanty 2006). Fiji's Diaspora abroad constitutes a significant 'niche' market for Fiji's products. As a result, small export products have emerged which include products such as tapa, mats, tanoa; kava, fish and other seafood, fruits, vegetables and biscuits.

The Diaspora has also helped advertise Fiji abroad, thereby giving impetus to its tourism industry. Tourist arrivals and departures as well as the significantly increased visits of Fijian residents abroad to their country of origins have maintained the financial solvency of the national airlines.

Remittances, internet communications and travel, Diaspora and home town associations all provide the conditions for the transnational migrants to reside abroad and maintain ties with their country of origin and are creating powerful tools for development (IOM 2005: 15).

Due to large scale migration from Fiji, there has been a substantial increase in the number of money exchange/money transfer companies. The 'Western Union' has agencies all over the country and now the large Australasian banks are actively seeking opportunities to take advantage of this multi-million dollar 'industry' (Naidu, Voigt-Graf, Mohanty and Muliaina 2007).

Primarily due to 'new migration' Fiji has joined other Pacific countries like Samoa and Tonga as a remittance receiving country since the 1990s. A number of studies (Forsyth 1991; Raj 1991; Stannic and Connell 1995; Norton 2004; and Mohanty 2006) have examined remittances by overseas based Fijians. It is noteworthy that Forsyth found large net negative flows of remittances in 1990 (1991).

Remittances from 'new migrants' have become a major source of foreign exchange earnings for the country and are having an impact on development. Whether remittances are used for "consumption or buying houses, or for other investments, they stimulate demand for goods and services in the economy" and "enable a country to pay for imports, repay foreign debt and improve creditworthiness" (IOM 2005: 269). They also help in alleviating poverty.

2.2 Current profile of Fiji's migrants

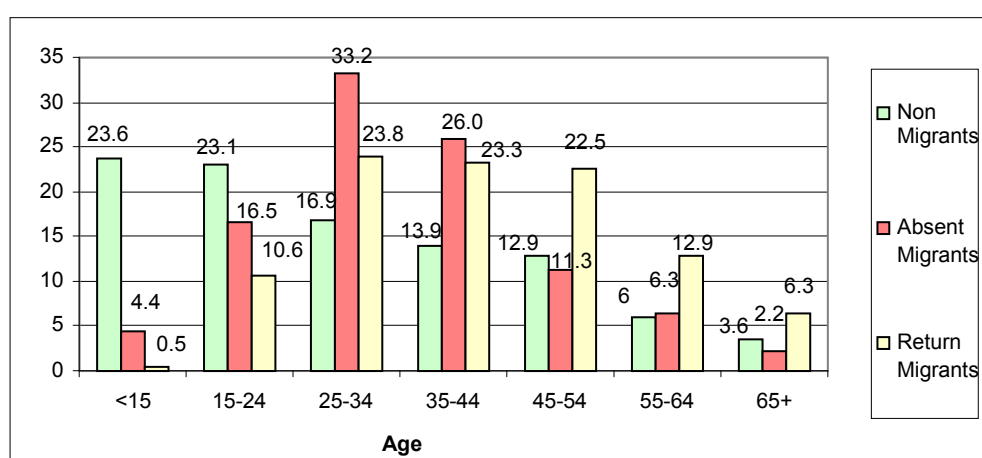
In this section, we draw on the findings of our DOTM household survey to build a picture of Fiji's current migrant population, looking in particular at their demographic and other socio-economic characteristics as well as their migration destinations.

2.2.1 Socio-demographic characteristics

Household characteristics such as the age of household head, the annual income of the family and the number of people in the household are important contributing factors in motivating migration. Figure 2.1 shows that most of Fiji's absent migrants are of an age to be economically active, since they mainly fall within the age groups of 15 to 44. Less than 5 per cent of absent migrants were under 15 years old.

As might be expected, our data show that return migrants are more likely to be older than absent migrants. Almost 70 per cent of the return migrants were between the ages of 25 to 54, with around twice as many return migrants as absent migrants falling into the group of those aged 45-54.

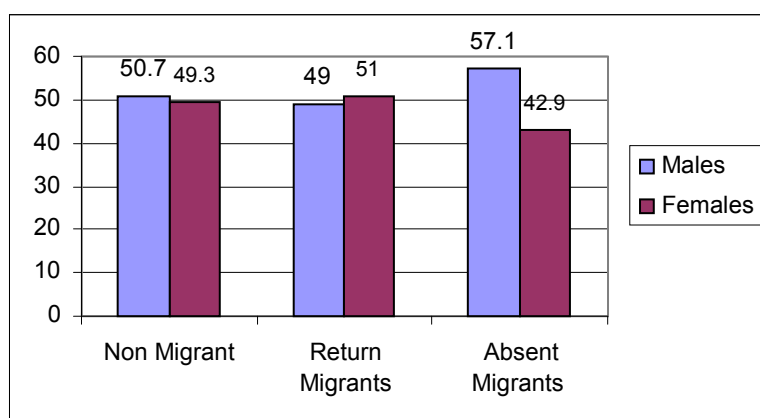
Figure 2.1: Current age of migrants (percentage)



Source: DOTM Household Survey Data 2008

While absent migrants are significantly more likely to be male (57.1 per cent), there are slightly more females returning. Some of these men are contracted overseas as security officers or as military personnel serving on peace keeping duties. For over a decade, young ethnic Fijian males have been recruited into the British Army, partially accounting for the higher proportion of male absent migrants.

Figure 2.2: Gender distribution of migrants (percentage)



Source: DOTM Household Survey Data 2008

Our research indicates that there have also been a significant number of female migrants leaving Fiji to take up overseas positions in security and in care giving, with many ethnic Fijian female nurses migrating mainly to the US to provide care giving services for the elderly. While this patterns shows that there is a demand for such an essential service in developed economies like the US, the current policy machinery of the US does not facilitate this movement. Based on interviews with the US representative in Suva, the US does not grant visa to any potential migrants to the US for care giving.

Table 2.3 shows that most of the absent migrants (53.1 per cent) were married and/or living with a partner before migrating. This is similar to the statistics for non-migrant households. However, return migrants were significantly more likely to be married and a likely reason for this is because they are older as about 71 per cent of the return migrants are aged 25 and above.

Table 2.3: Marital status of migrants aged 15 years and above (percentage)

Marital status	Household Residents		Absent Migrants (status before leaving)
	Non-Migrants	Return Migrants	
Married/with partner	57.5	73.0	53.1
Single/Divorced/Widowed/Separated	42.5	27.0	46.9
Total	100	100	100

Source: DOTM Household Survey Data 2008

The residential status of migrants revealed an interesting pattern. While more than half (53.8 per cent) of non-migrants live in urban areas, more than half of the other migrants (both absent and return) are residents of rural areas.

Table 2.4: Residency status of migrants aged 15 years and above (percentage)

Household location	Household Residents		Absent Migrants (status before leaving)
	Non-Migrants	Return Migrants	
Urban	53.8	46.1	46.8
Rural	46.2	53.9	53.2
Total	100	100	100

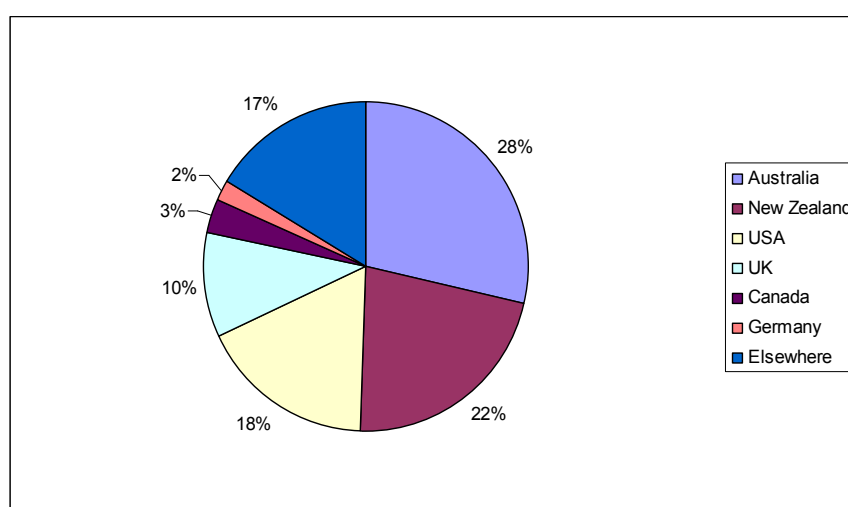
Source: DOTM Household Survey Data 2008

2.2.2 Countries of destination

Our study shows that the three main destination countries for Fijian emigrants are Australia, New Zealand, and the US, which is consistent with the findings of a 2006 World Bank report. The fourth most popular destination country is the United Kingdom.

According to the household survey, 28 per cent of absent migrants lived in Australia, 22 per cent in New Zealand, 18 per cent in the US and 10 per cent in the United Kingdom (see Figure 2.3).

Figure 2.3: Destination countries of absent migrants



Source: DOTM Household Survey Data 2008

Destinations within the 'elsewhere' category include Iraq, Kuwait, Egypt, Afghanistan, South Africa, Japan, India, Philippines and other Pacific island countries. With the exception of Pacific islands, migration to the other countries is mainly associated with peacekeeping and security missions. In the case of a small but growing number migrating to Pacific island countries, largely ethnic Fijian teachers and nurses have migrated to work in Kiribati, the Marshall Islands and Federated States of Micronesia.

Table 2.5: Destinations of absent and return migrants (percentage)

Destination	Absent migrants (spent most time)	Return migrants (spent most time)
Australia	25.7	34.2
New Zealand	20.4	29.1
USA	20.4	9.9
United Kingdom	9.7	1.9
Canada	2.0	3.4
Others	21.8	21.2
Total	100	100

Source: DOTM Household Survey Data 2008

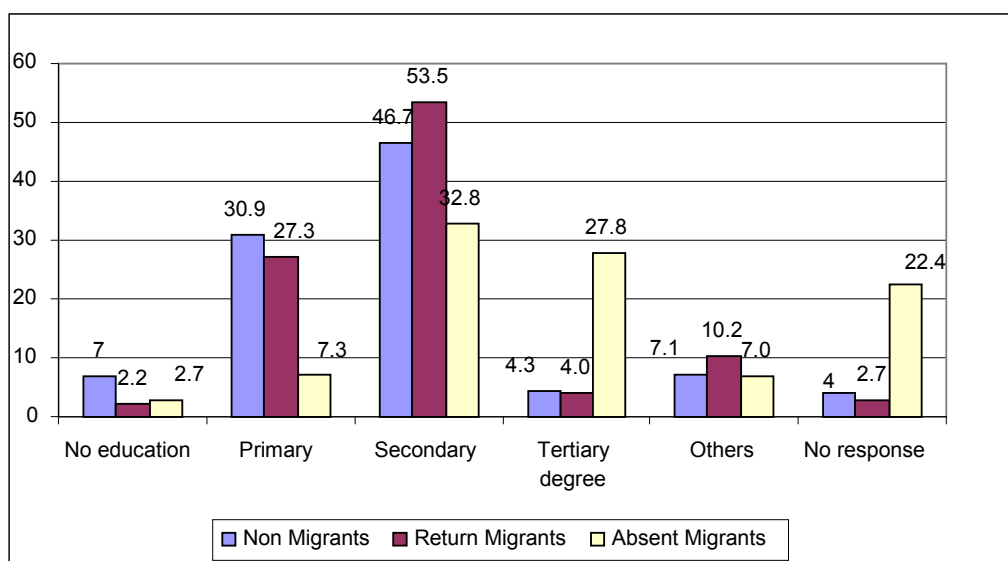
In the case of return migrants, slightly more than one third returned from Australia and almost 30 per cent returned from New Zealand. The low returnees for the United Kingdom can possibly be explained by the fact that men and women from Fiji often serve long term careers in the British military.

2.2.3 Education and employment

Our data indicate a slight difference in the educational levels of absent and return migrants. Almost 75 per cent of all absent migrants had some form of formal education before departure (see Figure 2.4). Close to a quarter had university education while about a third had secondary school education. This finding is consistent with previous studies that have maintained that the movement of skilled migrants is results in a brain drain. In small economies such as Fiji this trend

warrants urgent attention, since the loss of skilled human resource affects quality of service delivery, capital retention and economic development.

Figure 2.4: Educational attainment of migrants (percentage)



Source: DOTM Household Survey Data 2008

Just under 30 per cent of return migrants that we surveyed had primary education. More than half had secondary school qualifications and 4 per cent had tertiary qualifications. Although the proportion of well-educated return migrants is lower compared to absent migrants, it is still significant for two reasons. First, the skills, knowledge and resources that returnees bring back in to the country is an encouraging sign in the long run. Second, this transfer of skills has the potential to mitigate the ‘losses’ to the country due to brain drain if they are used well. In short it is ‘brain gain’.

Table 2.6 below shows the range of employment and activities undertaken by migrants. More than half of absent and return migrants were engaged in paid employment or paid self employment before departure (51.5 per cent and 52.6 per cent respectively). This shows that while migration can diminish the size of the labour force, it also creates space for movement and/or new recruitment within the labour force.

Table 2.6: Employment and activity status (percentage)

Activity	HOUSEHOLD RESIDENTS			Absent Migrants (status before leaving)
	Non Migrant (current status)	Return Migrant (status before leaving)	Return Migrant (current status)	
In school	28.5	7.3	7.0	27.8
Paid employment	24.8	44.7	30.1	41.4
Paid self employment	5.7	6.8	13.9	11.3
Unemployed, looking for a job	2.1	2.6	2.9	3.0
Unemployed, not looking for a job	4.9	8.4	8.2	3.5
Doing unpaid work	19.4	17.8	27.5	7.1
Retired from work	3.4	9.0	5.1	3.0
Other	11.3	3.4	5.2	2.8
Total	100	100	100	100

Source: DOTM Household Survey Data 2008

At the time of the survey, a significant proportion of absent migrants (27.8 per cent) was still in school. This finding confirmed earlier observations that many absent migrants leave as young, productive adults.

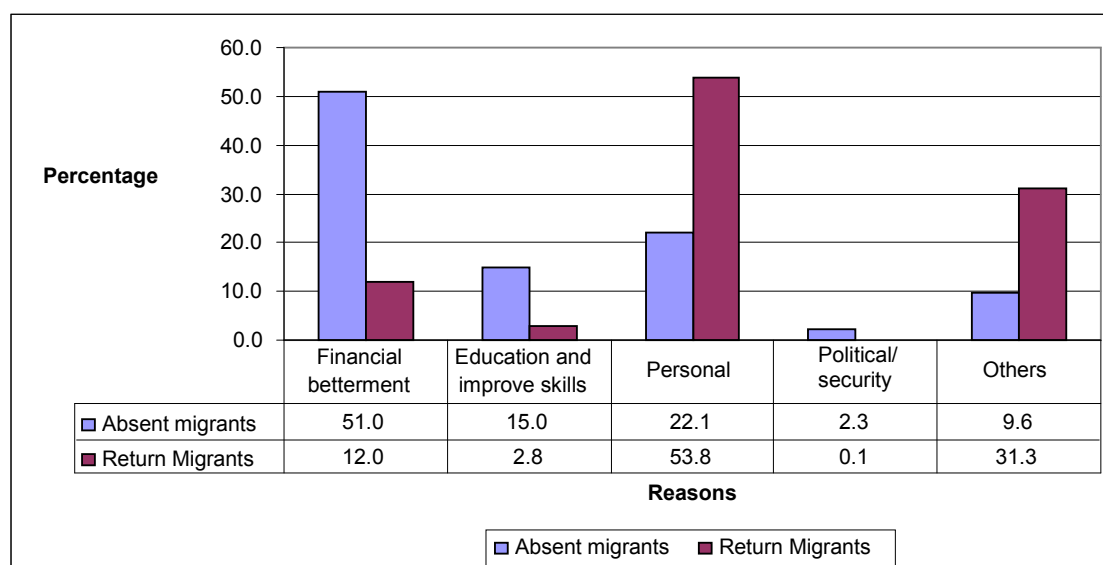
The current status of return migrants shows another interesting pattern. 44 per cent of return migrants are in paid employment or paid self employment (compared to 30.5 per cent of non-migrants). While causality is difficult to determine, this suggests that the experiences and extra resources gained overseas may help return migrants to secure paid employment or create employment opportunities for themselves. In addition, a significant proportion (27.5 per cent) of return migrants engages in unpaid work such as doing housework within the family. Transferring knowledge and skills through volunteer work as shown from this finding is another way in which sending countries like Fiji could benefit from migration.

2.2.4 Migration motivations

The reasons that drive people to leave and later return to Fiji are quite diverse, as shown in Figure 2.5. Consistent with earlier findings (and similar to the findings of other DOTM country case studies) more than half (51 per cent) of absent migrants went abroad for financial reasons. Less than three per cent of absent migrants are away because of political and security reasons however it must be noted that this study does not include families that have migrated for the same reason.

If personal reasons were to be disaggregated, and drivers relating to acquiring education and skills were to be included (since they likely imply a desire to increase earning capacity), it could be said that migration from Fiji is overwhelmingly economically motivated. Unlike previous findings and assumptions based on past experiences, political/security reasons played an insignificant role for those interviewed in this study. It appears that economic reasons have become the primary motivation of people who leave the country.

Figure 2.5: Reasons for migration (percentage)



Source: DOTM Household Survey Data 2008

Figure 2.5 shows that more than half of return migrants cited personal reasons as reason for moving overseas. Secondly 12 per cent stated financial betterment for returning. 'Other reasons' also included a significant proportion of returnees.

Table 2.7 outlines a diverse set of reasons for why people return. A significant proportion (22.6 per cent) of returnees said that they were bonded to return. This indicates that investment in education and the bonding of students going abroad on government scholarships can have a positive effect for the country, if managed well.

Table 2.7: Return migrants reasons for return (percentage)

<i>Reasons for Returning</i>	Percentage
I went to try to earn a certain amount of money and I managed to, so I came back home	2.7
I went to do a particular contract/job and I always intended to come home after I finished it	7.7
I went to study abroad and the course finished	3.5
I came back because I was bonded to come back	22.6
I came back because the person I went to live with in the other country also came home	0.4
My relationship in the destination country ended so I came back	4.9
I came back voluntarily because I wasn't legally allowed to stay in the country	8.4
I came back because I was deported	0.3
I came back because my life as I hoped it would be in the other country	3.1
I came back to retire	0.8
I came back because someone in my family needed me to be here	6.9
I came back to be with my family here	20.8
I came back because this is my country and I feel I belong here	6.6
I came back because I missed the way of life in this country	6.5
I came back to set up a new business or to start a new job	1.3
I came back because of government schemes that made it attractive to come back	0
Others	3.5
Total	100

Source: DOTM Household Survey Data 2008

Section 3: Remittances

Remittance flows into developing countries have become a major phenomenon in international finance in the last few decades. Newly available data show that officially recorded global remittance flows reached \$338 billion in 2008 according to Ratha et al (2009). This section examines remittances in Fiji, firstly by examining historical trends, and then by looking at the development impacts at a household level based on our survey findings.

3.1 Fiji as a remittance economy

Fiji has become one of the significant remittance receiving countries in Oceania, with a World Bank study having found that 35 per cent of Fijian households have at least one member overseas and 43 per cent receive remittances (World Bank 2006). The different types of remittances flowing into the country include personal remittances and gifts sent by migrants and their families and friends, maintenance and donations from foreign governments and international agencies to Fiji missions, donations by religious and voluntary organisations, religious bodies and by individuals; and the funds brought into the country by immigrants, including legacies (Mohanty 2006). Personal remittances (including salaries and allowances and the pensions of retirees) make up the majority of Fiji's remittances, constituting about 97 per cent of the total.

Several studies have revealed a pronounced ethnic difference in remitting behaviour (Raj 1991; Norton 2004; and Mohanty 2006). A study by Raj (1991) showed that Indo-Fijian migrants rarely sent cash remittances. Norton (2004) revealed that Indo-Fijians remit less whereas ethnic Fijians (and mainly those engaged in overseas peacekeeping activities) remit in greater amounts.¹

Until relatively recently, the volume of migrant remittances was insignificant. In the 1990s it was only about F\$30-40 million, and largely took the form of gifts and maintenance payments (Mohanty 2006). An earlier study by Forsyth (1991) found large net negative flows of remittances in 1990. However, since the late 1990s, Fiji has been receiving substantial remittances, mainly from peacekeeping forces and security personnel based in the Middle East and from Fijians serving in the British army (Mohanty 2006). Between 1993 and 1999, remittances grew at a rate of around 38 per cent, with the average amount entering the country each year being F\$49 million (Table 3.1). This figure jumped significantly after 2000, with remittances to Fiji having increased by more than 218 per cent during 2000–2004, with an average amount of F\$ 205 million being sent a year (Mohanty 2006).

¹ The observation about ethnic differences in remittance behaviour is correct but needs to be qualified: sending categories of migrants such as ethnic Fijian security personnel and care givers are absent migrants with their immediate and extended families in Fiji reliant on the money received from abroad for their daily sustenance. On the other hand a large number of Indo-Fijians have permanently migrated and their contribution in cash and kind, often carried in person, occurs during life crises such as marriages, sickness and death. Where close relatives remain in Fiji, remittance of the type provided by ethnic Fijian absent migrants is the norm.

Table 3.1: Trends in personal remittances in Fiji, 1993-2004

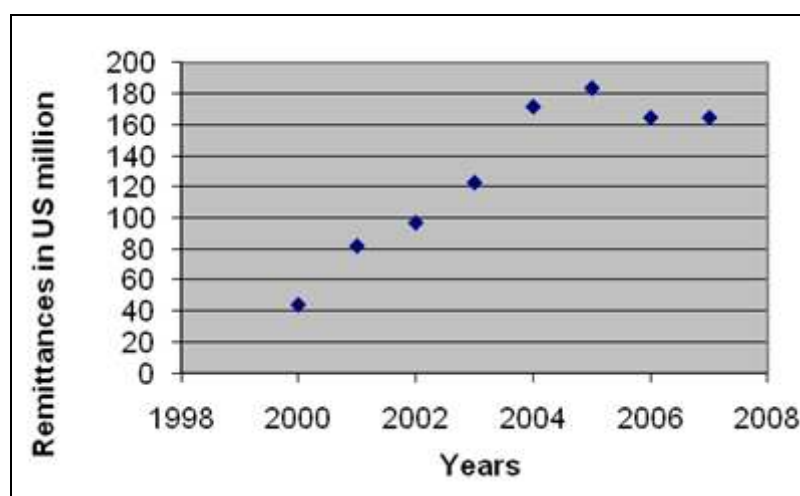
Period	Total personal remittances (F\$ millions)	Annual average remittances (F\$ millions)	Percentage change
1993-1999	344.32	49.2	+38.4
2000-2004	1,023.50	204.7	+218.3
1993-2004	1,367.82	114.0	+726.2

Source: Mohanty (2006)

According to the Reserve Bank of Fiji (cited in Asian Development Bank 2007), total inwards remittance flows were F\$311 million in 2005 and F\$371 million in 2006. In 2007 however, the volume declined by 20 per cent from the previous year to F\$256 million (Reserve Bank of Fiji 2008). It has been suggested that this decline was due to a fall in the number of private security personnel in the Middle East and the depreciation of the US dollar, the currency in which the bulk of funds are remitted (Reserve Bank of Fiji 2008).

However, as well as formally recorded remittances, a substantial volume of personal remittances are transferred to Fiji informally. The total volume of remittances from formal and informal transfers to the country was estimated between \$F450–500 million in 2004, accounting for about 7 per cent of the country's GDP (Mohanty 2006).

Figure 3.1: Inward remittance flows to Fiji (in US\$ millions)



Source: Reserve Bank of Fiji (2008)

Remittances are considered to have had a net positive impact on the Fijian economy. In the mid 2000s, the income generated through personal remittances was next to the foreign exchange earnings through tourism. Migrant remittances are widely believed to have helped with poverty alleviation and human development and have had beneficial impacts on household wealth, education and health. They also stimulate investment and demand for goods and services.

Other recent studies also emphasise that remittances provide social protection for poor and vulnerable households (Mohanty 2006; World Bank 2006). Many families (and especially those in rural areas) have become reliant on money sent by family

members and relatives to meet their basic needs. Remittances have therefore ameliorated the hardship of many households which would have otherwise been in poverty. A study shows that personal remittances derived through the migration of nurses from Fiji to the Marshall Islands have helped family members 'to pay for general family subsistence, for the welfare of their children and other traditional obligations in Fiji' and also to keep up with mortgage payments (Rokoduru 2002). The improvement in general well-being of some villages is mainly due to remittances from soldiers in the British Army.

Remittances have contributed significantly to family welfare. An important finding from household level data is that remittances are often associated with higher levels of educational attainment and better standards of living. A related argument is presented by Brown and Leevess (2007) who maintain that migration and remittances have a strong influence on household resource allocation and thereby on communities' economic transformation away from more self reliant traditional subsistence activities.

With the devaluation of the Fijian dollar and the negative impacts of the global economic crisis on Fiji's economy it is expected that remittances into the country will increase. One reason for the increase is because extended families will come to depend more heavily on remittances for financial assistance. The devaluation will also increase the amount remitted in Fiji dollars, which should encourage remitters to send more to their families at home.

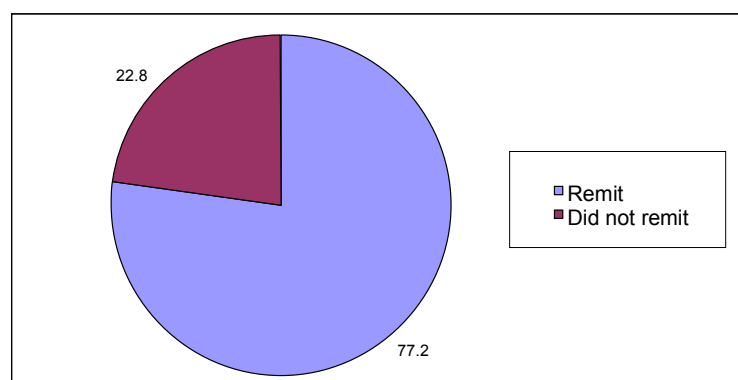
3.2 Household Survey Analysis

The descriptive analysis below reveals how the characteristics of the sender can influence remittance patterns and uses. The results of our Fiji study suggest that the following characteristics of the sender may have an impact on remittances:

- the time spent away from the home country
- the country in which the migrant resides
- the mode of payment the sender uses to transmit money and goods

As Figure 3.2 shows, more than three quarters of absent migrants had sent remittances to their relatives in the past 12 months at the time of the survey. Almost half (47.6 per cent) sent food and other goods. The survey also revealed that there are more male (58.3 per cent) than female remitters.

Figure 3.2: Proportion of absent migrants who remit



Source: DOTM Household Survey Data 2008

The research findings show that more than half (54.9 per cent) of absent migrants send remittances to rural households. This is significant because remittances have been shown to have helped households in rural areas to move out of poverty. In general rural households tend to be 'cash poor', which remittances obviously help to remedy

Table 3.2 below displays survey findings about the characteristics of absent migrant remitters. It shows that the majority of remitters are relatively young, with most falling in the 25-34 and 35-44 age brackets. Within these two groups, males in both urban and rural areas are significantly more likely to remit than females, while older females from rural areas (in the both the 45-54 and the 55-64 age groups).

Table 3.2: Absent migrant remitters by age, gender and areas of residence of receiving households (percentage)

Age		<15	15-24	25-34	35-44	45-54	55-64	65+	Total
MALE	Urban	2.9	12.1	40.0	29.4	14.8	0.8	0	47.7
	Rural	0	16.0	33.3	31.1	12.2	4.0	3.4	52.3
	TOTAL	1.4	14.1	36.5	30.3	13.5	2.5	1.8	100
FEMALE	Urban	0	20.3	31.3	26.7	7.7	8.7	5.3	41.4
	Rural	0	8.9	21.3	36.3	17.3	16.2	0	58.6
	TOTAL	0	13.6	25.4	32.3	13.3	13.1	2.1	100

Source: DOTM Household Survey Data 2008

Our data indicate that rural households are more likely to receive remittances than their urban counterparts, and that more females (58 per cent) remit to rural households compared to males (52.3 per cent). This finding would seem to support earlier studies (especially in Samoa and Tonga) that some households prefer sending females abroad because women are more reliable remitters than men.

Most of the remitters – 61.8 per cent of males and 57.4 per cent of females – have been away for at least 2 to 10 years (see Table 3.3). Regardless of gender and ethnicity, the majority have been away for between 5-10 years.

Table 3.3: Remitters' duration of stay abroad by gender and ethnicity

Duration of Stay		<6mth	6mth-1yr	1-2yrs	2-5yrs	5-10yrs	10+yrs	TOTAL
MALE	Fijian	5.5	17.2	9.8	27.4	35.2	5.0	66.6
	Indo-Fijian	6.2	10.5	11.1	29.3	30.2	12.7	32.1
	Others	0	0	23.1	76.9	0	0	1.3
	TOTAL	5.6	14.8	10.4	28.6	33.2	7.4	100
FEMALE	Fijian	3.7	11.4	8.0	23.8	37.4	15.8	63.7
	Indo-Fijian	7.4	17.3	20.6	20.6	30.9	3.3	33.4
	Others	0	0	57.1	0	42.9	0	2.9
	TOTAL	4.8	13.1	13.6	22.0	35.4	11.1	100

Source: DOTM Household Survey Data 2008

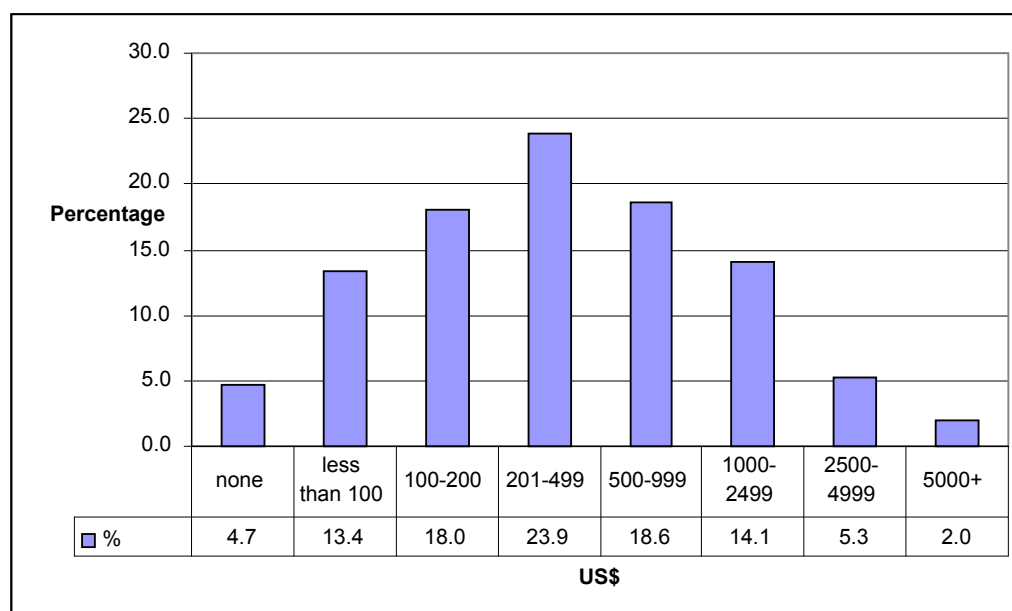
A significant proportion of remitters have been away for more than 10 years. For this group, there are more Indo-Fijian male remitters who have been away in the identified time frame while the same is true for Fijian female remitters.

The length of time abroad does not seem to have a significant effect on remitters' sending patterns. While previous research has suggested that the level of remittances sent declines over time, this study showed that this is not the case. Our finding replicates similar observations about Samoan remitters (see Bertram 2005). Analysing remittance trends in the context of Fiji will be useful as it is still a new remittance-receiving country compared to Samoa and Tonga. This is an important dimension that warrants a follow up study in the future.

Remittance-sending by ethnicity reveals interesting patterns. Ethnic Fijians, like other Pacific Islanders, maintain numerous links with families at home. They do so in this case through remittances, bi-directional flow and exchange between families across countries. The extended family is an important part of island life and acts as a safety net for migrants, which partly explains this occurrence. Indo-Fijians migrants also remit, although it has always been the assumption that this group does so to a lesser extent. However, our finding suggests that Indo-Fijians do keep ties with the homeland alive through remittances.

The amount of cash remittances sent varies, as evident in Figure 3.3. The largest group (23.9 per cent) sent between US\$201-499 a year. On average, remitters sent US\$731.64 and the highest amount remitted was US\$12,300.

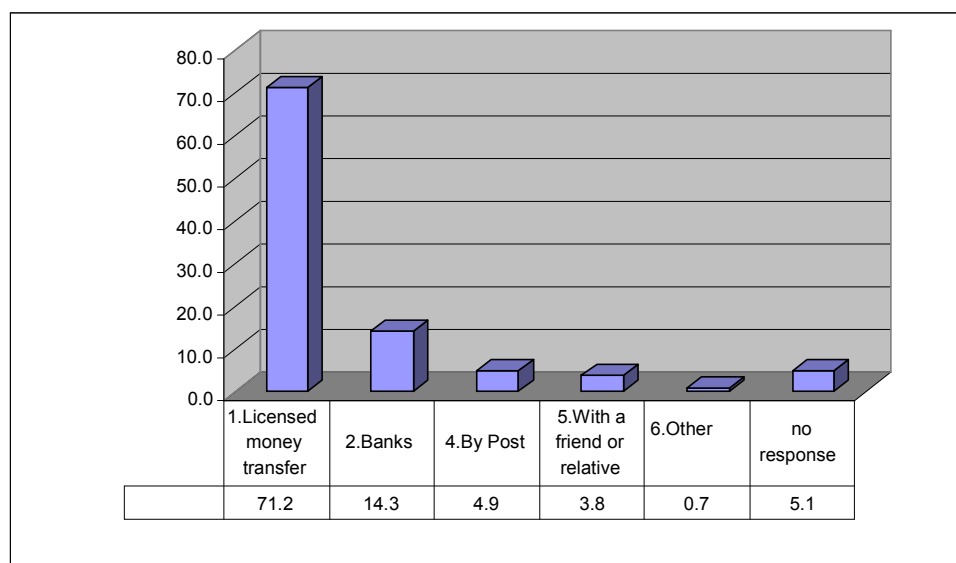
Figure 3.3: Cash remittances sent to households (in \$US) in the last 12 months (percentage)



Source: DOTM Household Survey Data 2008

Remitters use different methods to send cash remittances to Fiji (Figure 3.4). The official channels such as registered money transfer agencies (71.2 per cent) and the banking system (14.3 per cent) are the most commonly used methods. While these are reliable and safe methods they can also be costly, so there are also a proportion of remitters who send money through more informal methods, such as with trusted relatives and friends returning to Fiji.

Figure 3.4: Methods of remitting cash (percentage)



The study showed that how often cash remittances were sent varied (see Table 3.4). Most (33.3 per cent) sent remittances on a monthly basis. If this is combined with senders who remit every couple of months, the group's financial support would have had considerable impacts at the household level. The households were supported and/or their livelihood supplemented with additional resource from migrant relatives on a regularly basis. Households receiving more have better access to educational and health services.

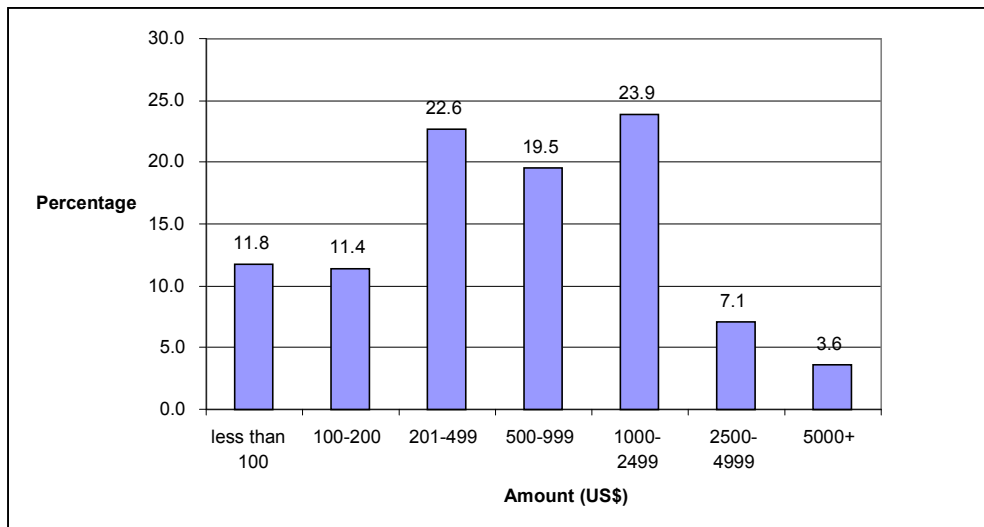
Table 3.4: Frequency of cash remittances by remitters' ethnicity (percentage)

	Weekly	Fortnightly	Monthly	Every couple of months	Every 6 months	Every year	Only on special occasions	No response	TOT
Fijian	2.0	10.2	39.1	18.1	7.0	2.3	19.1	2.2	65.
Indo-Fijian	2.1	4.6	21.9	14.2	10.5	3.2	31.9	11.7	32.
Other	0	0	32.4	41.2	0	0	26.5	0	1.9
Total	2.0	8.1	33.3	17.3	8.0	2.5	23.5	5.3	10

Source: DOTM Household Survey Data 2008

Most ethnic Fijians (39.1 per cent and others (32.4 per cent) remit on a monthly basis. This may suggest that the households in these two groups need more support than Indo-Fijian households with absent migrants. As the above table shows, the largest proportion of Indo-Fijians (31.9 per cent) only remit on special occasions (see footnote 4). The combined value of cash and in-kind remittances sent to households in the past 12 months from the time of survey show an average of \$1066.80 (US).

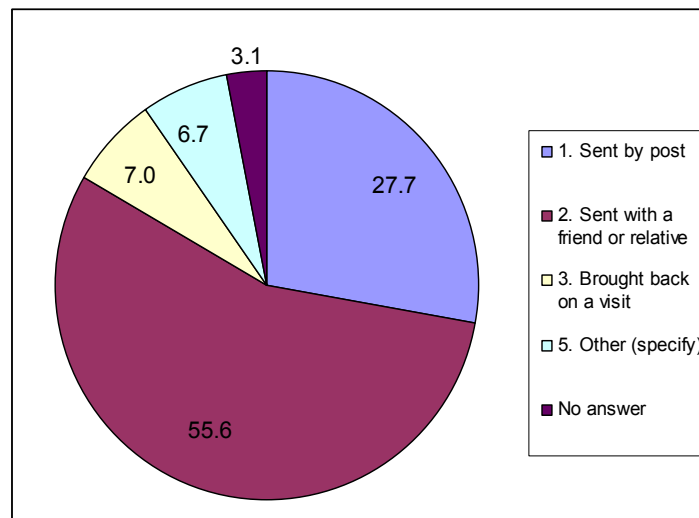
Figure 3.5: Total remittances (cash and in-kind) over 12 months preceding the survey



Source: DOTM Household Survey Data 2008

As shown in Figure 3.5, roughly equal proportions of migrants sent between US\$201-499, US\$500-999 or US\$1000-2499 in the 12 months before the survey. Close to 11 per cent (10.7 per cent) sent remittances valued US\$2500 and over. As expected, most of the in-kind remittances (Figure 3.6) were sent through friends and relatives, compared to other ways.

Figure 3.6: In-kind remittances



Source: DOTM Household Survey Data 2008

Section 4: Impact Analysis of Fiji Migration

4.1 Economic Impact of Migration

In examining the economic impacts, this section explores how migration has affected the material poverty status of migrant households receiving remittances. This is followed by a discussion of the impact of emigration on the labour market.

4.1.1 Material poverty of migrant households receiving remittances

Increasing levels of poverty are a longstanding concern in Fiji, and have been partly attributed to the emigration of many individuals and families as a result of political turbulence since 1987. Insecurity has resulted in continuous outwards migration from Fiji, mostly to Australia, New Zealand, Canada and the United States. It is widely believed that the migration of skilled workers has caused significant downturn in the national economy. This in turn is seen as having contributed to increased poverty. Beine et al. (2008) and Docquier and Schiff (2009) have shown similar causes for migration and negative impacts on economies.

Net migration from Fiji is estimated at around 5,300 persons per year. This number constitutes a permanent loss of persons who would have otherwise remained and contributed as citizens. This negative net migration severely impacts on the supply of skilled labour in critical areas such as education and health services, information technology, finance, accounting and business. A salient feature of outward migration from Fiji has been the ethnic composition of the migrants. Therefore, the analyses in this section include ethnic dimensions of poverty.

There are three categories of emigrants that leave Fiji for significant periods of time. One category of migrants is permanent migrants who leave the country with no intention of returning. They tend to be skilled workers and their families, and they rarely send remittances back to Fiji since their immediate families leave with them. A large proportion of Indo-Fijian skilled migrants fall in this category. According to the World Bank (2008) this type of migration is the main cause of brain drain in developing countries, which in turn hampers economic growth and exacerbates poverty.

The second group of migrants are those who migrate temporarily and plan to return after their objectives are fulfilled. It is believed that these migrants earn higher wages than they would have earned in their country of origins. They are often expected to send money back home and also save and repatriate incomes when they return home. These migrants are expected to have a positive effect on poverty reduction.

The third category of migrants is comprised of those who leave permanently but later decide to return due to some unforeseen reasons. This category is a minority amongst migrants. These migrants have various professional and ethnic backgrounds and have varied reasons for returning.

The analysis in this section seeks to establish what forms of impact migration and remittances may have on domestic households. Although it is known that remittances from abroad help poor families cope with economic deprivation, it is not clear whether migration also causes poverty amongst certain household types. People generally regard emigration favourably but are also apprehensive about how it affects families and the incomes earned for the household by absent migrants. Table 4.1 shows our survey data about how migration is perceived. While opinion data may be considered

to be an anecdotal indicator of the proportions of people who gain or lose from migration and remittances, a more detailed analysis could show the number of people who benefit from remittances and escape poverty.

Table 4.1: Opinions about emigration (percentage agreeing with each statement)

Response of the household heads to the question about what they think are the effects of people migrating abroad	Percentage of Total
How is country affected when people migrate?	
Much Worse	18.2
A Bit Worse	25.1
No Change	10.4
A Bit Better	27.1
Much Better	15.2
No Response	0.4
No Idea	3.7
Total	100
People leaving reduces unemployment	17.3
Emigrants gain skills and resources abroad which are helpful when they return	23.7
Many emigrants send money home to their friends and family	41.6
Money sent home by emigrants helps to reduce the levels of Poverty	31.7
Money is sent back home to set up a business or invest	16.0
Emigrants send foreign exchange to the Country	8.4
People leaving leads to family breakdown	25.5
People leaving leads to skill deficit	41.4
The country is worse-off because the state paid for the education of migrants	20.6
It depends on how the person who migrates spends his or her time abroad	6.8
Makes No Difference	6.2

Source: DOTM Household Survey Data 2008

According to Table 4.1 the opinions of people are fairly divided about the effects of migration. Approximately 43 per cent of household heads think that emigration makes the country either much worse or a bit worse-off, while 42 per cent think that the country benefits in some way. Approximately 10.5 per cent of the household heads think it neither harms nor benefits the country.

Interestingly, about 32 per cent of the households think that remittances help to reduce poverty. It is argued by Ratha and Mohapatra (2007) that while remittances directly augment the income of the recipient households, they also provide financial resources for poor households in a broader context through indirect macroeconomic multiplier effects.

On the one hand, a large proportion (41 per cent) of interviewed household heads think that migration causes a loss of skills but on the other, around the same proportion think that migrants send remittances back home to families and friends and thus helps households to cope with poverty. According to the analysis, approximately 21 per cent of household heads think that the country loses out from

migration since the state provides for the education of most the migrants. For Fiji, and in particular the University of the South Pacific, more than 50 per cent of the tertiary education costs are borne by the government, which could be the reason why people have misgivings about migration (see Chandra 2009). Despite this concern about educational costs, about 23 per cent of household heads in Fiji consider migration to be positive since migrants gain skills and resources abroad which are useful when they return home.

Econometric analysis of poverty

The econometric analyses in this section explain how poverty in Fiji may be related to migration and whether remittances flowing into households help households in their strategies for coping with material deprivation. In addition to this, the data analyses may also reveal some other linkages to consumption poverty of households. In estimating the probability models precautions have been taken to eliminate any confluence of endogenous variables. The two applicable models for analyses are Logit and Probit maximum likelihood estimation methods. The Probit model is used with the instrumental variables where endogeneity problems are suspected. Both these models have been estimated using the STATA software. However, no marginal analyses of the estimates have been carried out since only associated relationships between the variables are intended.

The estimates shown in Table 4.2 have been selected after a number of model formulations to avoid endogeneity problems. Income poverty has been calculated on the basis of total disposable incomes earned by the households excluding remittances. However, the incidence of poverty is determined by using the poverty line index of households, which takes into account the size of the households. As a result of this method of calculation (which factors in household size) some endogeneity problems are expected to arise, which prompts Model 4 in Table 4.2. This model excludes household size as a determinant of poverty. The coefficients are estimated on maximum likelihood basis as is normally the case for Logit and Probit models.

Table 4.2: LOGIT Models for Poverty using Rural and Urban Poverty Lines

<i>Variables</i>	<i>Model 1 Coefficients</i>	<i>Model 2 Coefficients</i>	<i>Model 3 Coefficients</i>	<i>Model 4 Coefficients</i>
Dependent variable	Income Poverty	Income Poverty	Income Poverty	Income Poverty
Constant	-2.65588***	-2.5579***	-2.50015***	-1.63403***
Urban-Rural (area)	0.79745***	0.81029***	0.805457***	0.79168***
Return Migrant (return1)	-0.46943***	-0.41270***	-0.41251***	-0.43453***
Absent Migrant (absent1)	0.18074***	0.18064***	0.18071***	0.17202***
Age of HH Head (agesq)	0.00256	-	-	
Household Size (hhmembers)	0.17977***	0.17684***	0.176855***	
House Ownership (ownhse5yr)	0.46066***	0.44687***	0.444138***	0.46877***
Ethnicity (ethnicity2)	0.36155***	0.43309***	0.429709***	0.24830***
Education of HH Head (education)	0.007218	0.00419	-	
Total Remittances (totremit)	-0.00018***	-0.00013***	-0.00013***	-0.00014***
Pseudo-R ²	0.059	0.0585	0.0586	0.0420
Sample size	11733	11891	11891	11733
F-statistics (or χ^2 Statistics)	LR (Chi-square) = 957.68	LR (Chi-square) = 945.8	LR (Chi-square) = 945.1	LR (Chi-square) = 682.0

Note: * coefficient is significant at 10 per cent level, ** significance at 5 per cent, *** significance at 1 per cent or less.

Source: DOTM Household Survey Data 2008

According to the estimates in Table 4.2 the probability of being in poverty is higher for households in urban locations. This is surprising, since the last two national poverty reports suggest higher levels of poverty in rural areas. The 2008/9 Poverty Report also confirms that poverty was much higher in rural areas (see Narsey et al. 2010). However, earnings from the sugar industry in 2008 were much higher than previous years while earnings in all other sectors declined significantly due to the global economic crisis. This variation in earning from the usual trend is a possible explanation for increased poverty in urban areas. The analyses show that households with return migrants are less likely to suffer income poverty. These households are mostly those that had someone working abroad and then may have returned after the completion of their work. However, households with absent migrants are more likely to be in poverty.

The age of the household head does not seem to influence income but the household size seems to be a factor that contributes to poverty. Quite unexpectedly, ownership of dwelling (ownership 5 years ago) appears to be significant as a factor that increases poverty. There could be a number of reasons for this. First, it could be that those who have higher incomes prefer to rent houses for dwelling and not buy

their own. Second, it could be that those who have dwellings do not take up jobs since they feel secure and do not have to meet rental payments. Third, and more likely in the Fijian context, it is possible that those who own houses hide their incomes due to fear of tax disclosures. It is also possible that people who have higher incomes often plan to migrate and so do not opt to build or own dwellings.

The ethnicity variable shown in the table suggests that Indo-Fijians are more likely to be suffering income poverty. There are a number of explanations for this observation. First, Indo-Fijians are less likely to obtain civil service jobs and thus are more likely to be without jobs or end up in low paid jobs. It is expected that Indo-Fijians with higher salaries are more likely to migrate. It is also expected that ethnic Indians are more likely to hide or under-report their incomes compared to ethnic Fijians.

The econometric analyses reveal education to be a poverty-increasing factor. It is possible that there is a non-linear (quadratic) relationship between the earnings of the household and the education level of the household head.² However, this variable is not significant even at the 20 per cent level. The analyses show that remittance-receiving households are less likely to be in poverty. This is not very obvious but it could be the case that richer households receive higher levels of remittances.

Table 4.3: Probit and IVprobit Model estimations for Causes of Poverty

<i>Variables</i>	<i>Model 1: Probit Estimation</i>	<i>Model 2: IVprobit Estimation</i>	<i>Model 3: IVprobit Estimation</i>
Dependent variable	Expenditure Poverty	Expenditure Poverty	Expenditure Poverty
Constant	-2.16884***	-0.89704***	-0.97589***
Total Remittances (totremit)	-0.00018***	0.00264***	0.00264***
Urban-Rural (area)	0.299433***	0.30633***	0.30561***
Return Migrant (return1)	-0.01487	0.13424***	0.13334***
Absent Migrant (absent1)	-0.00100	-0.32297***	-0.32465***
Age	0.07142	0.13991**	0.140482**
Agesq	-0.00980*	-0.01536**	-0.01483**
Household Size (hmembers)	0.26192***	-0.02221**	-0.02175**
Ownhouse	0.55076***	0.14101**	0.13464**
House Ownership (ownhse5yr)	-0.19930***	-0.24109***	-0.23420***
Ethnicity (ethnicity2)	-0.10689***	-0.09240***	-0.08812***
Education of HH Head (education)	-0.0084***	-0.00578	-
Log-Likelihood	-6960.6	-42387	-42401
Sample size	11733	608	608
Chi-Square Probability	0.00	Prob. (Wald Test) 0.000	Prob. (Wald Test) 0.000

Note: * implies the coefficient is significant at 10 per cent level, ** implies significance at 5 per cent, *** implies significance at 1 per cent or less.

Source: DOTM Household Survey Data 2008

² This however is an exercise on its own. Additional analyses of this dataset would reveal the exact nature of this relationship.

The regression analyses in Table 4.3 provide the details of a slightly different estimation model where actual expenditures have been used to determine whether a household is in poverty or not. This utilises the nationally established poverty lines for rural, urban and ethnic groups. Model 1 is a simple probit model assumed not to have any endogeneity issues. Model 2 is based on an IVprobit estimation procedure with capital expenditure as the instrument. It is suspected that the variable total remittance would be endogenous to the poverty model since remittances feed back into expenditure which is used to identify poverty. Therefore, in the IVprobit model the total remittance variable is instrumented with capital expenditures of households. The correlation between remittances and capital expenditures is 0.7. This makes capital expenditure a good candidate as an instrumental variable. In Model 3 the education variable is dropped.

The results for the IVprobit model for the expenditure poverty are expected to differ significantly with the income poverty estimates in Table 4.2, since these two estimations are fundamentally different. The estimates for the IVprobit model in Table 4.3 show that the remittances increase poverty, which implies that households that receive higher remittances are more likely to be in consumption poverty. This observation is not unusual since it is expected that households that consume less basic needs commodities and services are more likely to receive remittances.

Both the estimates show that urban poverty is higher, which is a strange result but may be to the result of changes in sector earnings as explained earlier.

According to the estimates in Table 4.3, households with return migrants are more likely to be in consumption poverty. This is expected for two reasons. First, return migrants (who are mostly ethnic Fijians) often bring home lump sum savings and invest in costly property acquisitions or items such as expensive cars, which substantially reduces resources available for the consumption of basic commodities. This phenomenon may be time bound and also circumstantial, which needs further investigation.

Employment status may also be an important determinant. According to the estimates, households with absent migrants are less likely to be in consumption poverty. This could be the direct effect of remittances. That is, people who migrated and remained absent long enough with continued family attachment back home, provide support through remittances.

4.1.2 Impact of emigration on labour supply

Although a lot of research has been done to ascertain the effects of migration on the labour market, not enough details are known about the dynamics of many variables that determine the migration decisions of individuals. Our survey findings suggest that Fijians migrate for reasons such as the prospect of higher earnings, better work conditions and family reunion (see section 2). But the extent of these reasons varies widely among the ethnic groups.

For example, many Indo-Fijians emigrate to escape the social, political, and economic insecurity in Fiji. The same is also true for Ethnic Fijians but to a lesser extent. A significant proportion of Ethnic Fijians emigrate for shorter periods to earn higher incomes abroad mostly in security and health sectors. A small proportion of ethnic Fijians emigrate to join sport clubs abroad. This type of recruitment began around 1970 when the prowess of the Fijian rugby players was realised internationally (Robertson 2006). The emigration trends in Fiji have many other

ethnic dimensions, thus the analyses in this section include ethnic variations. For instance, as pointed out earlier in this report and elsewhere, temporary emigration has been mostly an ethnic Fijian phenomenon. On the hand, Indo-Fijian migration has been mostly permanent emigration.

4.1.3 Education and Employment

Table 4.4 shows the education levels of absent migrants in Fiji. The survey data show that about 68 per cent of absent migrants had attained secondary or higher levels of education at the time of emigration. Amongst the Indo-Fijians, about 71 per cent of the emigrants left Fiji with a minimum of secondary school education and similarly, 66 per cent of ethnic Fijians had this level of education. The analysis shows that migrants who remain in the host countries for a longer period have significantly higher levels of education and often leave Fiji while still in employment. The data show that about 28 per cent of migrants are university graduates.

Table 4.4: Education Status of Remitting Absent Migrants

Level of Education	Observation Type	Ethnic Fijians	Indo-Fijians	Others Ethnic Groups	Total
None	Percentage within Education Level	36.1	63.9	0.0	
	Percentage within Ethnicity	1.6	4.8	0.0	
	Percentage Total	1.0	1.7	0.0	2.7
Primary Education	Percentage within Education Level	93.9	1.8	4.2	
	Percentage within Ethnicity	11.1	0.4	12.7	
	Percentage Total	6.9	0.1	0.3	7.3
Secondary Education	Percentage within Education Level	66.4	30.9	2.7	
	Percentage within Ethnicity	35.2	28.3	36.4	
	Percentage Total	21.8	10.1	0.9	32.8
Degree	Percentage within Education Level	60.3	38.0	1.7	
	Percentage within Ethnicity	23.2	25.2	16.4	
	Percentage Total	14.3	9.0	0.4	23.8
Postgraduate	Percentage within Education Level	44.4	55.6	0.0	

	Percentage within Ethnicity	2.9	6.2	0.0	
	Percentage Total	1.8	2.2	0.0	4.0
Other	Percentage within Education Level	38.1	55.6	6.3	
	Percentage within Ethnicity	4.4	11.0	18.2	
	Percentage Total	2.7	3.9	0.4	7.1
No response	Percentage within Education Level	59.7	38.5	1.8	
	Percentage within Ethnicity	21.6	24.1	16.4	
	Percentage Total	13.4	8.6	0.4	22.4
Total	Percentage Total	61.8	35.8	2.4	100

Source: DOTM Household Survey Data 2008

According to this dataset, 4 per cent of absent migrants have postgraduate qualifications at the time of migration from Fiji, which could in fact be much higher due to response bias. Since there is a very high “no response” rate for this question, it is possible that some of the no responses would include highly qualified people with degrees and postgraduate qualifications. Therefore, the actual observed rates of 23.8 and 4 per cent found in the data analysis could be underestimations of higher qualifications. Our adjusted estimate is that the overall combined composition of degree and postgraduate holders would be around 35 per cent, which is significant since permanent or long-term migration is likely to impact upon the skilled labour force quite substantially. However, as pointed out by McKenzie and Sasin (2007), identifying the exact impact of migration on labour is a complicated task, and therefore it is better that such calculations be left as rough estimates. The primary school dropout rate in Fiji is around 15 per cent as per historical data but the migration data shows only 7.3 per cent primary school dropouts as migrants, which indicates an education bias in migration patterns.

A lot of funds for education in Fiji are provided by foreign governments and aid agencies. These funds amount to over FJ\$25 million annually, much of which is also used for capital expenditure. However, according to the survey data, 27.8 per cent of all absent migrants either have a basic degree or a postgraduate qualification. If this proportion is assumed to be evenly distributed over the years, it is estimated that over 1500 graduates would have migrated per year. If a total training cost of FJ \$30,000 is spent on each graduate, the total loss to Fiji is estimated to be around FJ\$45 million annually.

An economic analysis of this (for graduates only) reveals a staggering economic loss of FJ\$1.24 billion for the past 10 years based on a constant average earnings of FJ\$15,000 per annum (in current prices) without any adjustment for productivity gains. If this loss in earnings was estimated in the context of gains for Australia and New Zealand, the total amount would be more than twice the figure. The total

economic loss from migration of all persons would far exceed this figure estimated here since the earnings of non-graduates are not accounted for in this calculation.

Table 4.5: Employment status of absent migrants

Activity	Type of Observation	Indigenous other Fijian groups	Indo-Fijians	Ethnic	Total
School/Education	Percentage within Ethnicity	29.3	25.8	18.5	
	Percentage of Total	18.1	9.2	0.44	27.8
Paid Employment	Percentage within Ethnicity	36.7	50.2	31.5	
	Percentage of Total	22.7	18.0	0.75	41.5
Self Employed	Percentage within Ethnicity	14.0	6.2	16.7	
	Percentage of Total	8.7	2.2	0.4	11.3
Unemployed (LFJ)	Percentage within Ethnicity	2.9	2.5	15	
	Percentage of Total	1.8	.9	0.35	3.1
Unemployed (NLFJ)	Percentage within Ethnicity	3.1	3.7	13	
	Percentage of Total	1.9	1.3	0.3	3.5
Unpaid Family Job	Percentage within Ethnicity	6.5	8.3	5.5	
	Percentage of Total	4.0	3.0	0.13	7.1
Retired	Percentage within Ethnicity	4.7	0.1	0	
	Percentage of Total	2.9	0	0	3.0
Others	Percentage within Ethnicity	2.4	2.6	0	
	Percentage of Total	1.5	0.9	0	2.4
No Response	Percentage within Ethnicity	0.3	0.6	0	
	Percentage of Total	0.2	0.2	0	0.4
Total	Percentage of Total	61.8	35.8	2.4	100

Note: LFJ implies looking for job and NLFJ implies not looking for job

Source: DOTM Household Survey Data 2008

According to Table 4.5, 84 per cent of absent migrants were either in school, formally employed, self-employed or retired at the time of their departure. While about 7 per cent were domestically employed (unpaid family work), only 6.6 per cent of the absent migrants were unemployed at the time of emigrating. This aspect of Fijian migration is detrimental for development, since it has had a negative impact on the supply of skilled labour.

Our estimates suggest that 35 per cent of absent migrants have a basic degree or better level of education, which gives an indication of the extent of the skills lost to Fiji as a result of migration. Fiji's narrow resource base (similar to other small developing states) amplifies the magnitude of this brain drain. Small island countries also face significant challenges in training and retaining a skilled workforce (Docquier and Schiff 2009). As a result of these constraints it is often difficult for small island states to attain productive efficiency and compete with larger economies such as China, Thailand, Malaysia, Philippines and Indonesia in commodity exports.

Table 4.6: Structure of Human Resource Utilisation in Fiji (numbers)

Usual Activity By Ethnicity	Fijian	Indian	Others	Rotuman	Total	Percentage of Total
Wage earner	59,975	80,504	3,928	1,691	146,098	17.9
Salary earner	26,863	17,891	3,203	926	48,883	6.0
Employer	696	2,235	332	0	3,263	0.4
Self-employed	58,928	29,311	3,340	239	91,818	11.2
Family worker	28,372	7,083	1,357	1,127	37,939	4.6
Community worker	1,412	645	177	0	2,234	0.3
Retired/pensioner	4,923	7,481	436	96	12,936	1.6
Handicapped	1,510	2,057	22	105	3,694	0.5
Other Reason for Inactive	5,577	6,508	429	594	13,108	1.6
Not looking for work	1,169	789	92	44	2,094	0.3
Full time Household Duties	49,793	67,494	3,919	1,290	122,496	15.0
NAS/Underage	52,102	23,449	2,783	1,159	79,493	9.7
Full-time student	130,170	91,676	8,267	3,254	233,367	28.5
NAS/ of school age	3,122	1,534	333	37	5,026	0.6
Unemp. Or looking for work	5,128	5,918	382	0	11,428	1.4
Unemp. Or Stopped looking	2,011	1,655	249	139	4,054	0.5
All	431,753	346,231	29,267	10,702	817,953	100

Source: Fiji Islands Bureau of Statistics (2006)

Table 4.6 shows the structure of economically active and non-active people in the Fijian economy. The official statistics show that about 24 per cent of the people are salary or wage earners engaged in various economic activities, while a further 11 per cent are self-employed, 15 per cent are domestic workers and 28.5 per cent are full-time students. If these proportions are compared with the data in Table 4.2, the asymmetries in emigration becomes clear. While approximately 24 per cent of Fiji's population are wage or salary earners, the proportion of employed migrants is about 41 per cent. Meanwhile the proportion of domestic workers and other family workers in Fiji is more than 20 per cent, but these only constitute around 7 per cent of the

migrant population. This trend in migration reflects the bias towards the departure of employed and skilled workers. According to the data, there does not seem to be any bias for the school going category of migrants and the self-employed.

Table 4.7: Professional Categories of Migrants

Country	Observation Type	Ethnic Fijian	Indo-Fijian	Other Ethnic Groups	Total
Manager/Senior Official	Percentage Within Ethnicity	2.1	1.5	0.0	
	Percentage of Total	1.3	0.5	0.0	1.8
Professional Occupation	Percentage Within Ethnicity	13.2	17.8	11.1	
	Percentage of Total	8.2	6.4	0.3	14.8
Administrative Occupation	Percentage Within Ethnicity	1.4	7.3	7.4	
	Percentage of Total	0.9	2.6	0.2	3.7
Skilled Trades Occupation	Percentage Within Ethnicity	8.7	14.6	18.5	
	Percentage of Total	5.4	5.2	0.4	11.1
Service Occupation	Percentage Within Ethnicity	30.2	13.7	0.0	
	Percentage of Total	18.7	4.9	0.0	23.6
Technical Occupations	Percentage Within Ethnicity	2.4	5.2	16.7	
	Percentage of Total	1.5	1.9	0.4	3.7
Elementary Occupation	Percentage Within Ethnicity	3.6	7.3	13.0	
	Percentage of Total	2.2	2.6	0.3	5.1
Other	Percentage Within Ethnicity	19.2	18.5	31.5	
	Percentage of Total	11.8	6.6	0.8	19.2
No Response	Percentage Within Ethnicity	19.2	14.2	1.9	
	Percentage of Total	11.9	5.1	0.0	17.0
Total		61.8	35.8	2.4	100.0

Source: DOTM Household Survey Data 2008

According to Table 4.7 about 59 per cent of all absent migrants are in the high professional category while only 5.1 per cent are in the elementary category. This reinforces the earlier point that highly skilled and experienced workers are more likely to be taken in by host countries. It is expected that a substantial proportion of the “other” or “no response” category could be of technical nature since a lot of Fijian migrants to destinations like Australia and New Zealand are highly qualified and

experienced personnel from various sectors. After allowing for the student category of migrants, about 65 per cent of absent migrants are expected to fall within the professional category, which is concerning for policymakers in Fiji.

The host countries of Fijian migrants

The analysis of survey data in Table 4.8 shows that Australia receives the largest number of migrants from Fiji. The table shows that more than 38 per cent of Indo-Fijians and about 19 per cent of ethnic Fijians migrate to Australia. The second most popular destination for Indo-Fijians is New Zealand where about 30 per cent of them migrate. The second most popular destination for ethnic Fijians is the United States, which takes in about 23 per cent of them. It is known that a high percentage of ethnic Fijians going to the United States are female health workers. About 16.5 per cent of ethnic Fijian migrants choose to go to New Zealand while about 16 per cent of Indo-Fijian migrants choose to go to the United States. About 7 per cent of the ethnic Fijian migrants choose to go to the Middle East for jobs in the security sector whereas just 3 per cent choose Europe as their destination.

Table 4.8: Host Country of Absent Migrants from Fiji

Country	Observation Type	Ethnic Fijian	Indo-Fijian	Other Ethnic Groups	Total
Australia	Percentage Within Ethnicity	18.7	38.3	17.0	
	Percentage of Total	11.5	13.8	0.4	25.7
New Zealand	Percentage Within Ethnicity	16.5	29.6	26.4	
	Percentage of Total	10.2	10.6	0.6	21.5
USA	Percentage Within Ethnicity	22.7	15.6	34.0	
	Percentage of Total	14.0	5.6	0.8	20.4
UK	Percentage Within Ethnicity	14.5	1.5	15.1	
	Percentage of Total	8.9	0.5	0.4	9.8
Canada	Percentage Within Ethnicity	1.1	3.2	5.7	
	Percentage of Total	0.7	1.1	0.1	1.9
Europe	Percentage Within Ethnicity	2.9	0.5	0.0	
	Percentage of Total	1.8	0.2	0.0	1.9
Middle East	Percentage Within Ethnicity	7.3	0.0	0.0	

	Percentage of Total	4.5	0.0	0.0	4.5
Other Regions	Percentage Within Ethnicity	1.6	0.2	0.0	
	Percentage of Total	1.0	0.1	0.0	1.1
No Response	Percentage Within Ethnicity	14.8	11.1	1.9	
	Percentage of Total	9.1	4.0	0.0	13.1
Total		61.7	35.9	2.3	100

Source: DOTM Household Survey Data 2008

Most Indo-Fijian migrants going to Australia, New Zealand, Canada and the United States migrate permanently while the ethnic Fijian migrants to destinations like the United States, Europe and the Middle East are generally temporary migrants in search of higher paid jobs.

The high paying security jobs in high risk destinations such as the Middle East, Iraq and Afghanistan may not be a serious concern in terms of skill migration, but it causes a number of social problems for the families of migrants. As a result of such migration many young families are left without their fathers and spouses. In most cases wives are left without their husbands for long periods of time, which gives rise to uncertainties within the family and creates many associated problems. As a result of dislocation of the parents from the family setting, children often fall victim of indiscipline problems. This can also result in family breakdown due to infidelity and conjugal disputes. On many occasions young ethnic Fijian soldiers and security men lose their lives causing permanent loss of income and security for their families, which often get reported in Fijian dailies.

4.1.4 Material poverty of migrant households receiving remittances

According to the remittance data only about 18 per cent of the remittances received from absent migrants are sent for specific members of the household. Therefore, other than cases where expenditures are specified by the remitter, remittance receiving households are free to spend the money according to their needs. This expenditure freedom seems to be evenly spread amongst both the major ethnic communities.

As shown in Table 4.9, remittances are spent widely on various types of consumption. The “HH goods” includes all kinds of consumption goods such as food, clothing and white goods that the households deem necessary. However, the highest single category of expenditure in Table 4.9 is education, followed by medical and death related expenditures. This expenditure pattern signifies the community and cultural values of both the major communities in Fiji. Both ethnic Fijian and Indo-Fijian communities value education highly and thus migrants find this expenditure important and commit their remittances towards it. Often the educational needs of households back home provide reasons for the emigrants to send money to support their younger siblings or even their extended families.

According to the survey data about 60 per cent of all households receive remittances from persons who are non-family (‘other’ category of remitter). Twelve per cent of all

households spend remittance from non-family remitters on education. Generally, non-family remittances are spent on various other types of expenditures. Of all households, 9 per cent spend non-family remittances on normal household consumption goods, 6 per cent on medical and 5 per cent each on wedding and funeral.

Specific types of health expenditures are also common causes of remittances. For example, such health expenditures could be directed towards the older members of the family by the remitters. In most cases, it is received by parents or older siblings who need special medical attention. Similarly, funeral related expenditures for both Indo-Fijians and ethnic Fijians are quite substantial and when death occurs migrants remit to the families back home to meet those expenditures. Table 4.9 shows this expenditure to be about 6.5 per cent.

Interestingly, 5.3 per cent of the recipients also save the remittance money while another 5.2 per cent use the money to pay off household debts. Generally, savings behaviour is much more pronounced among Indo-Fijians than ethnic Fijians and thus it would be expected that more Indo-Fijians save the remittance money. While 5 per cent commit to child support, 4.5 per cent commit the remittance to religious activities.

Table 4.9: Expenditures by receiving households

Type of Expenditure	Percentage of Total Expenditure
Education	11.2
Medical	8.8
Wedding	2.7
Funeral	6.5
Religious purpose	4.5
Business	0.3
HH goods	19.2
Property	3.8
Land Agriculture	0.2
Child support	5.0
Savings	5.3
Pay off debts	5.2
Given to others	0.6
Help others migrate	0.5
Total	100

Source: DOTM Household Survey Data 2008

It is expected that remittances contribute significantly towards raising the living standards of the receiving households. According to the survey data in Table 4.10, 18 per cent of absent migrants remit between USD \$1000-\$2500 per year, which is likely to reduce poverty substantially in recipient households.

The national basic needs poverty line for Fiji is estimated to be about FJD \$7500 for a family of 4 equivalent adults (Kumar 2007; Narsey 2006b). According to this estimate, about 36 per cent of households are estimated to be in poverty, which according to Narsey (2006) is the poverty rate with remittances included. Therefore, if remittances decline or stop flowing into Fijian households, it is expected that more households would slide into poverty (see Adams and Page 2005).

At the exchange rate of \$US1 to \$FJ1.90, poor household receiving USD \$1000 are likely to substantially increase their levels of household consumption. Even lower amounts of remittances are likely to push many poor households out of poverty. According to the data, more than 60 per cent of absent migrants remit more than FJ\$500 (see Table 4.10). It is likely that this would significantly change the economic circumstances of the receiving households.

Table 4.10: Range of Remittances to Households

Amount Remitted in USD (2008)	Percentage of Remitters
Less than \$100	9.1
Between \$100-\$200	8.8
Between \$201-\$499	17.5
Between \$500-\$999	15.1
Between \$1000-\$2499	18.4
Between \$2500-\$4999	5.5
More than \$5000+	2.8
Not Stated	22.8
Total	100

Source: DOTM Household Survey Data 2008

Cost of Remittances

Remittances that are received by the households are not cost free. The households need to remain in contact with the remitters on a continuous basis. Although the responsibility of maintaining contact lies on both parties, the onus is often on the receiving households if they are to ensure the continuity of the remittance. This is particularly the case when the remitter is a distant relative. The frequency Table 4.11 shows that remittance levels are dependent upon the frequency of contacts between the remitter and the households. However, there is no clear basis to state which way the causation flows. It is expected that the causation would flow from both ends. The table has a distinctive feature. Higher values are observed at the upper middle section of the table.

The reasons for maintaining contact are often quite varied and based on circumstances. Therefore, the costs of receiving remittances are not explicitly known. The costs of transactions and other costs could in fact be distributed between both the sides. Some costs could also be implicit. For instance, households in Fiji normally host the remitters when they return to Fiji occasionally and sometimes such receiving households would have the burden of meeting the cost of transport and food, which could be significant when compared to the size of their household income.

Table 4.11: Correlation between frequency of contact and remittances

Frequency of Contact	\$100 or less	\$100-\$200	\$201-\$499	\$500-\$999	\$1000-\$2499	\$2500-\$4999	More than \$5000	Total
> Once/day	1.8	0.6	3.3	3.5	2.3	1.0	0.6	13.1
> Once/Weekly	3.7	2.6	7.0	4.6	8.3	2.1	0.3	28.6
> Once/month	3.6	3.8	3.7	6.7	6.9	2.2	1.0	27.9
Monthly	2.1	3.2	5.9	3.1	3.7	1.5	1.2	20.6
> Once/3 month	0.4	0.3	1.7	0.6	0.4	0.2	0.5	4.1
> Once/6 months	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.5
> Once/year	0.0	0.8	0.0	0.0	0.2	0.0	0.0	1.0
No Contact	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.5
No Response	0.2	0.0	0.1	1.0	2.1	0.2	0.0	3.7
Total Percentage	11.8	11.4	22.6	19.5	23.9	7.2	3.6	100.0

Gains from Return Migrants

Other than remittances, individuals, households and the country as a whole can benefit from the experience gained by workers who live and work abroad. These experiences can be put to productive use when the migrants return home. The experiences gained could be in the field of work, business or even cultural and social norms. Many developing countries benefit from these experiences, which help them transform the country when economic and social transitions occur. Table 4.12 provides estimations of a logit model with new businesses as the dependent variable and various exogenous variables that partially explain the behaviour of business venture. This phenomenon could be enhanced if the return migrant acquires new skills about which he or she may have gained confidence as a result of the work or social experiences had while abroad.

All the variables used in the model are statistically significant. According to the estimates, households that have return migrants have a higher chance of setting up a new business. Households with absent migrants also have a higher probability of engaging in business. There are multiple reasons why this is the case. For example, as pointed out earlier, return migrants often come back with new ideas, and some return migrants save and bring back money that they can invest. Similarly, households that have close family members abroad have access to new ideas as well as investable capital.

The data in the table also shows that total remittances to households do not boost business behaviour.

Table 4.12: Do return migrants contribute to new businesses

<i>Variables</i>	<i>Model 1: Logit Estimation</i>
Dependent variable	New Business
Constant	1.4821***
Household with Return Migrant (return1)	0.4834***
Households with Absent Migrant (absent1)	0.2571***
Households Size (hhmembers)	0.0370***
Households Owning Dwelling (ownhouse)	1.16412***
Ethnic Character of Household (ethnicity2)	-0.4724***
Education Level of HH Head (education)	-0.1020***
Total Remittance Received (totremit)	-0.00093***
Log-Likelihood	-5166.4
Sample size	11733
Pseudo R-square	0.0673

Note: * the coefficient is significant at 10 per cent level, ** significance at 5 per cent, *** significance at 1 per cent or less.

4.2 Educational attainment of migrant households' members

4.2.1 Impact on educational achievement of migrants

The educational impact of migration can be significant. Our survey showed that 41.3 per cent of absent migrants attained some qualifications while abroad. Most of these are work-related qualifications. Nearly 59 per cent of this group achieved work-related qualifications while living abroad. The highest level of qualification achieved by these migrants was a university degree. About 31 per cent achieved tertiary level qualifications while living abroad. Another 5 per cent of migrants achieved primary and secondary education abroad (See Table 4.13).

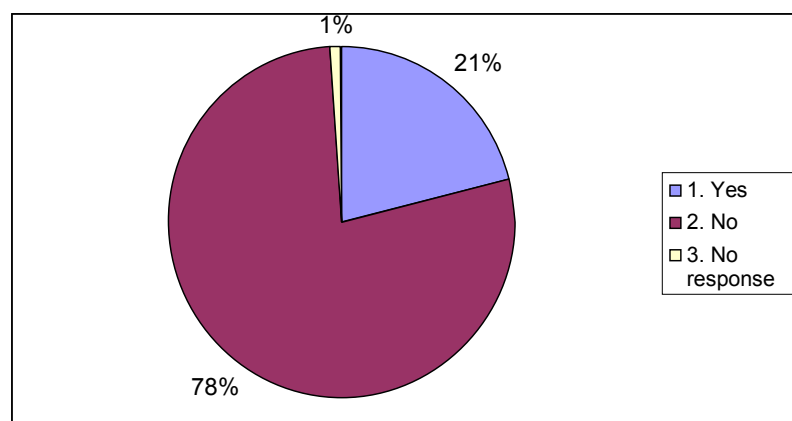
Table 4.13: Educational achievement of those absent migrants who obtained qualifications abroad

Highest qualification that the absent migrant had received while living abroad	Percentage
Primary level	1.3
Secondary level	4.2
Tertiary level (e.g. university degree)	30.6
Work related qualification	58.8
Others	1.6
Do not know	3.5
Total	100

Source: DOTM Household Survey Data 2008

Analysis of the educational attainments of return migrants in Fiji suggests that nearly 21 per cent of migrants obtained some qualifications while living abroad. However, the majority of return migrants had no change in their qualifications (Figure. 4.2).

Figure 4.1: Proportion of return migrants who obtained some qualifications while abroad



Source: DOTM Household Survey Data 2008

For those return migrants who did obtain qualifications while abroad, the highest level of qualification was a university degree. Most of the qualifications that return migrants received were work-related qualifications (66 per cent). About 17 per cent achieved tertiary level qualifications while living abroad and another 10 per cent of migrants achieved primary and secondary education qualifications (See Table 4.14).

Table 4.14: Level of attainment for those return migrants obtaining qualifications while abroad

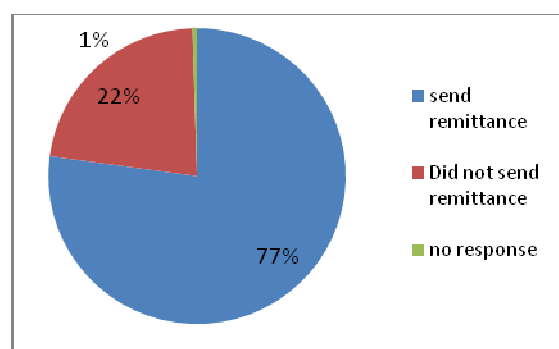
Highest qualification that the return migrant had received while living abroad	Percentage
Primary level	2.9
Secondary Level	6.9
Tertiary level (eg. university degree)	16.8
Work related qualification	66.0
Others	6.2
Do not know	1.2
Total	100

Source: DOTM Household Survey Data 2008

4.2.2 Impact of remittances on household educational achievement

Remittances play a crucial role in households' educational attainment. The impact of remittance on education of migrant households in Fiji is well documented. More than three quarter of absent migrants sent some remittances to their household in the last 12 months (Figure 4.3). Of the total remittance received by absent migrant households, about 14 per cent was used for children's education. Similarly, 21 per cent of remittances received by 'other remitter households', was also spent on education.

Figure 4.2: Proportion of absent migrants who sent remittance in the 12 months preceding the survey



Source: DOTM Household Survey Data 2008

Table 4.15: Use of remittances sent by absent migrants and other remitters

Use of Remittances	Percentage	
	Absent migrant Household	Other remitters Household
Education	14.4	21.1
Child Support	6.5	6.0
Household goods	24.9	16.5
Medical	10.9	10.5
Funeral	8.5	8.4
Religious Obligation	5.8	7.8
Weddings	3.5	8.4
Properties	5.0	3.7
Savings	6.4	3.8
Debt payment	6.7	2.6
Others	3.8	11.2
No response	3.6	0.0
Total	100	100

Note: 'Other remitters' refer to people who are sending funds but who were not members of the household before departure, such as extended family members.

Source: DOTM Household Survey Data 2008

Remittances sent by migrants are primarily used for household consumption in Fiji. They are largely used by migrant households for the purchase of household goods and for education. The other uses of remittances are for meeting medical expenses, and other expenses such as funerals, religious obligations, and weddings, and for debt payment, child support, and properties (see Table 4.15). There is little variation in the way that the remittances sent by absent migrants or other types of remitters are spent, except in the categories of child support, medical and funeral expenses.

4.3 Gender roles within migrant households

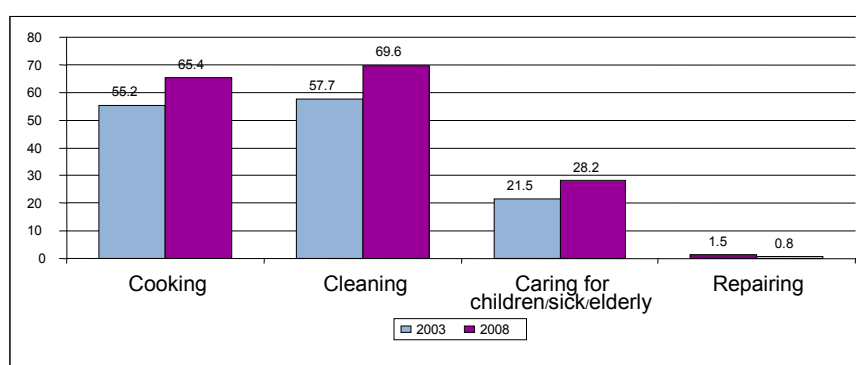
Migration has had mixed impacts on gender roles within migrant households. The Fiji study has revealed that women continue to be heavily engaged in cooking, cleaning and caring for children, sick and elderly, while men do the work of repairing of homes. An analysis of gender roles at household levels in Fiji was done for two time

periods between 2003 and 2008 and at three levels: (a) households without migrants (b) households of absent migrants and in (c) households of return migrants. At each level, the percentage of females reporting cooking, cleaning and repairing activities were recorded for 2003 and 2008. The survey data provided mixed results in terms of impact of migration in changing gender roles in non-migrant and migrant households.

4.3.1 Gender roles in non-migrant households

In the non-migrant households, women were reported to spend a significant amount of time in traditional roles of cooking, cleaning and caring for children, the sick and the elderly. The study showed an increase in proportion of women in these activities between 2003 and 2008. About 65 per cent of women were reported to be engaged in cooking in 2008, a 10 per cent growth from 2003. Similarly, nearly 70 per cent of women were reported to be responsible for household cleaning activities in 2008, which is 12 per cent more than 2003. Home repairing activities accounted for only 0.8 per cent of female activities in 2008, which is a significant decrease from 2003.

Figure 4.3: Proportion of women in households without migrants citing gender specific household tasks as absorbing significant amount of their time

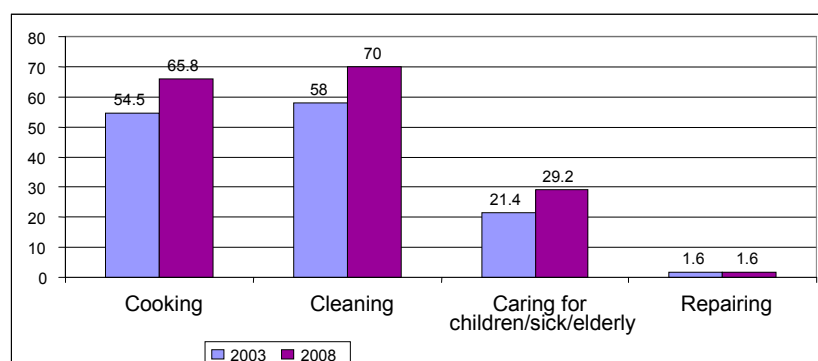


Source: DOTM Household Survey Data 2008

4.3.2 Gender roles in absent migrant households

The study showed few differences between non-migrant and absent migrant households in terms of gender roles. The proportions of women absorbed in traditional roles of cooking, cleaning and caring were almost the same for both these households during the two periods. However, the proportion of women engaged in home repair activity in absent migrant households in 2008 was almost double than in non-migrant households (although still a very small percentage). This indicates the impact of migration in changing the role of females in the migrant households when males are away from home.

Figure 4.4 Proportion of women in households with absent migrants citing gender specific household tasks as absorbing significant amount of their time

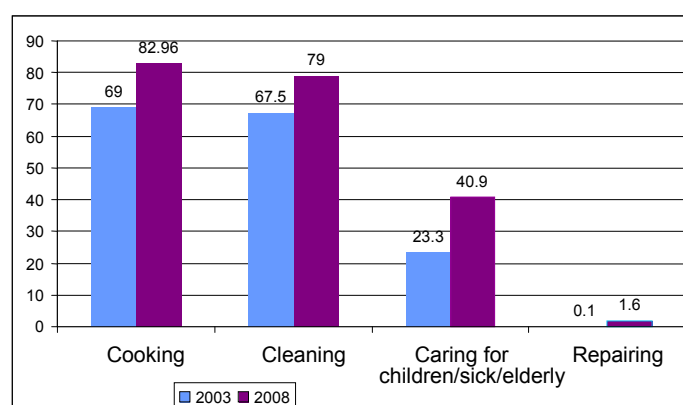


Source: DOTM Household Survey Data 2008

4.3.3 Gender roles in return migrant households

In return migrant households, the proportion of women reported to be spending time cooking, cleaning and caring for children, sick and elderly is much higher than in non-migrant and absent migrant households during the periods of study. The data shows a substantial increase in the proportion of women carrying out these activities between 2003 and 2008, especially in caring of children, the sick and the elderly. About 83 per cent women reported to be engaged in cooking in 2008, a 14 per cent growth from 2003. Similarly, a growth in the proportion of women reported to be engaged in household cleaning activities was observed between 2003 and 2008 (see Figure 4.4).

Figure 4.5: Proportion of women in households with return migrants citing gender specific household tasks as absorbing significant amount of their time

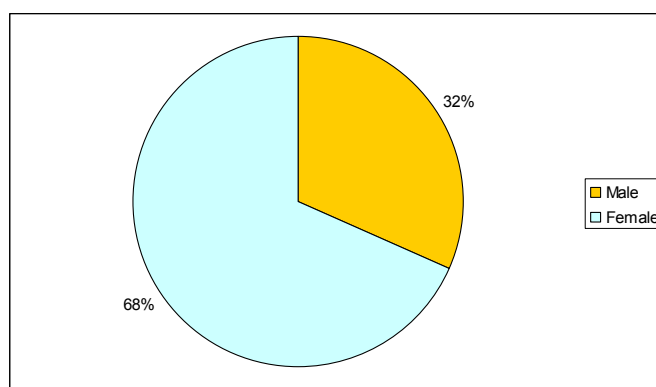


Source: DOTM Household Survey Data 2008

4.3.4 Gender roles and remittances

Caring for children left at home remains a priority for female migrants living abroad, and remittance patterns reflect this. Five per cent of the absent migrants reported that remittances sent were used for child support. The figure below shows that 68 per cent of those remitting for the purpose of supporting a child were females.

Figure 4.6: Proportion remitting for child support by gender (percentage)



Source: DOTM Household Survey Data 2008

4.4 Cultural and other social impacts

4.4.1 Culture and norms

While many migration scholars have suggested that migration has an impact on the social norms and values of migrants and therefore their cultures,, it has also been argued that while many migrants move in order to improve their material circumstances, this does not necessarily mean that their cultural values and norms will change rapidly. Indeed, some evidence suggests that the first generation of migrants may even embrace their own language and culture more closely. Factors such as the nature of the migrant’s work, their duration of stay, and the nature of their social and economic circumstances also have a bearing on the impact that migration has on their culture and norms.

Our study found that for both absent and return migrant households, the language spoken was primarily the vernacular – Bauan Fijian and Fiji Hindi. Their religion remained the same and their values relating to family and kin obligations had not changed.

4.4.2 Family Structure

Migration changes family structures. An analysis of the marital status of absent migrants showed that about 68 per cent of migrants were either married or had long term partners and nearly 24 per cent had no spouse or partner. A majority of the spouses (73 per cent) of absent migrants however lived together abroad.

Table 4.16: Marital status of absent migrant

Marital Status	Percentage
Married/long term partner	67.5
No Spouse or long term partner	23.6
Do not know	8.9
Total	100.0

Source: DOTM Household Survey Data 2008

Table 4.17: Domicile of the spouse of absent migrant

Location of Domicile	Percentage
Live in this household	11.5
Live in another household	10.9
Live with the migrant abroad	73.0
Do not know	4.6
Total	100

Source: DOTM Household Survey Data 2008

The parental status of absent migrants shows that more than half (55 per cent) had children. Just over 36 per cent of absent migrants had no children. The survey further revealed that about 63 per cent of migrant parents lived with their children abroad (based on the answers of surveyed households where only members of the extended family remained behind). About one third (34 per cent) lived away from migrant parents of which 22 per cent lived in absent migrant's households in Fiji and another 12 per cent lived in other households in the country (see Tables 4.18 and 4.19).

Table 4.18: Parental status of absent migrants

Parental Status	Percentage
Have children	55.1
Do not have children	36.2
Do not know	8.7
Total	100

Source: DOTM Household Survey Data 2008

Table 4.19: Domicile of absent migrants' children

Location of Domicile	Percentage
Live in this household	22.0
Live in another household	12.2
Live with the migrant abroad	63.2
Live elsewhere	2.1
Do not know	0.5
Total	100

Source: DOTM Household Survey Data 2008

4.5 Opinions on the impact of migration on life in Fiji

The survey gathered household data on respondents' opinion about the impact of emigration on life in Fiji. About 42 per cent respondents were of the opinion that their situation was worse off, while 45 per cent said that life was better through emigration and another 10 per cent of households reported that there is no change in life through emigration.

Similarly, more than half of household respondents (61 per cent) opined that life was better as a result of immigrants from other countries living in Fiji, while another 27 per cent reported life to be worse as a result of immigration.

The study also analysed various questions relating to the impact of migration on development in Fiji based on the opinion of household members. A majority of respondents (83 per cent) agreed that poor public services in schools and hospitals were a result of the migration of teachers, nurses, and doctors. Only around 12 per cent did not believe that migration was causing deterioration in educational and health services.

Although migrant remittances have had many positive impacts on growth and development, negative impacts are perceived as well. For example, about 54 per cent agreed with the statement that money received from migrants made people lazier in Fiji, while 30 per cent disagreed.

Emigration has some impact on migration from Fiji as well. About 79 per cent of respondents agreed with the idea that when people see others migrating, many of them want to leave the country too. In turn, this can have an impact on education, if seeing skilled people migrate and benefit economically makes others keener on studying and enhancing their skills in order to migrate themselves. Around 78 per cent of respondents agreed with the statement that higher education and skills enhanced the possibility to migrate.

Anecdotal evidence suggests that return migrants often get involved in politics and social issues in Fiji when they come back. However, less than half of respondents were of the opinion that when people who have lived abroad come back, they help the country by getting more involved in political and social issues. Return migrants also normally invest money they bring back to Fiji. However, many opined that migrants were spending more money to meet family needs and less for community needs. Nearly 81 per cent of respondents reported that more remittance money is spent for meeting the family needs and less for community needs.

Table 4.20: Opinions on how Fiji’s development is affected by migration

Statements presented to the respondents	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Do not know
Important public services like schools and hospitals- are offering poor services because teachers, nurses, and doctors are leaving the country	55.6	27.4	3.2	8.0	4.0	1.8
Receiving money from migrants make people lazier, they do not want to work	20.8	33.4	12.8	15.2	14.8	3.0
Fiji citizens living abroad provide important support to the community (eg give money to the school, or for religious facilities)	22.8	33.7	16.5	15.5	6.2	5.3
Foreigners are moving to this country and doing important jobs that otherwise wouldn't get done	18.0	22.9	18.6	18.3	10.8	6.4
Government services are being affected because the government has to spend money caring for immigrants	15.7	26.4	26.4	14.4	7.6	9.5

When people here see others migrating, many of them want to leave the country also	44.3	34.3	8.4	6.7	3.1	3.2
Because people see skilled people migrate, they are keener on studying, because they think getting educated will help them to migrate	47.9	30.9	9.1	7.7	1.8	2.6
When people who have lived abroad come back, they help the country by getting more involved in politics and social issues	13.6	21.7	21.6	20.1	11.6	11.4
When people return from other countries they normally invest the money they bring	19.1	27.3	16.6	18.0	9.7	9.3
Migrants are spending money for family needs and less for community needs	53.3	27.3	9.6	4.8	3.1	1.9

Source: DOTM Household Survey Data 2008

Section 5: Policy discussion and recommendations

In this section, we give an overview of policies in Fiji and its key migrant-destination countries that have the potential to impact on Fiji's development trajectory,

5.1 Current domestic migration policies in Fiji

5.1.1 Emigration policies in Fiji

Fiji has been a country of emigration since before independence in 1970. However, Fiji has no domestic policies on migration. The government imposes no restrictions on emigrants but instead appears to be supportive of free the movement of people abroad, which is seen as a good way of attracting remittances. However, the country has been losing managerial, professional and technical skills in all sectors of economy, notably in education and health sector (Mohanty, 2006). In order to meet the skills needs, the former Government had a strategy of increasing intake at tertiary and vocational institutions by 10 per cent annually (Fiji Ministry of Finance and National Planning 2006: 137).

5.1.2 Immigration policies in Fiji

The Government of Fiji has adopted various strategies to improve the functioning of the labour market and to facilitate labour mobility. One is to recruit expatriate workers where there are shortages (Fiji Ministry of Finance and National Planning 2006:137). The immigration policy framework in Fiji is largely confined to issuing visas/permit. The Fiji Immigration Department has three categories of visa/permit policy: policies on work permits, residence permits on assured income, and student permits. Work permits are given on merit on a case by case basis. The work permits are not granted to small scale farmers and to a person who is already in Fiji on a visitor visa (Fiji Immigration Department 2006).

The University of the South Pacific (USP) and the Fiji School of Medicine (FSM) attract student immigrants from other Pacific island countries and further afield. Permits are given to regional and non-regional students to study in the country. An immigration fee is charged for student permits with the exception of students from Tuvalu, who are exempted from paying immigration fees for studying at primary, secondary and tertiary institutions (Fiji Immigration Department, 2006: 6).

The Immigration Department is responsible for the security, control and management of Fiji's border, the administration of citizenship and the facilitation of migration and control functions of the major ports and airports. The issuance and extension of visas/permits (for work/residence/study) to potential immigrants is one of the main services provided by the Immigration Department. Other services include processing and issuing Fiji citizenship and travel documents (passports); processing of prohibited immigrants and the detention and removal of unlawful immigrants.

5.2 Current domestic non-migration policies in Fiji

As analysis has shown (see for example Chappell and Glennie 2009), policies that are not traditionally thought of as 'migration' or 'development' policies can nevertheless have an impact on both of these phenomena. Below, we consider a number of economic and social policies in Fiji that might be having an effect on the country's migration patterns and developmental progress.

5.2.1 Wage policies

Daily mean wages in Fiji are generally low, at around FJ\$2-3 per hour. There is also a considerable gender gap in wages, with estimates suggesting that on average, men are paid 19 per cent more than women (Narsey 2007). Wages are higher in certain sectors, particularly the service, electricity, mining and agricultural sectors (Fiji Islands Bureau of Statistics 2008). Fiji's wage increment system is based on an annual cost of living adjustment (COLA) rather than on merit or productivity. This has several effects. There is little incentive for employees to improve work performance or gain new skills and this creates inflationary pressures (Fiji Ministry of Finance and National Planning 2006: 77). The emigration policies of countries that Fijians tend to migrate to (the point system) is an incentive for improving wages and skills, since low wages are one of the factors for the large scale emigration of skilled people from Fiji, especially to Australia, New Zealand and the United States.

5.2.2 Educational policies

Fiji has been witnessing a large scale emigration of teachers (primary and secondary) overseas (Mohanty 2001, 2006; and Voigt-Graf 2003). Various measures are being implemented to address the problem of skill shortages in the education sector that include: an intensification of training; an upgrading of institutions such as the Fiji School of Medicine (FSM), Fiji Institute of Technology (FIT) and the Lautoka Teachers College (LTC); awarding scholarships for high and middle level training; and intensifying training programmes by Fiji College of Advanced Education (FCAE). The aim of these policies is to increase the intake at tertiary and vocational institutions to meet the skills needs.

There are an increasing number of emigrant students on overseas scholarship programmes. Student mobility from Fiji has increased greatly over the last two decades. However, the Government has a bond agreement with students on overseas scholarships which require them to come back on completion of their studies and work in the country for a minimum of three years. This policy has implications for return migration to Fiji. Efforts are being made to attract and retain adequate qualified personnel in Fiji (Fiji Ministry of National Planning 1997: 49).

5.2.3 Health policies

Relatively low wages and unsatisfactory working conditions has led to the large scale emigration of doctors, nurses and technicians, leaving a wide gap in demand and supply of skilled health professionals in the system. To address this shortage of health professionals, the Fiji Ministry of Health is recruiting expatriate doctors as a short term measure. The Fiji School of Medicine is also being expanded and developed as a longer-term solution to this problem. In addition, a post-graduate medical course has been created at FSM (Fiji Ministry of Finance and National Planning 2006:42). Besides, the retirees from medical profession are being reemployed temporarily to meet the gaps in health services. An upgrading and strengthening of the training institutions is one of the human resource development policies of the Ministry of Health to provide a well-trained and highly skilled workforce.

5.2.4 Structural adjustment programmes, unemployment and poverty

Fiji has undertaken various market-led structural adjustment programmes. However, these programmes have not been effective in removing key limitations to economic growth (Lodhi 1996). The annual average inflation rate has been increasing over the years. It increased to about 7.7 per cent in 2008 from 4.8 per cent in 2007 and 2.5 per cent in 2006 (Fiji Islands Bureau of Statistics 2009; Reserve Bank of Fiji 2007). The unemployment rate in Fiji was 9 per cent in 2007. It was higher among females than males, and higher amongst Fijians (10 per cent) than Indo-Fijians (7 per cent) (Fiji Islands Bureau of Statistics, 2008).

5.2.5 Currency and investment policies

Fiji's currency remains weak compared to major world currencies. A devaluation of 20 per cent in 2009 further exacerbated this situation, and has had an impact on migration decisions and remittance transfers. The Government currently has no policies to facilitate the development impact of remittance transfers.

Private investment has remained weak at less than 7 per cent of GDP; a situation which has been attributed largely to low investor confidence in the economy (Fiji Ministry of Finance and National Planning 2006). Private investment has mainly concentrated in tourism, construction, garment and mining industries. Public sector investment has been expanding but slowly, particularly in public enterprises (ibid). Foreign direct investment (FDI) in Fiji shows a declining trend over recent years. The net inflow of FDI as a percentage of GDP has declined from 6.9 per cent in 1990 to – 0.1 per cent in 2005 (UNDP 2007; 2008). Continued political uncertainty and the large scale emigration of skilled people from Fiji have had a significant impact on investors' confidence.

5.2.6 Border security

Fiji is the gateway to a number of regional and Pacific Rim countries. As a hub, Fiji presents an ideal location for migrants to seek access to other destinations. The Ministry of Defence, National Security and Immigration is the key Ministry responsible for the security and management of Fiji's border and facilitation of migration.

A rapid increase in the movement of people across borders, drug trafficking, money laundering and illegal immigrants are the main security concerns at present. Fiji has many illegal immigrants. There were over 300 illegal immigrants in Fiji in 2002, of which a large number were 'prohibited immigrants' (37 per cent), immigrants with 'invalid travel documents' (17 per cent) and 'persons without visas' (8 per cent) (Fiji Immigration Department, 2006: 6). The government's aim is to reduce the number of illegal immigrants in the country by 15 per cent from a bench mark of 26 in 2004 (Fiji Ministry of Finance and National Planning, 2006: 195). However, a shortage of human resources means that the Immigration Department is facing problems in tracking down illegal immigrants (Fiji Immigration Department 2006: 6).

5.3 Migration policies of major destination countries for Fijian migrants

Australia, New Zealand, USA, Canada and the UK are the five major traditional destination countries for Fiji's migrants. In early years, under-population and labour shortages in Australia and New Zealand encouraged high levels of regional immigration. The immigration policies of both countries are in many ways similar,

especially towards the Pacific countries. Initially, the basic objectives of the migration policies and programmes of Australia and New Zealand were to promote population growth, economic development and regional integration. However, there has recently been a shift away from encouraging permanent or long term migration to bringing in temporary and short term migrants. Both countries have also increasingly shown a preference for giving work permits to unskilled seasonal workers. These policies have had significant impacts on the migratory flows of a number of Pacific countries, and especially on Fiji, Samoa and Tonga.

The following section provides an overview of relevant migration policies of Fiji's major migration destination countries.

5.3.1 Australia

The two programmes that currently allow permanent migration to Australia are the migration and the humanitarian programmes. To be accepted into Australia under the migration program, a person must be (a) a skilled migrant, (b) sponsored by a family member that already lives in Australia and/or (c) an Australian returning to Australia who had to give up citizenship to live overseas. The Federal Government sets a quota for immigrants each year. The humanitarian program is designed for refugees and others in special humanitarian need. A major component of the program is the offshore resettlement program, which assists people in humanitarian need overseas for which resettlement in another country is the only option.

Australia has moved to a points-based immigration system and since the 1980s, has used this to attract economic migrants and temporary (skilled). It is currently focusing on migrants with 'skills in demand'. In order to attract these migrants, the Department of Immigration and Citizenship maintains a Migration Occupations in Demand List (MODL) which is updated annually. Potential migrants with skills in demand are allocated extra points. Health professionals, certain trade persons and other occupations are given preference. Australia has also a policy to attract skilled migrants to regional and rural areas.

The Australia Pacific Technical College (APTC) initiative instituted 5 years ago is designed to produce well trained Pacific islanders in labour market areas identified as requiring skilled personnel. APTC campuses have been established in Fiji, Vanuatu, Papua New Guinea and Samoa. Training programmes are offered in tourism and hospitality, automotive engineering, manufacturing, electrical services, health, community work and construction. Young men and women with APTC qualifications are eligible to apply to migrate to Australia.

Australia's immigration policies have undergone continuous changes in the last few decades. Australia's migration program has remained selective and tightly managed. In the early years of migration, greater emphasis was given to family migration, it then shifted towards economic migrants and temporary skilled migrants and recently a new emphasis has been placed on seasonal, unskilled and short-term migration, especially from the Pacific countries.

Australian Guest Worker Program

As of 2008, the Australian federal government has agreed to admit Pacific islanders under its 'guest worker program' to work in horticulture for a year in order to build their skills and experience before returning home to help strengthen their country's skills and economy. The programme is expected to benefit workers from Vanuatu, Tonga, Samoa, Kiribati and Tuvalu as part of a year-long traineeship to build their

skills and experience. In the trial stage of this programme, up to 2,500 visas are available over three years for Pacific workers to work in Australia for up to seven months in a year. However, although Fiji qualifies under the scheme, it has currently been suspended due to political instability (The Fiji Times 2009).

5.3.2 New Zealand

In 1947, New Zealand introduced free and assisted passage for migrants to meet its labour shortage. In the 1950s and 1960s, migration from the South Pacific countries was encouraged and since then, a significant number of Pacific Islanders have entered the country. Generally, people from the Pacific Islands who migrate to New Zealand can also migrate to Australia since the Trans-Tasman Migration agreement enables free movement between Australia and New Zealand. Pacific islanders take advantage of this and upon receiving New Zealand citizenship they often move across and settle in Australia.

A new Immigration Act was passed into law in New Zealand in 1987. This law ended the preference for migrants from the UK, other European countries or North America based on their race, and instead classified migrants on their skills, personal qualities, and potential contribution to New Zealand's economy and society. The introduction of the points-based system came into effect in 1991.

By 2006, the number of Pacific islanders living in New Zealand was 265,974 or 7 per cent of the New Zealand population and 30 per cent of total foreign-born residents in New Zealand. Controls based on skills, capital, and education make it difficult for many Pacific islanders to migrate to New Zealand.

Pacific Access Category (PAC) Program

In 2001 a Pacific Access Category (PAC) Program was introduced allowing up to 650 migrants aged between 18-45 years including 250 citizens each from Fiji (now suspended) and Tonga, 75 citizens of each from Kiribati and Tuvalu to migrate to New Zealand each year. Any migrant accepted under this scheme is granted permanent residency in New Zealand.

Immigrant Residence Policy (IRP)

New Zealand's Immigration Residence Policy divides immigrants into three streams: skilled/business; family sponsors; and international/ humanitarian streams. The skilled migration policy introduced in 2003 based on a points-system led to increased and diverse immigration to New Zealand. This policy replaced the earlier general skill category (GSC) of migrants. The family-sponsored category is for family members of previous immigrants and accounts for about one-third of immigrants. The international/ humanitarian streams include refugees, migrants on a quota system (e.g. Samoan quota) and victims of domestic violence. New Zealand provides assistance to mandated refugees (refugees determined by UNHCR). To be eligible to claim a refugee status, an asylum seeker must be in New Zealand at the time of making the claim. New Zealand has also a refugee family-sponsored quota. Under the Domestic Violence Policy, a person may be granted residence if he/she has had, a marriage or relationship with a NZ citizen or residence that has ended due to domestic violence by the NZ citizen or resident.

Recognised Seasonal Employer (RSE) Scheme

In 2006, New Zealand's government initiated a temporary seasonal work policy called the Recognised Seasonal Employer (RSE) Scheme. This replaced earlier initiatives which aimed to mitigate seasonal labour shortages in horticulture and viticulture industries by bringing in unskilled workers from Pacific countries on a temporary basis. Under the RSE Scheme, workers from the Pacific islands are allowed to come to New Zealand for up to seven months to work in the horticulture and viticulture industries. All Pacific Forum countries are eligible for this scheme. Up to 5,000 seasonal workers per year are allowed under this scheme.

5.3.3 Canada

In the early twentieth century, Canada began to control the flow of immigrants, adopting policies that excluded applicants whose ethnic origins were not European. In the 1950s, 85 per cent of Canadian immigrants were of European origin. Until 1962, Canada had an immigration policy based on race. By the mid-1980s, the proportion of European immigrants declined to 29 per cent. Most notable changes in Canadian immigration policies occurred with the 1976 Immigration Act and the 2002 Immigration and Refugee Protection Act. The 1976 Immigration Laws removed ethnic criteria, and since then Canada has become a destination for immigrants from different countries.

Canada's immigration policies encourage the entry of three categories of immigrants: (a) economic and independent immigrants that include skilled workers, entrepreneurs, investors and self employed workers (b) close family members of Canadian residents (including spouses, dependent children and parents), and (c) refugees. Priorities are given in Canada to persons seeking family reunification and to refugees.

A desire to increase the number of skilled workers entering the country has shaped the development of Canadian immigration policies. In 2002, an Immigration Act was introduced that replaced the 1976 Immigration Act. Changes to the skilled workers category were made to attract younger bilingual and educated workers. More points were given to applicants with knowledge of languages (French and English) and to applicants with a trade certificate.

Canada has a points-based system for immigration of skilled workers. Canada also has a Seasonal Agricultural Workers Program (CSAWP), which allows for the entry of up to 20,000 harvest workers each year (mainly from Mexico and the Caribbean countries).

5.3.4 United States

As elsewhere, the United States takes in a variety of migrants, including: those seeking family reunification; skilled workers; migrants who fill occupations that are experiencing labour shortages; and refugees. The US maintains a policy of diversity by providing admission to people from countries with historically low rates of immigration to the US.

A series of immigration laws were passed in the late 1990s and the mid-2000s to cater to public concern about immigration to the US. The Refugee Act of 1980 set limits on the number of immigrants who could reside in the country. In 1986, the Immigration Reform and Control Act was passed to prevent illegal immigrants from Latin America entering the country by imposing sanctions against employers who hired illegal workers. A 1996 Immigration Act not only affected immigration controls, but also regulated immigrants' rights in the United States.

In 2004, permanent admission to immediate relatives of US citizens accounted for about 43 per cent of total permanent admission. The other major preferences were family-based preference (23 per cent) employment-based preferences (16 per cent) and refugees and asylum seekers (8 per cent). A guest worker scheme is also operating in the US. A Comprehensive Immigration Reform Act (CIRA) was passed in 2006 to deal with immigration reforms.

The Diversity Immigrant Visa Lottery Program (Diversity Visa Lottery) - also known as the US Immigration Lottery or the Green Card Lottery - allows people to live, work, or study in the United States.

According to US Embassy Officials in Suva, there are two common ways for Fiji citizens to apply for permanent residential status in the United States – through having family members already resident in the US, or through the Diversity Visa Lottery. Of the 1,018 permanent resident permits granted to Fijian citizens in 2007, the categories included Immediate Family (305), Special Immigrants (3), Family Preference (439), Diversity (266), and Employment (5). The officials said applications were assessed primarily based on medical considerations, the availability of funds, and the character of the migrant.

Under the Diversity Visa Lottery programme, 630 Fiji nationals won the lottery in 2008 while 321 were offered permanent residence visas (The Fiji Times 2008). In 2009, 760 Fiji nationals won the lottery. According to US officials in Suva, the skilled migration category is of less significance as Fijian migrants do not tend to possess the skills needed by the US labour market. As discussed earlier, Fijian care givers often migrate to work in the US, but evidence suggests that they do so by travelling to the United States with tourist visas and then working illegally, rather than being granted official status.

5.3.5 United Kingdom

The UK has a points-based skilled immigration system for non-European Union migrants wishing to come to the UK to work and study. A Highly Skilled Migrant Programme (HSMP) was introduced in January 2002 to attract highly skilled individuals to the country. Points are awarded on the basis of age, qualification, and work experience, earning power, UK experience, English language ability, partner/spouse's skills and other requirements. The programme opened avenues for immigration visa leading to Permanent Resident status or Right of Abode or Indefinite Leave to Remain in the UK. Under this programme one does not need employer sponsorship for immigration to the UK.

In 2008, the UK introduced a 'point based five-tier immigration system' replacing the earlier HSMP Scheme which encompasses all work, study and training related immigration into the country. Each tier has different conditions, entitlements and entry requirements for migrants.

The five tiers include: Tier 1: (General) for highly skilled migrants, entrepreneurs, investors, and graduate students; Tier 2: For skilled workers who have a job offer; Tier 3: For limited numbers of lower skilled workers to fill temporary shortages in the labour market; Tier 4: Students; and Tier 5: For youth mobility and temporary workers.

The UK has no policy that gives preference to Fijian migrants. However, a large number of military personnel from Fiji have joined the British army as a result of its policy of recruiting from Commonwealth countries.

5.4 Policy recommendations

The findings of this study echo earlier research that migration has become a very important part of Fiji's development trajectory. Drawing on the evidence that this project has gathered, we make the following recommendations to policymakers about how they might improve the development impacts of migration in Fiji:

1. There is evidence of a net loss of skilled personnel from Fiji, which means that brain drain has been occurring. Terms and conditions of employment as well as issues of political stability and personal security need to be addressed if such outflow of skilled personnel is to be slowed.
2. The practice of bonding overseas scholarship holders so that they return to work in the country for 3 years appears to be effective and should be continued.
3. Although the migration of Fijians for security work and for care giving has significantly boosted remittance earnings, these two categories of absent migrants are particularly at risk. Security workers are exposed to physical dangers and considerable violence that is likely to traumatise them. Post-trauma counselling should be more readily available. Meanwhile, care givers often do not have work permits and therefore find themselves in a difficult situation with employers and government authorities abroad. Government needs to ensure adequate orientation and induction of security and care giving personnel. Negotiations with receiving countries for Fiji's care givers should also be intensified so that arrangements can be regularised.
4. Remittances have made a positive contribution to both families and to the foreign exchange earnings of Fiji. A significant proportion of remittances are used to fund education and to pay for medical services. Remittances also alleviate household poverty. Currently only very small amounts of remittances are saved. Increasing access to banking services in rural areas and the provision of micro-finance should enable greater saving by households. Initiatives to encourage and facilitate savings should be promoted.
5. The Fiji Diaspora constitutes a major asset abroad for the country. They provide remittances, they are a market for Fiji exports and they also contribute to tourism by publicising the country as well as travelling to Fiji periodically. In times of natural disasters in the country, they have responded by providing considerable cash and in kind relief supply. Effective connections need to be maintained with Fijians abroad. The reform and deregulation of telecommunications will facilitate improved and regular communication with absent migrants and the Diaspora.

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Appendix 1: Sampling strategy

Sampling frame and field work activity - Fiji

Supervisors

Five Supervisors were engaged for the fieldwork. The supervisors were divided as follows: two for the Northern Division, two for the Central Division, and one for the Western Division.

The supervisors were there at the three divisions throughout the fieldwork and were in regular contact with the enumerators. They visited each team once a week and any questions or queries raised in the fields were addressed by the supervisors and if it was beyond their capabilities they would forward the enquiries to the coordinator of the fieldwork.

The contact point for the enumerators was their divisional supervisors. The supervisors had a central point of contact at each division and these were Lautoka USP campus for the Western Division, Labasa campus for North and Laucala campus for Central. Assistance from the Lautoka and Labasa Campus is acknowledged.

Enumerators

A total of seventy-six (76) enumerators were recruited for the research. All were USP students. Thirty (30) enumerators were engaged in the Northern Division, twenty (20) for the West and twenty-six (26) for the Central division.

The enumerators worked in groups of 3 to 5 and were divided into enumeration areas. The Northern and the Central division had groups of between two to five (2-5) enumerators in each enumeration area, the Western division had two to three (2 – 3) enumerators in each group.

Training

The training sessions started in late May. Enumerators were identified and two one hour sessions were conducted in early 2008 to familiarise the enumerators with the questionnaire. The second training session was a one day session on the third week of June. During this session the enumerators were divided into groups according to the divisions they would be working in.

A lot of time was spent discussing the questionnaire and familiarizing the enumerators with the questionnaire. The screening question was also discussed and the procedures to follow were outlined to the teams.

At the end of the day the team realized that most of the enumerators were still not familiar with the task in front of them. This led to another one hour training for each team from the three divisions. At the end of this training session the groups for each Enumeration Areas (EAs) were identified and the screening questions were distributed to each team. A team leader was identified for each team and they were in constant contact with the supervisors. During the session the screening and the questionnaire were further discussed in detail with the enumerators.

The final training session was conducted at the end of the first week in the field. This was at the end of the screening session and after each team had done a pilot of two questionnaires per team. Each team tested out the questionnaire in a non migrant household and one in a migrant household. This session included a discussion on the lessons learnt from the pilot. The final session was of 4 hour duration. During the session each team also received the list of selected sample households, copies of the questionnaire, and other materials needed in the field. This session was conducted in each of the three divisions.

Selection of the enumeration areas

Screening Questionnaire

A total of 9213 households were screening on the first week of the field activity. The enumerators conducted door to door household screening of the 36 enumeration areas (EAs). Between 130 and 300 households were screened from each enumeration area this depended on the number of households in each enumeration area. It was observed that the urban EAs had more households than the rural EAs, and secondly the urban EAs had households close to each other while the rural households were dispersed.

The screen households were divided into two major categories, the non migrant households and the migrant household. The migrant household included households with absent migrants, return migrants and those with both absent and return migrants.

Selection of the Households

Each division had a targeted number of households. From the targeted sample size 50 per cent were non migrant household and the other half were migrant households. The distribution was proportional to the population distribution from the 2007 Fiji Census. And the rural urban distribution was also a determining factor. Systematic random sampling was used in selecting the sampled household.

A total sample of 1600 households was selected. In cleaning the data 66 questionnaires were disregarded- Therefore a total of 1534 samples were selected and 1350 were cleaned completed. The response rate was therefore 88.2 per cent.

Field editing of the questionnaires

The questionnaires were checked on the field (in each division) by the supervisors and were returned to the team if it was incomplete. On the second week of the fieldwork the first few questionnaire filled were checked and enumerators were informed and asked to revisit households. By the middle of the first week the fieldwork activity was well underway.

The field activity finished on the fourth week and all questionnaires were collected by the supervisors and were brought in Suva. The final editing of the questionnaire was undertaken after all questionnaires were returned. Two supervisors were engaged to conduct this task and it included a second cross check of the questionnaires.

Data Entry

After the data were all cross-checked by the supervisors and edited, seven individuals were employed to do the data entry. One of the supervisors was in-charge

of the data entry. The team had a 4 hours training before using the Excel spread sheet to enter the data. This was a long process as it took three and half months to complete. The excel spreadsheet was checked by the supervisor at the end of the data entry process.

Appendix 2: Fiji country profile

Fiji is an archipelagic state comprising 300 islands, 100 of which are inhabited (see Figure 1). At the last Census conducted in 2007, the country's population stood at 837,271 comprising Ethnic or Indigenous Fijians (52 per cent), Indo-Fijians (42 per cent) and 'Others' (6 per cent).

Fiji's multi-ethnic population comprises ethnic Fijians who are mainly Melanesian but with considerable Polynesian influence, descendents of Indian Indentured labourers referred to as 'Indians' and in this report as 'Indo-Fijians' and a category called 'Others' who are not regarded as indigenous Fijians or Indo-Fijians. It is not clear if in these broad categories, Rotumans, an indigenous Polynesian group is included as ethnic Fijian or not. If they are not, then they would be included in the residual 'Others' category. This category comprises mixed race persons (called 'Part-Europeans' and 'Part Chinese', Europeans, Chinese, descendants of Solomon Islanders, Ni-Vanuatu, I-Kiribati, Wallisian labourers, Rabi Islanders, Kioa Islanders, Samoans, Tongans, Filipinos, Sri Lankans, Australians, New Zealanders, Americans, European, Chinese and Indian nationals).

More than 80 per cent of the population lives on the main island of Viti Levu. For administrative purposes, the country is separated into four divisions (see Figure 2).

Figure 1: Map of Fiji



