



Sending health workers abroad?

Potential implications of PACER-Plus for nursing and healthcare in the Pacific island countries

What is PACER-Plus?

At the 2009 Pacific Island Forum Leaders' Meeting, held in Cairns, Australia, Pacific leaders agreed to begin negotiations for a regional trade agreement between the Pacific island countries and Australia and New Zealand (PACER-Plus).

The PACER-Plus negotiations are likely to result in a binding international agreement that will affect Pacific economies and societies for decades to come. PACER-Plus will have wide-reaching implications for all Pacific islanders. A new agreement could affect ownership of land, employment, how much tax people pay, how much they pay for goods at the local store, the prices they get for their produce at the local market, and even their ability to access services (like local clinics and schools).

Both the Australian and New Zealand governments have shown they are interested in negotiating PACER-Plus as a free trade agreement that will allow their firms to export more goods and services to the Pacific and invest in new enterprises in the island countries¹. The Australian government explains that "Australia's primary motivation in supporting PACER Plus is to help the Forum Island Countries (FICs) to promote sustainable economic development. We nonetheless expect that improved market access may enhance some opportunities for Australian exporters, investors and service providers in Pacific markets"². The former Australian Trade Minister Simon Crean described PACER-Plus as a "trade-plus' free trade and economic integration agreement"³.

¹ A 'national interest' assessment undertaken regarding the Pacific Agreement on Closer Economic Relations (PACER), the precursor to PACER-Plus, found that "without ratification of PACER, Australia would be denied an enhanced opportunity to negotiate better market access to Pacific markets for Australian business and industry while any other country could enjoy duty free access to FIC's for their goods".

² 'Pacific trade negotiations commence', see: <http://www.aei.gov.au/AEI/MIP/Activities/09Activity24.htm>

How will PACER-Plus affect labour mobility in the Pacific?

Trade agreements sometimes contain provisions that allow workers to temporarily enter other countries (that are party to the agreement) to provide their services. These can form part of a *trade in services* agreement, or as a separate 'side-letter' to the main trade agreement.

Most agreements that contain a section on trade in services are modelled on the World Trade Organisation's (WTO's) General Agreement on Trade in Services (GATS). Under the GATS, when people travel overseas to provide a service this is described as a 'Mode 4' labour mobility arrangement.

At the moment, both Australia and New Zealand maintain a temporary labour mobility scheme that allows small numbers of Pacific islanders to fill labour shortages in their horticulture industries. Some Pacific leaders, and a number of commentators, hope that PACER-Plus could expand on these schemes by providing *binding* access to Australian and New Zealand labour markets, particularly under a 'Mode 4' labour mobility arrangement. They argue this could be a key development outcome of PACER Plus – contributing to development in the Pacific island countries through the money sent home by workers (remittances) and the enhanced skills of returning workers.

Will PACER-Plus help Pacific nurses and caregivers to work in Australia and New Zealand?

Possibly. If PACER-Plus contains an agreement on trade in services (or a 'side-letter' covering labour

³ Crean, S. McMullan, B. 2008. 'International engagement begins in own backyard'. *Canberra Times*. 26/8/08. Fairfax, Canberra

mobility), that includes the movement of health workers – then Pacific nurses, doctors, midwives and caregivers might be able to work in Australia and New Zealand on a temporary basis. However, many skilled health workers from the Pacific can already migrate to Australia and New Zealand under existing skilled migration schemes.

Could sending health workers overseas undermine health care in the Pacific island countries?

Yes. If PACER-Plus sees more nurses and caregivers travel to Australia and New Zealand for work, this could add to an already drastic shortage of health workers in Pacific island countries. As a meeting of Pacific island health ministers noted in 2007:

“The shortage of health workers is a chronic problem for Pacific island countries. The health worker density per 1,000 population (mainly doctors, nurses and midwives) is critical in Solomon Islands... (below the minimum threshold density of 2.5 workers per 1,000 needed to sustain basic services), Papua New Guinea and Vanuatu.”⁴

Australia and New Zealand already contribute to a ‘brain-drain’ in the Pacific by ‘poaching’ skilled Pacific island health workers. A recent study estimates that 652 Pacific doctors and 3,467 Pacific nurses and midwives are working in Australia and New Zealand, and for many island countries there are already more health workers in Australia and New Zealand than are at home in the domestic workforce⁵. The very high rate of migration of health workers means that Pacific island countries face a triple burden of losing valuable health workers, losing the investment made in training those workers, and having to pay to replace them (or send patients overseas for specialist referrals).

Australia and New Zealand have an obligation to actively address their significant contribution to human resource shortages in the Pacific. Certainly any provisions in PACER-Plus that concern the movement of health workers should be in line with the World Health Organization's Global Code of Practice on the International Recruitment of Health Personnel – which urges wealthy countries to ensure the sustainability of

health systems in developing countries from which they are drawing health workers⁶.

Is PACER-Plus the only way to allow Pacific workers access to Australian and New Zealand health ‘markets’?

No. Australia and New Zealand already have in place schemes that allow Pacific islanders to work in their horticultural industries. Similar schemes could be designed for nurses and care-givers from the Pacific. Such schemes could be mutually beneficial if appropriate attention is given to the healthcare needs of sending countries (and strategies are developed to encourage workers to return to the Pacific).

In fact, it is highly unlikely that PACER-Plus will deliver *binding* access to Australian and New Zealand labour markets, and even if it does, Pacific countries would have to open up key service sectors to Australian and New Zealand service companies in return.

Carefully designed labour mobility schemes may have benefits for Pacific countries and healthcare in Australia and New Zealand, but it is important that such schemes are not used as bargaining chips in free trade negotiations between unequal partners.

Find out more

This fact sheet is produced by the People's Health Movement (Australia) and the Public Health Association of Australia (Victorian Branch). For further information visit www.phmoz.org or email pacifictrade@gmail.com.

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- Improving Pacific governance?
- Supporting Pacific livelihoods?



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⁴ Meeting of Ministers of Health for the Pacific Island Countries. 2007. *Human Resources for Health: The Pacific Code of Practice for Recruitment of Health Workers in the Pacific Region and the Regional Strategy on Human Resources for Health 2006-2015*. World Health Organisation Regional Office for the Western Pacific. Port Vila

⁵ Negin, J. 2008. ‘Australia and New Zealand's contribution to Pacific Island health worker brain drain’, *Australia and New Zealand Journal of Public Health*, 32 (6): 507-11. Public Health Association of Australia.

⁶ World Health Organisation. *WHO Global Code of Practice on the International Recruitment of Health Personnel*. Sixty-Third World Health Assembly, May 2010.