

Implications of the Economic Downturn for Immigration and Social Cohesion

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Foreword

Australia is a very socially cohesive society compared with many others elsewhere. Millions of immigrants from a great diversity of cultures have been successfully absorbed with only a minimal degree of divisiveness. A variety of influences has helped secure this outcome, and chief among them is no doubt steady economic growth and high living standards. For example, in the period 1996-2007, sustained, expanding economic prosperity allowed the Commonwealth Government opportunity to increase the planned migrant intake to levels unseen since the 1980's.

But with the sudden economic downturn internationally in 2008, questions have been raised not only about the level of planned settlement which could be justified by looser labour markets and rising unemployment, but also whether the recessionary conditions would reduce social cohesion. These issues remain important despite signs of economic recovery in Australia and internationally, since unemployment levels are usually laggardly indicators.

This useful report by Des Storer provides a succinct overview of social cohesion implications arising from a possible recessionary period. It reviews the impact of economic decline in overseas countries and lessons from previous downturns in Australia. The report also raises the question of whether social tensions can rise as unemployment grows; and considers the current levels of immigration, as well as long term policy and demographic challenges, and the skill needs of the future labour force, with special reference to specific migration categories.

Des Storer has a comprehensive knowledge of social cohesion and migration issues in Australia and beyond. His outstanding background in published research, administration, policy formulation and advice at both State and Commonwealth Government levels, provides an impressive basis for his observations.

I therefore welcome this report's appearance as a joint product of the continuing collaboration between the Scanlon Foundation, which funded it, and Monash University's Institute for the Study of Global Movements. The issues canvassed are of great importance for future policy and related research on immigration and social cohesion in Australia, and will assist in considering on future initiatives.

Professor John Nieuwenhuysen AM
Director, Monash Institute for the Study of Global Movements

CONTEXT AND PURPOSE

The economic context

The first seven years of this decade were noted as a period of steady and stable economic growth, both in Australia and internationally. In Australia such stable economic growth meant the creation of more jobs than could be done by the existing labour force (resulting in lowering unemployment), which in turn meant that Australia required increasing numbers of skilled migrant labour, to ensure such growth continued.

This economic growth and rapid increase in immigration occurred at a time that was also marked by the increasing spread of acts of global terrorism (11/9/01 attacks on USA; 2002 Bali bombings; 2004 London bombings; 2005 Indonesian bombings; 2006 Bali bombings). This heightened Australians' concerns that instigators of such global terrorism might try to infiltrate Australia and radicalise young Muslims into carrying out attacks in Australia. However, apart from a few small groups who had been subject to such radicalisation, the strong economic growth up to 2008 generally ensured that Australia remained a peaceful, harmonious and socially cohesive society.

Events such as occurred in 2008 could change this. The sudden, dramatic, international financial crisis was expected to have an adverse impact not only on economic growth but on virtually every aspect of economic life in Australia, and thus on immigration and community relations, for the rest of the decade (2008–2011). This was the context for a proposal funded by the Scanlon Foundation in May 2009 (The Project).

Purpose of the project

- To identify the social cohesion implications arising from a possible economic downturn, and provide ways of addressing the concerns that will arise;
- To provide examples of the type of information materials and strategies that can inform and reassure the Australian public about the benefits of migration, even in a recession; and
- To promote the development of effective social cohesion strategies and initiatives.

Purpose of this paper

This paper aims to stimulate discussion about the first purpose of this Project, namely to identify social cohesion implications that could flow from an economic downturn, and to consider the best ways to address any concerns.

The paper identifies the extent of the current downturn from analysis of what is happening in comparable overseas countries. It looks at what occurred in earlier economic recessions in Australia, in the 1980s and 1990s. It raises questions as to whether similar immigration and social tensions could again arise in Australia. The paper then considers some indicators that suggest that as unemployment increases over the next two years to 8.5% (as predicted in the 2009 Federal Budget), it is likely that immigration will be reduced and social tensions will increase.

However, the paper argues that there are significant differences between the immigration policies of 2009, compared to those of the 1980s and early 1990s. These differences suggest that even if unemployment does rise to 8.5%, Australia will not experience the same community tensions that it did in these earlier times. To understand the differences, the paper looks at how the Commonwealth Government is currently developing its immigration program, to take account of long term demographic and labour force needs. It looks also at the growing dependence of the labour force on long term temporary migrants, large numbers of whom later feed into the permanent migrant intakes.

The paper then considers why this new long term migration planning strategy has different implications for social tensions than was the case during earlier economic downturns in Australia. As a consequence, the paper will argue, different community relations and education strategies and programs are required.

Impact of recession in overseas countries

A review of what has happened in regard to migrants and social cohesion in comparable countries provides an indicator of what could happen in Australia. As Philip Martin has observed, the global nature of the 2008–09 financial crisis is likely to affect migrants and migration in a number of ways that differ from what happened in earlier recessions.¹

One reason is that during this recession, one region is not benefitting economically at the expense of others. Migrants cannot shift to alternate destinations, as was the case when high oil prices attracted migrant labour to

¹ Martin, Philip, "The recession and migration: Alternative scenarios" International Migration Institute, Working Paper #13, University of Oxford, UK, 2009

the Gulf States in the 1970s, just when Western European countries were closing their doors to migrant labour. Today, even though countries such as the UK and Spain have experienced rapidly rising unemployment and high proportions of such unemployed are migrants, the recession has equally hit the migrants' countries of origin, and they are not returning to their home countries.

This of course creates problems for community cohesion. In response to rising public concerns about immigration, the UK Prime Minister at the Labour Conference in 2008 stated that: "British jobs should go to British workers". The Government in February 2009 restricted the entry of foreign skilled workers to the UK, banned unskilled workers and provided much tougher tests for family entry. Following the success of the anti-immigration British Nationalist Party (BNP) in obtaining two seats in the European Elections in June, the Government further tightened its citizenship as well as entry requirements (e.g. requiring longer periods of employment to obtain citizenship).

The success of the BNP and the willingness of the UK Government to adopt such tough immigration restriction measures, reflects the growing community concerns of the British populace regarding high levels of immigration at times of rapid growth in unemployment. There have been strikes of British workers blaming EU migrants for "taking their jobs" at oil refineries. As it is apparent that there is nowhere for such EU-born migrants to go, community tensions remain. Such tensions are most intense in poorer socio-economic suburbs and regions where competition for housing, work, and health, education and welfare services is most intense.

A review by the International Organization of Migration (IOM) on "The Impact of the Global Economic Crisis on Migrants and Migration" in March 2009 has similar findings for other EU / SE Asia / USA and Canadian developed economies. The IOM paper notes that even though there is little concrete evidence at this time, the following largely negative effects have been observed (as at March 2009) or are likely to occur in all countries responding to their survey:

- Job loses, especially in construction, manufacturing, finance, services, retail and tourism, which are affecting migrant workers in those sectors;
- Potential reductions in wages and poorer conditions in the workplace as companies and employers seek to make savings, as well as cuts in services provision, impacting on migrants' quality of life and health
- The increasing risk of discrimination and xenophobia as migrants are perceived as taking the jobs of local workers particularly in low-skilled sectors of the labour market
- A decline in remittance flows to developing countries as migrants lose their jobs thus increasing poverty and exacerbating development gaps, creating more reasons for migration
- Adoption of more restrictive immigration policies to protect the local labour market and in response to a demand for fewer foreign workers

- An increase in irregular migration and the strengthening of the informal labour market as unemployed migrants in destination countries seek to work without authorisation and as opportunities for regular labour migration decrease, resulting in the emigration of more persons from countries of origin more seriously affected by the crisis. An increase in trafficking in human beings the IOM suggests is also a possibility.²

Lessons from previous economic downturns in Australia

The period 1975–1995 was marked by periods of economic change. In the 1970s and 1980s the Australian economy opened to the world, and protection for Australian manufacturing lessened. Economic restructuring required a more educated and skilled workforce, however we more or less kept the same migration program settings through the 1980s, with most migrants entering as family migrants and with limited skills.

Over this period, regardless of the size of the intake, polls showed that the majority of Australians were against ‘high’ levels of immigration.³ Opposition to migration reached its peak in times of economic downturn and recession, namely in the early 1980s and the early 1990s, when immigration was subject to public challenge and often acrimonious debate. Professor Blainey in 1984 claimed that the program was ‘not in the national interest’, and, through family reunion, was favouring the entry of Asians and people from the Middle East. The economic recession of the early 1990s provided the platform for Pauline Hanson to argue that we were being ‘swamped by Asians’, who ‘get more support (from the government) than Australians’.

These debates created challenges for governments and other agencies concerned about social cohesion. There were concerns that public perceptions about the competition for jobs and community resources such as housing and schooling, and resentment about migrants’ reliance on welfare benefits, could escalate into inter-group tensions and conflicts.

From 1996 the migration program was re-oriented towards skills and labour market needs. Economic research was commissioned to demonstrate that migration was in the national economic interest, and public information campaigns disseminated the facts and figures. During the subsequent 13 years of economic growth, as indicated by the DIAC “Community Attitudes to Immigration” paper, the public remained ‘relaxed and comfortable’ about migration, while the size of the annual program increased.⁴

² IOM Policy Brief “The impact of the global economic crisis on Migrants and Migration” [IOM](#), Geneva, March 2009

³ “Community Attitudes to Immigration: 1988-2008” Unpublished Policy Brief by Strategic Policy Group, DIAC, February 2008.

⁴ *ibid*

A return to previous social tensions?

Will Australia in 2010 exhibit the same sorts of community tensions associated with immigration as in earlier downturns and as currently exhibited in other Western countries? There are some indications that as unemployment rises then Australia could be faced with similar challenges. Unions, academics and community commentators have called for a reduction of the migration intake until the unemployment situation improves.

Many of these calls have assumed that unemployment will significantly increase from a historic low of 3.9% reached in February 2008. When the financial crisis developed throughout 2008, there were predictions that Australia's unemployment would increase rapidly as was the case in other countries (in the USA to over 9%; UK over 7%; Spain 12% and so on). Early in 2009, Australia was predicted to follow. The Treasury in the May Budget stated Australia was likely to reach 7% unemployment by the end of 2009 and that this would increase to 8.5% in 2010–11. In the period February to August 2009, overseas unemployment continued to rise but Australia's barely moved, remaining at 5.8% in August 2009. Regardless of these trends, unions such as the Forestry, Mining and Construction Union, the Australian Manufacturing Workers' Union, and the Textile Workers Union and others argued to the last Labor Conference the need to drastically reduce skilled labour migration (both permanent and temporary).

Similarly, academics such as Bob Birrell, Ernest Healy and Bob Kinnaird, in an article published by the Centre for Population and Urban Research at Monash in February 2009, strongly argued that the labour market is moving from a situation of "chronic shortages to one of over supply" and that at time of economic downturn, this will lead to a situation of rising unemployment. Consequently they argue the Government should reduce the intake of skilled labour migration (both permanent and temporary) until unemployment is again reduced. "The explicit aim should be to protect Australia jobs" (2009: 2)⁵

Similarly, media commentators such as Piers Ackerman of the Daily Telegraph and Alan Jones on 2GB, fearful of the social implications of continued high migration in a period of rising unemployment, have written about the need to reduce migration. George Megalogenis, writing in *The Australian* in May, argues that if the downturn develops as expected and unemployment rises as it did in the 1990–91 recession, that the group most affected this time would be younger males, rather than middle aged manufacturing workers who bore the brunt of the earlier recession. Megalogenis goes on to say that if this does happen, and the current recession does leave large numbers of younger males on the unemployed

⁵ B. Birrell, E. Healy, B. Kinnaird, "Immigration, and the Nation Building and Jobs Plan" CPUR Bulletin, Monash University, February 2009

scrap heap then “this may pose an even greater threat to social cohesion over the next decade than did Hansonism”⁶

Reduction of Immigration in 2009

The Government, aware of these concerns, has acted by reducing the migration intake of skilled labour back to 2007–08 levels. In March 2009, it cut the 2008–09 permanent skilled migration intake by 14%, from the planned 133,500 to 115,000. In the May Budget, this was further cut to 108,100 places for 2009-10, which represented an overall 20% reduction from the previous 2008-09 Budget planning levels.

In addition to these cutbacks, the Government announced in the 2009 Budget, that it will be increasing English Language requirements for trades-related occupations, and will be introducing in 2010 a targeted skills testing regime to ensure migrants have both the language and skills needed in the current labour market.⁷

The cutbacks in migration intakes will be effected by processing applicants by priority: employer-sponsored skilled migrants getting top priority; government-sponsored next; then independent applicants, according to their levels of skills, with those on the ‘critical skills’ shortage list getting highest priority within this category.

In summary, the cutbacks in permanent skilled migration intakes (to 108,100 in 2009–10) have only reduced the numbers back to the 2007–08 level (108,540), which at the time was heralded as the highest level of skill intake of labour since the war. Why is this? Why has the Government only reduced migration by such small numbers if, as many commentators have argued, it was confronted by the most serious financial crisis and potential economic downturn since the war?

The answer may lie in two paragraphs of Minister Evans’s announcement of the 2009–10 migration program in the May Budget.

“The Government’s reform measures are aimed at ensuring an appropriate balance between providing skills needed in the economy now (demand-driven employer-sponsored), in the future (independent skilled pathway) and in the regions (government-sponsored pathway).”

⁶ George Megalogenis, “Women grab more share of unemployment pie” The Australian, May 5, 2009

⁷ Budget 2009-10 Press release, Senator Chris Evans, May 2009

*The Government has begun the task of constructing a long term planning framework for migration as a key opponent of our current reform agenda*⁸

This was reiterated by the Minister in his response to *The Age*, following the release of the *Report on the Migration Program 2008–09*, on 31 August, that “Cabinet had approved the development of a ten-year plan that would consider the types of migrants Australia would need over that period, and where they should settle”.⁹

To more effectively assess what might happen in terms of immigration and social cohesion in the coming years, we now consider what might be entailed in “constructing a long term planning framework for migration”.

Immigration policy: a long term planning framework

Planned immigration began at the end of World War Two. The unambiguous aim was “to populate or perish”. For the first 30 years immigrants were brought to Australia as permanent settlers, primarily as an unskilled and semi-skilled labour force to help in post-war reconstruction and fill the labour needs of a developing manufacturing industry. Over the last 15 years the focus has been on obtaining more highly skilled labour, both as permanent settlers and increasingly over the last decade through various long-term temporary skilled programs (e.g. employer-sponsored 457 visas or as international students).

Until recently the migration program has been planned on an annual basis, even though governments have for many years recognised a number of longer-term challenges which crucially involve immigration.

Long-term policy challenges

The Government is increasingly concerned about the longer term policy challenges imposed by Australia’s demography. For example the Treasury in its two *Intergenerational Reports* (IGR) (2002, 2007) and its supplementary *Demographic Report* (2004) has described in detail how Australia’s population is aging because of long-term below replacement level fertility rates and increasing life expectancy. The reports describe how, as a consequence, our labour force—the key contributor to economic growth and welfare—is growing more slowly and indeed without immigration would stop. The IGRs of Treasury

⁸ *ibid*

⁹ Mary-Ann Toy, “Migration Rules Set for Revamp” *The Age*, 31/8/09, p. 1.

detail Australia's fiscal capacity concerns to provide for the education, health and welfare needs of an aging population to the years 2047.^{10 11 12}

Meeting the longer-term demographic challenges

The Government in recent announcements on the migration program has indicated its intention "to construct a long-term planning framework for migration". This framework is likely to be based on the work the Government commissioned from Professor Peter McDonald and Dr Jeromey Temple of the Australian Demographic and Social Research Institute of the ANU. The resultant research report "Demographic and Labour Supply Futures for Australia" is available on the DIAC website.¹³

Because of the importance of this report to the Government in developing long term planning for migration, it is helpful to understand the basic assumptions employed by McDonald and Temple in developing their model. They test the relationship between immigration, on the one hand and demographic, labour force and economic growth on the other. Detailed description of the modelling procedure is appended to their report. The model is based on ten inputs: population by age and sex; total fertility rates (TFR) (according to three different scenarios); expectations of life at time of birth for men and women; total numbers of permanent and long term arrivals and departures from Australia (again with different scenarios); age and sex by different specific labour force participation rates; age and sex by specific rates of unemployment; plus others related to average hours worked and aggregate annual productivity growth.

The model can produce outputs related to:

- Population outcomes including projections by size;
- GDP per capita and growth of GDP per capita;
- Labour force outcomes - all projected to year 2050.

It is this third area that is of most relevance to immigration planning.

¹⁰ Australian Government, 2002, Intergenerational report #1, Commonwealth of Australia, Canberra

¹¹ Australian Government, 2004, Australian Demographic Challenges, Commonwealth of Australia, Canberra

¹² Australian Government, 2007, Intergenerational report #2, Commonwealth of Australia, Canberra

¹³ www.immi.gov.au

Size of future labour force

An important finding of the report is that the future size of the Australian labour force is both interrelated and sensitive to changes in Net Overseas Migration (NOM) ¹⁴

This is shown best in table six (page 15), which shows labour force outcomes for varying levels of migration (assumes average labour force participation rates and constant TFR).

NOM (000s)	Labour Force (millions)		Annual Average Labour Force Growth Rate (%)	
	2007 – 11.0		2007 = 1.18	
	2027	2047	2007–27	2027–2047
0	11.4	10.7	0.17	-0.32
100	12.8	13.6	0.76	0.30
180	13.9	15.9	1.17	0.67
220	14.5	17.1	1.38	0.82
260	15.1	18.3	1.58	0.96

This table shows that with a long term average NOM of 180,000 persons per year (noting the NOM for 2007-08 was 213,000), the labour force would continue to increase at around the current growth rate of 1.18% per year up to 2027. This assumes the total fertility rate at the 2007 rate which is 1.84 children per woman. If these assumptions were to hold this would add three million workers to the labour force over the next twenty years.

It should be noted that over the following twenty years (2027–2047), under this scenario, this growth rate would fall considerably. To maintain the current labour force growth rate (1.18%) up to 2047 given the same fertility and labour force participation rates, would require a NOM of 400,000 a year. This, as Professor McDonald acknowledges, would be extremely challenging in terms of recruitment, settlement, impacts on infrastructure, services and the environment, not to mention the challenges of social integration and social cohesion.

Given such challenges the implications of the McDonald and Temple research is that unless we can increase fertility, labour force participation rates and the NOM, Australia will have to accommodate lower rates of labour force growth in the period 2027–47, the very period when the IGR reports have indicated that

¹⁴ The NET OVERSEAS MIGRATION (NOM) – is used by the Australian bureau of Statistics (ABS) to estimate the net contribution of immigration and emigration to Australia's population. Up until 2006, this referred to all overseas arrivals who stay for one year or more plus all Australians returning from living one or more years overseas; minus all Australian residents who spend one or more years overseas. Since 2006, the ABS has changed the definition to include anyone who have lived in Australia for twelve out of the last sixteen months or the equivalent for those leaving Australia.

due to ageing of the population, Australia will be facing higher fiscal constraints in terms of providing health, welfare and other services.

Of course, if there is appropriate immigration planning to get the most needed skilled labour force over the next twenty years to assist Australia's economic growth then this might provide a "window of opportunity" to improve productivity and introduce more technology that might mean that fewer workers will be needed in the following period of 2027–47.

Skill needs of future labour force

At present most predictions of future skill needs of the Australian labour force are based on short-term (up to 4-5 year) predictions produced by government agencies such as the Treasury or Department of Education, Employment and Workplace Relations (DEEWR). These in turn are based on data collected from employers on their skilled labour needs, with input from industry bodies, professionals associations and State and Territory governments.

DEEWR, in its publication *Australian Jobs 2007*, estimated that "approximately 70% of new employment to 2011–12 is expected to come from four industries:

- Health and community services (170,000 at 3% per year)
- Property and business services (136,200)
- Retail trade (128,200)
- Construction (82,500)"

Personal and other services (43,400 new jobs) and accommodation, cafes and restaurants (39,000) were also expected to contribute a large number of jobs. The report also noted that more than half of the new jobs created in the years to 2011–12 were "expected to be in four broad occupational groups:

- Accounting, finance and management (21.9% of new jobs)
- Sales assistants and storepersons (13.8%)
- Health, fitness, hair and beauty (10.1%)
- Clerks, receptionists and secretaries (8%)."

Treasury in a *Working Paper* (McKissock et al, 2008) has argued that labour demands in the resource-rich states of Qld and WA require much higher levels of international migration than present. This, of course, was an argument made prior to additional requirements arising from recent agreements with China and India to provide liquid natural gas (LNG). Again, employers are saying this skilled labour can only come from international migration. As reported in the McDonald/Temple report, 'a recent study by Richardson and Teese (2008) estimates that the Australian economy would require a net addition of 500,000 vocationally educated workers by 2020, over a period

where exits from the labour force of persons with these skills will be well in excess of entrants'.¹⁵

It is, of course, more difficult to predict Australia's longer-term skill needs over the next 20 years. However there would be some agreement that Australia, like other advanced economies, is moving to more knowledge-based skills (cognitive, communication and technical), and that there will be great demand to both train Australians in these skills and obtain them through migration. Similarly over the next 20 years there will be continued strong demand for Australia's mineral resources, requiring large numbers of people with the skills to extract and process these minerals for export, and to develop the associated infrastructure. That is, to ensure there are enough skilled persons to overcome the production and distribution bottlenecks that have hindered this sector to date. Other requirements over the next 20 years will be to obtain skilled labour to service the needs of an ageing population.

Other implications of using NOM as a basis for long-term migration planning

Given these emerging needs for considerable numbers of skilled workers, longer-term migration planning will not only consider obtaining permanent skilled migrants and their dependent families, but also will consider temporary migrants who contribute to the labour force whilst in Australia, particularly 457 visa holders, international students, and working holiday makers. These groups are likely to later feed into future permanent migration programs. It is likely that NOM will become the main basis for determining shorter-term migration planning (e.g. four year plans) as well as longer-term planning.

If so, this has implications for social cohesion.

Implications of long-term migration planning for social cohesion

At the time of writing (September 2009) there does not seem to be much indication of rising community tensions in Australia as a result of present immigration policies. Some people have warned the Government to reduce immigration now before unemployment rises further. That is "nip it in the bud" before there are large groups of unemployed (particularly young males) who may get angry later as the recession takes hold. However, as noted, at this time the only action taken has been to cut permanent migration programs for 2009–10 back to the 2007–08 levels (levels which were heralded as record high intakes for skilled labour).

¹⁵ Ibid., p. 6.

I have suggested that this is because the Government is aware of the demographic and labour force challenges that lie ahead in the coming decades.

Implications for specific migration categories

The scenarios just outlined have different implications for different migration categories that come to live and work in Australia. Whereas, until recently, the focus on migration planning and community discussion was: 'how many permanent migrants should we take'; 'who should they be'; 'what jobs should they have'; 'where should they settle'; and 'how well will they interact and integrate with the communities where they settle'?

Over the past decade, the permanent migration has had a strong labour-market and skills focus. English language skills have been mandatory. Such migrants and their families obtain jobs almost immediately and settle in middle-class suburbs. These migrants have settled effectively and quickly. There is no problem of social cohesion within the communities where they settle.

Today the focus has shifted beyond those chosen for permanent migration to those migrants who come on temporary visas to work and to study in Australia. Over the past decade, it is these long-term temporary migrants, along with refugees and humanitarian entrants, who have become the focus of community relation concerns.

The groups currently associated with social cohesion problems are:

- Long-term temporary skilled
- Students
- Refugee and humanitarian entrants.

Temporary skilled and social cohesion

457 Visas

Since 2001 the demand for skilled labour by industry has lead to a great increase in the numbers of employer-sponsored subclass '457' visas. In 2002–03 there were 38,000 subclass 457 visas granted; by 2007–08 this figure nearly trebled to 110,600. In fact, in 2007–08 for the first time, more people were granted these temporary skilled visas than came as permanent skilled settlers. By June 2008, it was estimated that there were some 134,600 persons in Australia on 457 visas¹⁶. Nearly 80% were here as professionals or

¹⁶ Australian Government, Population Flows, 2007-8 edition, DIAC, Canberra

managerial-level workers (e.g. IT professionals, nurses, doctors, or business and information professionals).

However, around 20% were tradespersons or similar categories. It tends to be in this last subgroup that community concerns are raised. Unions have raised cases where they claim that 457 visa holders have been discriminated against, poorly paid or mistreated. This has led to some tensions in workplaces for example abattoirs, in hospitality industries and on construction sites. 457 visa-holders are not able to access Medicare or social security benefits. They pay taxes, superannuation and the Medicare levy and on average have salary rates above the Australian average. However, because of the number of incidents reported in the media of discrimination and poor treatment, a poor image has been created of the contribution of temporary 457 visa holders.

Student visas and social cohesion

The other long term temporary visa category that has expanded rapidly over the past decade has been student visas. In 1998–99, some 68,000 student visas were issued. By 2007–08 this had risen to 278,000. By June 2008, it was estimated that there were over 320,000 overseas students in Australia. The major countries of origin in 2007–08 were, in order, PRC, India, Korea, USA, Thailand, Malaysia, Nepal, Brazil, and Saudi Arabia. Of the education sectors, higher education (HES) accounts for 50%, Vocational Education and Training (VET) for around 25%, ELICOS and secondary schools account for the rest.¹⁷

Again because of the rapid growth of this student visa sector, there have been a range of social issues that have emerged in recent years. Students have to pay for courses in either the HES or VET sectors. They are allowed to work up to 20 hours a week but are not able to access many of the entitlements available to Australian students e.g. transport concessions. Often they live in shared accommodation in the poorer suburbs. They work in lower-paid jobs (e.g. convenience stores, hospitality, cleaning, driving taxis, etc), often late at night. Some have been subjected to attacks. They live in suburbs where other vulnerable youths from a range of ethnic backgrounds are competing for public space, leading to youth gang type incidents. Recent changes to immigration rules have made it more difficult to achieve permanent residence, thus increasing anxiety and stress-levels.

¹⁷ Ibid.

Refugees and social cohesion

The other category of migrants who are likely to receive greater attention in times of economic downturn with rising unemployment, are those who have recently settled in Australia under our refugee and humanitarian programs.

Over the past decade around 13,500 persons a year, on average, have settled under these programs. They have come from overseas refugee camps or have been accepted as asylum seekers.

In 2007-08 some 31% of these refugees and humanitarian entrants came from African countries (including from the Sudan, Liberia, The Congo, Burundi, Sierra Leone); 35% from the Middle East and South West Asia (including Iraq, Afghanistan and Sri Lanka); and 34% from Asia and the Pacific (including Burma and Nepal).

Many have arrived with limited language and literacy skills and many have been through traumatic experiences. They have difficulties learning English and getting jobs. They settle in poorer suburbs and regions, which have limited employment and training opportunities for existing residents. Tensions often arise over access to limited services and public space. Many of these refugees and humanitarian entrants are highly visible. Sometimes locals believe that they are getting “first access to services” and “special treatment”, and that “they don’t try to fit in with the way we do things here”.

The refugees, young people in particular, respond by saying that Australians “are against us”, “they don’t like us because we are black” or “wear head covers”, etc. If such perceptions and animosities become entrenched, tensions can escalate. This sometimes becomes manifest in youth gang violence.

Global terrorism concerns

Over the last decade, the threat of international and home-grown terrorism has prompted Australia, along with other countries, to examine more closely the factors linking social cohesion and national security.

The Australian government initiated in 2005, a *National Action Plan to Build on Social Cohesion, Harmony and Security*, a whole of government program involving Federal, State and Territory Governments. It provides a national framework through which to address underlying causes of extremism, including those factors that encourage radicalisation and motivate extremist behaviour.

There is special emphasis on working to involve refugee youth where they live in Australian suburbs. Many initiatives have been funded, to bring together youth especially Muslims, to discuss their concerns, develop their leadership

capacities, and develop their involvement in Australian “mainstream sport, music, education and training activities”. National Muslim Youth Summits have been convened every year since 2006. In 2006 Australian Imams and representative leaders from Muslim community organisations, Muslim women and youth were brought together in a national two day conference, to raise awareness of the role of Imams in promoting social cohesion in Australia.

Social cohesion strategies and priorities: 2009

This paper has argued that unlike earlier recessions of the 1980s and 1990s, which resulted in concerns being raised about general migration levels, in the current downturn it is more likely that concerns will be focussed on particular migration categories and groups, and in those local areas, suburbs, or small towns where the most vulnerable migrants live. The paper further argues that well planned, well targeted migration programs provide economic benefits nationally and to specific regions. However, social costs associated with vulnerable groups are realised locally: in terms of “push points” in schools; in access to health, welfare and housing; and in terms of rapid change in ethnic concentrations in disadvantaged suburbs and neighbourhoods.

It is in these poorer, disadvantaged suburbs, and smaller regional towns, that social cohesion and social harmony is most at risk. Experience shows that latent intentions become manifest whenever there is competition for limited resources. Over the past year, there have been examples of competition for employment, for low cost rental housing, for health and education resources, over use of public spaces, and over access to public lands, for example to build mosques or schools.

Experience shows that much inter-ethnic conflict that develops is based on misperceptions and erroneous information. Consequently, any strategy that aims to foster better social cohesion needs to focus on (a) selecting or preparing factual information, and (b) developing strategies to ensure such information is provided in the most effective manner.

Elements of a social cohesion strategy: 2009–11

(a) Providing factual information

Migration policy and planning is now complicated, and it will be important to package factual information to explain how the issues differ from those of the previous 50 years. For example, how the need for skilled labour in an increasingly interconnected world, with many advanced (and advancing) countries competing for skilled labour, has resulted in Australia requiring more people to come on temporary visas, either as employer-sponsored skilled workers, or as international students who might obtain required skills.

Facts and policy objectives will have to be packaged and presented so as to be accessible to different audiences with different needs, concerns and expectations. Different information packages will be required for State and Territory governments (and their education, health and welfare service providers); for business and industry organisations; for trade unions; for local government and local community organisations; for voluntary service groups; and for ethnic organisations and religious groups. Special effort will have to be made to provide such factual information to media groups and social commentators.

The various information packages might be road tested with representatives of the targeted groups, and adjusted depending on their feedback.

(b)Targeting social cohesion programs.

Developing new social cohesion programs will require identification of the new (vulnerable, at risk) recipients as well as a review of existing programs

1. Develop an index of disadvantaged localities

An index of migrant disadvantage could be developed for each Local Government Area (LGA). Data by social-economic status (SES) would come from material already used by governments for health, education and welfare purposes, and data on where the vulnerable migrant groups settle or congregate would come from immigration and local government data sources.

2. Analysis of incidence reports of social cohesion issues since 2001

Analysis should be made of media reporting, local government reports, and academic and government studies of particular social conflicts between migrant and community groups that have occurred over the past decade. This should give an overview of the top priority issues that need to be strategically focused on and greater analysis of the local communities in which such social conflicts have been prevalent over that time.

3. Reassess existing harmony and social cohesion priorities

Australia has sixty years of successful settlement and integration of persons from over a hundred countries. Over the past 30 years, Australian governments have expanded settlement services (including provision of English Language Training), and provided resources to migrant and community organisations to assist new arrivals to integrate as soon as possible. As well as settlement assistance, governments have developed over the past twelve years, a range of more specific social cohesion programs, including in 1998 the *Living in Harmony* program, and in 2005

the *National Action Plan to Build on Social Cohesion, Harmony and Security*.

The *Living in Harmony* (LOH) program was developed at the same time as the Pauline Hanson debate on social cohesion in Australia was at its peak. LOH programs have included grants and partnerships with local community groups and organisations to engage these communities in addressing local issues. Since 1998, over 400 community projects across Australia have been funded up to \$50,000 per project. These programs were developed in the 1990s when Pauline Hanson and her supporters were criticising Australia's general migration program, and before the rapid increases of temporary migrants that we have argued are, along with refugees and humanitarian entrants, the most socially vulnerable. Therefore, it might be opportune to reassess the *LOH* and *National Action Plan to Build on Social Cohesion, Harmony and Security* programs.

Conclusion

This three-pronged approach should ensure greater precision in prioritising use of resources for social cohesion programs to meet the challenges that current and anticipated new immigration could pose over the coming decade.