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## Australia's Tightened Admissions Why Labor Concerns Prompted Reform Down Under But Not in U.S., Canada

By Robert Birrell

By the end of the 1980s, the Australian migration program had built up a formidable head of steam. The settler program reached 140,000 in 1989-90, far above the 67,000 level set in 1983-84 when the current Labor Government first came to office. A major Government initiated Inquiry published in 1988 recommended an even higher figure of 150,000.<sup>1</sup> The politics of the issue seemed to favor high numbers. The very size of the foreign born population in Australia — twenty one percent by 1991 — and its tendency to concentrate, as in Sydney, where nearly thirty percent were foreign born, helped focus the political weight of the ethnic lobby. Partly because of this, by the late 1980s the immigration program enjoyed bi-partisan political support. Both major Australian political parties were more eager to accommodate the business and ethnic interests pushing for expansion than to respond to the broad based but diffuse electoral opposition becoming evident.

However, in the last two years much has changed. The Labor Government has backed away from its earlier commitments to sustain a high intake. It cut the migration program to 111,000 in 1991-92 then a year later slashed it to 80,000 for 1992/93. The largest contraction occurred in the Concessional family category (mainly brothers and sisters) which was cut from 19,000 in 1991/92 to 6,000 in 1992/93 and in the Independent, or skilled category which was cut from 42,500 to 28,500 over the same period.

Meanwhile the conservative opposition (the Liberal/National Party coalition) has been arguing for even sharper cuts. As well, the opposition has taken a critical stance on multiculturalism, despite the fact that the first Australian Government endorsement of this policy dates to the late 1970s when the conservatives themselves held office. That these viewpoints are being articulated at this time indicates a considered policy rethink. Here are two recent statements which illustrate the opposition's current position. On immigration policy, Dr. Hewson, the current Liberal leader, declared that "in Australia's current economic

circumstances, an immediate and substantial reduction of migration coming to Australia is the only responsible course of action."<sup>2</sup> He also asserted that multiculturalism is about

*the politics of division not the politics of one nation. Absolutely a fundamental mistake in this country. We are a multicultural society — yes. But we should never have multiculturalism. All we do is elevate a few professional ethnics, if I might use that emotive term, and differentiate those from the interests of all the migrants that have come to this country, that came here for a new life; and a chance in life. They're all left out in the cold.*<sup>3</sup>

Clearly, neither the Government nor the opposition are as fearful of the "ethnic vote" as in earlier years. As indicated, the Government has cut deeply into the family reunion component of the intake. The contraction in the Concessional family component in 1992 followed the introduction of tighter rules on the immigration of parents in 1989. These rules effectively limit parent migration to those families where half or more of the children, the "balance" of their family, are located in Australia. Parent arrivals, which reached 11,050 in 1988-89 have since fallen to 7,422 in 1991-92, with further falls expected. Both policy measures were taken in the face of strenuous ethnic community opposition. By contrast, in Canada, where grandparents as well as parents enjoy right of entry once sponsored by Canadian residents, some 40,000 are expected to receive visas in 1992, more than double the level of the late 1980s.

Furthermore, the Australian Government has acted to reduce the public welfare costs of providing for migrants. The main focus has been on parents. This reflects concerns about the costs of providing welfare benefits to parents whose original sponsors are either unable or unwilling to provide for them. Though in the past those sponsoring parents have been

## Could It Happen Here?

### New Policies in Australia:

- Parents allowed only if at least half of children already in Australia.
- Sponsors of parents post \$5,000 bond to cover any welfare assistance needed in the first two years.
- Migrants not fluent in English pay \$2,040, before migrating, to cover future language training costs.
- New arrivals without jobs rely on sponsors, family or friends for their first six months.
- Total annual admissions slashed by 43 percent from 1989 level.

required to sign an "assurance of support" guaranteeing repayment of any state welfare expenditures paid to their parents in the first five years of their residence in Australia, in practice the Government has found it difficult to enforce this "assurance." Beginning in 1992, all sponsors of parents (and some other minor classes of relatives) now have to pay, in advance, a refundable bond of \$3,500 for the principal applicant and \$1,500 for an accompanying spouse. If the parent or parents do not require welfare assistance over the first two years of residence, or the amount disbursed is less than the bond then, the residue will be repaid to the sponsor. If the amount paid exceeds the bond the sponsor will be liable for the excess. In addition, those who sponsor parents must pay to the Government a non refundable fee of \$822 for each parent and any accompanying dependents to cover health care costs for the first two years of residence.

A second new "user pays" provision concerns the financing of English language tuition. The Australian Government has been providing free language services to non-English-speaking (NES) migrants. The funds allocated for this purpose have increased significantly with the growth in numbers of NES background migrants and the Government's recognition that migrants without English language skills are poorly placed to find employment. In order to recoup some of these costs (and perhaps deter further NES migrant flows) a new regimen of charges has been introduced. Beginning in January 1993, Independent migrants (and their accompanying adult dependents) with low English language levels will, before migrating, have to

pay a fee covering at least half the cost of providing 510 hours of English language tuition, or \$2,040. Humanitarian and Preferential family entrants (spouse, parents and dependent children) will be exempt, but Concessional family migrants (including principal applicants and accompanying adults) will have to pay a \$1,020 fee for their 510 hours tuition. The judgment as to whether the intending migrant needs English language training will be determined via a new language testing procedure currently being introduced at overseas posts.

Finally, beginning in 1993, new arrivals (other than those in the humanitarian category) will no longer be eligible for unemployment or sickness benefits until six months residence has elapsed (though some help will be available for those suffering genuine hardship.) These benefits had previously been available to all migrants on arrival. In the words of the Government statement announcing the measure, "new residents unable to find employment will have to rely on the support of sponsors, family or friends."<sup>4</sup> This decision followed earlier statements from the opposition that, if elected in 1993, they would embargo such benefits until two years after arrival.

These measures send disturbing messages to ethnic community leaders. They constitute a tacit admission that migration is a cost to the community. Furthermore they imply a considered strategy of dissuading further family migration. As might be expected they have aroused bitter resentment. There is no doubt that ethnic leaders will agitate for the overturn of the new "user pays" policies and with the support of business interests will also press for a return to higher migration levels when the Australian economy revives. They can expect the support of significant elements within the Australian intelligentsia.<sup>5</sup> Nor have Australia's trade unions reversed their general support for immigration and multiculturalism. Despite the highest level of unemployment since the 1930s depression, the peak union body, the Australian Council of Trade Unions, recommended a cut to just 100,000 for the 1992/93 program, well above the 80,000 figure the Government ultimately decided on.

What, then, is the explanation for the recent policy developments? This question must be especially puzzling for North American readers. They will be well aware that at a time of recession just as deep as that in Australia, the Canadian Government has increased its migration program from 200,000 in 1990 to a planned 250,000 per year over the period 1992-95. Likewise the U.S. Congress passed legislation in 1990 mandating a significant increase in legal immigration beginning in fiscal year 1992.

### Explaining Australia's Policy Reversals

The recession beginning in 1990 was undoubtedly the trigger for the Australian

developments. The Government found itself under pressure on two counts.

The first was the alleged cost of providing social welfare, English-language training, and other state benefits — especially for recently arrived migrants from NES (Non-English Speaking) background countries. Wide publicity was given to official estimates that nearly half of the recent arrivals from such countries were dependent on unemployment benefits by mid-1991. Ironically, ethnic group claims that the Government has neglected the plight of NES migrants, and evidence of serious backlogs in the provision of English language tuition, have contributed to Government concern about the issue. The consensus among officials now is that NES migrants are likely to remain seriously disadvantaged given the importance of communication skills in the current restructuring of the Australian economy.

The second source of pressure came from complaints that migrants were flooding already overcrowded job markets to the detriment of Australians, especially recent graduates. For the most part these complaints came from professional associations rather than trade unions. The Institution of Engineers has been particularly concerned. In 1990-91, engineers constituted the largest single category of professional migrants. Some 4,000 arrived — considerably more than the approximately 3,500 engineers graduating from Australian engineering colleges over the same period.

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***"When skilled arrivals began to concentrate in the engineering, health, accountant and teaching professions, influential associations pressed for change."***

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The employment and welfare problems associated with NES background migrants are not unique to Australia. They are becoming acute in Canada, especially in Ontario, but they have not yet prompted the critical reaction witnessed in Australia. I will return to the reasons for this shortly. However, the situation regarding professional migrants is distinctive to Australia. In the U.S. and Canada, migrants selected for their occupational attributes are evaluated in terms of the state of the labor market in their particular occupations. In contrast, since the late 1980s, the Australian Government has selected skilled migrants via a system which took no account of demand within the labor market the migrant hoped to enter. When the recession hit in 1990 the Government was still proudly proclaiming its "success" in increasing the skilled intake. The very "success" of this program helped draw attention to migration as a contributor to problems of excess supply in certain skilled

categories. This perception was magnified by the tendency for arrivals to concentrate in particular professions — notably engineers, doctors, nurses, accountants and teachers — all of which were in surplus by 1991. In most cases, the outcome was vocal opposition from influential professional associations.

Put in more general terms, the Government was faced with compelling criticism that its philosophy of utilizing immigration for "general skilled augmentation" (to use the Government's jargon) was fundamentally flawed. Policy makers had assumed that there was no need to target particular skills since this was something the marketplace would take care of, either because those with skills would be flexible enough to find alternative employment or would be dissuaded from migrating at all. But as it turned out, the key determinant of interest in moving to Australia among prospective skilled migrants was not Australia's labor market demand for their skills but "push" factors from migration source countries. Australia being one of the few western countries offering migration opportunities for skilled workers, reaped a harvest of applications in the late 1980s. This demand produced a sharp swing in the origin of skilled migrants from Western Europe and New Zealand towards the Indian sub-continent, Eastern Europe and unstable areas of East Asia. Migrants from these countries seem prepared to discount immediate employment prospects in the hope of long term benefits, including opportunities for their children. Once in Australia, many of these people had difficulty finding employment not only because of the recession but also because their training and experience were often poorly matched to Australian employers' needs. Arguments based on these unhappy outcomes contributed to the Government's decision to cut back sharply the Independent and Concessional categories in 1992-93.

As indicated, the Government is under pressure from the opposition to further contract the skilled categories. In addition, it faces the problem of justifying continued skilled migration while it is simultaneously encouraging an expansion in domestic vocational training. This will require quite a selling job given that recent Australian graduates in engineering and other fields where recent migrants have concentrated are among those hit worst by the recession. The Government may well have to contract the skilled intake further, leaving Australia with a migration program dominated by the family and humanitarian categories, as is currently the case in the U.S. and Canada.

### **The Prospects for Low-skilled Migration**

A notable feature of the U.S. and Canadian migration scene is the relative absence of debate about the costs of incorporating low skilled family/humanitarian migrants into the respective societies. As

noted, this has been a major issue in Australia. The North American experience suggests that one of the reasons is that low-skilled NES migration does not constitute any threat to the better organized and more articulate professional and trade associations. But in Australia, too, there is evidence that professionals and the "comfortable classes" in general rather like the cheap services promised by abundant migrant labor at the less skilled end of the labor market. Egalitarian norms inhibit explicit declaration of this preference. Nevertheless, it is hinted at continually as in the praise heaped on the ethnic communities for the cheap and tasty food their restaurants provide.

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Americans and Canadians seem more open about the virtues of cheap migrant labor. It is of interest here that Robert Reich, who now plays an important role in the Clinton administration, has noted the explicit interest of professional and business elites in opening up low wage migration flows. He argues from the American experience that these elites tend to view such migrants positively because they provide cheap and willing personal services. Many on the right favor a borderless world precisely because it will allow free market forces to work in this fashion. Few appear to fear that this competition will affect their own market situation. Though himself ambivalent on the issue, Reich notes ominously that in the inevitable debates over whether U.S. migration policy should reflect elite interests or those of the domestic workers who must compete with migrants, the former "will most likely prevail."<sup>6</sup>

However in Australia, arguments for open borders (especially where it implies an increase in Third World family migration) have not been so prominent. Even those calling for expansion in the migration intake usually assume that the selection process will be carefully controlled. Perhaps this is because the Australian welfare system provides a higher and more secure safety net for recent arrivals than in the United States. Migrants are not eligible for unemployment benefits in the U.S. as (until 1993) they have been in Australia, though, as has been pointed out in recent issues of *The Social Contract*, they and their children must be provided with educational, public health and other services. In Australia, notable conservatives have been highly

critical of the family and humanitarian categories in part because so many rely on state welfare assistance and costly English language and compensatory skills training. Another factor affecting conservative attitudes is the uncompromising "economic rationalist" stance leading figures have adopted in recent years. I refer here to the Australian version of the renewed faith in laissez-faire economics that has blossomed in the English-speaking world. Economic rationalism has prompted a skepticism — even hostility — to all "claimant" groups believed to be undermining marketplace incentives and thus the will to work. The ethnic lobby, because of its close links to the larger welfare lobby and evidence of NES background migrant welfare dependency, has been especially vulnerable to such criticism.

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But there is more to it than this. Conservatives in Australia have also drawn on nationalist arguments that immigration and multicultural policies are contributing to a breakdown in social cohesion and national unity. In this debate it is usually assumed that it is the family reunion intake which delivers most of the allegedly difficult-to-assimilate "ethnics." There is no parallel in Australia to the American ideal of welcoming the downtrodden of the world to share in the American dream, nor of the typically breezy optimism accompanying such advocacy that American society will be invigorated by such an infusion. Australia's immigration traditions are the reverse of this. Government, with strong public backing, have gone to great lengths to proscribe entry to the "downtrodden" or any other category thought likely to depress working conditions. Until the 1960s, the bar was along racial lines, preventing entry of all but a handful of non-whites. Australians have no heritage of thinking of themselves as "a nation of migrants" in the sense that the term is used in America. There have been recent attempts by ethnic advocates to propagate such themes, but in general they have been received without enthusiasm.

Australians tend to think much more pragmatically about migration than is acceptable in the United States. As Freeman has recently noted, Americans are discomfited by the kind of debate about the economics of immigration which is so prominent an aspect of the Australian scene.<sup>7</sup> Such debate implies a calculating attitude towards migrants

which is far removed from the idealistic assumptions Americans bring to the issue. A similar point can be made about Canada, where ideals about the nation's "ethnic mosaic" currently seem to predominate in Canadians' conceptions of themselves as a people. As in the U.S., this makes it difficult to initiate any pragmatic debate about the economic or environmental consequences of immigration.

These attitudes within the Australian electorate have contributed to the breakdown of political bipartisanship on the immigration issue and to the reassessment of the family component — which until the late 1980s looked as though it had attained sacred-cow status. We can see this at work in the attitudes of conservative leaders. Those politicians indifferent or hostile to electoral concerns about multiculturalism or immigration have sometimes found to their cost that the grass roots party membership feel very strongly about these issues. Recent Liberal Party research has indicated that Party members feel more concerned about these issues than any others.<sup>8</sup> One notable supporter of multi-culturalism and immigration, the former Liberal/ National Party Minister for Immigration in the late 1970s, Mr. McPhee, lost his Party endorsement in part because of his outspoken support for the multicultural cause. The conservative parties' memberships reflect wider electoral concerns about immigration. The issue has been subject to far more public debate and takes a much higher public profile in Australia than in North America. Throughout the 1980s, substantial majorities of Australians have indicated in opinion polls that they want immigration reduced and that they do not support policies for the maintenance of ethnic cultures.

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What role have organizations critically addressing Australia's population issues, like Australians for an Ecologically Sustainable Population or Australians Against Further Immigration, played in the changes described? Their impact has been significant, but mainly in keeping the issue in the news. Even more important has been the outspoken anti-migration stance taken by a few reputable and well known public figures, particularly Senator Walsh, a former Minister for Finance in the Labor Government, and John Howard, the former Liberal leader and now shadow Minister for Industrial Relations. Their involvement has been critical in breaking down elite consensus on the immigration and multicultural issues. There seems no parallel to these figures in the U.S. and Canada. But this probably reflects the greater anxiety about

these questions within the Australian electorate and the awareness of politicians like Howard that their stance will be widely welcomed.

There has not, however, been any breakthrough within the ranks of either the Government or the opposition to the development of a population policy addressing issues of long term ecological sustainability. This has recently been put to the test via the recommendations of a Report by the Commonwealth Government's National Population Council (chaired by Professor Glen Withers). In 1990 the Government commissioned the Council to assess Australia's long term population situation. The Report is significant in that it recommended that the Government develop a population policy and suggested various institutional mechanisms designed to implement it. The Report concluded that a population policy was desirable on economic and environmental grounds and that "national ecological integrity would be best served by an active population policy which resulted in a reduced rate of population growth."<sup>9</sup> The Labor Government has rejected these considerations.

Neither the Labor Government nor the opposition have taken ecological factors seriously in rethinking immigration policy. Rather, they are driven by concerns about the labor market implications of continued immigration. These concerns are leading both parties to a new consensus favoring further contraction in the immigration intake. ■

[A further analysis by Katharine Betts of this important Withers Report, *Population Issues and Australia's Future*, will appear in the next issue of *The Social Contract*.]

#### NOTES

<sup>1</sup> The Committee to Advise on Australia's Immigration Policies, 1988, *Immigration: A Commitment to Australia*, AGPS, Canberra.

<sup>2</sup> Dr. John Hewson, November 11, 1992, "Address to the Bureau of Immigration Research Second National Immigration Outlook Conference," Parliament House, Canberra.

<sup>3</sup> Dr. John Hewson, July 25, 1992, "Address to the Liberal Party of Western Australia, Annual State Conference," Parliament House, Canberra.

<sup>4</sup> Media Release, Neal Blewett, Minister for Social Security, August 1992.

<sup>5</sup> The attitudes of the Australian intelligentsia on the issue are analyzed by Katharine Betts, 1988, *Ideology and Immigration*, Melbourne University Press, Melbourne.

<sup>6</sup> Robert Reich, 1991, *The Work of Nations*, Knopf, New York, p. 289.

<sup>7</sup> Gary Freeman & Katharine Betts, 1992, "The Politics of Interest and Immigration Policymaking in Australia and the United States," in Gary Freeman and James Jupp (Eds), *Nations of Immigrants*, Oxford University Press, Melbourne, p. 79.

<sup>8</sup> Australia 2000, 1991, *Australians Speak*, Leader of the Opposition, Parliament House, Canberra.

<sup>9</sup> National Population Council, Population Issues Committee, 1992, Final Report, *Population Issues and Australia's Future*, AGPS, Canberra, p. 109.