

## MIGRATION CATEGORY AND LABOUR-FORCE STATUS: POLICY IMPLICATIONS OF THE PERFORMANCE OF REFUGEES

Christine Stevens

*In 1996 the Australian Bureau of Statistics surveyed 3,078 immigrants who had arrived in Australia after 1970 (and had been aged 18 or more on arrival). Except for some unsponsored (Independent) migrants, and some non-family-reunion sponsored immigrants, all of the respondents aged 25 to 60 had lower labour-force participation rates than the Australian-born. And, except for some New Zealanders and the small group of employer-sponsored immigrants, all respondents aged 25 to 60 had higher unemployment rates. The situation of people who had arrived as refugees or family-sponsored immigrants was particularly difficult; 38 per cent of refugees and 32 per cent of the family-sponsored were dependent on Government pensions. Unemployment declined with length of residence and was lower for people who had arrived with post-school qualifications. Higher degrees, however, do not seem to have helped. This very well-credentialed group experienced higher unemployment than immigrants with no post-school level qualifications.*

### INTRODUCTION

Immigration leads to an inevitable interruption in employment for immigrants, and previous research has shown that recent arrivals who also have low levels of English-language proficiency perform least well in the labour market.<sup>1</sup> Generally refugees have higher unemployment rates than immigrants who entered Australia in other migration eligibility categories. Much of their poor performance has been attributed to the combined affects of low levels of English-language proficiency and the recency of their arrival.<sup>3</sup> However, recent arrival is not an explanatory factor in itself as the level of dislocation varies according to migration category, and it is less among employer-sponsored immigrants who have job contracts arranged before migration. This paper further explores the labour-force status of immigrants according to migration category, with particular focus on the policy implications of the experience of refugees.

The analysis is based on unpublished and some published data from the *Labour Force Status and Other Characteristics of Migrants* survey undertaken by the Australian Bureau of Statistics (ABS) in November 1996.<sup>4</sup> The survey covered persons who were born outside Australia, arrived after 1970, and were aged 18 years and over on arrival.<sup>5</sup> In all, 3,078 persons were interviewed.<sup>6</sup> Individuals were identified according to whether they were New Zealanders, refugees, sponsored or unsponsored immigrants. Sponsored immigrants were further subdivided into those who were sponsored by family, employer or 'other persons and organisations'. Individuals were also classified as being the principal applicant or the partner of a principal applicant.

While useful, the classification differs in some ways from Australian migrant-entry eligibility categories. New Zealand citizens do not require visas to enter Australia and are not part of the separate Migration and Humanitarian Programs, for which visas are required, and through which permanent entry is made possible for all other immigrants. There are two main streams within the Migration Program: family and skill. The family stream includes sponsored relatives. The skill stream includes people nominated by employers, as well as other categories of independent migrants subject to points tests based on skills, qualifications, age, English-language proficiency and possession of capital. The Humanitarian Program comprises three main streams: refugees, who meet the United Nations Convention definition of a refugee as a person outside their country fleeing persecution; the Special Humanitarian Program, for people who are suffering persecution inside their own country, or who have left their country because of discrimination and violations of human rights but do not meet Convention criteria; and the Special Assistance Category, for those in vulnerable situations overseas who have close links with Australia.<sup>7</sup>

The ABS refugee category included all persons who said that they came to Australia as refugees. It is possible that individuals who arrived under other components of the

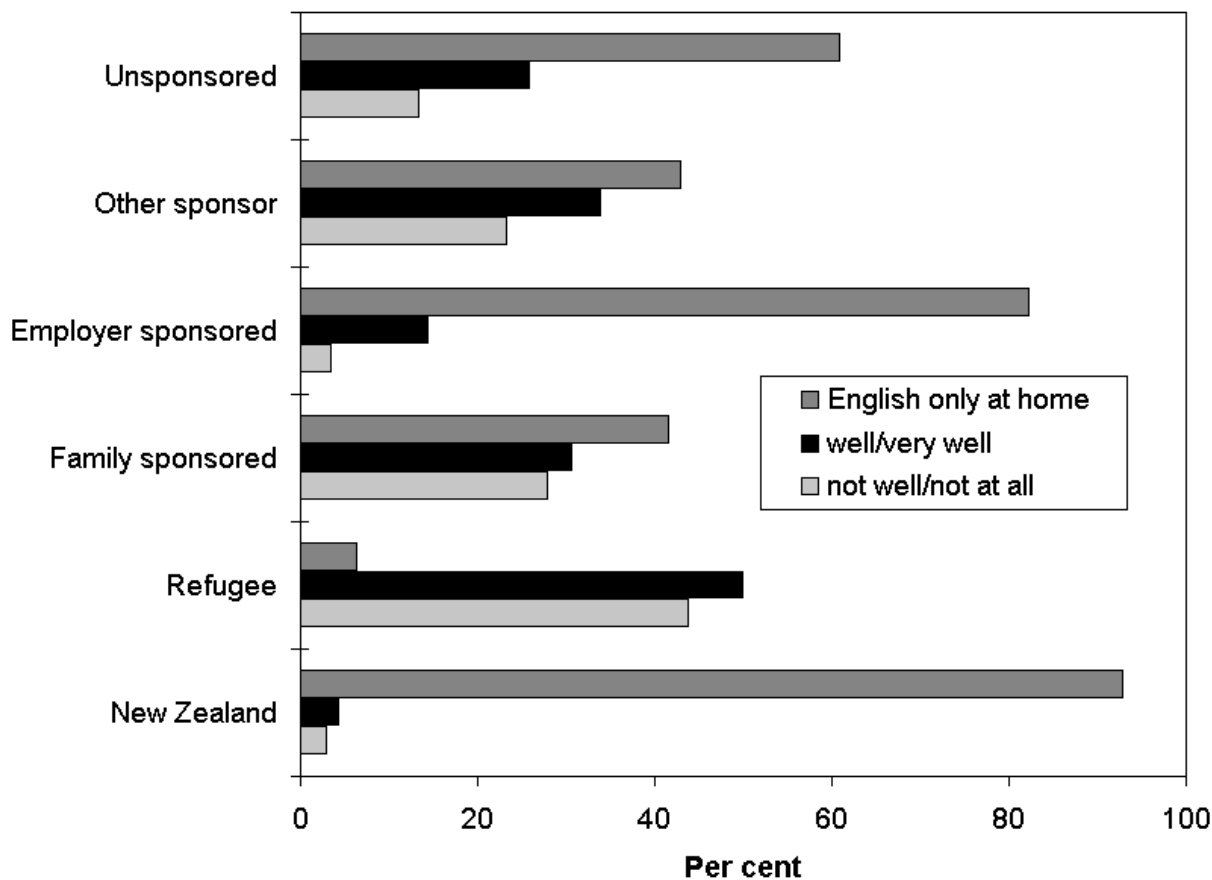
Humanitarian Program may be classified as refugees, or they may appear as sponsored or unsponsored migrants, or in the 'other' or 'unknown' categories. The employer-sponsored sub-category of sponsored migrants was small. This means that only a small proportion of those arriving within the skill migration stream had been sponsored by an employer. Most arrived as independent migrants and have been classified as unsponsored migrants by the ABS. Unsponsored migrants would also include the small number who arrive under special eligibility criteria.<sup>8</sup>

In addition to data on the labour-force status of immigrants, the survey obtained information about the migrant's year of arrival, age, main source of income, English-language fluency and other attributes. These data items can be cross-classified, but as the survey is based on a sample only, there are limits to the level of sub-division. Small cell numbers and cross-classifications which would produce them are unreliable.<sup>9</sup>

### SELECTED SOCIAL ATTRIBUTES

Immigrants are a heterogeneous group in terms of educational qualifications and English-language proficiency, and the selection criteria of the differing migration-eligibility categories foster this diversity. Selection criteria for immigrants vary according to migration-eligibility category, and apply to the principle applicant for migration rather than to each individual family member. They have also changed over time.<sup>10</sup> Depending on the category of entry and the time when selection was made, greater or lesser priority have been given to attributes which may enhance labour-market performance, such as educational qualifications and English-language proficiency. Generally less emphasis has been placed on English-language proficiency and the possession of skills in the selection of refugees and of individuals with close family links, with labour-market potential a minor or negligible consideration for these groups.

**Figure 1: Proficiency in spoken English and migration category**



Source: ABS, 1997, *Labour Force Status and Other Characteristics of Migrants*, November 1996 (unpublished data)

Figure 1 reveals the differences in levels of proficiency in spoken English between migration categories which result from different entry criteria. The lowest levels of proficiency are

evident among refugees, with 44 per cent stating that they spoke English 'not well' or 'not at all', compared with 28 per cent of family-sponsored, and only 13 per cent of unsponsored immigrants. A mere six per cent of refugees said they spoke 'English only' at home, compared with 41 per cent of the family-sponsored, 82 per cent of employer-sponsored, 61 per cent of unsponsored immigrants and 93 per cent of New Zealanders. Although levels of English-language proficiency increased with period of residence, the proportion of refugees in the lowest categories of proficiency remained high after ten years in Australia. Thirty-seven per cent of those refugees who had arrived in 1976-80 reported that they spoke English 'not well' or 'not at all', compared with 51 per cent of 1981-85 arrivals, 55 per cent of 1986-90 arrivals and 41 per cent of 1991-96 arrivals. Higher levels of proficiency among recent arrivals may be due to changes in source countries.<sup>11</sup> Refugees come from a number of different countries and there are marked variations

<b>Table 1: Migrants who arrived in Australia after 1970 and were aged 18 years and over on arrival: migration category by educational attainment on arrival (percentages)</b>						
Educational attainment on arrival	New Zealand	Refugee	Sponsored by			Un-sponsored
			family	employer	other person/organisation	
With post-school qualifications	42.7	36.5	42.8	77.0	45.2	63.1
Post-graduate	*3.1	*3.0	*2.5	14.7	*2.3	6.2
Bachelor degree	8.1	7.7	14.1	28.1	6.8	16.8
Diploma	7.2	6.8	11.1	17.2	16.4	13.2
Vocational	24.3	18.8	15.1	17.2	20.0	26.9
Without post-school qualifications	57.3	63.7	57.2	23.0	54.8	36.9
Attended highest level of secondary school	22.4	26.2	23.3	19.1	28.2	16.5
Did not attend highest level of secondary school	34.3	34.8	32.0	3.6	26.6	20.2
Never attended school	*0.5	*2.4	*1.9	*0	*0	*0.2
Total '000s <sup>a</sup>	194.2	53.1	414.2	47.0	35.4	419.5
Source: ABS, 1997, <i>Labour Force Status and Other Characteristics of Migrants</i> , November 1996 (unpublished data)						
<sup>a</sup> Totals are ABS estimates of the size of these groups in the population. The actual sample size was 3,078 persons.						
* Cell size too small to be reliable.						

in proficiency levels among refugees from different birthplace groups among settler arrivals in the period 1971-96. Sixty-seven per cent of refugees born in Vietnam and 64 per cent of those born in Cambodia stated that they spoke English 'not well' or 'not at all', compared with only 15 per cent of refugees from the former Czechoslovakia, 27 per cent from Poland, and 36 per cent from Iraq.

The educational attainment of immigrants at the time of their arrival also varied according to entry category. Table 1 shows that refugees were the least qualified immigrants while the employer-sponsored group were the most highly qualified. However, the table also reveals that there were marked similarities in the levels of pre-migration educational attainment of New Zealanders and refugee arrivals. The only major difference was that more New Zealanders arrived with vocational qualifications.

## LABOUR-MARKET PERFORMANCE

The labour-force participation rate for post-1970 arrivals in 1996 was 68 per cent. In another

ABS report, the 1996 rate for the Australian-born was 66.6 per cent and the rate for the total overseas-born was 58 per cent.<sup>12</sup> This report also shows that participation rates among the overseas-born fell between 1990 and 1996. The rate among immigrants who arrived after 1970 as adults was 71.5 per cent in 1990 and 69.8 per cent in 1993.<sup>13</sup> The fall in participation rates among the total overseas-born was more marked (63.2 per cent in 1990 and 60.5 per cent in 1993). Over the same period Australian-born rates remained relatively stable. The figures were 66 per cent 1990 and 65.6 per cent 1993.<sup>14</sup>

Participation rates were not uniform across all age groups among post-1970 arrivals, with low rates among younger and older age cohorts (see Table 2). The pattern was similar among Australian-born and the total overseas-born (see Table 3). Although comparable data are only available for people aged 25 to 60 years, post-1970 arrivals in these age groups showed participation rates which were similar to those of all migrants (see Tables 2 and 3). Table 3 also shows that in every age-group migrants have lower participation rates than the Australian-born.

**Table 2: Migrants who arrived in Australia after 1970 and were aged 18 years and over on arrival: labour force participation and unemployment rates by migration category and age, November 1996 (percentages)**

Age in years	New Zealand		Refugee		Sponsored by						Unsponsored		Total	
					family		employer		other person/organisation					
	PR <sup>a</sup>	UR <sup>b</sup>	PR	UR	PR	UR	PR	UR	PR	UR	PR	UR	PR	UR
18 - 24	81.7	*8.9	*50.0	*-	*21.4	*11.1	*-	*-	*100.0	*60.0	*47.7	*28.6	48.3	*22.6
25 - 34	80.5	*7.6	*43.2	*56.3	76	9.7	*81.0	*-	88.2	*10.0	81.2	11.9	78.1	11.9
35 - 44	78.4	*7.5	68.2	*14.7	77.3	11.6	82.4	*2.9	71.9	*5.8	84.4	5.7	79.3	9.2
45 - 54	69.6	*4.1	85.6	*17.5	71.6	10.4	94.8	*-	65.6	*6.6	80.9	7.2	76.8	7.5
55 - 59	81.7	*3.2	*100.0	*-	37	*32.9	*55.6	*-	*71.1	*12.5	59.4	*7.9	57	10.4
60 +	*10.3	*10.0	*25.9	*-	8	*-	*41.4	*-	*7.7	*-	23.5	*15.6	12.7	*8.4
Total	70.8	6.8	68.2	18.5	60.2	11.1	78.3	*1.4	67.8	*11.3	74.6	8.0	68.0	9.7

Source: ABS 1997, *Labour Force Status and Other Characteristics of Migrants*, November 1996, (published and unpublished data).

\* Cell size too small to be reliable.

<sup>a</sup> Participation rate <sup>b</sup> Unemployment rate

**Table 3: Labour force participation and unemployment rates by age and birthplace, November 1996 (percentages)**

Age in years	Born in Australia		Born outside Australia	
	Participation rate	Unemployment rate	Participation rate	Unemployment rate
15 - 19	60.0	19.4	40.0	23.9
20 - 24	84.8	11.0	64.7	12.1
25 - 34	82.2	6.9	75.9	10.4
35 - 44	83.1	5.2	79.2	7.3
45 - 54	80.4	4.8	76.0	7.7

55 - 59	61.0	4.4	55.5	10.4
60 - 64	31.6	4.4	30.0	10.4
65 +	7.3	-	4.0	-
Total	66.6	7.7	58.2	9.3
Source: ABS, <i>Labour Force, Australia</i> , November 1996				

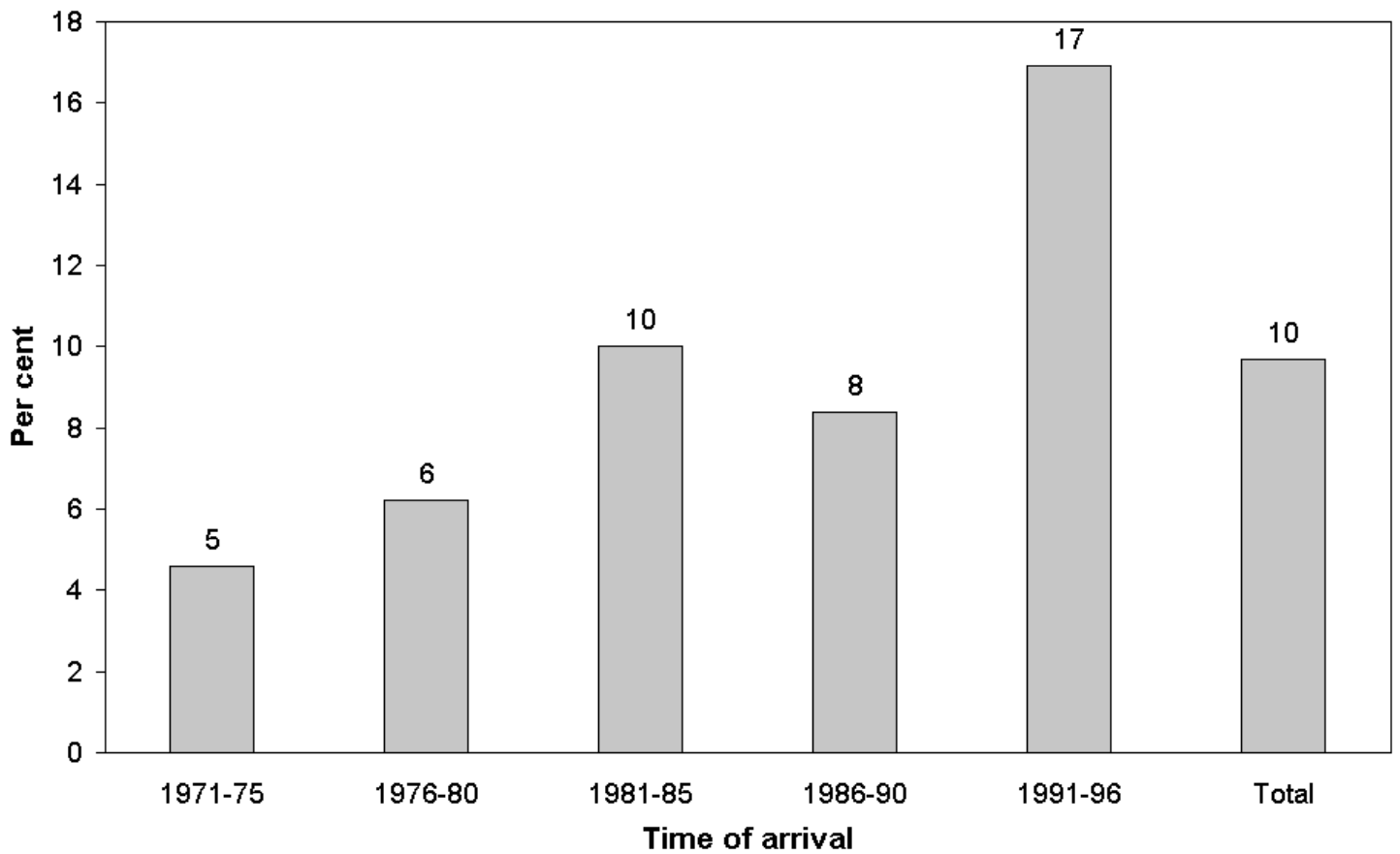
Participation rates varied according to migration category. The highest rates were recorded among individuals sponsored by an employer (78 per cent), and the lowest among family-sponsored immigrants (60 per cent).

Small cell counts mean that age-specific participation rates by migration category are unreliable for refugees, employer-sponsored migrants and those sponsored by other people or groups. Despite this, Table 2 shows some variation in rates between groups. The New Zealand-born had consistently high rates of participation across all age groups. While rates for New Zealanders under 55 years were not as high as the rates for the Australian-born, the rate for those aged 55-59 years (81.7 per cent) was not only much higher than for all other migration categories in this age range, it was also higher than the rate for the Australian-born. The rate of 85.6 per cent among refugees aged 45-54 years was also higher than for the Australian-born in this age group. Conversely, the participation rate of family-sponsored immigrants aged 55-59 years was markedly lower than for people in this age range from other migration categories.

The unemployment rate for immigrants who arrived after 1970 as adults was 9.7 per cent. This compared with 9.3 per cent for all overseas-born, and 7.7 per cent for the Australian-born (see Table 3). The rates had fallen since the last survey in 1993 when they were 13.6 per cent, 12.7 per cent and 10.2 per cent respectively.<sup>15</sup> Older people were less likely to be unemployed than younger people, but Tables 2 and 3 show that, while unemployment rates declined in a linear manner with age for the Australian-born, unemployment rates among the overseas-born fell with age to 54 years and then rose for people aged 55-59 years. The tables also demonstrate that migrants (both all migrants and the post-1970 arrivals) had higher rates of unemployment across all age groups, with this trend most marked among those under 35 and over 54 years of age.

Unemployment rates tended to decline with period of residence, with the lowest rates amongst those who arrived in the period 1971-75 (4.6 per cent), and the highest among individuals who had arrived in the period 1991-96 (16.9 per cent) (see Figure 2). Rates also varied according to on-arrival educational attainment. People who had post-school qualifications experienced a rate of 7.7 per cent compared with 12 per cent for people with no post-school qualifications on arrival. However, individuals who had obtained higher degrees before migrating had more difficulties in finding suitable or desirable employment than did the less-qualified; people with higher degrees experienced an unemployment rate of 14.6 per cent.

## Figure 2: Unemployment rates by year of arrival

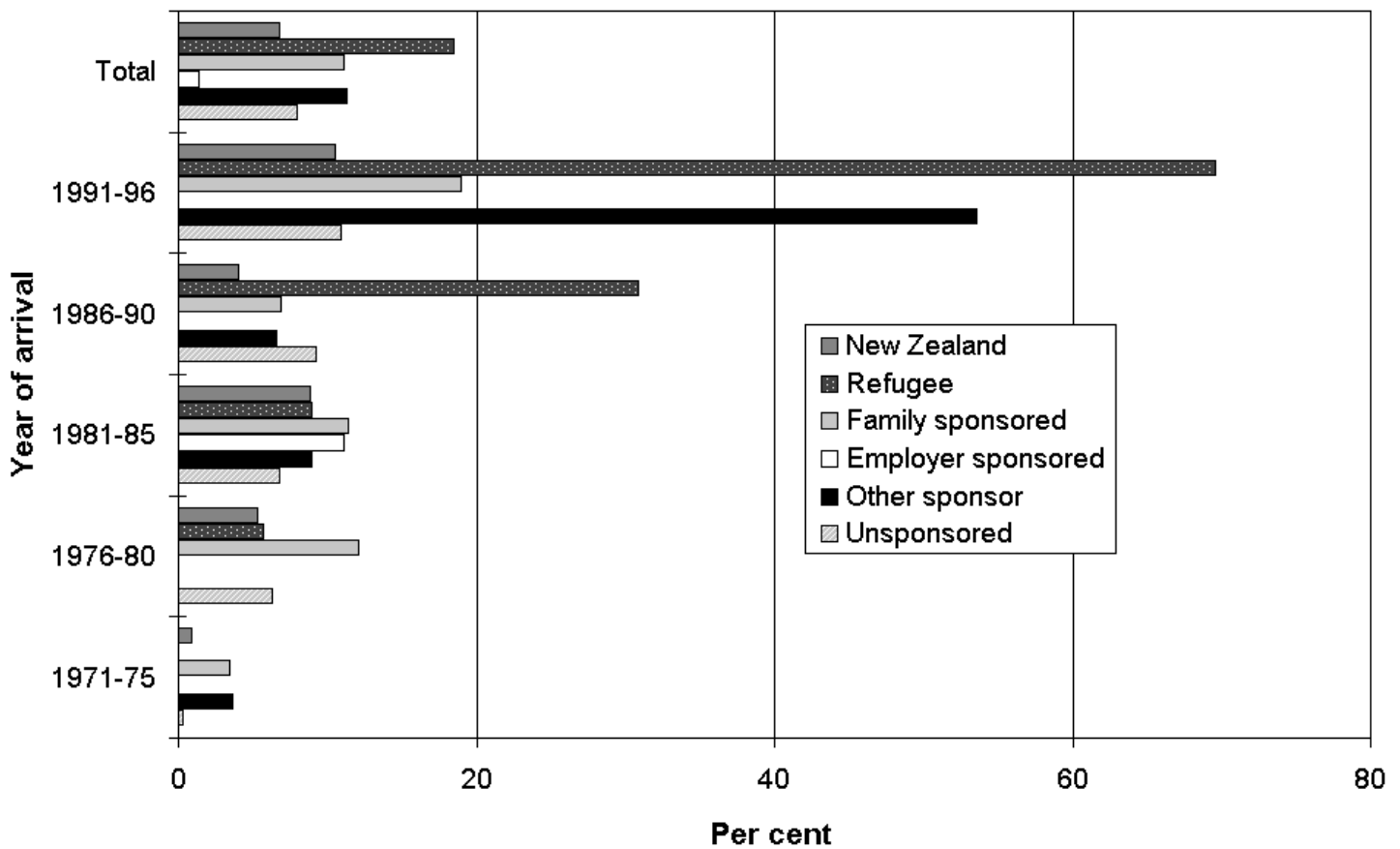


Source: ABS, 1997, *Labour Force Status and Other Characteristics of Migrants*, November 1996 (unpublished data)

Figure 3 shows that the differences in unemployment rates according to migration category were pronounced, with the highest rate among refugees (18.5 per cent). Rates of unemployment were lowest among the employer-sponsored (1.4 per cent). New Zealanders had a rate of 6.8 per cent compared with 11.1 per cent among the family-sponsored and 8.0 per cent among unsponsored migrants. The unemployment rate for refugees in 1996 had risen to 18.5 per cent from 17.8 per cent in 1993 and from 15.8 per cent in 1990, while the rates for other migration categories had fallen since 1993.<sup>16</sup>

Although further cross-classification of unemployment rates by migration category and year of arrival renders the data on refugees, employer-sponsored and other-sponsored categories unreliable, Figure 3 reveals only slight differences in unemployment rates according to migration category for immigrants who had lived in Australia for ten years or more. However, the variation was most pronounced among immigrants resident for five years or less, with refugees, and individuals sponsored by other persons/organisations, displaying very high rates of unemployment compared with New Zealanders, family- and employer-sponsored and unsponsored immigrants. Of those resident in Australia for 6-10 years, refugees manifest much higher rates of unemployment than people arriving under other migration categories.

**Figure 3: Unemployment rates by migration category and year of arrival**



Source: ABS, 1997, *Labour Force Status and Other Characteristics of Migrants*, November 1996 (unpublished data)

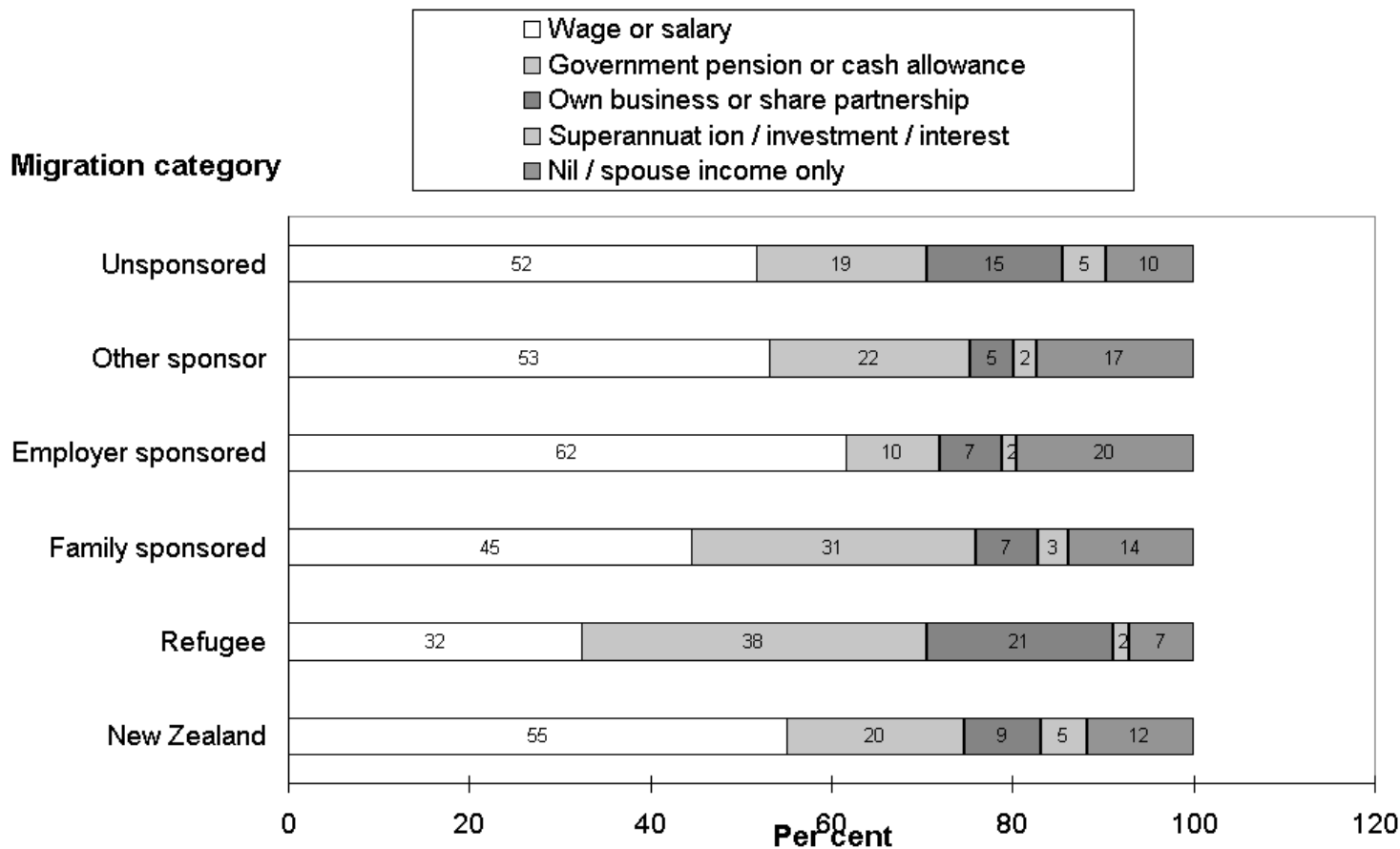
The evidence indicates that a high proportion of refugees experience considerable difficulty in gaining employment in the early years of settlement, and that this difficulty persists longer than for other categories of immigrants. It appears that after ten years the labour-force status of refugees varies little from that of other immigrants, but there is some doubt about this as relatively few refugees in the sample population had arrived in the period 1971-75. The apparent change occurred even though the proportion of refugees in the lowest categories of English language proficiency remained high over the same time period.

Data on unemployment rates disaggregated according to birthplace are unreliable below the regional level because of small cell totals, and the only unequivocal data for countries which have been significant sources of refugees in the past twenty-five years are the rate of 38.9 per cent among people born in Lebanon and that of 19 per cent among the Vietnam-born.

Of those who had jobs, there were relatively minor differences in the total proportion who were employed full-time or part-time according to migration category. Ninety-one per cent of the jobs held by refugees were full-time positions, compared with 82 per cent of the positions held by un-sponsored and family-sponsored immigrants, and 84 per cent of jobs held by New Zealanders. However, when the data were disaggregated according to length of residence it appears that refugees who had lived in Australia for five years or less were unlike all other groups. Only 36 per cent of the jobs held by refugees were full-time, but again small cell numbers give rise to uncertainty.

Analysis of the data on the main source of income by migration category also points to the labour-market transition difficulties of refugees in the early years of settlement. The main income of 38 per cent of all refugees was a government pension or allowance (see Figure 4). Dependence on public support was greatest among recently-arrived refugees, with 87 per cent of refugees resident for five years or less, and 52 per cent of refugees resident for 6-10 years relying on public support as their main form of income. Comparable data for the total population are unavailable but, in 1995-6, 29 per cent of households in Australia relied on government pensions and allowances as the main source of income.<sup>17</sup>

**Figure 4: Main source of income and migration category**



Source: ABS, 1997, *Labour Force Status and Other Characteristics of Migrants*, November 1996

Although wages or salary were the main source of income of only 32 per cent of all refugees, 21 per cent received their main income from their own business, a proportion which was much higher than for any other migration category. For households in the population as a whole, the rates were 55.5 per cent and 6.5 per cent respectively.<sup>18</sup> Factors inherent to refugees may account for some of the observed pattern, and the data could be interpreted as an indicator of greater entrepreneurial behaviour among refugees than other groups, or of cultural factors and predispositions, as well as niches of demand. On the other hand, exclusionary processes and constraints on employment opportunities in mainstream enterprises in the host society may be other influences.

High rates of dependence on a government pension or allowance as the main source of income were also evident among family-sponsored immigrants. The level of dependence increased with period of residence, the inverse of the situation among refugees, with 49 per cent of family-sponsored immigrants who had lived in Australia for 20 years or more dependent on government support as their main income, compared with 32 per cent of people resident for five years or less.

## CONCLUSION

High unemployment rates are not universal among all recent arrivals. They vary with migration category and appear to be mainly concentrated among refugees and individuals sponsored by family or by 'other persons or organisations'. Those sponsored by employers seem to do well. The variation reflects differences in characteristics of these immigrants and those of immigrants in other categories. Refugees have low levels of English-language proficiency compared with other categories of entrants, and are in general slightly less qualified. Pre-migration trauma has been another factor posited by previous researchers to account for poor labour-market performance among refugees but this is difficult to assess or



measure.<sup>19</sup> Recent arrival for this group is often synonymous with lack of preparation for migration, poorly developed social networks among people established in Australia, few family connections and lack of local knowledge, unlike other immigrants who have been sponsored. High unemployment rates among refugees are mainly concentrated among people who have lived in Australia for five years or less, but the data also reveal that, although unemployment rates among refugees diminish with period of residence, the rate of decline is less than it is for individuals entering under other migration categories. It takes longer for refugees to settle and to find employment than it does for other immigrants. After ten years their labour force status appears to be similar to other immigrants although the findings are inconclusive.

Differentials in labour-market outcomes may be accepted as part of the price of a humanitarian program, but the slow rate of refugee adjustment to the Australian labour market is expensive both financially and socially. Public income support is required for long periods, and failure to gain employment slows refugee integration in Australian society.

The composition of the refugee intake may vary in future so that the differences in characteristics between individuals arriving under this migration category lessen, without diminution of Australian commitment to refugees. However, poor labour-market performance in the early years of settlement could be addressed by means other than alteration of the refugee intake. The factors identified as associated with high rates of unemployment have alternative policy implications. English language training for refugees could be emphasised through an increase in the number of hours of tuition available, and greater flexibility in the style and manner of delivery of courses. Lack of local information, social networks and family connections in the initial period of settlement are important impediments to labour market success as it has been found that these contacts are significant sources of help in finding work for immigrants.<sup>20</sup> This suggests that systematic, active delivery of information through mainstream organisations or existing ethnic community organisations could be of benefit. Long-term mentoring, case management and active assistance in finding work may also increase links and contacts as well as knowledge of suitable employers. Social supports and networks could also be fostered through programs conducted by ethnic organisations, local government and other mainstream organisations. Further initiatives could include the provision of more personal support for victims of torture and trauma.

## References

<sup>1</sup> M. Wooden, 'The labour market experience of immigrants' in M. Wooden, R. Holton, G. Hugo, and J. Sloan, *Australian Immigration: A Survey of the Issues*, Australian Government Publishing Service, (AGPS), Canberra, 1994, pp. 218-279

<sup>2</sup> M. Wooden, and F. Robertson, *The Factors Associated with Migrant Labour Market Status*, Report commissioned by the Bureau of Immigration Research, 1989; R. Iredale and B. D'Arcy, *The Continuing Struggle: Refugees in the Australian Labour Market*, AGPS, Canberra, 1992; L. S. Williams, J. Murphy and C. Brooks, *Initial Labour Market Experiences of Immigrants*, Department of Immigration and Multicultural Affairs, (DIMA), Canberra, 1997

<sup>3</sup> M. Wooden, 1994, op.cit., pp. 218-279

<sup>4</sup> *Labour Force Status and Other Characteristics of Migrants, Australia*, Australian Bureau of Statistics (ABS), November 1996, Cat. No. 6250.0, 1997. Respondents to the monthly ABS Labour Force Survey in November 1996 who migrated to Australia as adults after 1970 and had obtained permanent residence status, were asked further questions. The ABS Labour Force Survey covers about 0.5 per cent of the population of Australia and in 1996 included approximately 30,000 individuals. Published and unpublished data from the survey comprise estimates of the values which would have been generated if all persons who migrated to Australia as adults after 1970 had been included. Explanatory notes in: *Labour Force, Australia*, ABS, Canberra, November 1996, Cat. No. 6203.0, 1996, and *Labour Force Status and Other Characteristics of Migrants*, November 1996, op. cit.

<sup>5</sup> People born outside Australia represented 26.6 per cent of the of the civilian population aged 15 years and over in November 1996, and people who arrived after 1970 10.8 per cent.

<sup>6</sup> Personal communication, Robert Bibo, ABS

<sup>7</sup> *Immigration to Australia: a Background Paper*, DIMA, Canberra, 1996; *Fact Sheet*, nos 1, 2, 22, 29, DIMA, Canberra, 1996

<sup>8</sup> Special eligibility criteria cover former citizens and former residents of Australia, and family of New Zealand citizens who have settled or intend to settle permanently in Australia, *Fact Sheet*, no. 2, DIMA, Canberra.

<sup>9</sup> Small cell numbers give rise to errors in the estimates which may vary from the values if all households had been included in the survey. Cross-classifications with plural groupings such as for year of arrival, age, educational attainment on arrival, proficiency in spoken English, and main source of income are subject to this type of variability for refugees, and in the sub-categories employer-sponsored and other person/organisation-sponsored.

<sup>10</sup> *Immigration to Australia: a background paper*, op. cit., and *Fact Sheet 29*, op. cit.

<sup>11</sup> C. Stevens, 'Balancing obligations and self interest: humanitarian program settlers in the Australian labour market', *Asian and Pacific Migration Journal*, vol. 6, no. 2, 1997, pp. 185-212

<sup>12</sup> *Labour Force, Australia*, November 1996, op. cit.

<sup>13</sup> *Labour Force Status and Other Characteristics of Migrants, Australia*, ABS, Canberra, September 1990, September 1993, Cat. No. 6250.0

<sup>14</sup> *Labour Force, Australia*, ABS, Canberra, September 1990, September 1993, Cat. No. 6203.0

<sup>15</sup> *Labour Force Status and Other Characteristics of Migrants, Australia*, September 1993, November 1996, op. cit.; *Labour Force, Australia*, ABS, Canberra, September 1993, November 1996, Cat. No. 6203.0

<sup>16</sup> *Labour Force Status and Other Characteristics of Migrants, Australia*, September 1990, September 1993, November 1996, op. cit.

<sup>17</sup> *Income Distribution, Australia, 1995-96*, ABS, Canberra, Cat. No. 6523.0. The survey measured the main source of income of income units which were defined as 'groups of persons within households whose command over income is assumed to be shared'. They included couple and one-parent income units and dependent children.

<sup>18</sup> *ibid.*

<sup>19</sup> Iredale and D'Arcy, op. cit.

<sup>20</sup> E. Carson, *Social Networks and Job Acquisition in Ethnic Communities in South Australia*, AGPS, Canberra, 1995; Williams et al. op. cit.; C. A. Stevens, *Resuming Settled Lives: Cambodian Refugees in Adelaide*, DIMA, Canberra, 1997

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