



## Unlocking Potential – foundations of economic engagement for migrants from a refugee background

Settlement Council of Australia Policy Update –June 2017

Engaging with the labour market is pivotal to successful settlement and remains a high priority for government, as well as a key driver for migrants themselves, who view their labour market integration as vital to their “successful immigration”.<sup>1</sup> Naturally, securing lasting employment has considerable benefits for migrants as they establish their new lives in Australia. However, it must not be forgotten that the effects of migration flow through every aspect of the economy and migration results in a net fiscal benefit to Australia’s bottom line.<sup>2</sup>

Australia has a proud multicultural heritage and is greatly enriched by migrants and refugees from around the world. Migrants, including those from a refugee background, contribute socially, culturally and economically to Australia.

The role of migration in Australia’s economic success must not be undervalued.<sup>3</sup> Migration contributes to the social and economic vibrancy of Australia in numerous ways and the success of Australia’s multicultural policies can be seen across the country in our strong and vibrant economy as well as the rich and diverse fabric of our society.

Migration is directly linked to population growth, which is crucial for Australia as it seeks to mitigate the effects of an ageing population.<sup>4</sup> In addition, countless research demonstrates that migration drives commerce, employment and infrastructure development across the country.

The success of Australia’s migration program has been achieved through the maintenance of a suitable balance between economic and social objectives. On the one hand, government is committed to the attraction of significant numbers of highly skilled entrants who contribute to the economy as soon as possible following their arrival. On the other hand, it is accepted that certain classes of migrants, including family migrants and those from a refugee background, need more assistance to achieve their full potential. This is to be expected because these migrants have not been chosen on the basis of their economic characteristics; these streams meet broader social obligations, supporting social cohesion and Australia’s role as a global citizen, and are not intended to yield an immediate economic gain.<sup>5</sup>

This group comprises the most vulnerable of Australia’s migrant intake, often having been forced from their homes due to war or unrest, and having suffered trauma, unemployment and/or

<sup>1</sup> Productivity Commission (2016), *Migrant Intake into Australia*, p147.

<sup>2</sup> OECD (2014), *Is Migration Good For The Economy*, p1.

<sup>3</sup> Megalogenis, G. (2016) *Powering Australia’s Economic Surge* <https://www.nytimes.com/2016/11/02/opinion/powering-australias-economic-surge.html?ref=opinion>

<sup>4</sup> Migration Council of Australia (2015), *The Economic Impact of Migration*, p14.

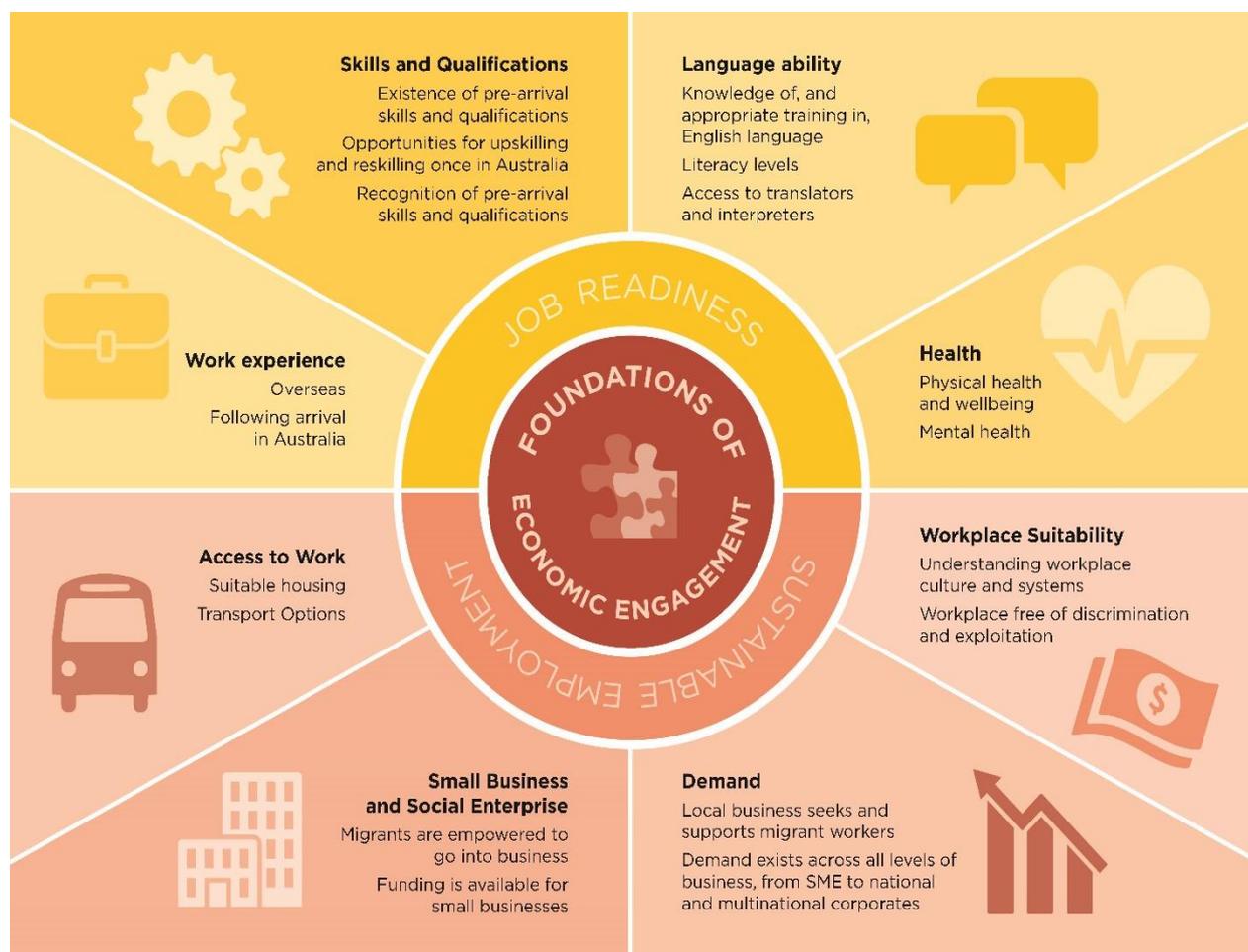
<sup>5</sup> Migration Council of Australia (2015), *The Economic Impact of Migration*, p17.

interrupted schooling as a result. This can make their settlement journeys particularly uncertain, long and difficult. This does not, however, mean that these entrants and their families cannot, and do not, contribute to Australia. Indeed, considerable research has been undertaken which demonstrates the capacity of migrants from a refugee background to become fully engaged with Australia on economic and social levels, to the mutual benefit of all.<sup>6</sup> The OECD point to this as the dividend of Australia’s humanitarian commitment to the resettlement of refugees.<sup>7</sup>

### Foundations of economic engagement

Migrants pursue employment as a means of acquiring economic security for their families and welcome the opportunity to contribute to their new home.<sup>8</sup> Obtaining employment is not only important in terms of economic wellbeing but also leads to greater participation in communities, better self-esteem and protects and enhances mental health.<sup>9</sup>

In consultation with its members over many years, SCoA has identified the following foundations as being fundamental to the economic engagement of migrants from a refugee background.



<sup>6</sup> Hugo, G. (2011), *Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants* (DIAC, 2011) and DSS (2016), *Snapshots from Oz: Key features of Australian settlement policies, programs and services available for humanitarian entrants*, p8.

<sup>7</sup> Liebig, T. (2007), *The labour market integration of immigrants in Australia* (OECD Social, Employment and Migration Working Papers 2007).

<sup>8</sup> Hugo, G. (2011), *A Significant Contribution: The Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants, Summary of Findings* (DIAC, 2011), p34.

<sup>9</sup> Parsons, R. (2013), *Assessing the Economic Contribution of Refugees in Australia* (MDA Ltd).

We suggest that these eight foundations provide a solid basis from which economic engagement can be fostered and lasting, suitable employment secured. Crucially, SCoA notes that it is often the case that these foundations are interdependent and where one or more is lacking in respect of a particular migrant or group of migrants, the chances of successful economic engagement can be severely impacted.

With this background, SCoA has recently commenced a series of Forums across Australia which explored these foundations and the hard work of the settlement sector in assisting migrants from a refugee background in their economic pursuits.

The results were inspiring. SCoA is proud to represent a sector that is dynamic, innovative and sophisticated in the delivery of its services and we were impressed by the many and varied programs and initiatives which specifically, and successfully, address one or more of the foundations of economic engagement.

Of course this is not news to many in the sector. Indeed, Australia's approach to the provision of settlement services has been identified by the Productivity Commission as playing a crucial role in empowering migrants to seek employment outcomes that are suitable and provide a solid foundation for establishing life in Australia.<sup>10</sup>

While direct employment services are not typically funded through settlement service providers (as discussed above they have historically been provided by mainstream agencies), it is increasingly the case that members of the settlement sector are including innovative and highly successful employment programs in their suite of services to new migrants.<sup>11</sup> These include training migrants in Australian workplace skills, assisting with job searches and, most importantly, making sure migrants (particularly those from a refugee background) are progressed to employment in a way that supports their overall settlement process and is nuanced and responsive, taking into account trauma, health issues and other socio-economic concerns. In recent years, many settlement service providers have been directly contracted by the government to fulfil the role of the mainstream employment agencies.<sup>12</sup>

Many of the exciting and ground breaking initiatives of the sector are highlighted in our June 2017 newsletter.

In this regard, SCoA submits that members of the settlement sector have demonstrated their ability to deliver successful economic outcomes for migrants in a way that is appropriate and compassionate, and are well placed to do more in this regard.

#### The 'dividend'

The hard work of the settlement sector, the support of governments across Australia, and of course the inspirational efforts of migrants themselves is directly reflected in the ongoing success story that is Australia's culturally diverse workforce.

Research has repeatedly shown that the labour market outcomes of most migrants are positive and provide a solid basis for contributing to the Australian economy.<sup>13</sup>

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<sup>10</sup> Productivity Commission (2016), *Migrant Intake into Australia*, p178.

<sup>11</sup> SSI (2016), *Working It Out*, p14

<sup>12</sup> Ibid.

<sup>13</sup> Hugo, G. (2011), *Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants* (DIAC, 2011); Liebig, T. (2007), *The labour market integration of immigrants in Australia* (OECD Social, Employment and Migration

Migrants, whether skilled, family or humanitarian, exhibit strong resilience and adaptive capacity which renders them, on the whole, as productive and efficient members of the workforce.

Of course, it takes time for newly arrived migrants to achieve the same levels of labour market engagement as persons born in Australia. Nevertheless, evidence suggests that the difference in employment outcomes between migrants and the Australian-born population is smaller in Australia than in comparable countries, with a recent OECD study identifying Australia as a leader among OECD nations.<sup>14</sup>

Within the broader class of migrants, different groups, such as migrants from a refugee background, report lower levels of economic participation than others.<sup>15</sup> Many newly arrived migrants from a refugee background experience problems securing work, and therefore need the support provided by the settlement sector in order to become fully participating members of the labour market.

Research indicates that migrants from a refugee background are as committed as any other, if not more so, and pursue employment as a means of ensuring economic security and contributing to their new home.<sup>16</sup> Further, while migrants from a refugee background are less likely to be working compared with other streams of migrants, research suggests that they are more likely to be studying full-time, studying and working part-time or studying and looking after their families.<sup>17</sup> Migrants from a refugee background display greater entrepreneurial qualities compared with other migrant groups, with a higher than average proportion engaging in small and medium business enterprises. This phenomenon is no more obvious than when one considers that five of the eight billionaires in Australia in the year 2000 were of humanitarian settler background.<sup>18</sup>

Over time there is a convergence of labour market outcomes for refugees and, by the second generation, employment outcomes for both men and women from refugee backgrounds are actually higher than for the Australian-born.<sup>19</sup>

## Conclusion

Overwhelmingly, SCoA believes that Australia's humanitarian programme, and the labour market outcomes it delivers, are a success story to be proud of. With the support of the settlement sector in establish solid foundations for their lives in Australia, migrants from a refugee background overcome great challenges and achieve levels of economic engagement that are envied across similar resettlement nations worldwide.

SCoA applauds the work of the settlement sector and recommends the numerous great stories contained in our June 2017 newsletter that highlight the innovation and success of our members and our colleagues in achieving the best possible settlement outcomes for migrants from a refugee background.

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Working Papers 2007); and Parsons, R. (2013), *Assessing the Economic Contribution of Refugees in Australia* (MDA Ltd), among others.

<sup>14</sup> OECD (2015) *Indicators of Immigrant Integration 2015, Settling In*, p88.

<sup>15</sup> Hugo, G. (2011), *A Significant Contribution: The Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants, Summary of Findings*, p34.

<sup>16</sup> Hugo, G. (2011), *A Significant Contribution: The Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants, Summary of Findings*, p34.

<sup>17</sup> Australian Survey Research Group (2011), *Settlement Outcomes of New Arrivals*, p28.

<sup>18</sup> Hugo, G. (2011), *A Significant Contribution: The Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants, Summary of Findings*, p38.

<sup>19</sup> SSI (2016), *Working It Out*, p13.