

Skilled Refugees in the Australian employment market: accounting for outcomes.

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Background

- Employment vital for resettlement (Ager 1999; Phillips 1989; Iredale *et al.* 1996; Waxman 1998; 2001)
- Stable employment and income top UNHCR list of essential indicators of successful resettlement (UNHCR 1997).
- Yet refugees resettled in Western countries have much higher rates of unemployment, underemployment, loss of occupational status, and employment in niche markets.
- Unemployment and downward mobility adversely affect other aspects of settlement:
 - family life (gender, inter-generational relations)
 - social networks (lack of opportunity to network with mainstream society)
 - feelings of belonging (through social isolation), wellbeing and life satisfaction
 - They also represent a loss of human capital for the country of refuge.

Neo-classical vs critical approach

- Two main approaches to theorising migrant employment outcomes.
- 1. Neo-classical - competitive market theory
 - market blind to ethnicity/race
 - Single rule - maximisation of profit
 - Those with skills in demand will be hired.
 - Therefore, high levels of unemployment and lower average income of new immigrants reflect their lack of experience, and appropriate skills, including language and job seeking skills.
 - Assumes neither personal prejudice in hiring practices, nor structural discrimination, exist (Castles *et al.*, 1998; Ho and Alcorso, 2004; Evans and Kelley, 1991; Fugazza, 2003).

2. The critical approach to labour migration

- Focuses on labour movements in response to demands of international capital (Castles *et al.*, 1992; Collins, 1991; Ho and Alcorso, 2004).
- Sees discrimination as a pervasive feature of socio-economic interaction (Fugazza, 2003)
- Sees “segmented labour market” (Collins, 1991) as result of non-benign behaviour by employers plus structural barriers
- Migrants are not just additional labour, but a pool of reserve labour, responsive to changes in demand, keeping wages down (see Jones and McAllister, 1991, Castles *et al.* (1992:89)).
- Migrants supply labour for undesirable jobs.

Australia

- Australia - multicultural nation, nation of immigrants. Nearly one quarter of the 20 million population were born overseas (24% born in UK).
- Takes 80,000 and 120,000 new migrants a year, most of whom enter through a labour market needs-based 'skills' category (3 categories - skill, family and special eligibility)
- UK is still the major source country.
- Last year - 123 424 settlers, from nearly 200 countries. Most were born in the United Kingdom (14.8 per cent), New Zealand (14.1 per cent), China (9.0 per cent), India (7.6 per cent) and Sudan (4.6 per cent), also South Africa, Philippines, Malaysia, Singapore, Sri Lanka). Skills shortage currently, so 10-20k more.
- 12-14,000 enter under the humanitarian category as 'documented' refugees. 1970s and 80s mainly from Vietnam, 1990s and 2000s from ex-Yugoslav, Middle Eastern and African nations.

Legislation

- Tolerance of the diversity– “...all Australians have the right to express their own culture and beliefs and have a reciprocal obligation to respect the right of others to do the same. ...entitled to equality of treatment and opportunity. ...to contribute to the social, political and economic life of Australia, free from discrimination, including on the grounds of race, culture, religion, language, location, gender or place of birth. ...All Australians benefit from productive diversity, ie. the significant cultural, social and economic dividends arising from the diversity of our population. Diversity works for all Australians” (DIMA, 2006).
- The Australian Racial Discrimination Act (Commonwealth) 1975 entitles Australian residents to equality of access to facilities, housing, and provision of goods and services, as well as access to employment. It states that it is unlawful for employers or persons acting on their behalf to refuse work, and equal employment terms, to anyone who is qualified, or to dismiss them or treat them less favourably, by reason of their race, colour, national or ethnic origin.

- Yet employment outcomes for refugees are consistently worse than for all other entry categories, both higher rates and longer duration of unemployment eg.
- 18 months after arrival 43% are still unemployed, compared with 7% for those who entered Australia under other visa categories (DIMIA, 2005b; Hugo, 2001), and overall rate of under 5%.
- Evans and Kelly (1991) found that 30 per cent of "native-Australian" employers would discriminate in favor of other Australian-born against those "visibly" or culturally different.
- Recent government initiatives

Table 1: Rates of higher qualifications and unemployment for selected recent refugee communities in Australia

| Country of origin | Higher qualifications (%) | Unemployment rate (%) |
|-------------------|---------------------------|-----------------------|
| Bosnia | 17.0 | 16.8 |
| Sudan | 26.2 | 27.6 |
| Ethiopia | 22.4 | 18.9 |
| Eritrea | 21.7 | 28.5 |
| Somalia | 13.6 | 46.8 |
| Iraq | 19.8 | 34.2 |

Source: 2001 Census data, DIMIA 2005a

Candidate explanations (adapted from Fugazza, 2003):

- Methodological – stats reflect human capital differences in productivity, quality of education, trauma effects etc (legit reasons)
- Historical effects – discriminatory practices and human capital differences from the past - 'spillover effects' (Rydgren 2004)
- Social capital factors (or network effects, Rydgren, 2004) – fewer social network connections which assist in positive employment outcomes (Putnam, 1973; McSpadden, 1987; Shih, 2002) – result of segregation in the workplace, in pre-labour market contexts such as education, in other contexts such as housing, and in the community, may reduce social capital.

- Institutional or systemic discrimination – recruitment practices (including English language requirements, qualifications' assessment procedures, and 'soft skills' requirements eg. attitude, 'team fit', communication skills (Rydgren, 2004; Essed, 1991; Shih, 2002).

- Individual prejudices of those making hiring and pay decisions –
 - personal prejudice of employers endowed with a 'taste for discrimination' (Becker, 1957)
 - 'group reputation' or statistical discrimination (decisions made based on stereotypes about productivity or team fit (Rydgren, 2004:707; Kirschenman and Neckerman, 1991) eg. race as a proxy for expected productivity; appearance, communication and interpersonal skills, trainability and personality as code for "white skin or white styles of interaction").

The Research

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Employment outcomes for refugees, and perceptions of reasons for these (refugees and employers).

Three refugee groups:

- 'Visibly different' from the white-Anglo majority of Australians ('race', religion, culture, language)
- Most common groups in last 5 years.
 - Ex-Yugoslavs (mainly Bosnians)
 - Africans (mainly Somalis)
 - Middle-East (mainly Iraqis)

The Data

- **Survey of 150 refugees: 50 questionnaire-based face-to-face interviews with respondents from each of the three groups, bicultural interviewers, snowball sample**
- **Interviews with 40 employers**
- **4 focus groups; 7 follow-up in-depth interviews with key informants**

The sample was deliberately skewed towards employable people:

- With skills and/or education
- With functional English
- Who had lived in Australia for at least 2 years (median length of residence 8/7/5 years respectively)

Combined Qualitative (content analysis, discourse analysis) and Quantitative techniques (descriptive and inferential statistics, correlations, regression analysis)

Employment is the main focus, in connection with visibility, discrimination, service provision, social support and general life satisfaction

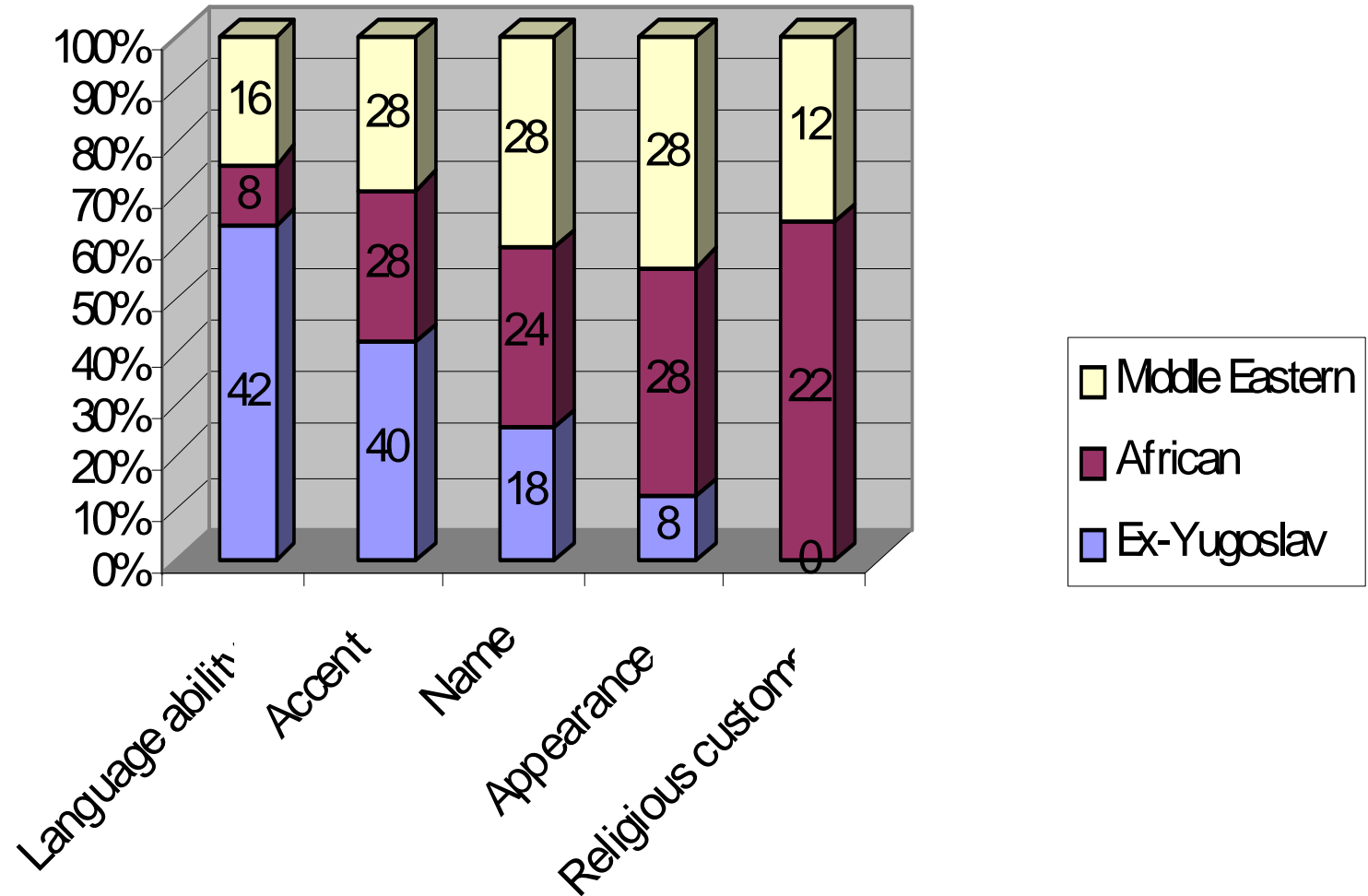
Experienced difficulty in the job market

| | Ex-Yugoslav | African | Middle Eastern | Total |
|--|-------------|---------|----------------|-------|
| Problems getting qualifications recognised | 32.0 | 42.0 | 20.0 | 31.3 |
| Requirement to have Australian work exp | 68.0 | 58.0 | 60.0 | 62.0 |
| Requirement to have referees in Australia | 54.0 | 48.0 | 20.0 | 40.7 |
| Lack of opportunities for work experience in refugee camps | 18.0 | 4.0 | 8.0 | 10.0 |
| Breaks in working life | 18.0 | 16.0 | 8.0 | 14.0 |
| Difficulties getting promoted | 30.0 | 2.0 | 8.0 | 13.3 |
| Necessity of having a car | 34.0 | 26.0 | 8.0 | 22.7 |
| Other | 10.0 | 2.0 | 10.0 | 7.3 |

Experience of discrimination in the labour market (%)

| | Ex-Yugoslav | African | Middle Eastern | Total |
|-----|-------------|---------|----------------|-------|
| No | 50.0 | 52.0 | 42.0 | 48.0 |
| Yes | 48.0 | 40.0 | 52.0 | 46.7 |

Perceived basis for discrimination



The following quotes illustrate the perception and experience of discrimination (see also Isma! – Listen, report):

- *114 job applications until I got an interview [...] First job I got interview [for] happened after I changed my name to a Western name. Egyptian man*
- *I think that my color and my name were major factors in not being successful in getting many jobs. Somali nurse*

Employer sample

- Mining/construction/engineering 8
- Recruitment 7
- Catering/food processing 4
- Government 4
- Home and aged care services 3
- Retail 3
- Cleaning (Industrial) 2
- Diversified industrial 2
- Media 2
- Education 2
- Other 3
- Total 40

Transferring responsibility for negative employment outcomes

("Deflecting responsibility in employer talk about race discrimination",
Discourse & Society, vol 17 issue 5: 651-676.)

- Other forms of discrimination and equity issues
- Transfer discrimination to the company's clients
- Transferring discrimination to "the community"
- Job (ir)relevant issues (communication, local experience, cultural knowledge)
- Team fit - other staff
- Transfer discrimination to the market
- Transfer the problem to the applicant

1. Avoiding the topic by talking about other forms of discrimination and equity issues. Ethnicity was equated with a disability.

■ Triple function –

- presenting the company as a socially responsible employer,
- deflecting attention away from new migrants and refugees as a category,
- and simultaneously minimising the difficulties faced by them through focussing on other 'more deserving' groups.

■ Lumping together various categories who fall outside of the 'norm' (women, indigenous, disabled, migrants, refugees) homogenises them as generalised 'equal opportunity' targets (Anthias and Yuval-Davis, 1995). Therefore, employers remain oblivious to each specific group's exclusion and special needs.

2. Transferring discrimination to clients (customers, or for recruitment agents, employers) - transfers agency and therefore culpability.

- EG. For example, one private school which has a largely Asian international student base, told us that they do not employ Africans, because the “Chinese do not like Africans”.
- EG. Aged care employers ok with clients who wished to exclude carers who were black or Asian, saying that: *“There are some [clients] that just won’t let them in, and it could be for any reason. These people are older ...”*.

Thus for businesses supplying a service to clients, it is acceptable to discriminate on behalf of the client.

- Recruitment agents made this point quite explicitly.

They were generally employed to find appropriate staff based on looks, presentation style, “team fit”, and communication, and explained that their clients suggest that particular tests, such as extra English proficiency tests, police clearances for those from Middle Eastern countries etc., be applied to applicants in order to weed out those seen as unacceptable by potential employers.

3. Transferring discrimination to job (ir)relevant issues - "organizational fit", "local experience", "communication", and "cultural knowledge".

- Framed in very general terms, making it difficult for the researchers to get a particular sense of what employers meant specifically.
- EG the need for 'local knowledge' which could mean specific, technical, Australia-specific knowledge within a specialized field, or could simply mean general cultural competency, was regularly used to justify not employing new arrivals.

"It's not the Australian experience part, it's the fact that them having Australian experience means they bring certain other things with them, and it's the other things, it's not [trails off]".

- Some recognised recruitment process may exclude
 - EG the need for local work experience, local knowledge (qualifications), written expression, and other legitimate job requirements, were identified by employers as excluding new migrants from the job market. Thus they recognized the recruitment process itself as to blame for discriminatory outcomes.
 - However, it was the general 'cultural competencies' theme which enabled employers to justify discriminatory outcomes.
 - Lit - 'Soft skills' (non-job relevant, 'cultural' and 'personality' type attitudes and behaviours which are essentially a 'front' for discrimination) are used to exclude black employees (see Kirschenman and Neckerman, 1991, Moss and Tilly, 1996, Shih, 2002).
 - Jenkins (1986) - criteria of 'suitability' (job relevant characteristics) and criteria of 'acceptability' (task-irrelevant or non-specific characteristics used to exclude people).

- Emphasis on importance of cultural homogeneity at work, shared values and understanding of issues relevant in the work process.
- One of our most outspoken recruitment agents identified “emotional intelligence” and “ability to persuade in a culturally appropriate manner” as key skills employers seek, and argued migrants should “invest” in “cultural capital” such as Western “names”, “humour”, and “interaction style”, in order to fit in. He suggested the “dividend”, namely a job, would be worth the “investment”.
- More sinister - Recruitment agents said post September 11, recruitment procedures had changed, to eliminate those from Middle Eastern backgrounds (stereotypes based on trouble spots – particular to refugees) – so a subset is a transfer of discrimination to procedures which eliminate new migrants from particular backgrounds.

4. Transferring discrimination to the market

- must be 'productive instantly' in a competitive market (despite PM Howard's assertion that it is an employee's market);
- public vs private companies (EEO as a 'luxury' available only to public companies)

5. Transferring discrimination to other staff - compatibility, 'special consideration' eg prayer time causing resentment.

6. Transferring the problem to the applicant - Van Dijk - negative stories justify apparent discrimination, "negative stories make negative conclusions credible and defensible, so that the general norm of ethnic tolerance is, apparently, not violated" (1987:62).
- Attitude problems. Abuse of religious requirements, attitudes towards women, not accepting racial joking, moustaches on Iranians as sign of exaggerated ethnic pride, don't accept unskilled jobs, complain if expected to work twice as hard to prove their worth.
 - Should ignore rejection, express gratitude.
 - Criticised for being overconfident, arrogant and pushy in their approach.

"And this is what can kill ethnics like nothing on earth - if they walk around looking as if they'd lost \$10 and found a cent.... A lot of what they say is racial prejudice is actually their inability to bring the better qualities of their character through. They go there with a, you know, 'glass half empty' style about them and that quickly communicates. People don't like to associate, or have someone working around them, who is beaten before they start. They don't like that. They like 'friendly', 'fun', 'quick to act' and 'give things a shot' and all that kind of stuff."

"Don't push. Maybe this is a cultural difference, perhaps it is culture that causes this, or earlier rejections, which makes some too pushy. Recruiters like confidence but not pushiness."

Int: So, it's about who your clientele is, for you?

Resp: Yes. If it has an adverse effect on my customers, the answer's 'No', because that's my first responsibility. My first responsibility is not to be ethnically appropriate and politically correct, my first responsibility is to make sure that we've got 30 people working and we've got enough business in and that tomorrow they've all got a job.

"I believe that [the company] is truly a company that tries to give everyone opportunity. We do a lot of rehabilitation work for people as well, we allow them to come in there, we give them the opportunity to get back into the work force, and they can gain certain skills in retailing and so forth. They can physically get reconditioned into getting back into work full time if they like. And we make allowances for that within our company, but it's very hard for us too, I suppose [we] provide what our shareholders demand on a continual basis, if we were to make huge compromises by saying that we were going to have a huge program and we were going to bring people on board that unfortunately aren't able to hit the ground running and we're going to have to put a lot of effort into it, in the meantime, it's detrimental to the business, so we've got to start making some hard business decisions."

Wellbeing

- Odd finding - life satisfaction is average, despite unemployment and discrimination experiences, and is not related to discrimination (0.88).
- Paper under review for IMR - personality effects, social network effects, relativity effects

Recommendations

- Qualifications recognition
- Targeted job seeking service provision
- Education of employers (productive diversity; value of overseas work experience and referees)
- Change in 'climate' of acceptance of difference.

Publications

- Colic-Peisker, V and Tilbury, F 'Employment niches for recent refugees: segmented labour market of the 21st century Australia', *Journal of Refugee Studies*, Vol. 19, No. 2, June 2006.
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http://www.cscr.murdoch.edu.au/visible_difference_report.pdf
- Tilbury, F and Torezani, S (under review for IMR)
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