

CHAPTER 4. REFUGEE-HUMANITARIAN SETTLERS'

ECONOMIC CONTRIBUTION BEYOND LABOUR FORCE PARTICIPATION

4.1 INTRODUCTION

The previous chapter has focused on humanitarian settler engagement with the formal labour market. The overwhelming trend is for these settlers to experience greater difficulty than other migrants in the initial years of seeking to be incorporated in the labour market, that there is convergence toward the Australian average over time and that they are an important element in meeting Australia's workforce needs. This chapter turns to examining some other dimensions of the economic contribution of humanitarian settlers. In particular it examines the questions:

- To what extent are humanitarian settlers setting up new businesses which contribute to enhanced employment and productivity?
- To what extent are humanitarian settlers filling particular niches in the Australian labour market?
- To what extent are humanitarian settlers developing economic linkages with their countries of origin?

In all of these areas there are potential economic contributions that humanitarian settlers can make beyond being engaged in the workforce.

4.2 HUMANITARIAN SETTLERS AS ENTREPRENEURS

One of the most striking images of the economic impact of refugee settlers in Australia has come from Stevenson's (2005) analysis of the origins of the 2000 *Business Review Weekly* annual *Richest 200 People in Australia* list. This found that five of Australia's eight billionaires were people who had themselves, as their families had, come to Australia as post-

war refugees.¹² Refugees and their descendants accounted for perhaps five percent of the national population but in 2000 they made up almost two thirds of the nation's billionaires! This raises the important question of the extent to which refugee-humanitarian settlers in Australia are selectively more entrepreneurial than the Australia-born or other types of migrants. Do these types of migrants have a greater propensity for risk taking? Are they more likely than other groups to identify emerging opportunities and set up new businesses? Do they have more entrepreneurial flair than others which allows them to identify, and take advantage of, business and economic opportunities?

There is a substantial body of literature on the relationship between migration and entrepreneurship (e.g. Cassis and Minoglou [eds.], 2005). It is apparent that there are a number of personal attributes which are associated with both processes – a propensity to take risks, to not accept the status quo, to take advantage of opportunities when they arise, etcetera. It is certainly the case that many refugees have these characteristics.

There is also substantial literature investigating the role of immigrant entrepreneurs in Australia (Lampugnani and Holton, 1991; Lever-Tracy, Ip, Kitay, Phillips and Tracy, 1991; Collins, 1996; Castles, Collins, Gibson, Tait and Alcorso, 1991). However, these studies have either focused on individual birthplace groups or have considered migrants as a single group or divided into Non-English Speaking Background (NESB) and Mainly English Speaking (MES) categories. There has been little work which has focused on the specific migration stream of migrants in relation to their propensity to establish new businesses. One of the most substantial of these studies was that of Strahan and Williams (1988) which examined the success or failure history of 13,449 small businesses with 22,034 owners/managers, of which 15.8 and 18.6 percent respectively were run by immigrants. They found that migrants had on average less education but more experience than their Australia-born counterparts. Immigrant businesses involved the family more than those of the Australia-born. Immigrants made less use of credit to finance their businesses and although they started off smaller than the Australia-born owned businesses, they grew faster and were more profitable. They also had a lower failure rate. Strahan and Williams conclude that immigrants are generally more successful in small business than the Australia-born and that immigrant entrepreneurs make an important economic contribution.

¹² In 2010, four of the top ten were of first or second generation refugee background.

While the most high profile success stories among refugee entrepreneurs have been those who have started from nothing but have built up substantial business enterprises (Refugee Council of Australia [RCOA], 2010), the bulk of settlers have small or, to a lesser extent, medium sized businesses. The Australian Bureau of Statistics (ABS) (2002, 1) defines small businesses as those employing less than 20 people. Table 4.1 is drawn from the ABS (2005b) and shows that 20 percent of small businesses in Australia are owned by immigrants – significantly higher than their representation in both the total population and in the workforce.

Table 4.1: Australia: Small Business Operators by Birthplace, 2004
Source: ABS, 2005b, 23

	Number of Operators (‘000)	Percent
Males		
Australia-Born	779.4	68.9
Overseas-Born	361.5	31.1
Females		
Australia-Born	379.6	71.8
Overseas-Born	149.4	28.2
Total		
Australia-Born	1159.0	69.8
Overseas-Born	500.9	30.0

There have been studies in Australia which have found that former refugee-humanitarian entrants have had a greater tendency to be self employed than either the Australia-born or other migrant groups. Stevens (1997) found that wages and salary were the main source of income of only 32 percent of refugees and more than a fifth (21 percent) received their main income from their own business. This proportion was significantly higher than for any other migrant category. Table 4.2 presents data from the 2006 population census which shows the proportion of first and second generation refugee-humanitarian birthplace groups that are owner/managers.

Table 4.2: Australia: Australia-Born and First and Second Generation Refugee-Humanitarian Birthplace Groups, Percent Owner/Managers, 2006
Source: ABS, 2006 Census

Birthplace	First Generation	Second Generation
Australia	15.9	
<i>Groups Arriving 1946-60</i>		
Bulgaria	17.6*	18.3*
Croatia	22.1*	15.4
Estonia	23.7*	15.7
Hungary	30.8*	15.3
Latvia	28.4*	14.5
Lithuania	29.9*	15.4
Romania	20.1*	19.0*
Russian Federation	18.5	18.3*
Slovakia	17.7*	15.1
Ukraine	21.1*	13.2
<i>Groups Arriving 1960s and 1970s</i>		
Chile	13.0	5.8
Czech Republic	22.1*	15.7
<i>Groups Arriving 1980s and 1990s</i>		
Bosnia and Herzegovina	16.4*	10.7
Cambodia	18.0*	3.3
East Timor	14.2	3.6
El Salvador	6.4	2.4
Laos	11.3	1.7
Lebanon	36.7*	18.8*
Vietnam	18.4*	3.6
<i>Recent Arrivals</i>		
Afghanistan	14.8	5.1
Burma (Myanmar)	10.8	8.7
Burundi	7.0	14.1
Congo	11.5	17.4*
Eritrea	11.6	0.0
Ethiopia	13.8	0.0
Iran	23.9*	8.6
Iraq	21.9*	14.7
Liberia	6.1	0.0
Sierra Leone	3.9	0.0
Somalia	25.5*	10.7
Sri Lanka	9.6	8.9
Sudan	7.7	16.7*
Total Refugee-Humanitarian Groups	18.8	15.1

* Above the Australia-born figure

It will be noticed that 18 of the 32 groups had a higher percentage than the Australia-born who were owners/managers. There are some clear patterns, however, in the proportions who are owners/managers. It is apparent that the ratios are highest in the longest and most well established groups. The lowest levels are among the most recently arrived groups, especially

those from Africa. These include those born in Burundi (seven percent), Liberia (6.1 percent), Sierra Leone (3.9 percent) and Sudan (7.7 percent). However, there are exceptions to this. It will be noted that a quarter (25.5 percent) of Somalis who are in the workforce are owner/managers. This points to the fact that some ethnic groups have developed cultures which are especially encouraging of entrepreneurialism. They have the traditional institutions, experiences and motivations to create new businesses and take particular advantage of employment opportunities. Gujeratis among Indians and Minangkabau from Indonesia are just two examples of ethnic groups who have, over centuries, been highly engaged in trading and business activity across a range of countries that they have migrated to. It is apparent that Somalis fall into this category.

Despite the Somali example, it is apparent that most of the humanitarian birthplace groups with high proportions of their working population who are owner/managers are those of long standing in Australia, especially those from Eastern Europe (Estonia, Hungary, Croatia, Latvia, Lithuania, Russian Federation and the Ukraine). While there were few studies of these groups during their early days of settlement, it is apparent from the available studies that among these groups the overwhelming majority started their careers as employees, often working at a number of jobs to accumulate the capital to establish a business of their own (Martin, 1965; Zubrzycki, 1964; Kunz, 1969, 1975, 1988). The Vietnamese also have an above average proportion of their workers who are owner/managers, yet all of the studies of early Vietnamese settlement in Australia indicate that most new arrivals went in to work as employees for others. A major study by Stromback, Chapman, Dawkins and Bush-Jones (1992, 15) found:

‘The Vietnamese, like other recent arrivals, are not self employed to any great extent’.

One of the defining characteristics of refugee-humanitarian settlers, which sets them apart from other immigrants, is the fact that they are rarely able to bring with them any capital or assets that they have accumulated in their origin country because of the forced circumstances of their migration.

Many case studies have demonstrated that migrants often work at a number of waged jobs in their initial settlement years in order to be able to finance their own business and this certainly applies to refugee-humanitarian settlers. Box 4.1 provides a case study of the typical

situation where a humanitarian migrant works initially as an employee to build up capital in order to establish their own business. The ABS Labour Force Survey of 1990 (ABS, 1990) found that only 11 percent of Vietnamese workers were self employed or employers but by 2006 that figure had become 18.4 percent.

Box 4.1: Case Study: Development of a Vietnamese Entrepreneur

Nguyen (not his real name) arrived in Darwin on a boat. He was one of 42 refugees who escaped by boat from Vietnam, went initially to Pulau Tengah in Malaysia and eventually arrived in Darwin on 27 November 1977. He had his mother, wife and three children with him and was greeted by two fishermen in shorts and singlets who raised their stubbies and yelled 'Welcome to Australia'. Their asylum claims were processed, after which they moved to Adelaide to the Pennington Hostel. Nguyen and his wife got jobs at General Motors Holden and quickly raised enough money to get a deposit on a house. The front and back gardens of the house were converted into market gardens to grow Asian vegetables for the expanding local market, with Nguyen's mother doing the bulk of the work. Three to four years later he saw that a local pizza parlour was doing good business so decided to set up Adelaide's first Vietnamese restaurant. He knew nothing about running a restaurant but read books and gathered recipes from the Vietnamese community. The restaurant quickly became popular, not only with the Vietnamese community but the wider community including prominent politicians.

After three or four years Nguyen sold the restaurant and his house to buy land north of Adelaide to set up a piggery. His children stayed in the house of friends in Adelaide while he and his wife lived in a caravan on the property and worked day and night to develop the wild unused land as a piggery. This was successful and he developed a cooperative relationship with local farmers.

After successfully establishing and running the piggery, Nguyen sold the business and bought 400 glasshouses where he grew tomatoes, cucumbers and capsicums. He developed the business and imported a machine for wrapping cucumbers for export. He currently employs over 40 people in the business which now not only supplies local markets but has a substantial export market. He has developed family contacts in Vietnam to begin exporting produce to Vietnam. His three children have also established their own businesses with some assistance from their father.

Nguyen was only one of several Vietnamese refugees on the boat that arrived in November 1977 who started with no assets but who went on to be millionaires after starting their own businesses. In all cases they were initially employed in a low status labouring job in order to raise the capital to set up their own business. Similarly, they were not initially successful but by hard work, often involving the whole family working, they have gone on to be highly successful.

The fact that in most of the case studies, both in the literature and those carried out for this project, the humanitarian settlers did not initially try and set up their own business but instead worked for wages, is important. This pattern is in opposition to the argument which is sometimes raised that newly arrived migrants go into self employment because of the barriers to them entering the paid workforce as an employee (Tait and Gibson, 1987). While such strategies undoubtedly occur, it was not encountered in our discussions with humanitarian-origin business people; instead it appeared that their focus was more on identifying opportunities and on taking up the chance to really establish themselves and their families in Australia. The SONA Study conducted in 2009 interviewed recently arrived settlers and Table 4.3 shows the proportion of settlers under different migration streams that were running, or in the process of setting up, their own business. It indicates that among humanitarian migrants the proportions are quite low (2.1 percent) compared to family, skilled and regional (sponsored) migrants. This tends to underline the fact that the usual pattern for humanitarian migrants is to work for someone else initially and build up sufficient capital to set up their own business. The ABS (1990) has shown that the propensity for self-employment or employer status increases with the length of time migrants have been in Australia.

Table 4.3: Recently Arrived Settlers: Percent Who Are Running Their Own Business or Setting up a Business, 2009

Source: SONA Study, 2009

	Number	Percent Running Their Own Business
Family	112	6.0
Skilled	119	6.4
Regional	29	10.9
Humanitarian	86	2.1
Total	346	4.1

Certainly, however, it would appear that the non-recognition of qualifications was a factor for some of those with higher educational qualifications and/or professional backgrounds in deciding to set up their own business. Many humanitarian settlers are restricted in the types

of work they can go into because of the lack of recognition of qualifications and accordingly work initially in low skill, low status, low paid, often manual, types of jobs. Box 4.2 and Box 4.3 present case studies where recent African migrants have not been able to practise their profession in Australia and have turned to setting up their own business.

Box 4.2: Case Study: Eritrean Business Owner, Male Aged 51

Michael has been living in Australia for more than 20 years. His wife also came to Australia as a refugee migrant from Africa. Michael and his wife have two children, both born in Australia. In Africa Michael had been trained and was working as a chemical analyst, but the only work he could get when he first arrived in Australia was in a factory. Once he had established himself and created some networks, he was able to find work in a scientific field where he was successful for a number of years before starting his travel agency business in 2001. Michael has been heavily involved in the African community in Australia and came up with the idea for starting a travel agency because he saw the need for this service within his ethnic community. He undertook intense training and study to learn about business ownership and the tourism industry. Michael said he had never felt so out of his depth since he had no knowledge or previous experience in business ownership, nor the travel industry, but he saw it as a challenge to learn as much as he could and become successful.

Michael faced many challenges in establishing his business but had fantastic support from his ethnic community and eventually grew to be very successful, based on his travel agency's reputation for providing exceptional service. Michael is very insistent on the fact that although originally the business was established with a focus on travel to and from Africa, the mission of his business is to provide outstanding travel service to Australians and migrants of any background. Michael's travel business has expanded in the past few months to include a branch of the same name based in Sudan. Additionally, Michael has established partnerships with many travel agencies around the world who provide services to his clients abroad when required. The travel agency Michael owns employs three part-time staff members. Michael also very recently started an import/export business that is aimed at strengthening business linkages and trade between Australia and Africa. He believes that in Australia it is possible for anyone to achieve anything if they set their mind to it.

A study in Lever-Tracy *et al.* (1991) found that many qualified Asian migrants in Queensland had established their small businesses when they were unable to get their overseas qualifications recognised. However, the overwhelming impression gained was that their motivations, and the factors which are leading to a significant number of humanitarian settlers going into business, are more complex. These factors have been categorised as cultural, structural and situational (Bonacich and Modell, 1980; Castles *et al.*, 1991). In most cases it is a mix of all three types of drivers which explain why individual humanitarian settlers often set up their own businesses.

Box 4.3: Case Study: Rwandan Business Owner, Male Aged 34

Eric is a 34 year old Rwandan. As a 19 year old, Eric and his family escaped war and genocide in Rwanda and fled to Zambia. Here, Eric achieved a diploma of Journalism in Rwanda and then lived in Zambia where he worked as a journalist and as a supervisor and accountant in his family-run internet café business located in Lusaka. The business was important in teaching Eric finance and business skills.

Eric arrived in Australia in 2001 on a short stay business visa and sought protection on-shore. Settlement was difficult and posed a number of difficulties including finding housing, applying for study and accessing services. While Eric had an advantage in terms of having a high level of English proficiency, moving into a country where he lacked social networks and family was challenging. Another key challenge was the search for employment. Countless applications to find work in the field of journalism were unsuccessful, despite initial hopes that he would be able to make use of his skills. Eric managed to find work in a factory where he did night shift for five years while also completing his degree in accounting at Griffith University.

Today Eric works part time as an accountant in the Brisbane City Council and co-manages a not-for-profit social enterprise through the Rwandan Association of Queensland. People Power Cleaning was established in 2009 with the long-term aim to match recently arrived and unemployed arrivals from countries including Sudan, Rwanda and Burundi to jobs that will match their current skills and develop future skills. Some members of the Rwandan community in Brisbane have been keen to develop a housing co-operative and have viewed the establishment of a not-for-profit business venture as a way of achieving this. The business uses the Rwandan Association of Queensland for office space and also relies on administrative assistance from the Acacia Ridge and District Community Centre.

At present the business employs five people and focuses solely on providing cleaning services. People Power Cleaning advertises itself on providing fast and quality domestic and commercial cleaning services. In order to address the issue of poor English skills amongst some employees, the venture has established a system whereby cleaners go out in groups where at least one has good English skills and this is important in training others. While cleaning is a highly competitive industry, Eric has noted that the venture is finding some success in terms of finding new clients and is slowly growing. A key factor promoting People Power Cleaning's success has been the provision of subsidised training through the Red Cross for workers in Certificate II of asset maintenance. Currently the venture is in the process of becoming a not-for-profit company and is seeking further funding for expansion from Social Venture Australia.

Nevertheless like other new small businesses, issues relating to time, commitment and lack of experience are proving difficult to negotiate.

For Eric, the decision to devote so much time and commitment into this venture was not solely about developing the housing co-operative idea. Eric is passionate about starting his own business in the longer term but saw this as a way that he could apply his business and finance skills to an entrepreneurial venture and an important community initiative which needed them.

- *Cultural Factors*: While one must be careful to avoid ethnic stereotyping, it is apparent that some groups are equipped with the ‘cultural resources and predispositions’ (Castles et al., 1991, 27) which are favourable to business success. There is a number of different aspects to this cultural element which can be involved. For example, some argue that an individualism ethic is conducive to entrepreneurialism while others suggest that a more collectivist orientation is relevant. Castles et al. (1991, 28) suggest that the former is more relevant among groups with skills and qualifications while the latter is found among those lacking those assets. However, it would seem that for some groups there is also a cumulative causation – network factor which operates. Setting up a business is normal for some groups because it is what earlier generations have done and there are cultural norms, attitudes and institutions which have developed among the group to support and approve of entrepreneurialism.
- *Structural Factors*: This refers to the structural situation which operates at particular times creating economic opportunities. The migrant group can be ‘in the right place at the right time’ to take advantage of those opportunities. There is much discussion around the role of ‘ethnic enclaves’, for example, as creating the circumstances for settlers to establish businesses which cater, at least initially, for co-ethnics and provide work opportunities for other co-ethnics (Waldinger, 1986; Evans, 1989; Lampugnani and Holton, 1989). There is also discussion on the extent to which these ethnic enclaves can be the incubators for enabling settlers to set up businesses which initially have co-ethnics as their main customers but which over time can grow and expand to encompass the wider community. Box 4.1 presented such a case where a Vietnamese entrepreneur began by growing Asian vegetables on his house allotment and sold them to other Asians but now has a substantial market garden enterprise which not only sells to all of Adelaide but has a substantial overseas export market.
- *Situational Factors*: These emphasise the ‘relationship between cultural and social characteristics of groups and the circumstances of their arrival and settlement’ (Castles et al., 1991, 29). Arrivals may be channelled into particular jobs by the situation which prevails upon their arrival.

Returning to Table 4.2, it is interesting that there are several Middle Eastern groups which have very high proportions of their workforces who are owner/managers. Most striking here are the Lebanese of whom more than one third (36.7 percent) are owner/managers. This has been a longstanding feature of Lebanese settlement in Australia as Box 4.4 shows. There are clearly strong cultural factors involved with Lebanese in many countries being engaged in business (Tabar, 2005). It is also noticeable in Table 4.1 that humanitarian settlers from Iraq and Iran also have above average proportions of their workers who are self employed or employers.

Table 4.1 also shows the proportion of second generation humanitarian settlers who are owner/managers and it is interesting that only six groups have proportions above those for the Australia-born. There are a number of factors involved here. Partly it is because for most groups the second generation is extremely young and have had little opportunity to set up their own businesses. However, in the in-depth interviews it became apparent that many first generation humanitarian settlers had deliberate strategies to give their children the best possible education which could lead them to a professional occupation that did not usually involve them setting up and running their own business. For example, Collins (2009, 34) notes that:

‘For second generation Lebanese men and women the rate of professional employment is about 50 percent higher than their parents’.

Box 4.4: Case Study: Lebanese Entrepreneurship in Sydney

The Lebanese have formed one of the great global diasporas with communities in many countries (Tabar, 2005). Their migration to Australia was in two main waves, an early Maronite Christian intake and a later mostly Muslim intake. They are among the most spatially concentrated birthplace groups with 72.8 percent of Australia's Lebanon-born living in Sydney. The Lebanese, especially Christian Lebanese, provide a good example of the 'cultural' explanation for high rates of establishing their own businesses. Their entrepreneurs go back to the Phoenicians who dominated trade in the Eastern Mediterranean in 1000BC. This focus on trade has continued with Lebanon's strategic position at the fulcrum of three continents. The focus on business, most of a small trade kind, has become embedded in norms, attitudes and institutions as is reflected, for example, in many Christian Lebanese names (Haddad – blacksmith, Najjar – carpenter, etcetera).

Lebanese settlement in Australia dates back to the late nineteenth century. From the start, their settlement was concentrated in Sydney and they were overwhelmingly engaged in small business. As Burnley (1982, 105) points out:

'The dominance of Sydney in the settlement of Lebanese in Australia dates from the 1880s when Lebanese hawkers and traders plied their wares, at first in the street, and then at small stalls and shops'.

While later generations of migrants have found a wider range of occupational pathways (Collins *et al.*, 1995; McKay and Batrouney, 2001), for the Lebanese the strong focus on small business has remained:

'Successful entrepreneurship, big and small, is a persistent characteristic of Sydney's Lebanese community' (Monsour and Convy, 2008, 72).

Cultural traditions have undoubtedly been crucial in the maintenance of this strong involvement in small business but chain migration has also played a considerable role. A typical pattern is for a new arrival to work in an established Lebanese enterprise (e.g. a drycleaner) and then gain enough experience and capital to set up such an enterprise themselves. There is a strong pattern of establishing the types of enterprise where, at least initially, all family members who migrate to Australia can be involved to reduce the labour costs. Restaurants and shops of various kinds are especially popular. In Sydney, some Lebanese small businesses in the clothing industry grew into major commercial activities and they have become major leaders in the importing and manufacturing of clothing, drapery, manchester, leather apparel and associated goods, employing many hundreds of people (Convy and Monsour, 2008, 14).

The issue of gender differences in the propensity to set up new businesses has been discussed in the Australian literature (Iredale and D'Arcy, 1992). Table 4.4 shows the proportion of first and second generation humanitarian birthplace groups that are owner/managers by gender. For both generations the proportions are significantly greater for males than females.

However, it is noticeable in the first generation the number of birthplace groups in which owner/managership is above that for the Australia-born is actually greater for females than males. In fact for almost all of the longer established refugee groups the proportions who are owner/managers are greater than for the Australia-born for females. As with men, the highest rates are among the Lebanon-born. Monsour and Convy (2008, 18) stress that women have

Table 4.4: Australia: Australia-Born and First and Second Generation Refugee-Humanitarian Birthplace Groups, Percent Owner/Managers by Sex, 2006
Source: ABS, 2006 Census

Birthplace	Males	Females	Males	Females
	First Generation		Second Generation	
Australia	20.4	10.7		
<i>Groups Arriving 1946-60</i>				
Bulgaria	23.0*	11.5*	23.8*	13.1*
Croatia	28.7*	13.0*	21.1*	9.1
Estonia	33.3*	14.5*	20.4*	11.2*
Hungary	38.1*	21.6*	19.5	11.0*
Latvia	37.1*	17.9*	18.8	10.0
Lithuania	37.7*	22.6*	21.1*	9.6
Romania	27.0*	11.8*	24.6*	13.1*
Russian Federation	24.9*	13.2*	23.9*	12.7*
Slovakia	23.7*	11.6*	21.0*	8.4
Ukraine	27.2*	15.1*	17.6	8.6
<i>Groups Arriving 1960s and 1970s</i>				
Chile	16.8	8.4	8.6	3.7
Czech Republic	29.0*	15.1*	19.9	11.3*
<i>Groups Arriving 1980s and 1990s</i>				
Bosnia and Herzegovina	23.1*	8.0	16.3	4.7
Cambodia	18.4	17.5*	4.5	2.3
East Timor	15.0	13.1*	5.6	2.6
El Salvador	7.7	5.0	0.0	5.7
Laos	11.9	10.3	2.9	0.9
Lebanon	42.2*	23.2*	26.4*	9.7
Vietnam	19.9	16.4*	4.3	3.0
<i>Recent Arrivals</i>				
Afghanistan	17.7	6.7	5.9	5.6
Burma (Myanmar)	13.3	7.7	11.4	5.6
Burundi	6.2	14.3*	23.2*	0.0
Congo	12.5	11.5*	18.8	13.4*
Eritrea	15.7	3.2	0.0	0.0
Ethiopia	18.4	6.5	0.0	0.0
Iran	30.9*	13.4*	10.3	6.6
Iraq	25.7*	12.1*	19.4	9.1
Liberia	7.5	3.3	0.0	0.0
Sierra Leone	5.0	3.2	0.0	0.0
Somalia	30.6*	12.5*	27.3*	0.0
Sri Lanka	10.6	8.2	11.6	6.3
Sudan	8.4	6.1	21.1*	0.0
Total Refugee-Humanitarian Groups	22.5	13.5	20.4	9.4

* Above the Australia-born figure

played a significant economic role in Lebanese settlement in Australia ever since the earliest years. They operated business both together with their husbands and independently. Monsour and Convy (2008, 19) argued that Lebanese businesses:

‘... were on the edge of surviving financially and needed to be partnership between married couples to remain viable. The women of the family not only had to take a full share of the responsibility for running and staffing the business but they were also responsible for all the tasks associated with running the household’.

It is apparent that while men substantially outnumber women among humanitarian settlers who run their own businesses, women still play an important role in this area as is indicated in Box 4.5.

Box 4.5: Case Study: African Small Businesswomen in Adelaide

An ongoing study of African women in Adelaide (Njuki, forthcoming) has found that a number have established small businesses. Several have particularly focused, at least in the early stages, on businesses which provide goods and services to other recently arrived humanitarian settlers. A Somali woman owns and runs a supermarket located in the western suburbs where there is a concentration of recently arrived African humanitarian settlers. It sells a huge range of food and other goods as well as offering credit and providing a service to send remittances overseas. Hair salons have been established by women from Liberia, Ghana, Sierra Leone and the Sudan. Women have set up three Ethiopian and one Sudanese restaurant. In each case the family provides most of the labour in the business. The businesses are small and set up initially with savings and loans. One businesswoman received the capital she needed (\$A8,000) from the women’s group of which she is a member. Almost every African ethnic group in Adelaide has its own women’s group which meet each week for informal activities but also formal talks from relevant government agencies. These groups often have a revolving fund function where they raise money to loan members for various needs.

Among the African communities much of the economic leadership seems to be taken by women, both through the women’s groups but also through mentoring and other support. To some extent males are becoming more isolated and many in fact have returned to Africa to work. Several of the businesswomen work at other jobs as well as their business in order to pay off the loans they have raised to start up the business. While the businesses initially catered for other Africans, over time their clientele is widening. An African market was set up by 10 African women to operate in summer on Friday evenings. It not only serves other Africans but has increasingly served the wider community.

A recent study of Muslim women in Australia (McCue, 2008, 69) found that 21.6 percent of Muslim women in the workforce were involved in a business enterprise at the 2006 census. In detailed qualitative interviews with Muslim women leaders, it was found that 40 percent owned or had previously owned their own business. These businesses ranged across professional enterprises (e.g. in accounting, psychology, medicine, law, education) to services (child care centres, real estate) and retailing (clothing, small food shops, supermarkets, beauty salons, bookshops). Half of these were established with the help of the family with the remainder being funded through a bank loan. It was apparent that several businesses are targeted at niche markets. It was also found that there is a great deal of mentoring by established businesswomen to help newcomers. The study concludes that (McCue, 2008, 73):

‘... Muslim women are active in the business community, being principally engaged in their own business enterprises. The main driver for this involvement is the desire for independence and in some cases the availability of a niche market ... Some new arrivals, among them African Muslim women, are also becoming involved in their own small businesses’.

Iredale and D’Arcy (1992, 19) found that refugee women were more likely to be self employed than non-refugee women. Lever-Tracy *et al.* (1991, 85) found that women play a prominent role in businesses run by Asian immigrants.

It will be noted in Table 4.4 that for some humanitarian birthplace groups, the proportion of first generation males that are self employed is quite large. Indeed, for 13 birthplace groups a quarter or more men are self employed. The largest proportions were for Lebanese (42.2 percent), Lithuanian (37.7), Latvian (37.1) and Hungarian (38.1) and for Somalis it is almost a third (30.6 percent).

One important element is that although there is a lack of research on the working backgrounds of humanitarian settlers, it is apparent that many were self-employed business people before they were forced to move. Table 4.5 shows that 12 percent of all respondents had owned a business prior to their migration. If this is taken as a percentage of those in the workforce the percentage rises to 19.6 percent. Moreover, a further 5.2 percent (8.7 percent of the labour force) had worked in the family business prior to migration. The key message here is that humanitarian settlers often have been entrepreneurs and businesspeople before

migration and bring those experiences and skills with them. Box 4.6 presents a case study of a Sudanese migrant who has drawn on skills developed by his family over centuries to establish a successful business.

Table 4.5: South Australian Humanitarian Settler Survey: Labour Force Status of Settlers Before Migration, 2009 (N=252)

Source: Njuki, 2009

Labour Force Status Before Migration	Percent
Employed	41.4
Unemployed	2.4
Owned a Business	12.0
Worked in Family Business	5.2
Volunteer/Community Work	5.6
Student	7.2
Not in Labour Force	26.1
Total	100.0

One of the key elements in the substantial involvement of refugee-humanitarian settlers in business is the key role that the use of family labour plays. Table 4.6 shows that contributing family workers are important among several of the refugee-humanitarian birthplace groups.

Box 4.6: Case Study: Sudanese Business Owner, Male Aged 55

David owns a jewellery shop where he sells the jewellery that he himself designs and makes, along with other clothing, music and decorative items from Africa. Jewellery-making has been the trade in David's family for thousands of years and family members still living in Africa also continue this tradition. David arrived in Australia in 2003 with his wife and three children. They have recently had another child born in Australia. David and his family are from Sudan but lived in Cairo for the three years prior to moving to Australia. Originally they had planned to move to the US as a refugees since David had support from other family members already living there, but after the events of September 11th their migration was delayed. Eventually David and his family ended up in Australia instead of the United States.

When David first arrived in Australia he worked two jobs in order to earn an income and provide for his family, as a cleaner and in a meat factory. After a couple of years he decided to start his own business and continue his family's traditional trade. David has owned and operated his jewellery shop since December 2005. He received financial help from the Australian government to establish the business, but all funding support ceased after one year. It has taken David some time to establish himself in his business; he has had to improvise with the jewellery making tools available in Australia that are different to what he is used to using.

This machinery is also expensive so he has had to slowly build up his stock over time and has made a couple of return visits to Africa since arriving in Australia where he has brought back traditional tools and materials. David works more than full-time hours in his business. Most of the time he is the only employee but occasionally his wife helps out in the shop. David's business is located in a very multicultural suburb in Victoria. He comments on the growth of the African community and African businesses in the area over the years and how this area of concentration has contributed to the growth of his business – if people are looking for African goods or community this is the area they come. David and his wife are both good cooks and they hope to open another business, a restaurant selling African food, in the future. They plan to live in Australia permanently.

The development of ethnic businesses by humanitarian settlers can play a positive role in providing an avenue for new arrivals to enter the labour market (Collins, 1996; Castles *et al.*, 1991). However, others (Colic-Peisker and Tilbury, 2006, 219) have argued that:

‘Ethnic entrepreneurs often consciously employ newly arrived compatriots expecting them to be cheap, flexible and pliable labour’.

There is evidence of co-ethnic exploitation in some such areas (Velayutham and Wise, 2010).

Table 4.6: Australia: First and Second Generation by Percent Employment Type, 2006

Source: ABS, 2006 Census

Country of Birth/Ancestry	First Generation			Second Generation		
	Percent Employee Not Owning Business	Percent Owner/Manager	Percent Contributing Family Workers	Percent Employee Not Owning Business	Percent Owner/Manager	Percent Contributing Family Workers
<i>Groups Arriving 1946-60</i>						
Bulgaria	80.3	17.6*	2.0*	80.2	18.3*	1.5
Croatia	75.8	22.1*	2.1*	83.5	15.4*	1.1
Estonia	70.6	24.1*	5.4*	83.3	15.7*	1.0
Hungary	66.6	30.8*	2.6*	83.6*	15.3*	1.1
Latvia	69.4	28.3*	2.3*	84.5*	14.5	1.0
Lithuania	67.3	29.9*	2.8*	83.6*	15.4*	1.1
Romania	78.0	20.1*	1.8	79.7	19.1*	1.2
Russian Federation	79.4	18.5*	2.1*	80.3	18.3*	1.3
Slovakia	80.9	17.7*	1.4	83.6*	15.1*	1.3
Ukraine	77.2	21.1*	1.7*	85.9*	13.2	0.9
<i>Groups Arriving 1960s and 1970s</i>						
Chile	86.1*	13.0	0.8	93.4*	5.8	0.7
Czech Republic	76.7	22.1*	1.3	83.1	15.7*	1.2
<i>Groups Arriving 1980s and 1990s</i>						
Bosnia and Herzegovina	82.4	16.5*	1.1	88.5*	10.7	0.9
Cambodia	79.2	18.0*	2.8*	95.2*	3.3	1.4
East Timor	84.8*	14.2	1.0	95.7*	3.6	0.7
El Salvador	93.1*	6.4	0.4	97.6*	2.4	0.0
Laos	86.8*	11.3	1.9	97.5*	1.7	0.8
Lebanon	59.4	36.7*	3.9*	79.1	18.8*	2.0*
Vietnam	78.7	18.4*	2.9*	94.2*	3.6	2.2*
<i>Recent Arrivals</i>						
Afghanistan	83.2*	14.9	1.9*	93.4*	5.2	1.4
Burma (Myanmar)	88.1*	10.8	1.1	90.8*	8.7	0.5
Burundi	92.9*	7.1	0.0	82.4	14.3	3.3*
Congo	86.6*	11.5	1.9*	80.8	17.8*	1.4
Eritrea	88.0*	11.5	0.5	100.0*	0.0	0.0
Ethiopia	85.1*	13.8	1.1	100.0*	0.0	0.0
Iran	73.6	23.9*	2.5*	89.6*	8.6	1.8*
Iraq	75.6	21.9*	2.5*	82.7	14.7	2.7*
Liberia	92.4*	6.3	1.3	100.0*	0.0	0.0
Sierra Leone	95.7*	3.9	0.4	100.0*	0.0	0.0
Somalia	72.3	25.5*	2.2*	79.3	10.3	10.3*
Sri Lanka	89.5*	9.6	0.9	90.5*	8.9	0.6
Sudan	91.3*	7.7	1.0	83.3	16.7*	0.0
Total Population	81.8	16.5	1.7			
Australia	82.4	15.9	1.7	83.5	14.9	1.6
Mainly English Speaking	80.6	18.1	1.3			
Mainly Non-English Speaking	79.5	18.4	2.1			

* Above the Australia-born figure

While all humanitarian settlers are not spatially concentrated in ethnic enclaves (Chapter 2) some do tend to cluster in particular areas. Across metropolitan Australia, first generation humanitarian migrants from some groups have clustered in specific areas: In Perth for example the City of Stirling hosts large numbers of humanitarian entrants from a range of African countries; in Victoria, Middle Eastern groups as well as Croatian and Bosnian refugees concentrate within the Dandenong area; Maroondah is also now home to the largest Burmese community in Melbourne's east (Maroondah City Council, date unknown). In New South Wales, Cabramatta hosts larger numbers of Vietnamese and Cambodian humanitarian migrants, while the city of Fairfield itself is the home of Iraqis and other Middle Eastern communities. Within these geographic locales, small businesses run by first and increasingly second generation humanitarian migrants are prevalent. In Box 4.7 the City of Cabramatta provides a unique case study highlighting the entrepreneurial contribution of Vietnamese, Cambodian and Laotian communities. It illustrates not only the resilience and determination many past and current refugee communities have possessed and applied in order to establish and maintain successful businesses, but also the real and significant ways in which migrants from this background can transform aspects of the Australian commercial landscape.

In summary, there is a strong case to be made that humanitarian settlers have made, and continue to make, a distinct economic contribution to Australia through their role as entrepreneurs. Migration never involves a representative cross-section of the population at either the place of origin or the destination. It is always selective of particular groups. One of the most universal of the ways in which migration selects out such groups is that risk takers, entrepreneurs and people who identify and capitalise on opportunities are more likely to move (Wadhwa *et al.*, 2007). This is reflected in the fact that migrants tend to be overrepresented among those setting up new business initiatives in destinations. However, the measurement of such characteristics as risk taking, business acumen and entrepreneurialism is very difficult so that it cannot be included in immigration programs such as the Australian Points Assessment System. Business migration programs seek to identify and attract immigrants with these characteristics. However, the Business Migration Program selects potential immigrants on the basis that they have a substantial amount of

Box 4.7: Cabramatta, NSW: Banking on the Business Boom of Indochinese Refugees

Cabramatta is a thriving example of a community where refugees' economic, social and civic contribution plays out. Today the Fairfield City Council can command significant rates from its residents and areas such as Cabramatta, Fairfield and are internationally renowned as significant commercial centres.

Throughout the 1970s however Cabramatta was seen largely as a sleepy but growing town populated largely by Italians and Yugoslavs who were emerging as key land and business owners. The arrival of refugees from Vietnam, Cambodia and Laos in the late 1970s and early 1980s changed both the demographic and economic landscape of the area. Assistance to refugees during this period was limited to English language classes and initial hostel accommodation in the area such as Villawood. Open and hostile racism was not uncommon. Refugees were labelled as 'rich', as 'invaders' and discriminated against on the basis of their physical appearance.

Many took up employment opportunities in local factories while others sought to establish small farmers markets, which subsequently became an important source of employment for newer arrivals who came through on the family re-union scheme throughout the 1980s.

It has been the establishment of small family businesses amongst the Vietnamese and Cambodians however, that has provided Cabramatta with its vibrant cultural landscape and strong economic foundations for which it is currently renowned. Many of these enterprises have sustained themselves and some have developed into major franchises such as the retailing company Bing Lee. The entrepreneurial success of the Indo Chinese refugees in the 1980s can be attributed in part to opportunities and openings unique to that period: cheaper accommodation and land prices, greater employment opportunities in factories and market gardens, a more generous family re-union scheme as well as new and untapped markets based upon the needs of their own communities. At the same time, refugees understood the market potential of their new community and harnessed available employment opportunities which allowed them to take greater business risks, given that they often worked while starting the business.

While some locals exhibited discrimination towards South East Asian refugees, many also recognised that these migrants were focused, hard working and determined. As recollected by Ms Ricci Bartels, who is currently the Director of the Fairfield MRC and has lived and worked in the Cabramatta area since the late 1970s, many of the new arrivals in the late 1970s and thereafter were highly focused and determined to use the new opportunities they were presented with in Australia. Many viewed establishing businesses or entering tertiary education as the predominant means through which they could re-build their lives and contribute to the country that had taken them in.

The Southeast Asian refugee communities in the Fairfield area have placed great emphasis on their children's education. A significant number of second generation Vietnamese refugees have completed tertiary education and ended up in professional careers. Second generation Laotian and Cambodian refugees have also entered the university system but have also had a marked presence in the trades. A growing trend has been observed whereby second-generation Vietnamese refugees in the Cabramatta area are returning to the businesses their parents have established. While many have gone on to tertiary studies and acquired professional careers, a range of factors including ageing parents, family pressure, job losses generated by the Global Financial Crisis and in many instances the second generation's tertiary studies, have pulled many back into the family business. Interesting dynamics are coming into play however, whereby the younger generation is placing pressure upon their families to expand and develop their businesses in line with current business practices. The Fairfield City Council has been active in trying to attract this generation back to the Cabramatta area in a bid to boost employment opportunities and foster business growth.

capital to invest in Australia. This means that it selects established businesspeople rather than those who are yet to establish themselves but are likely to identify new business opportunities. The considerable literature on Australian immigrant entrepreneurship focuses almost exclusively on migrants who arrived in Australia outside of the Skilled Migration Program and immigrants who are selected by the Points Assessment Scheme. The Skilled

Migration Program, with its strong stress on formal post-school qualifications, does not necessarily identify potential migrants with entrepreneurial skills. To some extent, such potential migrants self-identify by wishing to break away from the status quo and taking the risk of moving to a new country. There would seem to be a strong case that the refugee-humanitarian migration program is more selective of risk-taking entrepreneurial populations than any of the other major streams of the Australian migration program (family, skill and New Zealand streams). In this sense then the humanitarian program is contributing an important added economic dimension to the total migration intake of Australia.

4.3 DO HUMANITARIAN SETTLERS FILL PARTICULAR EMPLOYMENT NICHES?

One of the arguments that has been used in relation to the economic contribution of refugee-humanitarian settlers is that they fill particular niches in the Australian labour market that are being eschewed by Australia-born and other migrant workers. This segmentation of the labour market is often constructed in a negative way because it traps them in ‘the ‘secondary labour market’ comprising low status and low paid jobs that locals avoid’ (Colic-Peisker and Tilbury, 2006, 203).

In Australia the prevailing discourse on labour shortage is almost always couched in terms of skill shortages, yet it is apparent that there are also shortages in a number of low skilled occupational areas (e.g. National Farmers’ Federation, 2008). However, the Australian migration program has become increasingly focused on recruitment of settlers who are skilled as the government seeks to add to Australia’s bank of human capital. The temporary migration program is even more focused on skill. Australia is piloting an agricultural workers’ scheme which brings in seasonal workers from the Pacific to meet agricultural labour shortages at times of peak activity (Bedford and Hugo, 2008) but there are very limited opportunities in the Australian immigration program for bringing in migrants to fill low skilled jobs. It is apparent that humanitarian settlers are currently meeting many of these labour shortages in low skill, low status and low paid occupations (Chapter 3) which in other countries are met by inflows of unskilled workers. These are often undocumented flows as in the case with much Mexican migration to the United States and African migration to Europe. While there are issues of lack of recognition of skills forcing some humanitarian settlers into

working in these low skill areas, this should not divert attention from the fact that these settlers are currently filling important labour shortages in the Australian economy. It is very important that humanitarian settlers be accorded protection of all of their rights in these jobs, that they be given every opportunity to achieve social mobility and that they not be exposed to exploitation. However, it also needs to be recognised that they are taking up jobs that are not being taken up by Australians and that this is another way in which humanitarian settlers are making a distinctive and important contribution. Having said this, however, it is important also to recognise that humanitarian settlers must be given every chance to get work commensurate with their skills, education and aptitude, if not initially then in the short to medium term.

There is a need to recognise that many refugee-humanitarian settlers are arriving in Australia with skills and that they often suffer from those skills not being recognised by Australian employers. It is important for both the migrants and the Australian economy that this human capital is not only recognised but deployed. Notwithstanding this, there are significant numbers of humanitarian settlers who arrive with low levels of education and the low skill labour market offers the only avenue for upward mobility. There is concern that humanitarian settlers get locked into particular niches in the economy. For example, Colic-Peisker and Tilbury (2006, 221) argue:

‘The most vulnerable migrants – refugees and asylum seekers – are especially likely to end up locked in disadvantaged low status and low paying jobs ... most mainstream employers outside the identified migrant employment ‘niches’ have little experience with employing ‘visibly different’ recent refugees’.

Similar sentiments are voiced by Stevens (1997) and it may be that the underutilisation of human capital characteristics of all migrants is one marked for humanitarian settlers. It is argued here that it is crucial to develop better means of allowing humanitarian settlers to fully use their skills in the labour market and to break down the barriers which are preventing that at the moment. However, it is also argued that the participants of this group in low skill jobs are making an important contribution.

One of the particular niches of the labour market that humanitarian settlers have in recent years been absorbed in is in labour markets outside of the capital cities (as was introduced in

Chapter 3). As yet there is very limited research into the experiences of humanitarian entrants living in regional and rural Australia, although as settlement occurs in those areas more research is emerging (Taylor-Neumann and Balasingam, 2009). Newly arrived migrants tend to settle in metropolitan centres, near family and other supports, but increasingly federal government policy has focused on settling newly arrived refugees in regional areas (Sypek *et al.*, 2008).

A key message amongst key informants across Australia was that regional centres offered refugees – both newly arrived, and more established communities – key opportunities and benefits that were more difficult to find in large urban centres. These included affordable housing; employment opportunities – albeit in low skilled and unpopular jobs; smaller community settings and a farming context which remains appealing for many who have come from rural areas prior to migration.

At the same time, however, regional areas are often lacking key infrastructure, support networks and settlement services which are pivotal for refugee resettlement. While there are significant refugee communities in regional centres across Australia including Toowoomba, Townsville, Cairns (Queensland), and Katanning and Albany (Western Australia), several key informants noted that the issues identified above made it extremely difficult to convince new arrivals to move to such areas. There is concern about regional settlement of humanitarian entrants, since regional areas do not have ready access to intensive services such as torture and trauma counselling and specialised health and education services (Taylor-Neumann and Balasingam, 2009).

There needs to be investment in the support services that will keep people there. This is true more broadly as Australia examines the need to facilitate regional development. Several positive examples do exist: the Albany community has provided a very positive response to new migrants and community members have welcomed them as workers wanting jobs that no-one else did! Hazara refugees from Afghanistan were in 2004 the first wave to live and work in Albany, a town of approximately 25,000 people in the south west of Western Australia, about 400 kilometres from Perth. Employment was the magnet that initially attracted them and since then employers at the local abattoir have come to respect this group as valued employees. They have also become tenants of choice in the local housing market. As Hazaras moved from the Temporary Protection Visas (TPVs) to permanent Protection Visas (PVs), they have moved away from Albany and into regional centres such as Perth and

Adelaide. With a more secure future, many have taken up educational opportunities in metropolitan centres. One example of humanitarian settlement in regional areas and their engagement in regional work sectors experiencing labour shortages is given in Box 4.8.

Box 4.8: Katanning, Western Australia: A Case Study of Sustainable and Satisfying Employment in Regional Australia

Katanning is a town located 277 km southeast of Perth, Western Australia on the Great Southern Highway. It has a population of around four and half thousand people, many of whom are employed in the towns surrounding wheat and sheep country. While the area is essentially agricultural, the town is a regional centre with access to a range of recreation and leisure facilities, government, health and education services, as well as a diverse retail and business district.

Diversity has been central to Katanning's landscape for decades. In 1973 Malays from the Cocos Islands migrated to Katanning and their participation in the Halal meat industry has increased the town's economic prosperity. More recently however, Western Australia's mining boom has attracted many potential workers away from towns like Katanning, leaving massive labour shortages and knock-on effects impacting on the town's businesses, schools and services.

In addressing this labour shortage, the Western Australian Meat Marketing Corporation (WAMMCO) has developed innovative and important strategies to attract workers and sustain its labour supply. WAMMCO is a Western Australian farmer-owned co-operative with over 2,000 participating premium lamb producers. In 2007 WAMMCO worked with the Department of Immigration to employ humanitarian entrants from the Horn of Africa and has also attracted Temporary Protection Visa Holders from Afghanistan.

Today WAMMCO employs 47 men and 11 women from the Burmese community. Since 2008, WAMMCO management have worked with the Baptist church and the Multicultural Services Centre of WA to actively resettle Karen refugees from Burma as a means of addressing the co-op's chronic labour shortages. WAMMCO provide pre-employment training for people with little or no recent work history, as well as a six-week induction 'buddy' system and bus transport for employees. They also cater for the special needs of employees by giving single parents the option of working during school hours (known as the 'Mother's Shift'), providing the option of a 6 hour Friday shift for those who need to pray at Mosques, paying junior workers an adult wage, and offering employees who seek further qualifications paid on-the-job Meat Industry Training, to Diploma level.

They also provide initial communal style accommodation in the form of a large house where new arrivals can stay until they can rent something more permanent. For Burmese refugees whose English is limited and accommodation often problematic this has proved a strong magnet, and many of the more longer term residents are now aspiring to buy houses within the town. Real estate services are also pleased with the increase in business.

WAMMCO has been recognised as one of the three best employers in the country for their dedication to providing employment to people having difficulty obtaining full-time work.

Beyond their employment contribution, the current wave of Burmese refugees has proved a critical consumer base for Katanning's business and service sectors. The starting salary for all unskilled full time employees is \$32,760pa, with the opportunity to add approximately \$4,500 in rewards payments (based on throughput numbers) and \$1,500 in additional overtime per annum. The highly multicultural community has a range of religious institutions including a Baptist church, which has been central in establishing links between the Karen people into the broader community. The town also hosts a TAFE college which has been crucial in delivering English language training.

For the Karen refugees from Burma, Katanning offers a peaceful, safe rural setting where they can bring up their children, plus affordable accommodation and sustainable and satisfying employment, which promotes career pathways and upward mobility. For the community of Katanning, the Burmese are well known for their humbleness, the sense of sacrifice that they make for the education of their children and their hard work ethic.

Increasing settlement of refugees and other immigrants outside of gateway cities is an increasing trend not only in Australia but elsewhere as well. There have been a number of special issues of key migration journals in recent years which have been devoted to analysing this trend: *International Journal of Multicultural Societies*, Vol. 9, No. 1, 2007; *Population, Space and Place*, Vol. 14, No. 6, 2008; *Journal of International Migration and Integration*, Vol. 9, No. 2, 2008. In the United States context, Massey (2008) has shown that the last decade has seen an unprecedented settlement of new migrants outside of traditional 'gateway' cities. These important studies have documented a significant change in immigrant settlement away from the pattern which dominated the first five decades after World War II whereby migrants tended to settle in the largest metropolitan areas. This pattern existed not only in Australia but elsewhere as well.

Non-metropolitan areas in Organisation for Economic Co-operation and Development (OECD) countries are not only experiencing low or declining population growth due to low fertility and population ageing, but this is being exacerbated by youth out-migration to cities. This has meant that there have been significant shortages of labour in those areas and mounting concerns of declining population, resulting in a loss of key services in regional communities. As a result, many countries have initiated policies and programs to encourage immigrants to settle outside of major cities. In Australia this has included the State Specific and Regional Migration (SSRM) initiatives which began in 1986 and which are restricted to the skilled component of the national migration program (Hugo, 2008b). The 2003 Australian Government *Report of the Review of Settlement Services for Migrants and Humanitarian Entrants* (Department of Immigration and Multicultural and Indigenous Affairs, 2003) resulted in initiatives in 2004 being introduced for settling humanitarian entrants in rural and regional Australia (McDonald, Gifford, Webster, Wiseman and Case, 2008). This initiative was extended in 2004-05 when \$12.4 million was allocated to double the number of humanitarian settlers outside regional centres (Taylor and Stanovic, 2005).

The Refugee Council of Australia (RCOA) (2010, 16) has explained that 'regional dispersal' policies for refugees and asylum seekers are now common in resettlement countries. Table 4.7 shows some such policies and programs introduced in other major refugee resettlement nations.

Table 4.7: National Policies for Regional Dispersal of Asylum Seekers and Refugees

Source: Refugee Council of Australia, 2010, 17

COUNTRY	POLICY FRAMEWORK and APPROACHES
USA	<ul style="list-style-type: none"> • Decision about where to resettle a refugee is made before the refugee arrives. Contracted voluntary resettlement agencies receive all accepted cases. Some of these resettlement agencies follow a policy of clustering refugees in geographic locations which have pre-existing ethnic communities • "Cluster Model": employment oriented approach to resettlement, based on the view that employment opportunities are maximised by increasing the sizes of ethnic communities
Canada	<ul style="list-style-type: none"> • Policy of geographical dispersal of refugees • Minimum numbers of refugees from each visa post are sent to designated cities in each province. Provincial views influence the distribution of refugees and financial resources are transferred to each province based on targets • Large numbers of secondary migrants (fuelled by the need to maximise their opportunities for social support and self-sufficiency)
United Kingdom	<ul style="list-style-type: none"> • Policy of compulsory dispersion for refugees and asylum seekers not self-sufficient • Groups are dispersed throughout regional areas, pushed by the need for accommodation and aims to decentralise • Results in refugees unable to congregate in clustered ethnic communities • Local organisations and authorities come together into consortia which are expected to provide a full range of services • Consortia also expected provide for the long-term integration of refugees
Sweden	<ul style="list-style-type: none"> • Soft dispersal policy, with refugees having the option of organising their own settlement destination • High levels of secondary migration (refugees tended to leave small municipalities in favour of large municipalities)
Denmark	<ul style="list-style-type: none"> • New spatial dispersal policy, aimed at promoting better integration of refugees by means of mandatory and increased spatial dispersal • Successful in the short term but less so in the medium term (in small municipalities, secondary migration was common)
The Netherlands	<ul style="list-style-type: none"> • Dispersal policy is housing-driven and based on the fear of ethnic concentrations in particular cities (fuelled by the notion of "burden sharing") • High degree of goal attainment for the compulsory dispersal (Government goal) but outcomes of effective dispersal are not favourable for refugees (social exclusion)

There is an increasing body of research available which relates to the experience of humanitarian settlers in regional Australia. Much of this has been summarised by the RCOA (2010, 17-21) and some of the major locations of settlers are listed in Table 4.7. While there have been a number of problems and issues which have arisen, it is apparent that there has been a measure of success. This success has been in terms, not only of the filling of labour shortages and much appreciated demographic impact through humanitarian families helping to meet the threshold population needed for maintaining schools and other services, but also in the successful adjustment of the settlers. A key issue of concern has been the fact that in the past, efforts to settle humanitarian migrants in regional areas have resulted in many

eventually moving to capital cities. An example is the Vietnamese in the 1980s who were initially settled in regional centres like Whyalla and subsequently gravitated to large cities like Sydney (Burnley, 1989). Regional development is a salient and important issue in Australia and the lack of population and resources is seen as a major constraint on regional development (Withers and Powell, 2003).

There are clearly major challenges in providing support to humanitarian settlers in regional areas which lack not only formal specific services but also the informal support of large existing humanitarian communities. Similarly, housing shortages in regional Australia is an important difficulty especially for some of the large African families. Language problems and lack of interpreter services are important barriers. Gaining the support of local communities is especially crucial and there have been many instances where there has been a very positive experience. Traditional stereotypes of non-metropolitan communities being conservative, overwhelmingly Anglo-Celtic in both composition and focus, even racist, have been challenged in many contexts where communities have been welcoming. Schools especially are an important medium for incorporation of humanitarian families. It is apparent that these positive responses are influenced by regional communities appreciating the potential role of immigrants in meeting local labour shortages and preventing the loss of services. Nevertheless, it is evident that the social capital of regional communities has been and, potentially in the future can be, important in the adjustment process of humanitarian settlers.

There is a new interest in Australia on regional development and the shortage of workers is seen as a major constraint on the development of regional areas. Moreover, mining, tourism, agriculture and agricultural processing are increasingly significant parts of the Australian economy, are predominantly based in regional areas and the development of their potential is threatened by labour shortage. It is apparent that refugee-humanitarian settlers are currently helping meet this demand and that this role could be more important in the future.

4.4 ECONOMIC LINKAGES WITH ORIGIN COUNTRIES

4.4.1 Development Effects on Origin Countries

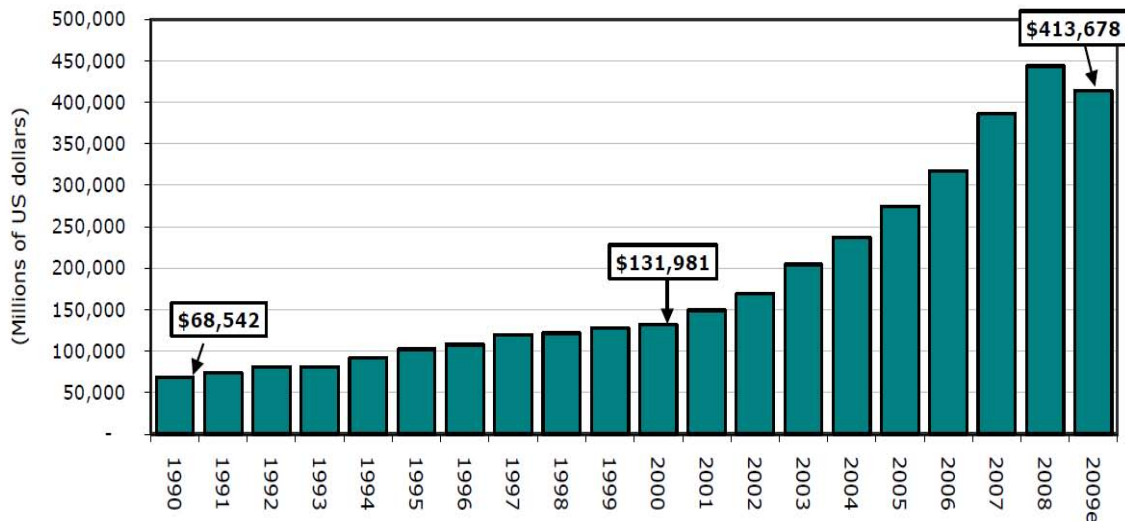
There has been a substantial shift in international migration in the last 15 years which has seen a paradigm shift away from a model of migration or permanent displacement from one country to another toward transnationalism. The latter moves the focus in policy and research away from a preoccupation purely with integration and adjustment at the destination to considering the development and maintenance of linkages between origin and destination countries and the effects of migration on those origin countries. The RCOA (2010, 7-12) study of *Benefits of Australia's Refugee and Humanitarian Program* identified three areas of potential economic contribution that could develop from linkages that humanitarian settlers develop and maintain with their origin countries – development impacts in origin countries through the sending of remittances, the fostering of trade linkages and involvement in the planning, and the targeting and delivering of foreign development assistance. There is little research regarding these relationships globally, let alone in Australia, although there is an increasingly strong discussion of the impacts of migration on development in low income countries (Global Commission on Migration, 2005; United Nations, 2006; World Bank, 2006; Department for International Development (DFID), 2007). The discussion has centred around the capacity of migration to deliver development dividends, not only to migrants themselves and in destinations but also in low income origin countries and communities.

One of the major ways in which this development dividend is delivered is through migrants sending remittances from their destination to origin communities. There is a burgeoning literature on the significance of the flow of remittances from OECD nations to less developed countries and their role in poverty reduction (Adams, 1968; Hugo, 2003b; Asian Development Bank, 2004; Johnson and Sedaca, 2004; Terry and Wilson [eds.], 2005). It is stressed that remittances have particular value as a transfer from more developed to less developed countries since they flow directly to families and hence can have an immediate impact in improvement of well-being at the grass roots level. The role of the destination countries here is in the realm of facilitating these flows; reducing the degree of rent taking exacted on remittance flows by intermediaries and ensuring that there are safe, quick and reliable channels for migrants to make remittances to their families in less developed countries (DFID, 2007). Efforts to reduce the transfer costs imposed by intermediaries are needed if the full benefits of remittances are to be realised.

It is increasingly being appreciated that remittances can have an important impact on economic development in origin areas. It is estimated (Migration Population Institute (MPI), 2010) that two percent of the Gross Domestic Product (GDP) of developing countries is currently made up by remittances. Figure 4.1 shows that global remittances have increased substantially in recent years, doubling between 2004 and 2008. There was a small decline to US\$413.6 billion in 2009 as a result of the Global Financial Crisis.

Australia has some 5,485,864 persons who are foreign-born, with 1,666,879 born in Asia, 108,938 born in Sub-Saharan Africa (excluding South Africa) and 130,447 born in Oceania (excluding New Zealand and Australia). This represents, potentially at least, a significant opportunity for the development of diasporic communities within Australia which are connected to less developed countries and provide conduits for flows of remittances, investment, technology and knowledge to them. With the important exception of the Pacific, there has been little research in Australia on the relationship between communities from less developed countries who are resident in Australia and their home countries and on the flow of remittances they send.

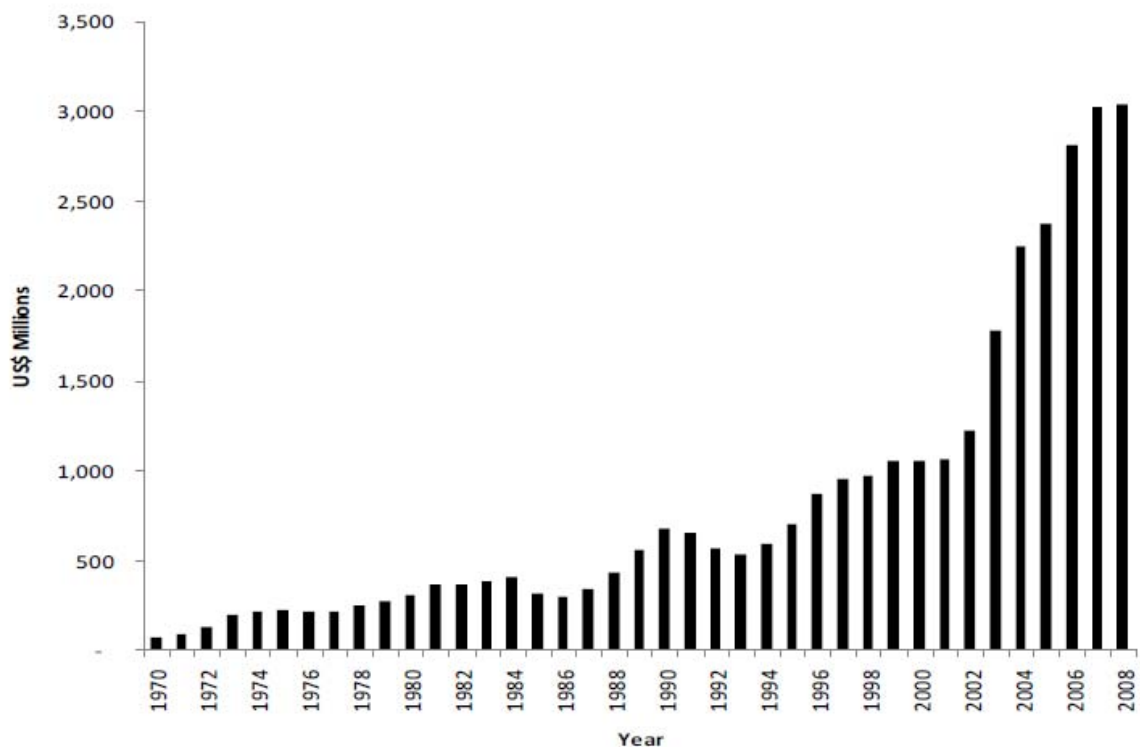
Figure 4.1: Global Formal Remittance Flows, 1990-2009
Source: MPI, 2010



The official outflow of remittances from Australia in 2008 was US\$3.05 billion (or 0.03 percent of GDP) and Figure 4.2 shows that outward remittances have grown substantially in recent years. Moreover, the World Bank has suggested that formal remittance data capture

only around a half of the actual flows (Ratha and Xu, 2008). The increasing emphasis on skill in the Australian migration program means that the families from which many migrants come are among the better off groups in their home countries so there will not be a pressing need for migrants to remit funds. Indeed for some the opposite is the case. Moreover, the inflow of funding from less developed countries to Australia from families supporting foreign higher education students studying in Australia is substantial (137,000 in 2003, 85 percent from Asia). It is estimated that student migration generates A\$4 billion¹³ annually to the Australian economy (*Migrant News*, January 2005).

Figure 4.2: Australia: Outflows of Remittances in US\$ Millions, 1970-2008
Source: World Bank Remittances Database



Remittance flows appear to be greater among some groups of migrants than others. Unfortunately there are little data available relating to this in Australia but the Longitudinal Survey of Immigrants to Australia (LSIA) involved two groups of migrants arriving in

¹³ One \$A = US\$0.78, 4 May 2005.

1993-95 and 1999-2000 who were re-interviewed twice in the first case and once in the second (Hugo, 2004). Table 4.8 shows that when the first survey migrants were interviewed within a few months after arrival in Australia, less than eight percent sent remittances back to relatives. This of course is understandable given that it takes time for immigrants to become established. When interviewed for a third time (1998-99), a larger proportion had sent remittances home to relatives. It will be noted that the largest proportions sending remittances were the refugee-humanitarian migrants who also are the poorest group with the

Table 4.8: Australia: Remittances Sent to Relatives by Immigrants According to Visa Category of Arrival

Source: Longitudinal Survey of Immigrants to Australia, unpublished data

	None	Less Than \$1,000	\$1,000- \$5,000	\$5,001- \$10,000	\$10,001+
Family					
1 st Interview	97.6	6.2	1.0	0.1	0.1
3 rd Interview	72.1	12.7	11.9	1.9	1.3
Skill					
1 st Interview	92.0	5.1	2.4	0.2	0.1
3 rd Interview	69.6	6.0	14.4	4.6	4.5
Humanitarian					
1 st Interview	90.5	8.8	0.7	-	-
3 rd Interview	55.4	21.1	18.1	3.0	2.5
Total					
1 st Interview	92.1	6.3	1.3	0.2	0.1
3 rd Interview	68.9	12.3	13.6	2.8	2.3

highest level of unemployment and greatest reliance on benefits (Richardson, Robertson and Ilesley, 2001). The highest proportions of birthplace groups sending back remittances were drawn from regions which were made up of mostly Less Developed Countries – Pacific (41.4 percent), South Asia (47.5 percent), Southeast Asia (42.3 percent), Middle East (33.1 percent) and Africa (31.8 percent). It is interesting to note that by the time of the third interview meeting, a half of refugee-humanitarian settlers were sending back money. These large scale surveys are notoriously poor in detecting remittances and it is in detailed fieldwork that it is evident that among some groups there are substantial flows of remittances.

Table 4.9: Australian Humanitarian Settler Survey: Frequency and Amount of Remittances Sent

Source: Australian Humanitarian Settler Survey, 2010

How Often Send Money	\$600 and More	\$100- 599	\$1-99	No Set Amount	Don't Know	Total	Percent
Other	1	1	1	0	1	4	1.4
Fortnightly	2	11	3	1	2	19	6.6
Monthly	6	55	2	11	2	76	26.2
Approx 3-6 months	10	52	12	9	1	84	29.0
Annually	3	10	2	4	0	19	6.6
Irregularly	8	40	4	31	5	88	30.3
Total	30	169	24	56	11	290	100.0
Percent	10.3	58.3	8.3	19.3	3.8	100.0	

Table 4.10: Australian Humanitarian Settler Survey: Monthly Household Income According to Whether They Provide Financial Assistance to Others

Source: Australian Humanitarian Settler Survey, 2010

Monthly Household Income After Tax	Provided Financial Assistance to Others			Percent Who Answer Yes
	Yes	No	Total	
\$2000 or more	14	4	18	77.8
\$1600-1999	11	2	13	84.6
\$1300-1599	20	1	21	95.2
\$1000-1299	21	3	24	87.5
\$700-999	51	12	63	81.0
\$400-699	40	17	57	70.2
\$250-399	19	17	36	52.8
\$150-249	68	18	86	79.1
\$1-149	12	10	22	54.5
Nil income	2	11	13	15.4
Total	258	95	353	73.1

In the survey undertaken for the current study, 69.7 percent of those surveyed had at some time sent money to their homeland. Table 4.9 shows the amounts and frequency of remitting

among the respondents. It is evident that even households with low income send substantial sums home as Table 4.10 indicates. Key informant interviews indicated that among recent African migrants it was not unusual to send 10 or 20 percent of their weekly income to their families in the homeland or in a refugee camp. Box 4.9 describes a case study of Horn of African humanitarian migrants in Melbourne and Adelaide who send remittances to their home communities. Another study in Adelaide (Njuki, 2009) found that 61 percent of the 252 respondents regularly send money to family and friends living outside

Box 4.9: A Case Study of Horn of Africa Humanitarian Settlers in Adelaide and Melbourne Sending Remittances to Their Home Country

A forthcoming study of 411 Ethiopian and Somali humanitarian settlers in Melbourne and Adelaide (Zwedu, forthcoming) has investigated their remittance-sending behaviours and their impacts on the country of origin. Although 18.3 percent of respondents were unemployed and reliant on unemployment benefits and 42.5 earned less than A\$20,000 per annum, the majority (82.5 percent) indicated they sent money regularly and only 0.32 percent indicated they did not send any money. The overwhelming majority of remittances go to family in the origin country and half use one of the many Somali-operated Money Transfer companies in Melbourne and Adelaide. Although most are now compliant with Australian financial regulations, all began as informal operations. In 2006 six of the larger companies formed the Somali Money Transferring Association (SOMTA). The costs of sending money through one of the Somali companies can be substantially less than those charged by the large multinational companies (in one case \$5 for sending \$100 compared with \$20). The Somali moneylenders have payment outlets in most African countries and in many cases they are part of family based networks. Most companies are family owned and operated businesses.

The remittance flows are part of the extensive and strong social networks maintained by Horn of Africa settlers in Australia with their family, and to a lesser extent, friends, in Africa. The reasons respondents gave for sending money were mainly based on a strong sense of respondents for the maintenance of their family's wellbeing (57.5 percent) but a significant number (22.4 percent) felt they would lose social respect if they didn't send money home. Some 46.2 percent of respondents indicated the main use to which the remittances were put in Africa were to cover living expenses (food, housing, clothing etcetera.) of their families. However, for more than a quarter (27.8 percent), the main use was for meeting the educational costs of children and 14 percent was used for investment or business start-ups. It is apparent that the remittances have positive impacts on the receiving communities.

of Australia. The average amount of money remitted was around A\$200 per month – a substantial figure given the low incomes of respondents. Most of the migrants were immediate family members and 41 percent of remittances were sent to parents. The study estimated that each humanitarian migrant was supporting around five people at home through their remittances. Some 57 percent used Western Union while 26 percent used Somali Money Transfer companies.

Remittances have become an increasingly significant factor in the wellbeing of people in many low income countries (de Haas, 2005). They are used to improve the day-to-day lives of not only those receiving remittances but also, through substantial multiplier effects, others living in their communities. There is evidence also that increasingly remittances can have positive effects through being invested in productive activity.

Social networks developed by settlers with their origins are fundamental elements not only in channelling remittances but also in other impacts that diaspora have on origin communities. Stigler and Monsutti (2005) have shown how Afghan refugees in Iran have social networks which operate as sources of solidarity, credit, information on culture and practice, provide contacts with the labour market at the destination, and provide initial accommodation and social and emotional support. The networks are based on family connections, ethnic identity or acquaintances from the area of origin. Similar network effects are evident in the Afghan humanitarian settlers in Australia.

Remittances by humanitarian settlers from high income countries to their low income origins are not the only way in which a humanitarian diaspora can have a positive impact on development in the home country. Newland and Patrick (2004) have canvassed the range of other impacts:

‘... the volume of remittances to developing countries by emigrants and their descendants ... are far from being the only vehicle for diaspora influence on the incidence of poverty in their home countries. For many countries, the diaspora are a major source of Foreign Direct Investment (FDI), market development (including outsourcing of production), technology transfer, philanthropy, tourism, political contributions and more intangible flows of knowledge, new attitudes and cultural influence’.

Many migrant source countries are initiating diaspora policies to encourage their diaspora to have those positive impacts of development at home (Agunias, 2009; Johnson and Sedaca, 2004). Many of the countries of origin of humanitarian settlers in Australia are extremely poor. This especially relates to the recent humanitarian settlers from Africa so the potential role that settlers can play in the economic development of their homeland assumes greater significance. It is not, however, only the sending countries that have begun to devote attention to the significance of diaspora in development, with receiving countries also

beginning to consider that their immigrant communities can assist development in their origins and that destination country policies may facilitate this process. The involvement of development assistance agencies in the assessment of, and response to, voluntary migration is a new phenomenon (DFID, 2007, 1). However, the growing evidence of the positive role that migration can and does play in the reduction of poverty and facilitation of economic and social development (World Bank, 2006) has meant that multilateral and national development agencies are now seriously considering how they can direct resources to 'increase the benefits and reduce the risks of migration for poor people' (DFID, 2007, 1) for people in low income countries.

Among the high income countries which have done most to facilitate the use of diaspora to assist development in home countries is the United Kingdom. For example, its development assistance agency, the Department for International Development (DFID), engaged diaspora groups to develop a number of National Development Action Plans, and sought the advice of diaspora in promoting poverty reduction and development in their home countries (DFID, 2007, 23).

Hugo (2008d, 56) has argued in the Australian context that:

- The weight of empirical evidence is that this mobility can be harnessed to facilitate poverty reduction and positive developmental outcomes.
- Australia is better placed than almost any other high income nation to provide development assistance relating to migration because of its long experience with migration and the highly developed knowledge of migration, migration policy and management and its impacts.

Among the suggestions he makes (Hugo, 2008d, 56-66) for the potential role that Australian development assistance can play in facilitating the development role of migration are the following:

- Recommendation 2: *Remittances*. The World Bank (2006; Terry and Wilson, 2005) is placing considerable emphasis on the development of policies to maximise the amount of money remitted by migrants to their home area and the effective capturing of these resources to facilitate poverty reduction and development. There would seem to be potential for the Australian Agency for International

Development (AusAID) to play a role in this effort in the East Asian region, perhaps with some assistance and co-operation from the Treasury.

- (a) Firstly in co-operation with other multilateral agencies and partner governments to:
 - improve access to safe, fair, transparent remittance service providers;
 - reduce the excessive rent taking in remittances and maximise the amount which is received by the recipient;
 - link remittances to other mainstream financial services (banks etcetera) so that senders and receivers gain access to a wider range of such services.
 - (b) Secondly to work with partner governments and non-government organisations to develop ways of increasing the effectiveness of remittances in poverty reduction and development.
- Recommendation 3: *Diasporas*. There is growing evidence that diasporas often continue to have strong family and professional linkages with their homelands and that these can have beneficial development impacts (Newland and Patrick, 2004). It should be noted, however, that not all diasporas have such effects. In the UK, DFID undertook in 1997 to ‘build on the skills and talents of migrants and other ethnic minorities within the UK to promote the development of their countries of origin’ (DFID, 1997; DFID, 2007, 23). These activities need to be considered with a view to the possibility of some such initiatives being undertaken in the Australian context.
 - Recommendation 10: *A Development-Sensitive Australian Immigration Policy?* Australia has been a world leader in the development and management of migration policies which are not discriminatory on religious, ethnic, national or racial lines and which have a mix of humanitarian, economic and family elements. While these policies have had an important humanitarian component and recognised national responsibilities to the international refugee problem, the policies have, understandably, been developed with Australian national interests being the overwhelming consideration (Ryan, 2005; Hugo, 2005). The new thinking on

international migration and development, however, suggests that it is possible to develop immigration policies in migration destinations which have win-win-win outcomes not only for the destination but also the migrants themselves and the origin communities. Injecting an element of development sensitivity into destination country policies need not mean the sacrifice of any gains or autonomy of that country. This presents a major challenge to the international community in an area which already is a highly sensitive area.

The elements of a development-sensitive migration policy include:

- Fundamentally it involves examining and considering the benefits and impacts of a particular migration policy, not only from the perspective of the destination country but also that of the origin countries.
- One consideration relates to issues of 'brain drain', especially that of medical workers. The potential for such elements as Codes of Practice or providing medical training development assistance to origin areas needs to be considered in a pragmatic and realistic way. It needs to be considered that not all skilled emigration is negative in its effects on low income countries but it is true that some is and where this is the case, effective, workable ways of counterbalancing its effect need to be considered.
- Facilitating movement of migrants (both permanent and temporary) to Australia and their home country.
- Consideration needs to be given to ways in which, at the Australia end, positive diaspora linkages with home nations can be facilitated. This would involve examination of dual citizenship, portability of entitlements, facilitating joint activities in business (through AUSTRADE), research (through the Department of Education, Employment and Workplace Relations), etcetera.

Diasporas can also impact on development through return migration. Humanitarian settlers to Australia can return to their homeland taking with them the resources, skills and ways of doing things they have acquired in Australia. It was shown in Chapter 3 that there is a smaller rate of return among humanitarian settlers than other visa groups mostly because their origin countries often are still experiencing the conflict that made them leave. Nevertheless,

Box 4.10 provides a case study of one such returnee who is making a significant developmental impact on his homeland, Sudan.

Box 4.10: A Case Study of a Humanitarian Settler Returning to His Homeland

Source: Gibson, 2008, 16-17

Ben Yengi OAM was born in Kajokeji in the Southern Sudan, an area of protracted civil war and bloodshed. In 1989 he fled initially to Uganda and then to Adelaide. He established himself initially as a high school teacher and then occupied several positions at the University of Adelaide between 1974 and 2007 while studying for a higher degree. In 2007 he made the momentous decision at 60 years of age to return to his homeland. In 2005 a peace agreement was signed between the government in the North of the Sudan and the Sudan Republic Liberation Army of the South and it may be that the South becomes a separate nation. The agreement has restored law and order and made it possible for him to return to make a contribution. He has returned to his village Lijo and intends to use the management capacities he developed in Adelaide to help rebuild the lives of people in that village. He has been able to mobilise the local community and lobby international organisations for funding.

A major priority is the building of a combined hospital and health centre which is badly needed to combat high infant and maternal mortality and HIV/AIDS infection. A major environmental program he has developed is a sanctuary for orphaned chimpanzees and he has enlisted the help of the Adelaide Zoo Director and the professor of Zoology at the University of Adelaide to support the development of the project. Similarly, an animal science academic at the University of Adelaide has been recruited to help relocate cattle to make way for the sanctuary. He also has set about attempting to develop a multipurpose education centre. He has another program aimed at making the village self sufficient in food production, developing a two acre property to grow maize, sesame, sorghum, sweet potatoes, beans, mango trees, orange and guava trees and ground nuts.

Ben Yengi OAM intends returning to Australia once his work in Lijo is complete. His family remains in Australia.

4.4.2 Fostering Trade

Another way in which linkages maintained by migrants with their homelands can have beneficial economic outcomes is through the generation of trade between their origin and destination. Recent research in New Zealand has found a positive relationship between trade and immigration (Bryant *et al.*, 2004; White, 2007; Qian, 2008). Moreover, this research has indicated that newly arrived immigrants from low income countries and from different cultural backgrounds tend to create more trade than other groups. A recent study by Law, Genç and Bryant (2009) found through statistical analysis that for every 10 percent increase in migration from a particular country, New Zealand's merchandise exports to that country grew by 0.6 percent and merchandise imports from that country grew by 1.9 percent. The impact was even greater for tourism. They make two sets of policy recommendations:

- Initiatives to facilitate the diaspora of particular countries resident in New Zealand developing trade with their homeland.
- Broadening the skill selection category of migration to include characteristics that are useful in international trade.

In the United States, Gould (1994) shows that immigrant links have historically been important in increasing bilateral trade flows with immigrants' home countries. He argues that although many factors have contributed to coincident movements in trade and immigration, there are strong suggestions that immigrants themselves play a role in encouraging bilateral trade flows. His study shows that in the US immigrant links have a strong positive impact on exports and imports with the greatest impacts being on consumer manufactured exports. Gould (1994, 314) concludes that there has been a neglect of:

‘... the foreign market knowledge that migrants naturally embody.

Immigrants convey knowledge spill-overs that can reduce information costs to economic agents who do not migrate. These spill-overs reveal value-creating production and trade opportunities and utility-increasing consumption opportunities for the non migrants in both countries’.

There are very limited studies in Australia which have investigated the relationship between trade and migration, let alone the specific impact of humanitarian settlers on trade. White and Tadesse (2007) examine data for Australia and 101 trading partners over the 1989-2000 period to investigate the impact on trade. They divide the countries into ‘White Australia Policy’ (WAP)¹⁴ countries and Non-White Australia Policy (NWAP) countries and found that the ‘WAP’ nations exert greater proportional influences on Australian imports to their home countries. The authors conclude:

‘... immigration which leads to increased cultural pluralism and a corresponding change in a host nation’s cultural identity may have positive repercussions on the nation’s trade’.

¹⁴ Australia, Denmark, Finland, Germany, Greece, Italy, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, United Kingdom.

Box 4.11: The African Chamber of Commerce in Adelaide: A Nascent Influence on Trade

The South Australian government has facilitated the formation of a Council for International Trade and Commerce SA Inc. (CITSA). It is a consortium of Chambers of Commerce of individual countries who, with state government support, can provide assistance to South Australian small and medium sized companies to trade with the countries represented in the Chamber. It harnesses the expertise of multicultural entrepreneurs that live in South Australia to develop trade. A relatively recent member of CITSA is the African Chamber of Commerce that has been formed by businesspeople from a range of African countries, most of whom came to Australia as humanitarian settlers. Although it was initially formed in 1993, it has only been in the last decade that it has become more active.

A number of humanitarian settlers have followed the typical pattern of initially setting up businesses which mainly cater for co-ethnic populations. These have particularly involved food shops, restaurants, hair stylists and money sending enterprises. They have initiated trade in both directions. Some have started businesses exporting Australian-made machinery, consumer, electronic and mechanical goods to their home country. On the other hand, they have begun importing specialised food goods, clothing and handicrafts from their home countries. Thus far Adelaide's small African communities have engaged in trade of a relatively small scale – usually involving only two or three containers each time. Nevertheless they are growing rapidly.

The key to the success of this trade is the strong ethnic networks which are maintained between the communities in Australia and friends, families and business partners in Africa. Bakalis and Joiner (2006) have shown how ethnic networks can facilitate trade in Australia. They have demonstrated how these networks can extend beyond providing immediate consumer needs for the small communities at origin and destination to becoming bridgeheads for the wider penetration of export markets.

One barrier which the African Chamber of Commerce is facing in South Australia is a lack of support from either federal or state governments. The Department of Trade and Industry (in the state case) and Australia (federal) do not see trade with Africa as being of strategic importance in the contemporary world. Clearly, the distance between Africa and Australia is an important factor. However, the growing demographic and economic significance of Africa which will see its share of the global population increasing from 27.4 percent at present to 34.1 percent in 2030 together with the growing African communities in Australia open up some significant possibilities.

The Australia Africa Business Council (AABC) in Adelaide has as its aim to unite business communities on both continents. The Council promotes business networks, social contacts and increased trade and investment between Africa and Australia.

Members of the AABC enjoy:

- Support from leading corporations, banks and statutory bodies as well as many individuals and their networks.
- Regular functions with high profile and VIP guest speakers.
- Participation in trade missions, joint ministerial commissions, trade delegations and business briefings.
- A free subscription to the magazine Boab Connection.
- Contacts with government and diplomatic representatives.
- Trade and investment enquiries.
- Promotion of businesses at events and in publications.
- Corporate sponsorship opportunities available.
- Potential for lobbying and business research.

While there is a lack of specific studies of the impact of humanitarian settlers on trade, it is interesting that there are similar findings in both the Australian and New Zealand studies which are of relevance. In both studies it was noted that it was groups from the non-English speaking, culturally diverse backgrounds which create more trade than other immigrant groups. This relationship, however, is little exploited in Australian trade and export policy (Bakalis and Joiner, 2006). Box 4.11 provides an example of how a newly settled humanitarian group has quickly established small but significant trade flows between South Australia and their home countries. From a policy perspective it is interesting that the immigrant effect on trade is strongest for *export* although it has an effect on imports as well.

It is apparent the Australian Vietnamese community has been very active in using *doi moi* (the economic renovation) and the associated rapid economic growth to develop trade linkages with Australia. Box 4.1 provided the example of a market gardener entrepreneur who used his family and business networks with Vietnam to expand his exports of cucumbers to Vietnam. A Department of Foreign Affairs and Trade (DFAT) (2008) study indicates a number of Vietnamese Australians have begun to develop commercial opportunities with contemporary Vietnam.

4.5 CONCLUSION

This chapter has demonstrated that the humanitarian settler community has made a substantial economic contribution beyond that of participation in the national workforce. This contribution is toward enhancing Australian ‘productivity’ among the Intergenerational Report’s Three Ps of Population, Participation and Productivity (Swan, 2010). A number of components of this contribution have been addressed and it is fair to say that almost all of these have been neglected in assessments of the economic contribution of the humanitarian settler population and by policy makers. In each case there is the potential for effective and targeted policy intervention to enhance their beneficial impacts. It is apparent from the evidence presented here that humanitarian settlers are:

- Setting up their own businesses to a greater extent than other migrant groups.
- Engaging disproportionately in the labour force in some regional areas.
- Having important developmental impacts in their origin communities.

- Developing trade between their home country and Australia.

While these activities of humanitarian settlers are already contributing to the Australian economy, there is ample scope for building on these contributions through careful and well-formulated policy interventions such as:

- Providing training for refugee-humanitarian settlers in establishing businesses in Australia.
- Developing programs to assist some refugee settlers to develop their own businesses.
- Identifying humanitarian settlers who have lived previously in regional areas who may have a preference for living in non-metropolitan areas.
- Developing new models of regional settlement of humanitarian settlers as part of the new initiative for regional development in Australia.
- Identifying non-metropolitan communities where there is potential for successful settlement of humanitarian settlers.
- Developing effective mechanisms to support humanitarian settlement in regional areas.
- As part of development assistance policy, facilitating the flow of remittances from humanitarian groups to their homelands in the way that AusAID is assisting Pacific Islanders to maximise their remittances.
- Facilitating refugee-humanitarian settlers to develop trade with their home country.