



*"The global financial crisis: a
severe challenge for social
inclusion in Australia"*

The 2009 Marg Barry Memorial Lecture
Redfern Town Hall, 22 September 2009

by

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Key Arguments

- The **global financial crisis** (GFC) represents a severe challenge to the social cohesion of, and inter-ethnic social relations in, countries such as Australia with substantial immigrant minorities.
- At the **economic** level the GFC and the global economic recession it has produced will see/has seen growing unemployment levels in western societies, including Australia. Immigrant minorities will suffer disproportionately higher levels of unemployment.
- At the **political** level there will be a rise in racist opportunists who seek to play the 'race card' for political support and an escalation of anti-immigration/anti-immigrant politics.
- At the **social** level there will be a rise in the intensity of racisms (sic) and in racial conflict
- **Multiculturalism** is a critical part of the Australian policy response to these challenges: it is the solution, not the problem.



Overall Dimensions of the GFC

- IMF says global economy (\$US60trillion) will shrink by 1% in 2009 – the worst downturn since 1930s
- Trade volumes will shrink by 9% (WTO)
- Global unemployment will rise by 50m or more (ILO)
- Infant mortality rate will increase by 400,000 (World Bank)
- US five biggest banks lost \$US 46b in 2008



Structure of presentation

1. Globalisation and immigration in Australia and globally;
2. Changes to **immigration policy** after the GFC in Australia and globally;
3. The **economic** impact of the Global Financial crisis on immigrant minorities in Australia and globally;
4. The rise of the anti-immigration **political** Far Right in Australia and globally
5. The **social** impact of the rise of racism in Australia and globally
6. Implications for **social cohesion** in Australia and the consequences for Multiculturalism



1. Globalisation and immigration: Global Context

- Globalisation has led to an ***acceleration*** of global migration: the number of international migrants more than doubled between 1970 (82 million) to 2000 (175 million). By 2006 the UN estimated that there were 200 million migrants globally.
Source: Phillipe Legrain. *Immigrants: Your Country Needs Them* (2006) pp 53-4
- There has been an increasing ***differentiation*** of migration in the past two decades in terms of an increase in *different types of migration* [labour migration (professional, skilled, unskilled), business migration, family migration, humanitarian (refugee) migration and undocumented or illegal migration (the boat people)] and increasing *diversity of source countries*, with an increase in the minority immigrant populations from Asia, Latin America and Africa.



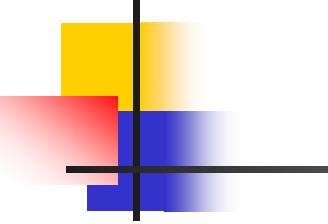
Globalisation and immigration: Global Context (cont)

- There has been a *feminisation* of migration: In the past most labour migration has been male oriented. Many women workers, specifically health workers (eg Filipino and Indian nurses) are now the primary or sole applicant in immigration flows to the west;
- There is a *growing politicization* of immigration : issues of ethnic crime, illegal migrants and social conflict involving immigrant minorities a key issue in national, provincial and local politics in Australia, Europe and Nth America;
- Issues of *National Security* post 9/11 and *national identity* post the British, Paris and Cronulla riots have become increasingly important to immigration policy and immigration debates this century.
- Source: Castles and Miller (2007) The Age of Migration 4th Edn, pp



Globalisation and immigration: Australian Context

- Increased permanent and temporary immigration intakes to record levels in 2008 before the GFC
- An *increasing* emphasis on *skilled* migration: 29% of permanent immigrant intake in 1995-6; 66% of the 2005-6 intake
- *declining family* intakes.
- Fine-tuning Business Migration
- Redirecting Permanent Immigrants to Rural Areas.
- Increasing Permanent Outflows.
- Security and Migration:
- Politicization of 'boat people' issue under Howard Government: children overboard; mandatory detention; Pacific solutions



Migrants as % Population	1996	2000	2001	2005
Australia	23.3	23.0	23.1	23.8
Austria	..	10.5	11.1	13.5
Belgium	9.8	10.3	10.8	12.1
Canada	17.4	18.1	18.4	19.1
Czech Republic	..	4.2	4.4	5.1
Denmark	5.1	5.8	6.0	6.5
Finland	2.1	2.6	2.7	3.4
France	..	..	..	8.1
Germany	11.9	12.5	12.6	..
Greece	..	..	10.3	..
Hungary	2.8	2.9	3.0	3.3
Ireland	6.9	8.7	9.3	11.0
Italy	..	..	2.5	..
Luxembourg	31.5	33.2	32.8	33.4
Mexico	..	0.5	..	0.4
Netherlands	9.2	10.1	10.4	10.6
New Zealand	16.2	17.2	18.0	19.4
Norway	5.6	6.8	6.9	8.2
Portugal	5.4	5.1	6.3	6.3
Slovak Republic	..	..	2.5	..
Spain	..	..	5.3	..
Sweden	10.7	11.3	11.5	12.4
Switzerland	21.3	21.9	22.3	23.8
Turkey	..	1.9	..	..
United Kingdom	7.1	7.9	8.2	9.7
United States	10.3	11.0	11.3	12.9



Immigration's impact on Australian capital cities, 2006

	Born overseas (a)	At least one parent born overseas (b)
	% total persons	% total responses (c)
Sydney	34.5	56.6
Melbourne	31.0	53.7
Brisbane	23.2	41.6
Adelaide	25.1	47.0
Perth	33.7	59.1
Canberra	22.9	43.8
Hobart (d)	12.8	28.3
Darwin	20.5	41.7



2. Immigration after the GFC: global dimensions

- **Reduced permanent immigration**
- **Temporary Immigration:** Will temporary immigrants become permanent or go home?
- **Undocumented flows *increase*** (IOM 2009)* or ***decrease***? (International Organisation for Migration *The Impact of the Global Financial Crisis on Migration*, Jan 2009)
- **Tightening of Immigration/Border controls**

Reduced permanent Immigration (UK)

- The recession could result in annual UK net migration to be 50,000 lower by 2015,
<http://www.communities.gov.uk/documents/communities/pdf/1204238.pdf>
- The UK Government to remove nearly 300,000 skilled jobs from the list of positions open to workers from outside the European Union . The Migration Advisory Committee (MAC) wants more than 100,000 skilled construction jobs be immediately be closed to foreign applicants.

UK Skilled Migrant Jobs to Be Cut The Herald Sun, April 30, 2009

<http://www.news.com.au/heraldsun/story/0,21985,25410251-5005961,00.html>

The number of foreign-born workers leaving Britain rose by nearly 30% as the recession started to bite last year, while the number of Polish and other east European migrants registering to work in Britain fell by 50% between January and March this year, compared with the same period in 2008. The number of east European workers going home to live doubled in the 12 months to September 2008 as the British economy began to

contract. 'Number of east European migrants fall as recession bites

By Alan Travis *The Guardian* (U.K.), May 20, 2009

<http://www.guardian.co.uk/uk/2009/may/20/foreign-migrants-statistics-recession>



Immigration after the GFC: Australian dimensions

- **Reducing *Permanent Immigration Intakes*:** In early 2009 the Australian immigration Minister, Chris Evans, announced a slight reduction of 14 per cent, from 135,000 to 115,000, in the 2008-9 planned skilled immigration intake. The 09 budget announced further cuts.
- The Minister also removed the building and manufacturing trades, such as bricklayers, plumbers, welders, carpenters and metal fitters, from the Critical Skills List. The list will now comprise mainly health and medical, engineering and IT professions.
- What will happen to *temporary immigration*? Will they go home when they lose their jobs, as their temporary visa requirements require, or will they move underground into the informal economy (Cf the Turkish guest worker experience in Germany in the 1970s (Castles and Booth 1984?))

3. Rising immigrant unemployment: global dimensions

- **USA National:** Immigrant unemployment in the first quarter of 2009 was 9.7%, the highest level since 1994 (Center for Immigration Studies (USA) , The immigrant unemployment rate is now 5.6% higher than 2007, with native unemployment 3.8% higher [Dr. Steven Camarota](#) and [Karen Jensenius](#) 'Trends in Immigrant and Native Employment,' <http://cis.org/FirstQuarter2009Unemployment>
- **USA Provincial:** Immigrant workers account for more than half of the 172,000 jobs lost in **Massachusetts** since the recession began though they comprise a mere 17 percent of the workforce. Immigrants especially hard hit by down economy By Sarah M. Barrett The Pilot (Boston), May 15, 2009 <http://www.thebostonpilot.com/article.asp?ID=10395>
- In **Japan**, Honda cut temporary staff by 3,100 and Toyota cut part-time staff by 3,000: the majority of those laid off were Brazilians immigrants. Japanese authorities offer ¥300,000 (\$A2,673) to go home Julian Ryall, 'Japan pays foreign workers to go home;', Telegraph, <http://telegraph.co.uk/news/worldnews/asia/japan/5204546/japan-pays-foreign-workers-to-return-home.html>



Rising immigrant unemployment: Australian dimensions

- The Global Crisis still reverberating; Australian not yet in recession but will be.
- Estimates of coming Australian unemployment rates about 8%, but could be higher.
- Immigrant minorities, particularly recent arrived permanent and temporary immigrants and humanitarian entrants
- Recession, ethnic diversity and place: The Western suburbs of Sydney and Melbourne, mostly very ethnically-diverse neighbourhoods, will have highest unemployment rates and demonstrate the greatest demands for services; Other regional dimensions (WA and Qld decline of mining; SA and Vic decline of manufacturing)



Rising immigrant unemployment: Australian dimensions (cont)

- In Australia immigrant minorities have experienced significantly higher official rates of *unemployment* in the 1974-5, 1982-3 (Collins 1991: 115-119) and in 1990-2 recessions than others.
- *Hidden unemployment* also higher among immigrant minorities.
- In 12 months to May 2009, Australian-born workers lost 22,000 full-time jobs, but P/T employment rose by 74,500, a *net gain* of 53,500 positions. But migrant workers lost 37,100 jobs, while P/T employment rose by 21,600, a *net loss* of 15,500 positions, with ESB migrants faring the worst. "Australian-born workers have been shielded from the worst of the global recession, with employers mainly restricting the economy-wide job losses to migrant worker who arrived during the boom"
- (Angus Hohenboken, "Migrant cast adrift as job reality bites, *The Australian*, July 10, 2009, p 6)



Unemployment rates, Canterbury LGA and the total Sydney area, 1991 and 1996

Language	Birthplace	1991 Canterbury	1991 Sydney	1996 Sydney	1996 Canterbury
English	Australia	9.0	8.7	7.0	7.2
Arabic – Christian	Middle East	34.0	30.4	21.1	29.2
Arabic – Islam	Middle East	47.1	45.1	31.1	37.1
Chinese	Vietnam	28.4	26.2	18.9	23.1
Chinese	China	14.3	14.6	10.8	11.1
Vietnamese	Vietnam	35.5	41.7	29.4	30.2
Khmer	All origins	40.9	40.2	32.9	32.7
Lao	All origins	34.7	28.3	23.4	27.1

Source: Burnley 2001: 291.

Unemployment Rates by Generation and Ancestry 2006

2006 Census

	1st Gen	2nd Gen
Australian	5.5	12.7
NZ/British/Irish,AUS-	4.0	4.8
Dutch,AUS-Dutch	4.4	2.9
German,AUS-German	4.5	1.9
Italian,AUS-Italian	3.2	3.5
Maltese,AUS-Maltese	6.0	1.1
Greek,AUS-Greek	6.3	4.8
Polish,AUS-Polish	4.2	1.4
Lebanese,AUS-Lebanese	13.1	10.2
Vietnamese,AUS-Vietn	12.1	22.4
Filipino,AUS-Filipino	5.4	3.1
Chinese,AUS-Chinese	8.7	7.6
Indian,AUS-Indian	8.2	10.0
other Oceanian,AUS-	8.5	38.5
other North-Western-Europe,AUS-	5.2	3.6
other Southern and South-Eastern-European,AUS-	6.6	5.7
other Southern and Eastern Europe,AUS-	4.5	2.2
other North African and Middle Eastern,AUS-	14.5	15.5
other East-Asian,AUS-	6.8	7.4
other Southern and Central Asian,AUS-	10.1	2.0
People of the Americas,AUS-	6.4	7.0
Sub-Saharan Africas,AUS-	5.5	11.4



4. Rise of anti-immigration, racist politics: global dimensions

- The *British National Party* won its first two seats in North West (8% votes) and Yorkshire and the Humber (9.8% votes) at recent European Parliament elections. Nationally BNP got nearly 1 million votes or 6.2% of total. Nick Griffin, BNP leader summarised the BNP political message: “This is a Christian country and Islam is not welcome because Islam and Christianity, Islam and democracy, Islam and women’s rights, do not mix”

“Extremist parties appeal to those feeling threatened” *Sydney Morning Herald*, 9 June 2009, p.8; ‘The BNP’s breakthrough’ *The Economist* June 13 2009 p13.



Rise of anti-immigration, racist politics: global dimensions (cont)

- In **Finland** the *Nationalist True Finns* party won its first EU parliament seat;
- In the **Netherlands** anti-Islam campaigner, Geert Wilders, won an EU seat for the Party for Freedom (PVV);
- In **Belgium** the right wing parties pushing for greater autonomy in Flanders received an increasing vote;
- In **Slovakia** an ultra-nationalist party won an EU seat;
- In **Hungary** the centre-right opposition Fidesz party carried the majority (56.37%) of the vote;
- In **Romania** the far right vote increased;
- In **Bulgaria** the ultra-nationalist Ataka party won over 10 per cent of the vote.

"Extremist parties appeal to those feeling threatened" *Sydney Morning Herald*, 9 June 2009, p.8



Rise of anti-immigration, racist politics: Australian dimensions

- Major national debate of immigration and multiculturalism (Blainey 1984, Pauline Hanson 1996) occurred, not coincidentally, in the aftermath of the 82-3 and 90-91 Australian/global recession. They argued that immigrants were taking 'our jobs' and that social conflict would occur in the 'frontline suburbs' where Asian and other immigrant minorities lived.
- Who will be the new Pauline Hanson? The Camden lady?
- New revitalisation of far-right, anti immigrant parties happening now.
- Racial conflict, racial violence and vilification likely to increase significantly, particularly involving ethnic minority youth.
- Reports of attacks on 'foreign' university students at Newcastle.
- Indian student 'anti-racism' protests in Melbourne, Sydney and elsewhere

5. The GFC and the racist backlash against immigrants: global

- Libertas candidate for Ireland East Raymond O'Malley has called for Ireland to close its borders to workers from fellow EU states. Mr O'Malley said: "I think a lot of people are very concerned too about the problem of immigration. While we've massive unemployment in this country, over the last five years we've had 500,000 people come in to this country and there has been a funnel effect. 'East Candidate Seeks Block on Immigrants' By Brian Kavanagh *The Irish Times*, May 15, 2009
<http://www.irishtimes.com/newspaper/ireland/2009/0515/1224246568315.html>
- Ireland hit very hard by recession. Racist attacks on Romani in Belfast Northern Ireland last Tuesday (June 16, 2009). 100 Romani fled their homes and seek shelter in a church after anti-racism rally on June 15 attacked by youth who made neo-Nazi salutes and threw bottles. *Good Morning United Kingdom* June 6 2009



The GFC and the racist backlash against immigrants: global (cont)

- During a strike in the **UK** in February nationalist placards protested the hiring of Portuguese and Italian staff 'Discontents, wintry and otherwise', *the Economist*, 7th Feb 2009 pp. 48-50
- Recent reports in the **UK** suggest widespread support for radical BNP proposals such as the re-imposition of the death penalty, a total halt to migration and large expansions in police powers.
http://media-newswire.com/release_1091775.html
- Bloggers from *National Review*, a conservative American publication, blamed the crisis on Hispanic immigrants' greed and the fall of Washington Mutual on its propensity to employ Latinos and gays w Aly 'Beneath the financial crisis waits a nastier best' *Sydney Morning Herald*, 25 April 2009
- Conspiracy theories in the **US** blame China's surpluses for the crisis, with a rise in xenophobia likely' H James 'Letters: The flat world hits a bump', *Foreign Policy* Washington, 25 April 2009

6 Multiculturalism and the Challenges for Social Cohesion



- Immigrant minorities bear the brunt of unemployment
- New backlash on immigrant minorities blamed for rising unemployment: 'they take our jobs'
- Increased racism
- Political Right to raise anti-immigration flag
- Increased social conflict and inter-ethnic violence?
- Today, with global recession and record unemployment levels, there will be a rise in racist opportunists who seek to play the 'race card' for political support, a challenge to social cohesion and inter-ethnic social relations in many countries across the world today.
- This will mean severe challenges to diversity in communities, organizations and nations in all western societies in coming years.
- The LA Riots of 1992 were during a period of global recession, but the Riots in UK Midland early 2000s, in Paris November 2005 and Cronulla Beach, Sydney, in Dec 2005 were in periods of strong economic growth and record low unemployment



Policy implications: multiculturalism

- Multiculturalism blamed by Right and Left for problems
- Right Critique (Blainey, Hanson, Sheehan) Multiculturalism produces a nation of separate tribes, with social conflict inevitable: cf the 'Lebanese' gang rape and 'Middle Eastern' crime gangs in Sydney; the Cronulla riots
- Left Critique (Ghassan Hage in Australia, Trevor Phillips in UK) that multiculturalism is a form of White power and caged ethnicities and produces 'parallel lives'
- But a revised and reformed multiculturalism is the solution
- Key multiculturalism issues to be addressed: Place of *Indigenous* peoples; move to *life chances* as well as *life style*; extend the ownership of the White majority in multiculturalism; address racisms (sic) more centrally.



Policy implications: multiculturalism

- **Expansion of funding of frontline migrant agencies:** increasing employment *and* meeting a great social need and task of preventing the social exclusion of immigrant minority groups.
- Provision of labour market programs (Cf Paul Keating's \$6 billion Working National policy designed to reduce youth unemployment)
- Does 'Earn or Learn' provide a solution for the youth unemployment that has increased so far - and will undoubtedly rise further - as the result of the GFC? How responsive will 'Earn or Learn' to be to youth and adult unemployment among recent immigrants and suburbs of high immigrant density?