GLOBALISATION, IMMIGRATION AND THE SECOND LONG POST-WAR BOOM IN AUSTRALIA

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Australia has a long history of immigration. From the Moccasins who traded with indigenous peoples in the far North West hundreds of years ago to the last person to fly into Sydney by 747 Qantas Jumbo Jet with a permanent or temporary entry visa, immigrants from all over the globe have called Australia home, particularly since the end of the second world war. While there have been many post-war immigration nations, the USA, Canada, New Zealand and Australia were different because of their focus on immigrants as settlers, as new members of society and its labour force. Among these settler immigration nations, Australia has had, in relative terms, the largest intake, and its profile of ethnic diversity is as great as that of the USA and Canada.

Australian immigration policy must be understood within the broader context of globalisation and national political economic concerns. Post 9/11, issues of security have preoccupied immigration policy makers, with attempts to control 'illegal' immigration entry, particularly those undocumented immigrants who arrive on Australian shores by boat. Meanwhile an international 'long boom' has generated sustained economic growth with strong employment growth, particularly in the services sector. Unemployment rates are generally at low levels while labour shortages have emerged in the professional, technical and skilled segments of labour markets. Western capitalism has been knocking louder on the door of the international reserve army of immigrant labour. Most of this immigrant labour heads for global cities like New York, London, Paris - or Sydney. This has led to a fine-tuning of Australian immigration policy in order to fill identified areas of labour shortage or

occupations in demand, with the increase in the size of skilled intake in recent decades achieved through a relative decline of the family intake and of the humanitarian intake. Labour shortages in regional and rural labour markets have also led to initiatives in immigration policy, attempting to redirect permanent immigrants away from large Australian cities such as Sydney and Melbourne. Moreover, globalisation has been accompanied by an increase in the size of permanent departures of Australian residents seeking employment in other countries as part of the new, globally-mobile workforce.

While globalisation has not freed up international labour/people flows as much as it has freed up capital and trade flows, more people are now moving internationally, either permanently or temporarily, than ever before. Immigrants in Australia are remarkably diverse. They may be documented immigrants on permanent, temporary or tourist visas or undocumented visitors. They come from all corners of the globe, with diverse religious affiliations and cultural practices and network. Many immigrants also eventually leave Australia, their stays in Sydney, Melbourne or Griffith having been but one stage in a process of global labour circulation.

The big story, though, is the increase in the size of the temporary immigration intake. This increase has taken place without the debate or controversy that accompanied permanent immigrant intakes. Overall Australian immigration numbers have increased to levels not seen for forty years, partly explained by an enduring second post-war long boom that has delivered some 17 years of strong economic growth and driven the registered unemployment rate down a 30 year low - 4.3% in the first quarter of 2008. The pro-cyclical nature of the appetite for immigration has returned, though the characteristics of the immigration intake have changed.

This article explores how immigration to Australia has served to sustain the second long boom during the post-1945 period. This requires a look at the numbers, the category of entry, the visa of entry, and the education, skills and birthplace characteristics of today's immigration intake compared to a decade or two ago, and how these numbers have changed over the past two decades. The next section of this article reviews recent global migration trends and debates in order to situate the Australian

immigration experience in global political economic context.   Then comes a section that documents the ways that immigration policy has responded to the economic boom from 1991 to 2008 and explores the national political context shaping recent changes in immigration policy. The concluding section returns to the main themes of the changing political economy of Australian immigration.

Globalisation and Immigration

Globalisation has had a sometimes contradictory agenda of freeing up international flows of capital, goods and services and people. Tariffs and other instruments of protection have been reduced to significantly lower barriers to trade in the manufacturing sector. A similar process does not extend to the primary sector as western nations capitulate to farming lobbies and continue to limit imports of rural commodities from developing nations (Stiglitz 2006). In Australia the Hawke and Keating Labor governments enthusiastically embraced the globalisation agenda, cutting tariff barriers and deregulating the Australian foreign exchange and finance systems (Collins 2000b). The rise of China and India in the past decade has led to a strong appetite for Australian iron ore, coal and other minerals and energy sources, stimulating further Australian economic growth, leading to regional labour shortages, particularly in the mining states of Western Australia and Queensland. Australia's 30-year-low unemployment rate and a decade and a half of strong and continuous economic growth have increased the demand for immigrant workers to fill labour shortages that constitute a constraint on further economic growth. This growing demand for global immigrant labour is partly cyclical, fuelled by the sustained economic boom, and partly structural, driven by demographic structures and the restructuring of the western economies.

Australia is not alone in experiencing a renewed appetite for immigrant labour. The number of long-term international migrants - defined as those living in a foreign country for one year or more - has increased from 84 million people in 1975 to 105m in 1985, to 120 m in 1990 and to 150 m in 2000 (*Guardian Weekly*, 25-31 Jan 2008, p1). The Shengen agreement has made population movement much easier within the

expanded European Union borders, facilitating an unprecedented freedom of movement within Europe. Many European countries that were once countries of emigration (Ireland, Italy) or denied being immigration nations (Germany) now embrace dynamic immigration programs. The Middle East is also very dependent on migrant labour (Castles and Miller 2003).

Of course, not all international migration flows are the same. Some are documented, while others are undocumented or 'illegal". It is estimated that the US has 12 million 'illegal aliens', with some half a million illegal migrants coming in each year to add to the undocumented pool. There are an estimated eight million undocumented immigrants in the EU (Legrain 2006: 35). Some immigrants chose to leave, attracted by the 'pull factors' of money and lifestyle and opportunity in the west; others are pushed out. A study by the International Migration Institute at the University of Oxford (cited in *Guardian Weekly* 2008: p3) estimates that some 25 million people have been displaced by war or violence, while another 10 million are forced from their homes because of development. A recent ethnic Chinese immigrant to Australia might be a millionaire business migrant, a well-paid professional, a restaurant owner, a penniless refugee or an undocumented entrant working at a very low wage as a dishwasher for a Chinese immigrant restaurant owner.

While contemporary global migration flows are increasing, immigrants still comprise less that 3 per cent of the world's population (*Guardian Weekly*, 25-31 Jan 2008, p1.) Journalist Philipe Legrain, a trenchant critic of the lack of progress in opening up global people markets, argues that: 'While governments are making it easier for goods and capital to circulate around the globe, they are seeking to erect ever-higher national barriers on the free movement of people' (Legrain 2006:15). He makes a strong economic case for the freer global movement of labour, arguing that 'the economic benefits of immigration are analogous to those of international trade'. Legrain argues for global immigration flows to include the unskilled labour because 'someone has to clean toilets, collect rubbish and do casual labour' (2006:72). His mantra - the last sentence in his book - is for open international borders, and unrestricted immigration shaped by market forces and unrestrained by government

controls: 'Opening our borders offers huge opportunities for all. Our rallying cry for a better world must be "Let them In".' (2006:333).

While the argument for abolishing national borders and providing unrestricted global labour movement appeals to economic rationalists and, ironically, also to followers of the Troskyite Fourth International, it makes little sense in practice. At least two main problems emerge. The first is simple policy management. If immigration inflows are unregulated and volatile, it would be impossible to make sure that the supply of housing and education services is sufficiently available when and where needed: population planning would be non-existent. The second problem relates to public responses to immigrant settlement. Australian immigration has always been controversial (Collins 2000), despite only gradual changes in immigration targets. Part of the controversy relates to the numbers of immigrants, though most controversy relates to the composition of the immigrant intake. Racialised responses to immigrant minorities has led to substantial conflict in other nations – the riots in the northern suburbs of Paris, the Oldham and Burnley riots in the UK a few years earlier and the LA riots of 1991 are the most obvious examples. These have all occurred in countries where government regulate closely the size and composition of immigrant intakes.

Australia has had its own local experiences, such as the riots at Cronulla Beach in December 2005 (Collins 2007). Opening the borders could generate social conflict at scales much greater than seen to date. The 'far right' would gain massive political and electoral support, and the borders would soon be closed, with racism rampant and widespread.

Neoclassical economics is the foundation of the free global movement of people argument, simply equating the movement of people with the movement of goods and services. An understanding the human element is missing in this economic rationalist understanding of immigration, just as it is missing or trivialised in other domains of neoclassical economics. How can immigration discover the economic benefits claimed for it by Legrain and others if Sydney or London or Paris is burning?

A further problem of the free global movement argument stems from 9/11 and the security concerns that accompany the global movement of

people. The trend in the USA has been to severely restrict immigrant and temporary entry, worried that terrorists will slip in as immigrants or tourists. While not agreeing with the criminalisation of immigrant minorities (Poynting *et al* 2004), the fear of importation of terrorists acts as a severe political constraint to opening the borders.

Australia has always had a tight control of immigration policy, determining the numbers and shaping the composition of the immigration intake. The following section outlines the response of Australian immigration policy to globalisation. The main argument is that the fine-tuning of immigration policy over the past two decades demonstrates how closely controlling the immigration gate can be consistent with globalisation, and not its opposite, as Legrain argues.

Australian Immigration

Increasing Net Immigration

After 1947 Australia embarked on a major program to recruit settler immigrants, joining the USA, Canada and New Zealand as the major countries of post-war immigration. The resulting immigration has had a marked influence on all aspects of Australian society (Collins, 2000). Immigration has added about half of all the population growth in Australia and about half of the extra workers in the Australian workforce during this period. Since planned post-war migration started, about six and a half million migrants have arrived in Australia; including 660 000 people under humanitarian programs, as Australia's population rose from about 7 million to 21 million.

About one million migrants arrived in each of the four decades following 1950: 1.6 million between October 1945 and June 1960; about 1.3 million in the 1960s; about 960,000 in the 1970s; about 1.1 million in the 1980s and 900,000 in the 1990s. The highest number of settlers to arrive in any one year was 185,099 in 1969-70. The lowest number in any one year was 52,752 in 1975-76. The 1990s were years of relatively low annual immigration intakes to Australia. As Table 1 shows, the migration intake has increased significantly since then. Intakes in 2003-4

and 2004-5 were 111,000 and 123,000 respectively, increasing to 132,600 in 2006-7. The planned intake for the Australian migration programme for 2007–8 was further increased to 142,800 – 152,800.

Table 1: Australian Immigration Intakes 1991-2 to 2005-6

Year	Settler Arrival Numbers	Net Permanent migration
1991-1992	107,400	78,300
1992-1993	76,300	48,400
1993-1994	69,800	42,500
1994-1995	87,400	60,500
1995-1996	99,100	70,500
1996-1997	85,800	55,900
1997-1998	77,300	45,300
1998-1999	84,100	49,000
1999-2000	92,300	51,200
2000-2001	107,400	60,800
2001-2002	88,900	40,700
2002-2003	93,900	43,500
2003-2004	111,600	52,500
2004-2005	123,400	60,800
2005-2006	132,600	63,700

Source: http://www.immi.gov.au/media/fact-sheets/ 02key.htm (accessed 15 September 2007)

The change in the composition of Australian immigrant intakes over the past two decades is shown in Table 2, which compares the immigration intakes by region for the years 1988-9, 1998-9 and 2004-5.

Of the most recent immigrants to Australia, about one in three came from the Asian region, mostly from Southeast and Northeast Asia. Over the past decade immigrants from Southeast Asia have declined in relative terms, while those from Northeast Asia and South Asia have increased.

This reflects the increasing importance given to the education and employment background relevant for the 'new economy', a further indication of how globalization is shaping Australian immigration trends (Collins, 2001). Europeans come next, mainly British immigrants – the UK still ranks as the first or second source of Australia's annual immigrant intakes. Next in importance is Oceania, mainly New Zealand. With no quota, New Zealanders are the 'wild card' in Australian immigration policy.

Table 2: Australian Settler Arrivals, by Region of Birth, 1988-9, 1998-9 and 2004-5

Region of Birth	1988-89		1998-99		2004-05	
	No.	%	No.	%	No.	%
Oceania	28,000	19.3%	22,501	26.7%	21,100	17.1%
Europe & former USSR	42,400	29.2%	19,608	23.3%	25,100	20.3%
Middle East & Nth Africa	8,000	5.5%	5,195	6.2%	13,100	10.5%
S.E. Asia	31 700	21.8%	10,934	12.9%	16,900	13.7%
N.E. Asia	15,900	10.9%	10,869	13.2%	15,700	12.7%
Sth Asia	7,000	4.8%	5,316	6.3%	15,800	12.8%
Americas	3,100	2.1%	2,397	12.8%	4,000	3.2%
Africa (excl. Nth Africa)	4,300	3.0%	7,246	8.6%	11,100	9.0%
TOTAL (incl. "not stated")	140,400	100%	84,143	100%	123,400	100%

Source: http://www.immi.gov.au/facts/02key-1.html#2 and *http://www.immi.gov.au/media/ fact-sheets/ 02key.htm*

Regional figures hide the details of Australian immigrant links to and networks with particular countries. More disaggregated data is presented for selected countries in Table 3. This shows the United Kingdom and New Zealand as the major source countries for settler arrivals in 2004-5, with around 18,000 immigrants, or 14 per cent of the total intake, from each country. Next come China, India, Sudan, South Africa, Philippines, Singapore, Malaysia and Sri Lanka.

Table 3: Settler Arrivals by Country
of Birth, July 2004 to June 2005

Country	Number	Percent
United Kingdom	18,200	14.8%
New Zealand	17,300	14.1%
China (excludes SARs and Taiwan Province)	11,100	9.0%
India	9,400	7.6%
Sudan	5,700	4.6%
South Africa	4,600	3.7%
Philippines	4,200	3.4%
Singapore	3,000	2.5%
Malaysia	2,900	2.4%
Sri Lanka	2,300	1.9%

Source: http://www.immi.gov.au/media/fact-sheets/ 02key.htm (accessed 15 September 2006)

Increase in Skilled Migrant Intake

Unlike Canada (Hiebert, Collins and Spoonley, 2003), Australian immigration struggles to develop a popular economic rationale. The business community has long been a supporter of immigration and most sectors of business, particularly retail and building, want substantial increases in the immigration intake. The public has not been as enthusiastic. Immigration has been blamed for all sorts of economic problems, from unemployment to inflation, to foreign debt, to falling productivity, to increased congestion (Collins, 2000; Castles, Foster, Iredale and Withers, 1998).

Consequently, the Australian government has attempted to maximize the apparent economic benefits of immigration in order to get greater public support. First, it has swung the balance away from family reunion to skilled, independent immigration intakes.

Second, it has attempted to improve the way that skilled immigration selection procedures are synchronized with labour market shortfalls. Third, it has revamped the business immigration program to encourage better economic outcomes in Australia. These aspects will be considered in turn.

Table 4: Australian Immigration by Category of Entry, 1998-99 to 2006-7

Category	1998-9	2000-1	2002-3	2004-5	2006-7
Family	21,501	20,145	28,000	33,182	37,138
Skilled	27,031	35,715	38,504	53,133	60,755
Humanitar-ian & Special*	8,996	7,767	9,676	13,397	12,356
Non-program migration^	25,740	43,739	17,579	23,712	29,899
Total All	84,143	107,366	93,314	123,424	140,148

Source: http://www.immi.gov.au/media/publications/statistics/settler-arrivals/settler-arrivals-0607.pdf, accessed 20 November 2007
*Special Eligibility
^ Mainly New Zealand intakes.

Table 4 shows immigration intakes for the period 1998-9 to 2006-7, indicating the increase in the skilled labour intake relative to the family intake over that period. While 29% of permanent immigrants arrived on skilled visas in 1995-6, skilled migrants comprised 70% of the planned 2005-6 intake (Productivity Commission, 2006: xxiii), though the actual skilled intake was only 66% of the total intake. The planned skilled intake for 2007-8 shows further increases to 102,500.

However, with increasing skilled migrant intakes comes the problem of the recognition of education and employment qualifications not obtained in Australia. Critics argue that oversees qualifications are often undervalued in Australia, that assessment criteria are outdated and not sufficiently flexible, are too complex and often lead to racial discrimination (Productivity Commission, 2006: 176-186). As a result, many of those who arrive with skilled migrant visas cannot find work utilising these skills, resulting in downward mobility, hardship for their families and a decline in the performance of the Australian economy.

Fine-tuning Business Migration

The Fraser government introduced a Business Migration Program in 1976. Since that time, Australia has competed with other countries - like Canada, USA and New Zealand - to attract wealthy business migrants (Borowski and Nash, 1994). Over time the business migration program has been fine-tuned to overcome apparent abuses of the program, because many business migrants were not actually establishing a business in Australia (Collins, 1991: 251-2, 273-5). After refining the policy, the business migration program is now part of the skilled stream of immigration, rather than a separate category in its own right.

The economic benefits of business migration are considerable, according to a 36-month survey of those who arrived under the business skills category in 1995-6. The survey found that 77% had engaged in a business; 78% of the businesses were newly created; an average of 4.3 jobs were created per new business; an average of $677,062 was transferred; an average of $317,022 was invested in the business; 11% of businesses had a turnover of $1 million or more; and 63% of businesses generated exports *(http://www.dima.gov.au/facts/14labour.htm)*. Business owners, senior executives and investors can all apply for a visa under the Business Skills category.

In March 2003 changes were made to the arrangements under this category, including the introduction of three Business Skills Processing Centres and a two-stage process whereby business migrants are granted a Business Skills (Provisional) visa for four years and, after establishing the requisite level of business or maintaining their legal investment, are eligible to make an application for a Business Skills (Residence) visa. A direct permanent residence category is still available for high-caliber business migrants sponsored by State and Territory governments, known as the Business Talent visa. In 2003-4, 5,670 Business Skills visas were granted, with the top ten source countries being China, the United Kingdom, Malaysia, South Africa, Singapore, Taiwan, Zimbabwe, South Korea, Hong Kong and Indonesia. In 2006-7 4,881 Business Skills visas were granted.

The Rise and Rise of Temporary Migration

While much of the debate about Australia immigration has centred on permanent or settler immigration, the growth in long-term temporary immigration has gone relatively unnoticed.

Australia has long been known as a settler immigration society, rejecting the guest worker system that many European countries relied upon in the 1960s and 1970s (Castles and Booth, 1984). But the realities of Australian immigration have changed in recent decades. As Graeme Hugo (2003) has noted, in 2001 for the first time the number of people who were granted long-term visas to work in Australia - that is, temporary immigrants - exceeded the number granted permanent immigration entry. The increasing importance of long-term temporary immigration can be gleaned from the fact that, between 1982 and 2000, the growth in settler immigration to Australia was 11 per cent, while long term residents grew by 65% and long-term visitors grew from 30,000 to 133,000 (Macken, 2003). As globalization continues and labour mobility increases, we can expect temporary immigrants - that is, guest workers – to be of increasing importance in Australia.

A range of visa categories was introduced during this explosion of temporary migration to Australia. These visas fall under three classes: the economic; social and cultural, and international relations. During 2001-2, more than 163,000 people were issued temporary resident visas. These included: 43,300 visas in the economic class, 20,800 in the social and cultural class, and 99,500 in the international relations class (DIMA Fact Sheet 47, *http://www.dima.gov.au/facts/47temporary_residence.htm*, February 2003).

Table 5: Temporary Resident Visa Grants (Onshore and Offshore), 1997-8 to 2005-6

Stream	1997-98	1999-00	2001-02	2003-04	2005-06
Economic	37,298	39,180	43,303	48 652	74 666
Social/ Cultural	17,165	23,405	20,817	26 400	27 782
International Relations	71,242	88,929	99,557	104 925	122 514
Total	125,705	151,514	163,677	179 977	224 962

Source: Fact Sheet 47. Produced by the Public Affairs Section, Department of Immigration and Multicultural and Indigenous Affairs. Revised 28 February 2003 and *http://www.immi.gov.au/ media/fact-sheets/47temporary_residence.htm*, accessed 11 November 2007.

The rapid increase in temporary migration to Australia can be seen in the increasing proportion of temporary migrants in the Australian population: in 1992 they comprised 0.23%, in 1997 0.44%, and in 2002 0.65% of the total population. This gave Australia a smaller proportion of temporary migrants than New Zealand (1.61%), but a higher proportion than Germany (0.42%), Canada (0.28%), the USA (0.23%), the UK (0.25%), Japan (0.16%) and France (0.04%) (Australia Productivity Commission, 2006: 208). Between 1 July 2004 and 30 June 2005 a total of 93,513 temporary residence visas to Australia were granted. Table 5 shows that the total of temporary resident visas granted increased from 125,705 in 1997-8 to 163,677 in 2001-2. The international relations stream comprises the bulk of successful temporary resident visa applicants. By 2005-6, 224,962 temporary resident visas were issued: 74,666 in the skilled stream, 27,782 in the social/cultural stream and 122,514 in the international relations stream.

An important component of Australia's temporary migrants is foreign students who are granted resident visas to complete studies in Australian schools, universities and language colleges. With funding for Australian universities frozen or declining in real terms, despite record numbers of students, most universities have had to rely on full-fee paying overseas students to top up their income. Australia is the fourth largest recipient country in the world for foreign students, and the growth in the number of overseas students in Australia has been among the fastest in the OECD. Between 1990 and 2001, the numbers increased by almost 300%

(OECD, 2004). There were 120,564 student visas granted in 1999-2000, and 146,577 in 2000-1. This has declined slightly in recent years, with 116,716 offshore visas granted to students in 2004-5. As Table 6 shows, Australia receives most foreign students from Asian countries (China, India, Korea, Malaysia, Japan, Hong Kong, Thailand), with the major exception being the USA, which has ranked second in source countries of Australia's foreign students for the period 2002-5.

Table 6: Main Source Countries of Australia's Foreign Students 2002-05

Countries	2002-03	2003-04	2004-05
China	14,215	17,279	17,506
USA	10,477	10,723	10,367
India	5,901	9,611	10,000
Korea , Republic of	7,323	8,214	9,328
Malaysia	8,032	7,081	6,609
Japan	6,319	6,650	5,829
Hong Kong (SAR)	6,576	5,413	4,838
Thailand	5,537	4,946	4,818
Indonesia	6,004	5,194	4,751
Singapore	4,179	3,739	3,368

Source: http://www.immi.gov.au/media/fact-sheets/02key.htm (accessed September 2006)

While the Australian immigration program has been controversial because of debates about the economic, social and environmental impacts of immigration (Castles *et al*, 1998; Collins, 2000), these debates have been mainly limited to the permanent or settler migration program. The large increase in the temporary migration program has mostly escaped scrutiny because it was initially geared to managerial and professional immigrants. In recent years new temporary visas have been introduced, permitting the entry of less skilled migrants. Health and safety problems and pay abuses of unskilled temporary entrants, exposed by Australian trade unions and publicised in the Australian media, have

put the *de facto* guest-worker scheme of temporary migration visas in the glare of public scrutiny for the first time.

Restriction and Politicisation of the Humanitarian Intakes

In the past decade the size of international migration (permanent and temporary, legal and illegal) has increased significantly while its nature has changed considerably (Castles and Miller, 2003). In particular, issues of national security have been given prominence in all countries following the events of September 11, 2001.   Of increasing concern is the number of undocumented immigrants in Australia. The rate of illegal or undocumented immigration to Australia is estimated to be between two and five per cent of the immigrant population (Australia Productivity Commission, 2006: 205). The Australian Immigration Department has attempted to deport those who are in Australia without proper documentation. In 1999-2000, for example, 14,369 such people were located, up from 13,284 in 1998-1999. A report titled *Protecting the Border: Immigration Compliance*, published in 2000, estimated that a total of around 58,000 people were living in Australia illegally, with half of these people working illegally. Every year, 15,000 to 20,000 people stay in Australia after their visa has expired - representing about 0.2% of all visitors to Australia. In 1999-2000, 6,383 people, or 44% of those caught, had overstayed after arriving on visitor visas. In addition, 2,519 people were caught working illegally - mostly in restaurants, factories, brothels and hotels (MPS 049/2001 *http://www.dima.gov.au/ search_for/ministers.htm).*

The subset of these undocumented immigrants that has most occupied the mind of the Australian government, however, are those who arrive as "boat people." In late August 2001, Prime Minister John Howard refused to allow a boatload of 433 asylum-seekers aboard the KM *Palapa 1* - rescued by the Norwegian cargo ship *MS Tampa* in Indonesian waters - to enter Australia and land on Christmas Island, the northwestern-most landing post for those seeking asylum on Australian shores. The KM *Palapa 1* had lost power and was drifting slowly with little food and water and had no navigation equipment other than an old box compass. Its passengers – 26 females (two pregnant), 43 children and 369 men

(Marr and Wilkinson, 2003: 19) – were thirsty, hungry and scared for their lives. Most could not swim. The captain of the MS Tampa, Arne Rinnan, had responded to calls from Australian rescue authorities to pick up the asylum seekers aboard the KM *Palapa 1*, carrying "the biggest load of asylum seekers ever to set out for Christmas Island" (Marr and Wilkinson, 2003: 3). Most of those adults on board had paid an average of $US 10,000 to the so-called 'snakeheads' who arranged this trip, though children were charged less.

As a response to the growth of undocumented boat arrivals to Australia, the Australian Parliament passed a series of new laws in September 2001 that take away the rights of people who arrive at an 'excised offshore place' – such as Ashmore and Cartier Islands, Christmas Island, and Cocos (Keeling) Islands from making a valid visa application and allows for the possible detention and removal from those places of unauthorised arrivals. The boat people of the Tampa never made it to the Australian shore. Like all other boats subsequently attempting to enter Australian waters illegally, they were intercepted by the Australian Navy and taken to Pacific island states as part of the Howard government's 'Pacific solution'. The Howard government paid large sums of money to persuade Pacific Island states such as Nauru to take undocumented immigrants intent on seeking asylum in Australia. Marr and Wilkinson (2003: 287-8) suggest that it cost the government at least $500 million to keep 2,390 boat people from landing in Australia. This stance, together with the policy of mandatory detention of refugee applicants once they arrive in Australia (Mares, 2001), gave an imprimatur to intolerance of asylum seekers, particularly those from the Middle East.

The *MS Tampa* was not the first boat carrying asylum seekers to the Australian shores in recent years, but it was the first one to be turned away and refused permission to land on Australian territory. It is not coincidental that this occurred in the months leading up to a national election. Howard maintained up to the day of the election itself that there was evidence that children from the KM *Palapa 1* were thrown overboard and then Defence Minister Peter Reith claimed that the Navy had photographic proof. Portraying the act as "un-Australian" Howard eroded public sympathy for the Tampa boat people. On the last day of the campaign, he told John Laws on national radio that 'I can't guarantee

to the Australian people that there will not be more of them [boat people]. But I can guarantee to them that if I'm re-elected tomorrow I will continue to stop these vessels coming to Australia' (Marr and Wilkinson, 2003: 274).

John Howard had a resounding victory in the 2001 national election, with most political pundits agreeing that the hard line stance on the Tampa boat people and on refugees in general was a decisive factor. Indeed, it is no coincidence that support for Pauline Hanson's *One Nation Party* collapsed at that time. By moving to the far right on issues of immigration and refugees, Howard had stolen Hanson's thunder and her votes. As Marr and Wilkinson (2003: 283) put it, 'by carefully finessing his response to Hanson for years, then seizing her policy on boatpeople, John Howard had made One Nation irrelevant.'

Redirecting Immigrants to the Bush

Australian immigration has traditionally been an overwhelmingly urban phenomenon. Australia is one of the most urbanized countries in the world, and immigrants have a higher rate of urbanization than other Australians (Burnley, 2001). In 2001, around 83% of overseas-born persons in Australia resided in major cities, compared with around 61% of the Australia-born population (Productivity Commission, 2006: 28). Sydney alone takes around 40 % of Australia's annual immigration intake, with Melbourne also taking in a large proportion of new immigrants. This link between immigration and urbanization has generated a strong environmental critique of immigration (Collins, 1991: 313-319; Collins, 2000; Productivity Commission, 2006: 99-100), a phenomenon that does not appear to be a major issue in Canada, for example. Former NSW Labor Premier Bob Carr's emergence as a strong critic of Australian immigration was based on his concerns about adding to Sydney's suburban sprawl and threatening the urban environment. Before his resignation in 2005 Carr regularly called on the Federal Government to try to redirect immigration out of Sydney.

Subsequently there has been a concerted effort to design policies to redirect new immigrants to rural areas. The State/Territory Nominated

Independents (STNI) visa scheme was established in 1997 to help State and Territory Governments and regional authorities attract more skilled and business migrants. Since then a number of visa programs have been designed to attract new immigrants to the 'bush.' These have included Temporary Business (Subclass 457) visas, designed to allow rural and regional businesses to bring skilled workers into Australia for up to four years. These immigrants are then eligible to apply for permanent residence after they have successfully operated a business in a targeted region for at least two years, and have again obtained State or Territory Government sponsorship. Another incentive includes bonus points for general skilled migration applicants who have obtained Australian qualifications from regional university campuses. In addition, the *Regional Sponsorship Migration Scheme* (RSMS), the *Regional Established Businesses in Australia programme,* and the *Skills Designated Area Sponsored visa* (SDAS) were introduced. The SDAS helps regional businesses to find suitable applicants for skilled vacancies who can then be sponsored through the RSMS. Both were established to encourage new immigrants to settle in regional and rural areas. Immigrants on both visas must remain living and working in regional and rural Australia for three years to then be able to apply for permanent residence.

The number of SDAS migrants has increased from 1,000 visas granted in 2000-1 to 7,547 in 2003-4, when 61% of those who entered under this visa settled in Victoria (DIMIA 2005b: 2). The RSMS has also grown significantly in recent years. Since its introduction in 1996 to the end of 2004-5 more than 11,000 visas have been granted under this scheme, with 3,100 (or nearly 30% of the total) arriving in the 2004-5 year. Preliminary analysis suggests that, while the RSMS appeared to be remarkably successful, the SDAS was less so. 90% of 500 RSMS primary applicants surveyed in 2004 said that the scheme met their expectations; 96% said that they were made to feel welcome in Australia; and 98% said that migrating to Australia was the correct decision (DIMIA, 2005a: 2). On the other hand, a survey of SDAS entrants found that the SDAS visa is falling short of its aims, with 64% of SDAS migrants who had sponsors in regional Victoria, for example, not living in regional Victoria at the time of the survey (DIMIA, 2005b: 3). In 2004-5, 18,700 visas were granted under the regional migration scheme,

a 50% increase on the previous year. While the numbers involved are small - only 16% of all migrants to Australia – they are critical to regional and rural Australia and represent a watershed in Australian immigration history.

Conclusions

Globalization has had a strong impact on Australian immigration policies. First, permanent immigration in recent years has slowly recovered from its low levels in the first half of the 1990s, though still substantially below the levels of the late 1960s. However, when permanent intakes are combined with temporary intakes, the Australian immigration level is at an all time high.

Second, the high level of immigration in recent years is a response to the reduction in unemployment rates and the high demand for labour. As the economic boom continues this has led official immigrant intakes (skilled and permanent) to be fine-tuned in response to growing skill shortages across a broad range of occupations. This has been achieved by increasing the relative size of the skilled immigrant intake and by attempts to link skilled intakes more closely with labour market needs.

Third, temporary immigration has increased dramatically with globalization, so that today it significantly exceeds permanent immigration. This requires a reassessment of the traditional categorization of Australia as primarily a country of settler immigration. Surprisingly, there has been little debate about Australia becoming a country of 'guest worker' immigration, though increased publicity about the exploitation of workers under the 457 visa program hassled the new Rudd Government to review the temporary migration programme. .

Fourth, there has been a growing concern about the urbanization of immigrant settlement and the environmental critique of immigration, emanating mainly from Sydney which is the city with the largest intake of migrants. This has led to new efforts to direct an increasing, though still small, number of immigrants to rural areas in Australia and to states other than NSW and Victoria.

All these developments are consistent with the embrace of globalisation and a neo-liberal political agenda by Coalition and Labor federal governments. However, one distinctive direction in Australian immigration policy stems from the former Coalition government specifically. This is the strong stance the Howard government took on boat people, undocumented immigrants and refugees, leading to the 'Pacific solution'. This constituted a break with the tradition of non-partisan immigration and settlement policies that has characterised Australian immigration history for most of the period since 1947. In less than a decade, a nation internationally acclaimed for the warmth of its welcome to immigrants and for taking its share of the world's humanitarian burden of displaced peoples had become a pariah state leading the world into an era where only those who fit into the economic vision of globalization are welcome.

The recent history of Australian immigration highlights the ways that a controlled immigration policy can be fine-tuned to meet labour market shortages generated by a decade and a half of strong economic growth and by structural change in the Australian economy as a consequence of globalisation. However, the priority given to economic considerations generates potential hazards, socially and politically. The reduction of family and humanitarian migration might make economic sense in the short term, as might the increased reliance on guest-worker migration. But what happens when the boom ends, as it will? The European experience of the 1960s and 1970s is that guest-workers often do not return home. Moreover, family migration has strong social benefits relating to immigrant settlement: in the absence of family support mechanisms settlement issues fall on the law courts, the police, and the welfare state - at great, but indirect, cost. Increased humanitarian intakes are also important, despite the immediate economic costs. Moreover, social cohesion in ethnically-diverse societies is not a given. Sensitivity to issues of racism and prejudice that accompany the entry of immigrant minorities must be managed carefully. By ignoring these important elements of immigration, recent Australian immigrating policy has emphasised the short term economic benefits at the cost of medium to long-term social cohesion. For a nation with more immigrants of a greater diversity than most western nations this is a considerable risk.

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