



A seasonal guest-worker program for Australia?

Although a pilot scheme was considered and rejected by Cabinet in the context of the 2004–05 migration program, calls have continued for Australia to introduce a seasonal guest-worker program of low-skilled workers from the Pacific region. Proponents claim such a program would help Pacific countries in need of development assistance and with surplus workers, while assisting Australian horticulturalists to offset labour shortages at harvest time. Opponents argue that such a program would represent a departure from Australia’s migration tradition, and would bring risks of visa overstay and exploitation of the workers. This brief looks at the issues and the arguments for and against a seasonal Pacific guest-worker program for Australia, and at what can be learned from overseas experience.

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Executive summary

Calls have intensified in recent years for Australia to introduce a seasonal guest-worker program of unskilled or low-skilled workers from the Pacific region. A proposal to introduce such a program was considered by the government in the context of the 2005–06 immigration program, and rejected. However calls for a Pacific guest-worker scheme have not gone away. The communiqué of the Pacific Islands Forum at Port Moresby (25–27 October 2005) has committed member countries, including Australia, to further examination of the idea of labour mobility. The Senate Committee on Employment, Workplace Relations and Education is conducting an inquiry (due to report in August 2006) into the use of labour from countries in the Pacific region to meet the seasonal employment needs of the horticultural and other intensive agricultural industries.

Proponents present a seasonal guest-worker program as a natural fit, a win-win situation whereby surplus workers from countries in our region in need of development assistance undertake harvesting work for farmers in Australia in need of a reliable source of seasonal workers, to each country's economic advantage.

Reservations and antipathy towards the notion of a guest-worker program spring from the departure it would represent from Australia's migration tradition and culture. Australia's migration program was developed for permanent settlers, for nation-building, not for guest workers. Temporary migration for skilled work purposes is much more significant than it used to be, and the objectives of the program are more focused on meeting labour market shortages. Trades such as baker and vehicle-body-maker have been added to the Migration Occupations in Demand List. However, the argument is, Australia does not have a migrant underclass, for example like France, because Australia's migration program has remained selective, skilled and tightly managed. The risks are that similar exceptions from the program's non-discriminatory and skills-based selection criteria would be sought by other countries for their unskilled and unemployed workforces, and that there would be significant problems of visa overstay and risks of exploitation of the workers.

Those advocating a seasonal Pacific guest-worker scheme do not argue on the grounds that it would in any way be in keeping with Australia's migration policy or program objectives. (Although the argument has been made that employment opportunities available to low-skilled Pacific Islanders under a seasonal worker scheme would obviate their need to stay and work illegally in Australia.) Proponents argue rather that the development crisis confronting Pacific Island countries (coinciding with a worker shortage in Australia's horticultural sector) is such that an exception should be made; that Australia should bear the immigration costs in the interests of assisting these countries (and this sector). They argue further that the numbers involved would be small in relation to the overall migration program, and thus manageable.

The literature suggests, however, that the logic is not so compelling. The benefits from the sort of small-scale and tightly managed program envisaged might not meet expectations of the workers or their home countries. More broadly, it has been shown that emigration is not, in itself,

a solution to a country's population or development problems: indeed, it can be counterproductive.

Regarding the horticultural sector in Australia, seasonal guest workers from the Pacific could, in the short-term, undoubtedly assist farmers to offset their seasonal labour shortages. In the longer-term, the benefits to the sector are less clear. The risks are that a guest-worker program could slow down innovation and investment by farmers in new technology and management systems, and delay the skilling of the farm workforce.

Despite the failure of their earlier guest-worker schemes, many European Union countries have introduced—or re-introduced—low-skilled guest-worker programs, including for harvest work. The relevance to Australia of these new-style seasonal guest-worker programs is, however, limited. The migration history of Western European countries has been shaped by guest worker and illegal and asylum migration, and European governments are motivated in part by the need to reduce (by Australian standards) large-scale illegal migration and working. Proponents of the new European guest-worker programs argue that if properly designed and managed, these programs can avoid past failures and benefit all concerned. Opponents of the European programs point to a confusion and ambivalence of objectives: to meet labour shortages at a time of high unemployment (in the order of 12 per cent, and 25 per cent for non-EU migrants in many countries), and to restrict and contain illegal immigration and working, when experience shows that guest-worker programs encourage illegal migration.

Guest-worker legislation is currently being debated in the USA as a way of resolving the issue of illegal entry and working. The number of illegal immigrants in the USA is estimated to be in the order of 11 million. Illegal, mainly Mexican immigrants make up the majority of farm workers in the USA. Opponents of the proposed legislation argue that a guest-worker program would spur further illegal migration, which has already distorted the development of the horticultural industry and forced native-born low-skilled workers out of the workforce. Proponents argue that the government has no choice other than to provide some sort of earned amnesty for workers already established in the USA, and to devise for the future a guest-worker program and try to make it work.

Canada's Seasonal Agricultural Workers Program (CSAWP), which allows for the entry of up to 20 000 harvest workers each year from Mexico and Caribbean countries, has been suggested as the most useful model for Australia. Like Australia, Canada has a long tradition of managed migration. The CSAWP is described as 'best practice' in the literature because it is tightly managed and is seen as reducing illegal entry and work. Research shows that CSAWP workers appreciate the opportunity to return year after year to earn relatively good money in Canada, and that remittances help their families and help alleviate rural poverty in their home countries. However, the program is a bit of an anomaly within Canada's nation-building immigration policy goals. And Canadian unions have cited cases of abuse and exploitation of workers. Another criticism is that the CSAWP, with its many layers of administration, would be so expensive that the costs to government would outweigh any

economic benefits to the nation as a whole. Canadian taxpayers are thus subsidising employers' use of cheap labour.

The Australian Labor Party has issued a 'Pacific Policy Discussion Paper' proposing a 'limited mobility scheme' (with visa options ranging from 3–12 months), aiming at 10 000 Pacific (mainly seasonal horticultural) guest workers a year for the first five years. The government is likely to respond to continuing pressure to develop or at least trial a guest-worker program through such measures as further expansion of the Working Holiday Maker Program and/or more intensive support for resident unemployed youth. The Prime Minister has indicated that a better way to help Pacific States is to assist them to skill their workforces to Australian standards. The white paper on Australia's aid program released on 26 April 2005 confirmed that the government does not intend to change migration policy to accommodate a Pacific guest-worker program.

Introduction

Calls for a seasonal guest-worker scheme of unskilled or low-skilled workers have come from two quarters: those concerned to assist neighbouring Pacific countries (the governments of Pacific Island countries, the governments of PNG and East Timor, Australia's foreign affairs and aid communities, academics and journalists); and those concerned to assist Australian fruit and vegetable growers to secure a supply of seasonal workers (sections of the agricultural sector and the National Party).

Judith Sloan, remarking in 1992 on the lack of research into temporary skilled migration in Australia (compared to the wealth of research into permanent migration), observed that 'the research on guest workers can be deemed to be largely irrelevant to Australia'.¹ Times have changed. A proposed pilot Pacific guest-worker scheme was considered by Cabinet in the context of the 2005–06 migration program. It was rejected. While times may have changed, antipathy to the notion of guest workers, as being against Australia's migration tradition and ethos and culture, remains strong. The Treasurer Peter Costello, dampening expectations in May 2005, said 'I don't think it is a part of the Australian ethos, I don't think it is consistent with our culture and I don't think it would be acceptable'.²

Calls for a Pacific guest-worker scheme have not gone away. The communiqué of the Pacific Islands Forum at Pt Moresby (25–27 October 2005) has committed member countries, including Australia, to further examination of the idea of labour mobility.³ The Core Group recommendations for a white paper on Australia's aid program, released in December 2005, included consideration of unskilled migration from the Pacific region.⁴ The National Farmer's Federation, in a discussion paper released in September 2005, recommended a feasibility study into a guest-worker visa for seasonal farm workers.⁵ The Senate Committee on Employment, Workplace Relations and Education is conducting an inquiry (due to report in August 2006) into 'the use of labour from countries in the Pacific region to meet the seasonal employment needs of the horticultural and other intense agricultural industries'.

Proponents present a seasonal guest-worker program as a natural fit, a win-win situation whereby surplus workers from countries in our region in need of development assistance undertake harvesting work for employers in Australia in need of a reliable source of seasonal workers, to each country's economic advantage.

A guest-worker program would represent a significant departure for Australia. Australia's migration program was developed for permanent settlers, for nation-building, not for guest workers. However, temporary migration for work purposes is much more significant than it used to be, and Australia's migration objectives are more directly focussed on meeting short-term labour market shortages. Most industrialised countries have, since the 1990s, introduced or extended programs to recruit skilled workers on both permanent and temporary bases. A number have also introduced new niche-style, low-skilled guest-worker programs, designed to meet specific labour needs in particular industries or sectors of the economy.⁶

The seasonal horticultural worker programs currently running in the UK and Germany are the quintessential new-style guest-worker programs of Western Europe. Debate is underway in the USA on proposals for a massive agriculture-based guest-worker program to help resolve the illegal migration situation. And Canada has a long-running seasonal guest-worker program that has been proposed as a model for Australia.

There is a broad consensus at present in developed economies about the need for and benefits of (at least some) skilled immigration. There is less agreement about the need for and benefits of guest-worker programs.

Views on guest-worker programs are varied and often strongly held, as can be seen from the selection in the boxes below. They have been expressed by farmers, academics, economists, unionists, broadcasters, journalists and politicians.

- Australia has jobs with no workers; neighbouring countries have workers with no jobs
- Guest-worker programs are inimical to Australia's migration tradition, ethos and culture
- Properly managed guest-worker programs can contribute to economic growth and development in sending and receiving countries
- Every guest-worker program—everywhere—has failed. They lead to large-scale permanent settlement, they spur parallel flows of illegal immigration, and they distort the development of the industries in which the foreign workers are concentrated
- The only thing worse than being exploited abroad is not being exploited abroad
- Without access to the Australian labour market, Pacific Island micro-states will fail
- We asked for workers and people came
- No slave labour
- As long as they work I don't care where they come from

- To say natives will not do the work may be simply to say that employers do not pay enough to attract native workers
- Guest-worker programs deliver benefits that are immediate, concentrated and measurable, while the costs are deferred, dispersed and difficult to quantify
- We do not need busloads of unemployed temporary foreign workers wandering around with little work available
- There is nothing cheap about immigrant labour
- Australians do not want to see ghettos of unskilled labour working in poor conditions undercutting local workers
- Canada's seasonal agricultural workers' program is Canada's shameful little secret
- The USA has no option other than to devise a very large guest-worker program and try to make it work
- A properly administered guest-worker program would cost more than its theoretical net-benefits.

This research brief looks at the issues and the arguments for and against a seasonal Pacific guest-worker program for Australia, and at what can be learned from overseas experience.

The issues and arguments

Aid, development and security in the Pacific region

The arguments for a guest-worker program

Requests from political leaders of Pacific region countries for Australia to open its labour market to their workers have been made since the 1960s. A series of parliamentary and government appointed inquiries over the last 20 years, and a number of academics and journalists, have responded sympathetically to these calls. They have reported on the constraints on development in South Pacific nations because of their small size, remote geography, and limited resource bases. They have pointed as well to rapidly increasing populations, high youth unemployment, and the increasing importance to the households and economies of these countries of remittances (i.e. money that is sent home) from people who have emigrated.

Proponents of a guest-worker program as development assistance have referred to Australia's special responsibility through its longstanding historical and political links, and its substantial aid program. In more recent years they have pointed as well to Australia's heightened security interests in the region. (Of the total \$2.5 billion allocated for official development assistance (ODA) in the 2005–06 Budget, almost \$1 billion is going to the Pacific region: \$492 million to Papua New Guinea, and \$463 million to other Pacific countries, including \$247 million to the Solomons, \$34 million to Vanuatu, and \$31 million to Fiji.)⁷

The conclusions of parliamentary and government-commissioned inquiries, and the arguments of academics and journalist proponents, are summarised in the boxes below.

Parliamentary and government inquiries

Committee to review the Australian Overseas Aid Program (Jackson Committee), 1984⁸

- The Pacific Island states of Kiribati and Tuvalu ('remote, minute and heavily populated') in particular face a difficult future, because unlike the micro-states of Cook Islands, Niue and Tokelau they do not have access to NZ citizenship, and thus to the Australian as well as NZ labour markets.
- Australia should go beyond the traditional notions of aid and develop a special immigration quota for Kiribati and Tuvalu. The numbers involved would be small.
- A long-term strategy based on training arrangements under the aid program is needed to provide training in skills to promote employment in Australia.

Joint Committee on Foreign Affairs, Defence and Trade inquiry into Australia's relations with the South Pacific, 1989⁹

- As population pressures increase in the region the issue of migration has the potential to damage Australia-South Pacific relations. It requires periodic review.
- Migration in various forms is an established fact throughout the region. Aid and remittances are the dominant sources of foreign exchange earnings in a number of countries. Large aid flows have led to large public sectors and artificially inflated wages, coinciding with high unemployment.
- The Australian Government, in conjunction with private enterprise, should establish a 'work experience program' for the South Pacific region.

AusAID inquiry (by Reg Appleyard and Charles Stahl) into South Pacific migration and its implications for Australia, 1995¹⁰

- Remittances and aid are crucial to the survival particularly of the small island countries. Indeed, getting at least limited access to Australia's (and NZ's) labour market is imperative in the case of the 'unfurnished' microstates of Tuvalu and Kiribati.

Committee to Review the Australian Overseas Aid Program (Simons Committee), 1997¹¹

- Government should reconsider the option of migration for islanders from the smaller Pacific states where there is little or no chance of self-reliance.
- Access to Australia's labour market would be a more cost-effective way to assist states whose only export is labour services than aid in perpetuity.

Senate Committee on Foreign Affairs, Defence and Trade inquiry into Australia's relations with Papua New Guinea and the island states of the southwest Pacific, 2003

- Australia has an obligation to assist the Pacific States, and there would be serious implications for Australia if the economies in the region collapsed.
- Migration is widely seen in the region as the route to enable people to learn skills, earn money and support family networks and contribute to economies.
- The Australian Government should 'support Australian industry groups, state governments, unions, NGOs and regional governments to develop a pilot program for labour to be sourced from the region for seasonal work in Australia'.

The Core Group recommendation for a White Paper on Australia's aid program, December 2005¹²

- The Pacific Islands are important to Australia because of shared history, geographical proximity, and the threat they pose to regional stability.
- They suffer from low growth, fragile states, health risks (including AIDS) and high vulnerability. Governments of Pacific Island countries need to provide opportunities for their populations. The need is urgent, given rapid population growth and a 'youth bulge'.
- In the absence of migration it is unlikely that the economies of microstates such as Tuvalu, Kiribati and Nauru will become viable.
- The government should consider developing a 'Pacific unskilled migration window'. Further analysis and research on the relationship between migration and development, especially in the Pacific, is needed.

Academics and journalists

Professor Robbie Robertson, Director of Development Studies, University of the South Pacific, Suva, Fiji¹³

- Labour mobility can be a powerful tool for development.
- Australia's responsibilities, as a member of a regional grouping, need to go further than aid donor.
- Background papers to the Pacific Plan endorsed at the Pacific Islands Forum called not for an open door, but for carefully targeted and organised temporary mobility programs that should be manageable for Australia.

Stewart Firth, visiting professor at the State, Society and Governance in Melanesia project, ANU¹⁴

- Australia now sees the Pacific in security terms. What Pacific Islanders most want from Australia, however, is access to its labour market.
- The best performing South Pacific economies in 2005 (Tonga, Tuvalu, Cook Islands Niue and Fiji) are the ones that export people and benefit from remittances.

- Supports a pilot seasonal agricultural guest-worker program.

Satish Chand, Director, Pacific Policy Project, Asia Pacific School of Economics and Government, ANU¹⁵

- Increasing reliance on donor support for provision of basic services in a number of the Pacific Island countries raises serious doubts on the sustainability of the *status quo*.
- Rapid population growth with limited natural resources renders subsistence a dwindling source of livelihood in many Pacific Island countries.
- A strong case exists for a well-managed program allowing for a more fluid labour market for the Pacific region as a whole.

Graeme Dobell, Foreign Affairs/Defence correspondent for Radio Australia and ABC Radio¹⁶

- It is time to tackle the taboo of labour mobility from the islands. The issue has become important because of the problems of rising populations and expectations, and because Australia has refused for so long to consider it.
- The region already has two failed states, Nauru and the Solomons, and there is instability in East Timor, PNG, Vanuatu and Fiji. Aid is going into failed or failing states.
- A 'Pacific worker' program should be developed under defence, security, aid and regional economic relations headings, rather than as part of migration policy.

Peter Mares and Nic Maclellan, ABC journalists and research fellows at the Institute for Social Research at Swinburne University¹⁷

- Migration provides an outlet for population pressures and remittances play a vital part of the economy of countries like Tonga, Samoa, Niue, Tuvalu, Kiribati, Cook Islands, Wallis and Fortuna, and Fiji.
- Advocates a carefully designed and tightly managed guest-worker scheme, modelled on Canada's.
- Such a scheme should be regarded primarily as a mechanism to advance economic and social development in the communities from which the workers come, and to encourage the expansion of people to people contacts.

The arguments against a guest-worker program

While the bulk of inquiries and commentators have supported a guest-worker program, several have been ambivalent about migration as a solution to the region's population and development problems. The White Paper Core Group, for example, while sympathetic to the particular problems of microstates, warned that migration should not be seen as a panacea for the Pacific Islands.¹⁸ The Australian Government's White Paper on the Overseas Aid Program, released on 26 April 2006, rejected the Core Group proposal to consider a Pacific guest-worker program, committing only to undertake further research on the relationship between migration and development, especially in the Pacific.¹⁹

Peter Mares has acknowledged that emigration entails probable costs and conflict at the local level for Pacific Island communities, arising from loss and social imbalances, as young people and heads of families leave to work abroad.²⁰

Other inquiries and commentators have pointed to the contribution of poor governance to low economic growth in the Pacific region. Several have argued strongly against the notion of a Pacific guest-worker program, as against the longer-term interests of all countries involved. Their arguments are summarised in the boxes below.

Research by Sandy Cuthbertson, Centre for International Economics, and Rodney Cole, ANU, into population growth in the South Pacific Islands and its implications for Australia, 1995²¹

- Assessed the ‘doomsday scenarios’ that were being posited for Pacific Island countries, and the likely effectiveness of immigration as an Australian policy response.
- Found the benefits and costs of emigration for the Islands difficult to weigh up. ‘It was not clear that the net effect of remittances was conducive to long-term economic viability and prosperity’ (for example, remittances provide export revenue, but may crowd out other forms of export activity.)
- Concluded that the components of the doomsday scenario—rapid population growth, poor economic performance, environmental breakdown—could only be avoided by sound domestic economic policies. Indeed, increasing migration opportunities might discourage efforts to improve domestic policies.

Emeritus Professor Helen Hughes, AO, Senior Fellow at the Centre for Independent Studies in Sydney²²

- It is paternalistic to argue that Pacific Islanders require special immigration conditions.
- In the interests of avoiding the creation of welfare dependent ghettos of Pacific immigrants in Australian cities, their access to the Australian labour market should be under the same conditions as for other potential immigrants.

The guest-worker literature²³

The belief that returning guest workers are in themselves a catalyst for development has been questioned in the overseas guest-worker literature in the light of European guest-worker experience of the 1960s and 1970s. The skill levels of these guest workers, brought in to undertake low-skilled work on a temporary basis, did not increase in ways useful to their home countries. Many stayed in their host countries after their work permits expired. Those who returned home were typically older, in poorer health, or had family problems. Returnees who wanted to start businesses were typically frustrated by the underdevelopment confronting them on return and found it difficult to achieve their entrepreneurial ambitions.

The belief in guest-worker programs as a catalyst for development has also been questioned in the light of studies and experiences of countries which have been large-scale exporters of

workers, e.g. the Philippines, Egypt and Mexico. These show that on its own, sending workers abroad is highly unlikely to be an effective development strategy. An International Labour Organisation report on migrant workers in the global economy has concluded that 'migration can, in some cases, contribute positively to development where a country is already poised to develop; it cannot, however create such conditions'.²⁴

Remittances

Remittances are the money that is sent home by overseas workers. The World Bank has published research which shows that the sum of official remittances to developing countries, US\$167 billion in 2005, surpasses official development assistance.²⁵ However the research generally is inconclusive about the effects of these remittances on home countries. The positive view is that remittances play a key role in boosting economic growth and reducing poverty, as well as allowing particular households to increase consumption, including on housing and education. Remittances can improve the balance of payments, ease foreign exchange constraints, and create savings and investment capital. The negative view is that remittances can harm economic growth and distort development. Remittances spent on conspicuous consumption can increase inflation. They can create dependency. They can induce a diminished work effort in recipients, and thus a diminished labour supply. They can adversely alter government monetary and fiscal policy.

A recent study published by the International Monetary Fund concluded that further scrutiny of the effects of remittances on development is required.²⁶

Government and Opposition responses

In response to pressure to assist Pacific countries by providing their citizens with access to the Australian labour market, the Prime Minister announced in the context of the Pacific Islands Forum (25–27 October 2005) that Australia would establish and fund an Australian Technical College in the region. This will be headquartered in one of the more populous countries (possibly Fiji), with regional campuses, and teach trade skills and offer qualifications in areas such as carpentry, metal work and nursing that would be recognised in the Pacific region as well as in Australia. It will thus offer opportunities for Pacific Islanders to access existing Australian skilled visa categories (and provide another source of skilled workers for Australia). The Prime Minister also indicated that Australia would continue its 'significant' financial contribution to assist the small Pacific Forum countries to pool their resources and infrastructure, as they needed to do.²⁷ (As noted above, Australia's official development assistance in 2005–06 to Pacific nations other than Papua New Guinea is \$463 million.)

The Australian Labor Party has issued a 'Pacific Policy Discussion Paper' proposing a 'limited mobility scheme', with visa options ranging from 3–12 months. In the initial five-year implementation period, Australia would work towards granting 10 000 Pacific guest-worker visas each year. There would then be the possibility of building up to greater numbers in later years if this was sustainable, was required by the job market and did not disadvantage

Australians.²⁸ An ongoing program would be linked to Pacific countries' efforts to reduce their own barriers to labour mobility, and linked with training, for example in small business skills.

Both parties have a policy of encouraging Humanitarian Program entrants to settle in regional areas with a significant need for low-skilled and semi-skilled labour.

Australia's horticultural sector

Labour shortages in regional areas coincide with an unemployment rate in the order of 8.5 per cent for unskilled workers in Australia and higher rates of unemployment for young people, especially in regional areas. Seasonal farm work is often described in the guest-worker literature in such terms as 'hot, hard and dirty', and as of low social status. It is obviously unattractive to most Australian citizens and residents, under existing conditions and pay rates. The work is often in remote locations, with poor accommodation. Workers are for the most part employed on piece rates, on a short-term casual basis, with few prospects for advancement or enhancement of skills. Ordinary time earnings of full-time employed agricultural and horticultural labourers is low (\$598 per week as at May 2004 compared with \$868 per week for all full-time non-managerial employees).²⁹

There has been considerable media coverage in recent years of the issue of shortages of seasonal horticultural workers. Much of this has described raids by immigration officers tipped off about 'illegals'.³⁰ From the perspective of immigration authorities, the horticultural industry has been a problem area for illegal work.³¹ And growers have not proved enthusiastic about requirements to verify workers' legality (see below).

Like other areas, fruit and vegetable growing has become increasingly reliant on overseas workers. However farm labourers are ranked at level 8–9 on the Australian Standard Classification of Occupations (ASCO). Seasonal harvest workers do not meet the skill level required for independent migration or temporary skilled worker sponsorship, for which ASCO levels 1–4 are required. (ASCO level 5–7 workers such as truck drivers may be sponsored into designated areas, through concessional arrangements, under various regional migration schemes.)

Backpackers (Working Holiday Makers), and students (including overseas students), along with itinerant workers and early retired 'grey nomads' comprise a large proportion of the seasonal pool of legal workers available to growers. One in four growers in the Murray Valley surveyed in 2005 by Peter Mares admitted to employing 'illegals', i.e. visa overstayers or people working outside their visa conditions.³²

One comment by a grower keen on the guest-worker idea was:

An essential! Our industry relies completely on the current crop of illegal overseas workers (who have mostly just overstayed their visa) to exist. Without them the crop would not be picked.³³

The National Harvest Trail

A National Harvest Trail Working Group, composed of Members of Parliament and representatives of the horticultural industry, was established by the government in May 1999. Its brief was to link up unemployed Australians and horticultural employers. This initiative arose from evidence produced in earlier inquiries into the Working Holiday Maker (WHM) visa which showed the industry's increasing reliance on WHM visas to make up labour shortfalls. The working group recommended that efforts to increase the labour supply should focus on 'young mobile Australians' from outside the harvest area, and the 'fit unemployed' living in harvest areas, as well as recent retirees and students. It suggested the use of WHMs be maximised through advertising. It recommended also that 'in seeking to limit the use of illegal labour in Australia, the Government does not take actions that would affect the economic viability of growers'.³⁴

Since July 2003 regional harvest labour offices (which link up with the Job Network) have been connected via a National Harvest Labour Information Service. However it would appear that attempts to mobilise long-term unemployed and other disadvantaged groups such as Aboriginal youth may need more support. While a majority of growers in Peter Mares' Murray Valley survey had used local harvest offices, only a minority (30 per cent) were satisfied with the number of workers they obtained, and a majority (70.5 per cent) were dissatisfied or very dissatisfied with the quality of the workers. One comment was:

Much rather have somebody who is prepared to have a go regardless of where they are from than somebody being sent to work against their wishes i.e. Dole being cut.³⁵

Working Holiday Makers

In 2005–06, over 104 000 WHM visas were granted. As noted above, the horticultural industry has become increasingly reliant on these 'backpackers'. WHM visas allow young people, on a reciprocal basis, to travel and work in Australia for 12 months. The principal (original) purpose is to foster cultural exchange. WHMs were not supposed to impact on the labour market, hence the restriction limiting work to three months with the one employer. Since 1 November 2005, WHMs who have worked as a seasonal worker in regional Australia for a minimum of three months have been able to apply onshore for another 12 month visa. They can also apply onshore (for a Skilled Independent Regional Visa) to stay in Australia.

A study commissioned by the Department of Employment and Workplace Relations and the Department of Immigration and Multicultural Affairs in 2001 found that the reason employers value WHMs as workers is not because employers regard them as more skilled (although they often are), or more honest, better spoken or harder working than unemployed Australian youth. As well, employing backpackers entails onerous paperwork. The study found, quite simply, that employers hire WHMs because they make themselves available, and they are willing to do work like seasonal fruit picking in regional areas. 'Local unemployed youth do not hold a strong interest in these jobs and are not as prepared to relocate'.³⁶

Australia currently has agreements with 19 ‘low-risk’ (of visa overstay) countries. WHMs currently come mainly from Western European countries and Korea and Japan. Australia does not have any WHM agreements with neighbouring Pacific Island countries, which rank among the highest in terms of rates of visa overstay.³⁷

The arguments for a guest-worker program

A recent Australian Farm Institute study of Australian farm sector demography describes farm labour requirements as highly seasonal, with an estimated continuing need for between 27 500 to 80 000 harvest labourers.³⁸ Some National Party members, including the Member for Riverina Kay Hull, have openly pushed for the government to start a special seasonal guest-worker program for the Pacific.³⁹ They have argued that it is in Australia’s economic interest to secure a reliable supply of seasonal agricultural workers.

The arguments are that the lack of workers available to meet seasonal requirements means that farmers are unable to harvest their crops, leading to waste and economic loss, including of export opportunities. This loss and waste affects local towns and communities. More broadly it is argued that a reliable supply of labour would make Australian produce cheaper, and more competitive vis-à-vis countries like the USA, Canada and Western Europe, who do have access to seasonal guest workers. One in ten growers in the Murray Valley survey claimed that labour shortages were preventing the expansion of their business.

The National Farmers’ Federation has released a discussion paper on migration options to resolve farm labour shortages, and has proposed a feasibility study into a guest-worker visa ‘for regional areas that cannot access sufficient labour through alternate means’.⁴⁰

The arguments against a guest-worker program

A strong majority of the Murray Valley growers surveyed by Peter Mares supported the idea of using offshore workers to meet seasonal labour needs. However the extent to which farmers would be committed to a guest-worker scheme under which they themselves incur costs and obligations—as would be likely—is questionable. Most of those surveyed said they would not be willing to pay a levy to fund the scheme, and only a minority said they would be prepared to provide workers with on-farm accommodation.

A recent Australian Farm Institute study of farm demography examined but stopped short of recommending a guest-worker scheme to alleviate seasonal farm-worker shortages in the short term.⁴¹ It suggested that such a program would need to be heavily regulated and monitored to prevent exploitation of the workers involved, and could lead to dependency on such labour on the part of otherwise unproductive growers. The agricultural labour force more broadly has increasingly required skilled workers to operate the high-tech (and expensive) farm machinery used in the production of crops such as grains, cotton or sugar, or, for example, to generate and interpret crop production data and manage genetic improvement in livestock herds. Referring to the farm sector labour force generally, the AFI study found that the Australian farm sector is not competitive in attracting labour. Low remuneration,

poor conditions and lack of professional development or career structures were leading to labour shortages, especially in the horticultural industry.

The AFI study argued that in the medium to long-term the problems of the farm sector can only be met by a concerted effort to ‘professionalise’ the farm labour force. Farming is now a knowledge-based industry. The report concluded that:

... over the medium to longer-term, a substantial shift will need to occur in how farmers manage the rural workforce. The focus on keeping rural wages low will need to change, and a greater focus will need to be placed on ‘professionalising’ the rural workforce by developing training and career structures.

‘Farmers will need to recognise that in order to successfully produce the quality of outputs that are demanded by consumers in higher-value markets, a skilled and motivated workforce is essential.’⁴²

Unintended consequences—distortion and dependence

The most predictable adverse consequences of guest-worker programs identified in the overseas literature come about through processes of ‘distortion’ and ‘dependence’.⁴³ Guest-worker programs grow larger and last longer than intended. Employers make decisions based on assumptions that migrants will continue to be available. They consequently resist innovation and change or investment in labour-saving technology. Dependence grows as migrant workers, their families, communities and home governments come to depend on foreign earnings and remittances. Home governments resist the sorts of policy changes that would reduce this dependence. If and when the employment offers stop, workers dependent on higher incomes re-enter illegally or stay illegally. Guest workers who agree initially to the program rules adjust their expectations and ambitions and abandon intentions to return home.

In sectors of the labour market where employers employ mostly foreigners to do work that is seen as undesirable, conditions may stagnate, and the work becomes even less desirable. As ‘structural demand’ for foreign workers grows in a particular sector, links may develop between guest-worker programs and the ‘informal economy’, as employers and ‘illegals’ collude to circumvent the rules of the program. ‘Immigrant sectors’ with low wages and inferior conditions emerge and grow, leading to social exclusion and marginalisation and fuelling intolerance and anti-immigrant and anti-immigration sentiments among the broader population.⁴⁴

A feature of the new-style guest-worker programs in Western European countries and North America (see boxes below) is that employer sponsors of guest-workers are required to demonstrate that they have attempted to recruit locally, and that they are offering to guest workers domestic-level wages and conditions. One researcher has however suggested that labour market tests in Western European countries are difficult to implement in practice: employers become adept at going through the bureaucratic hoops, and ingenious in ensuring that no local workers are found to fill vacancies.⁴⁵ By the very nature of guest-worker programs, even the new sector-specific, more tightly managed programs, it is easy to argue

that employers are in an overly powerful position, and that guest workers are vulnerable to exploitation.

The immigration issues

Australia's immigration program

A basic principle of Australia's immigration program is that it is individual-based and non-discriminatory in terms of country of origin and thus, supposedly, of political or foreign policy goals. The program does discriminate in favour of and against applicants on grounds such as age, disability, English language skills, business skills and money to invest, education and job qualifications and experience. However, if an individual meets the criteria for a visa, no matter where they come from, they are legally entitled to it. Criteria for visas, and the quota of visas available under different components of the program, have varied with changing perceptions of the national interest. Since 1996 the migration program has had a strong skills focus, and has been particularly focussed on meeting the needs of the Australian labour market.

Another basic guiding principle has been that the migration program must not result in immigrant ghettos in Australian cities. The argument is, broadly speaking, that Australia does not have a migrant underclass, for example like France, because Australia's migration program is selective, skilled and rigorously managed. Australia's location and geography have assisted it to achieve these objectives. Unlike European countries, or the USA, Australia has no land borders.

The established migrant populations in France and other Western European countries are in large part the product of earlier guest worker schemes, illegal migration, asylum and family migration. Disadvantaged and unskilled migrants who enter Australia through the offshore managed humanitarian program, and as family migrants, are assisted to integrate and achieve social mobility through highly developed resettlement services, encompassing English language tuition, accommodation, orientation and health and job-search support.

Compliance, costs and expectations

Those advocating a seasonal Pacific guest-worker scheme do not argue on the grounds that it would in any way be in keeping with Australia's migration policy or program objectives. (Although the argument has been made that employment opportunities available to low-skilled Pacific Islanders under a seasonal worker scheme would obviate their need to stay and work illegally in Australia.) Proponents argue rather that the crisis confronting Pacific Island countries (and Australia's horticultural sector) is such that an exception should be made; that Australia should bear the immigration costs in the interests of assisting these countries (and this sector). They argue further that the numbers involved would be small in relation to the overall migration program, and thus manageable. The sorts of problems described above, associated with guest-worker programs overseas, would therefore not arise.

The Department of Immigration and Multicultural Affairs, in submissions to parliamentary inquiries, has consistently warned that there are serious risks associated with a Pacific guest-worker program.⁴⁶ They argue that similar guest-worker programs would be sought by other countries and possibly other groups of employers. There would be significant problems of compliance. Pacific Islanders have high visa overstay rates. (The country with the highest visa overstay rate in 2004–05 was Kiribati.)⁴⁷ A guest-worker scheme would increase these overstay (and illegal work and social security fraud) rates. It could lead to stigmatisation of Pacific Island communities in Australia, and a backlash against the migration program.

The department argues further that the level of management and extent of controls necessary to ensure employer and employee compliance with program conditions, and to safeguard seasonal workers from exploitation, would render such a scheme prohibitively expensive: the costs could outweigh the benefits. It points out that expectations regarding financial benefits for individual guest workers and the level of remittances sent home could be unrealistic, once costs of living and taxes in Australia are taken into account. (Temporary residents are taxed at a flat rate of 29 per cent.)

The strong reservations about guest-worker proposals expressed in immigration department submissions are supported by other sources of policy advice. Direction-setting inquiries into the migration program, such as the Fitzgerald Inquiry in the late 1980s, have been firm in their recommendations that Australia's migration program should not be used to ease the economic or political problems of particular countries or communities.⁴⁸

Temporary long-stay business visa 457

The Temporary Business (long stay) '457' visa is the most commonly used program for Australian employers sponsoring temporary overseas workers. Prospective employers approved as 'standard business sponsors' are able to sponsor an agreed number of overseas workers over a two year (renewable) period. The positions nominated to be filled by the overseas employees must be certified as genuine vacancies, and employers must meet minimum skill and salary levels. The overseas worker must be paid a gross annual salary of at least \$41 850 (concessional rates may apply in regional areas) and fill a skilled occupation (managerial, professional, or skilled trade).

In 2004–05, a total of 49 855 '457' visas were granted. The ALP and the ACTU have criticised the Government over the rapid growth in temporary work visas, especially the four-year employer-sponsored '457' visas. They have also criticised the new trade skills training visa, under which employers who claim they are unable to find trainees can sponsor fee-paying apprentices from overseas. In regard to both of these visas, they claim that young Australians are being denied jobs and training opportunities by opportunistic employers, and that the temporary trainees and workers they are sponsoring are vulnerable to exploitation.⁴⁹ The government argues to the contrary that skilled overseas workers supplement the skills base; they fill vacancies that cannot be met locally, thereby creating employment opportunities at that locality. Skilled temporary migrants relieve short-term 'bottlenecks';

they thus complement and expand, rather than replace, employment and training and retraining opportunities for resident Australians.

The government has rejected attempts to associate visas such as the '457' with the notion of 'guest worker'. The Migrant Occupation in Demand (MODL) list (of occupations in national shortage) has been expanded from its original professional focus to include trades such as plumbers and bakers. As noted above, concessional arrangements for designated regional areas allow employers (but not recruitment or labour hire agencies) to sponsor overseas workers on 457 visas for ASCO 5–7 level jobs, such as truck-driving, and to offer less than the set minimum wage level of \$41 850.

However a crucial difference remains. As noted above, guest-worker programs are designed to ensure that workers leave the country when the work is done; the fact of their leaving is what distinguishes program success from program failure. Guest-worker programs are designed to exclude guest workers from integrating into the broader community. They do not permit dependent family members to accompany the worker. '457' and trade skills training visa holders are eligible to apply to stay in Australia; indeed, they are encouraged to integrate into the broader community and to stay, particularly in regional areas. Over one-third of 457 visa holders surveyed in a 2005 study had already applied for permanent residence, and another half intended to apply. The reasons most frequently given were a liking of the Australian lifestyle, and of their jobs here.⁵⁰

Migration alternatives

Existing migration routes for people from the Pacific Islands and PNG and East Timor who want to work in Australia include permanent migration (as noted the MODL has recently been expanded to include trades skills, and Australia is funding the establishment of a regional technical college). Temporary channels include the '457' visa, or the Occupational Trainee Visa (OTV), which enables people to undertake a supervised workplace-based training program in Australia. (Prospective sponsors under the OTV must demonstrate that their organisation has a history of providing occupational training, and that occupational opportunities available to Australian residents would not be adversely affected.)

Existing migration options for horticultural growers include making more use of WHMs, under the new arrangements to expand their availability. They also include sponsoring workers under concessional regional arrangements under the 457 visa or as occupational trainees. As noted above, the immigration department has an officer working with the National Farmers' Federation to assist farmers to make maximum use of available visa options.

Overseas developments and experience⁵¹

Europe

Debate about guest-worker schemes in Europe is coloured by the failure of earlier experiences; Germany's 'Gastarbeiter' program is often cited as the archetypal guest-worker failure. The Gastarbeiter program ran from 1964 to 1973. It was based on agreements with a number of countries (including Turkey, Morocco, and Tunisia) to import workers on a rotational system. During the peak year of 1970, 958 000 guest workers were admitted. The program 'failed' because the guest workers who were supposed to leave stayed. After the program was abruptly ended with changed economic conditions in 1973, immigration continued as the 'guest workers' were joined by their families, and later by asylum seekers.

Despite the failure of their earlier guest-worker schemes, many European countries have introduced—or re-introduced—low-skilled guest-worker programs. Unlike the old large-scale European guest-worker programs of the past, these are 'micro' or 'niche' programs, driven by employers, aimed at meeting short-term vacancies in particular segments of labour markets.⁵² Seasonal horticultural worker schemes, such as those currently running in Germany and the UK (see boxes below) represent the quintessential new-style guest-worker program.

Attitudes and rules surrounding these 'lower-end' temporary worker programs are very different from the welcome European (and other industrialised) countries are now providing for skilled migrants. The major motivation for the new-style guest-worker programs is to meet labour shortages. European governments are also motivated to provide legal channels, within developing immigration policies, for what has been illegal migration and working. Proponents argue that there is simply no viable alternative. Proponents argue further that if properly designed and managed, these programs can avoid past failures and benefit all concerned: the host country receives a reliable source of workers to fill gaps in the labour market; illegal inflows are channelled into legal routes; the immigrant workers receive higher wages than they could earn at home; and the sending country benefits from remittances.

Opponents point to a confusion and ambivalence of objectives: to meet labour shortages at a time of high unemployment (in the order of 12 per cent, and 25 per cent for non-EU migrants); and to restrict and contain illegal immigration and working, when experience shows that guest-worker programs encourage illegal migration.

Germany

Development of migration policy in Germany has been contentious: because of the continuing legacy of failed guest-worker programs of the past; because of high unemployment; and because of very high levels of asylum seeker and illegal migration in the early 1990s (Germany received over 450 000 asylum claims in 1992). Since the 1990s however Germany has had programs for the recruitment of seasonal and contract labour through bilateral schemes with mainly East European countries. About 90 per cent of 293 200 seasonal guest workers admitted in 2002 were Poles, and 90 per cent worked in agriculture.

Germany's Seasonal Worker Program (SWP)

- Operates under MOUs between the German and sending countries' labour ministries
- Admits workers for up to 90 days if local workers are not available to fill vacant jobs in agriculture, forestry, seasonal hotels, fruit and vegetable processing, and sawmills
- Only individual enterprises that grow fruit, vegetables, wine, hops or tobacco may hire rotating groups of seasonal workers for more than 7 months per year
- Employers submit proposed contracts that spell out wages and working conditions and provisions for employer-provided housing, meals and travel arrangements
- Local Labour offices approve recruitment of foreigners after testing the local labour market and reviewing the contracts.
- Employers may request migrants by name, and they do for 90 per cent of the time.
- Both employers and migrants make payroll tax contributions that are about 35 per cent of wages.

Evaluations of Germany's current guest-worker programs suggest that while these programs have succeeded in turning some otherwise 'unauthorised' migrants into legal guest workers, there are still as many illegal migrant workers as legal migrant workers in Germany.⁵³ It has also been argued that there has been insufficient debate or research into the economic costs and benefits of temporary low-skilled labour programs, and that the SWP has hastened the conversion of seasonal farm jobs into 'foreigners' jobs'.

As in the UK, guest-worker programs in Germany are being developed within the context of a broader immigration policy, with channels to encourage permanent and temporary skilled migration, and a more tightly managed channel for low-skilled guest workers.

The UK

The UK's Seasonal Agricultural Workers Scheme (SAW) began in 1945 to provide jobs for displaced persons after WW2. In recent times it has permitted as guest workers non-EU agricultural students from Eastern Europe and the former Soviet Union (most have come from Lithuania, Russia, Ukraine, Kazakhstan and China). Its extension in the 1990s was part of an attempt by the government to break the grip of 'gang-masters' often reported in the media as exploiting illegal workers and asylum seekers. In 2003 there was a quota of 25 000 SAW places, reduced to 16 250 for 2005 because the nationals of the EU-10 countries (who joined the EU on May 1 2004) may now travel to the UK without visas and work simply by registering.

The UK's Seasonal Agricultural Workers Scheme (SAW)

- Allows workers from outside the EU to enter the UK for seasonal agricultural work (planting and gathering crops; on-farm processing and packing; and handling livestock e.g. poultry processing)
- Applicants have to be over 18 and full-time students
- Applications must be made outside the UK. Successful applicants are given a work-card or permit
- Maximum period in the UK six months, extendable six months. (Average stay is three months)
- Scheme is managed by 'operators' who recruit workers overseas and place them on farms. Can only work where placed by operator. Can only change employer with agreement of operator. Operator inspects farms and deals with any complaints
- If a worker wants to leave a scheme, they must leave the UK. No other visas can be applied for
- No dependants

Farmers in the UK have claimed that the viability of their enterprise depends on migrant workers.⁵⁴ The UK Government claims that by expanding guest-worker admissions it can reduce illegal migration and employment.⁵⁵ A study published in July 2003 by the UK Trades Union Congress claimed there were up to 2.6 million migrant workers in Britain who were under the control of 'gang-masters' and unregulated recruiters. It claimed that farmers were unable to make the distinction between 'legals' and 'illegals'; that many couldn't afford to pay wages above welfare levels, and that people were evading taxes and being exploited. It made the point that while there was a system in place to recruit seasonal guest workers from Eastern Europe, there was no infrastructure to recruit people from East Anglia or Essex.⁵⁶

The USA

As in Europe, debate about guest workers is coloured by the failure of an earlier program, the 'Bracero' program. This ran from 1942 to 1964, and admitted mainly agricultural workers from Mexico. It was accompanied by massive illegal immigration, and followed by even more massive illegal immigration. The number of illegal migrants in the USA is currently estimated at around 11 million. Guest-worker legislation is currently being debated as a way of addressing the issue of illegal entry and working. Illegal, mainly Mexican immigrants comprise the majority of farm workers in the USA.

The guest-worker solution to illegal migration is widely supported by agricultural trade associations in the USA, but has been strongly criticised by some migration academics and commentators. According to Mark Krikorian of the Centre for Immigration Research in Washington, guest-worker programs are both immoral and unworkable:

It's not that our nimble and inventive free market cannot respond to evanescent labour shortages, but rather that certain jobs are considered by lawmakers to be beneath the dignity of an American, and therefore foreigners must be procured to do the work. ... [S]uch a

perspective moves us dangerously in the direction of Saudi Arabia, a society few Americans would want to emulate.

The bad news is that the mass importation of cheap foreign labor already seems to be undermining our commitment to the virtue of work, a process that can only be accelerated by a guest-worker program. ... As immigration has increased, native-born low-skilled workers (those most directly affected by foreign-labor programs) are increasingly dropping out of the labor force, and the tendency seems most pronounced among teenagers.

In addition to their moral hazards, guest-worker programs just can't work even on their own terms. Every guest-worker program—everywhere—has failed. In every instance, they lead to large-scale permanent settlement, they spur parallel flows of illegal immigration, and they distort the development of the industries in which the foreign workers are concentrated.⁵⁷

Other commentators point out that the government has no choice other than to provide some sort of earned amnesty to people already established in the USA, and to devise for the future a guest-worker program and try to make it work.⁵⁸ The removal of 'undocumented' people in the numbers otherwise involved is simply not feasible; nor is the notion of preventing willing workers from crossing the border to join up with employers who have come to depend on them.

Canada

Canada's seasonal agricultural workers scheme has been suggested as the most useful model for Australia.⁵⁹ Like Australia, Canada has a long tradition of managed migration. According to Citizenship and Immigration Canada (CIC) the primary reason for this guest-worker program is to meet fruit, vegetable and horticultural growers' demands for low-skilled labour and thus benefit Canada's trade competitiveness.⁶⁰ An objective is also to provide a legal channel of entry for workers from countries with links to Canada, and support the economic development of these countries through remittances.

Canada's Seasonal Agricultural Workers Program (SAWP)

- Allows for entry of about 20 000 workers each year from Mexico and Caribbean countries, for an average of 4 months employment, to meet the needs of specific agricultural commodity sectors
- Primary government agency administering the program is Human Resources and Skills Development Canada (HRSDC), in association with Citizenship and Immigration Canada
- Also managed through bilateral agreements, MOUs between Canada and the source countries and employment contracts between growers, migrant workers and sending government agencies. Sending country 'liaison officers' (foreign officials working at an embassy or consulate in Canada) are responsible for administering the SAWP for workers from that country
- Employer applying for work permits demonstrates efforts to hire Canadians, and efforts to employ unemployed Canadians through HRSDC and provincial employment programs
- Employer must offer higher of minimum wage (C\$7.15 per hour in October 2004), prevailing

wage or piece-rate wage paid to Canadians doing the same job

- Employer pays airfares, immigration visa costs (deductible through payroll tax) and ensures workers are covered by workers compensation and health insurance
- Entry is for up to 8 months. Workers may return over a number of years, however no residency rights accrue
- Workers live on growers' properties and can work only in agriculture. The growers provide housing and meals or cooking facilities
- Workers can be repatriated for 'non-compliance'. There is no right of appeal
- Most workers are 'named' by growers. They can be transferred to another farm only with the consent of a government agent. Unemployed workers must leave Canada

From a US and European perspective the Canadian guest-worker program is considered good practice in that it is tightly managed and seen as reducing illegal entry and work. The number of illegal immigrants employed in low-paid jobs in Canada is estimated by Canadian officials to be in the order of 400 000.⁶¹ This is not low by Australian standards. (The estimated stock number of visa overstayers in Australia at the end of June 2005 was 47 000.)

Studies suggest that CSAWP workers appreciate the opportunity to return year after year to earn relatively good money in Canada.⁶² They also suggest that remittances help guest workers' families and help alleviate rural poverty in the home country. Canadian unions however have cited many cases of exploitation and abuse of workers, and have described CSAWP as 'Canada's shameful little secret'.⁶³

As in the US agricultural sector, the ready access to low-skilled cheap foreign labour provided through CSAWP has been criticised as downgrading productivity and competitiveness in the sector over the longer term, as employers are able to avoid innovation and investment in new technology. Another criticism is that the Canadian guest-worker program, with its many layers of administration, would be so expensive that the costs to government would outweigh any economic benefits to the nation as a whole.⁶⁴ Canadian taxpayers are thus subsidising employers' use of cheap labour.

The costs of administration and compliance

On one issue there is clear consensus in the overseas literature on guest workers. That is, that if the new niche or 'micro' guest-worker programs are to avoid failing like earlier programs, a great deal of government involvement and intervention will be required.⁶⁵ Employers will have to be closely monitored, and penalties against those who do not meet their obligations and undertakings strictly enforced. 'Compliance' mechanisms to ensure that guest workers go home will also have to be strictly enforced. Compliance mechanisms already in place or proposed for guest-worker programs in Europe and Canada (and proposed for Australia) include: withholding a proportion of wages; requiring security bonds to be posted; requiring

signed undertakings to leave; allowing only married men with children to apply (and not allowing families to come with the workers); and restricting freedom of movement.

Such rules arguably violate, if not guest workers' human rights, their human dignity. The harshness of such rules is another reason for the antipathy directed against the notion of guest workers, and why guest-worker programs are seen by some as not only undesirable but unworkable in a modern liberal democracy.

Conclusion

Philip Martin, summarising the guest-worker situation overseas, has said:

Guest worker migration is normally initiated by employers who want to employ foreign workers. Their governments as well as unions and other social partners may agree that guest workers are needed if the overall unemployment is low, if there are more job vacancies than applicants in particular sectors, if the presence of migrants can reduce bottlenecks that could lead to inflation, and if labor migration is seen as aiding development in the migrants' countries of origin. Governments in labor-sending countries usually welcome the relief of unemployment and remittances afforded by emigration, so that programs that allow one country to 'borrow' excess workers from another has a compelling logic, which is one reason why guest-worker programs are often begun without extensive discussions of their longer-term impacts.⁶⁶

Australia has a different migration tradition and culture (and geography) from the countries of Western European or North America.⁶⁷ It does not share the compelling need of Western Europe and the USA to provide a legal alternative for large-scale illegal migration and working. Successive Australian governments have invested heavily in the migration program, in the integration or settlement of migrants, and in research into migration and settlement issues. There is a high degree of awareness of the risks and longer-term impacts for Australia of a guest-worker program. Whether Australia has already strayed too close towards a guest-worker program, with its '457' and trade skills training visas, is being hotly debated.

Times have changed, and people are more mobile in an age of globalisation. However it is likely that there would be a degree of distrust and distaste about the prospect of a guest-worker program among the general public. People are likely to be concerned about visa overstayers and illegal working, and about the employment of unskilled—and unemployed—Australian residents. People are also likely to be concerned about the situation and possible exploitation of the guest workers.

Martin Ruhs has suggested that guest-worker programs for low-skilled workers from developing countries, while they raise ethical questions, may be preferable, as far as these workers are concerned, to the alternatives on offer from developed countries. These are no migration at all, except for illegal migration or the asylum channel.⁶⁸

The differences between Australia and Western European countries that have introduced or re-introduced seasonal guest-worker programs in recent years go way back, to the post World

War II era, when Australia's migration program was initiated. While pressure is being maintained on the government to develop or at least trial a guest-worker program, in the short-term it is likely to respond through such measures as further expansion of the Working Holiday Maker program, and further assistance for Pacific region nationals and Australian horticulturalists to make use of existing migration opportunities. As the Prime Minister, John Howard, said at the Pacific Islands Forum on 25 October 2005:

There are some fundamental issues involved in seasonal workers and it's not something that in the past Australia has felt inclined to embrace and it's not something that we change our policy on regularly.

As noted above, the government, in its white paper on Australia's aid program, released on 26 April 2006, has rejected the White Paper Core Group's proposal to consider a guest-worker program for the Pacific. The white paper states: 'Australia's current policies on migration in this regard will not change'.⁶⁹

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