

# The (Apparent) Refugee Entrepreneurship Paradox in Australia: Regional and Rural Experiences

Paper to the *ISA World Conference*, Toronto, July 2018

By

Jock COLLINS, UTS Business School, University of Technology Sydney (UTS), Australia

and

Branka KRIVOKAPIC-SKOKO, Charles Sturt University, Australia

# Structure of Presentation

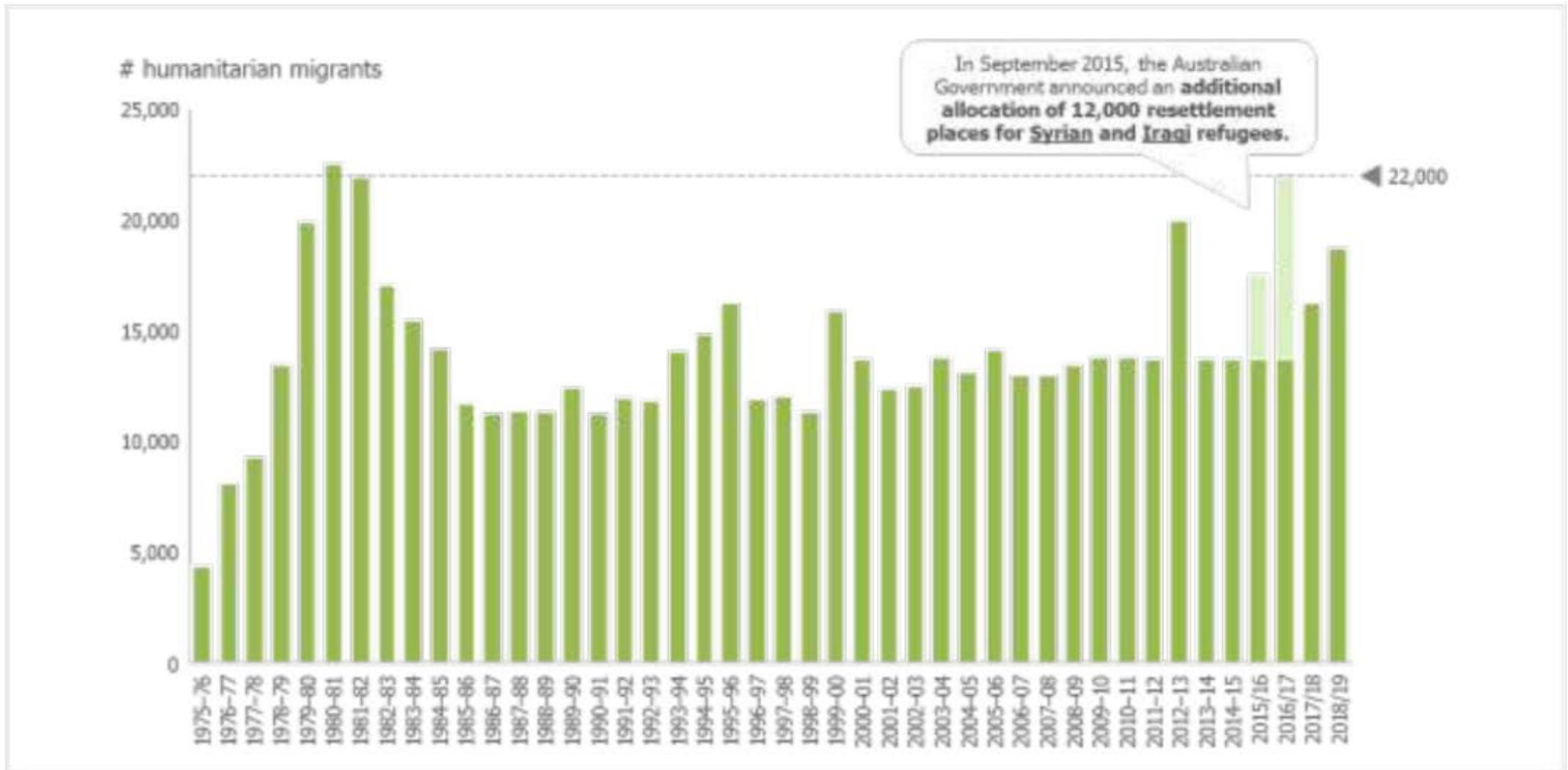
- Why are studies of refugee entrepreneurship relevant to RC05?
- Background on refugees in Australia
- What is the (apparent) paradox of refugee entrepreneurship in Australia?
- What insights does new research in Australia with refugee entrepreneurs in Australia bring to this discussion?
- What are the regional and rural dimensions of the issue of refugee entrepreneurship?

# Refugees intakes in Australia

- Australia has a *relatively generous humanitarian and refugee resettlement program* that is the third highest in the world and the highest per capita, though Australia received just 0.24 per cent of the world's asylum claims (RCOA 2016: 25).
- The annual humanitarian immigration intake has been around 13,750 per year in recent years, Since then the Australian government has announced an increase in Australia's humanitarian intake to *16,250 in 2017-18 and 18,750 in 2018-19* while the Opposition plans to increase the humanitarian intake to 25,000 by 2024-25 (DIBP 2016:10)
- In addition, on September 9 2015 then Prime Minister Tony Abbott announced that Australia would permanently resettle *12,000 refugees from the Syria-Iraq conflict* on top of the planned annual intake of refugees and humanitarian immigrants. This cohort has now arrived in Australia.

# Australia's Humanitarian Intake 1975-6 to 2018-9

Source: CPD (2017: 10)



# Refugees and asylum seekers : blocked mobility in labour market

- Humanitarian entrants to Australia experience greater **socio-economic disadvantage** in Australia than do other immigrants, particularly in the labour market.
- One-third of humanitarian entrant settlers remain **unemployed** after three years of settlement in Australia (Hugo 2011:104).
- When they do get jobs, humanitarian immigrants face what Hugo (2011: 109) calls '**occupational skidding**', that is, they do not get jobs commensurate with their qualifications and generally end up working in low skill and low-paid occupations irrespective of their human capital (Colic-Piesker 2007).
- **Formal and informal discrimination** blocks the mobility of refugees in the Australian labour market
- Many refugees have turned to **entrepreneurship to create their own jobs**

# Refugees have highest unemployment rates of all immigrants

Source: Productivity Commission Inquiry Report *Migrant Intake into Australia* No 77, 13 April 2016 p 476

**Table 13.5 Labour market outcomes**

Immigrants who arrived between 2009 and August 2011<sup>a</sup>

<i>Visa streams</i>	<i>Unemployment rate</i>	<i>Labour force participation rate</i>	<i>Share of employed people working fulltime</i>
	%	%	%
Skilled	11.6	74.2	71.9
Total Family stream	21.0	54.1	62.1
Parent (103)	27.3	6.8	37.1
Contributory Parent (143)	28.9	27.1	47.5
Other family	20.6	57.6	62.7
Humanitarian Programme	37.7	26.5	57.7

<sup>a</sup> Excludes non-applicable people (principally minors). The data for parents covers only the two main visa sub classes: contributory (subclass 143) and non-contributory (subclass 103).

Source: ABS 2014c, *Microdata: Australian Census and Migrants Integrated Dataset, 2011*, Cat. No. 3417.0.55.001.

# Refugee Entrepreneurship in Australia: an overview

- **KEY PARADOX: Refugees face the greatest barriers to entrepreneurship, yet they have the highest rates of entrepreneurship of all categories of entry of immigrants. Why??**
- We need to look at the literature on **immigrant entrepreneurship** (Ivan Light, (Light 1972; Light and Gold 2000) - *Ethnic resources, class resources*; Waldinger, Aldrich and Ward (1990) – *group characteristics* and opportunity structures; Kloosterman and Rath (2001, 2003) – *mixed embeddedness* and to the theory of **Diasporic entrepreneurship** (Hench 2007, Newman et al 2010, Rezaei, 2011).
- This must be situated within the **political economy** of refugee settlement in Australia and a **social ecology** of refugee settlement and refugee entrepreneurship in Australia.

# The Refugee Entrepreneurship Paradox in Australia

- **Refugees face the greatest barriers to entrepreneurship:**
- They have *no financial capital* to start up a new business, not credit history, no assets to mortgage, and no security.
- Their educational qualifications are often not recognised in Australia and with *no acknowledged human capital* they can't get a job or, if they do, get one well below their ability.
- Most have no social networks of established family and friends to provide capital, advice and support, *lacking the social capital* that many non-refugee immigrant entrepreneurs in Australia have been able to draw on.
- Newly-arrived refugees also have *little or no knowledge of the Australian rules and regulations and red-tape* that all new entrepreneurs must overcome.
- They also had *little familiarity with the local market and business opportunities*, the informal knowledge the new entrepreneurs must possess.
- Many did not have strong English-language fluency. That is they *lack linguistic capital*.



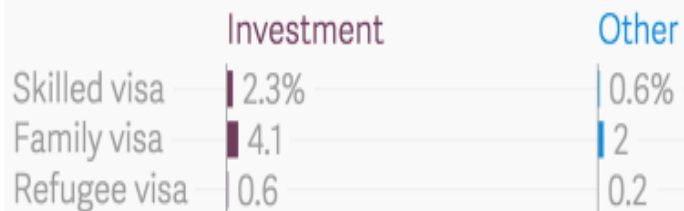
# The Refugee Entrepreneurship Paradox in Australia

- **Yet refugees have a *strong history of entrepreneurship* in Australia and a *highest rate of entrepreneurship of all immigrant arrivals*.**
- **“Humanitarian migrants were the most entrepreneurial** while skilled migrants generated the most income in 2009-2010, according to figures released for the first time by the Australian Bureau of Statistics” (ABS 4 September 2015)
- Personal Income of Migrants for the 2009-10 financial year from the Personal Income Tax and Migrants Integrated Dataset (PITMID) shows that **“While almost two-thirds of migrant taxpayers were migrants with a Skilled visa — reporting \$26 billion in Employee income — Humanitarian migrants displayed greater entrepreneurial qualities and reported a higher proportion of income from their own unincorporated businesses and this income increased sharply after five years of residency.”**
- Source: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/3418.0Media%20Release12009-10?opendocument&tabname=Summary&prodno=3418.0&issue=2009-10&num=&view=>

# Refugees More Entrepreneurial than other Australian immigrants

Source <http://qz.com/495390/refugees-the-most-enterprising-migrants-in-australia/>

## Where migrants to Australia get their income



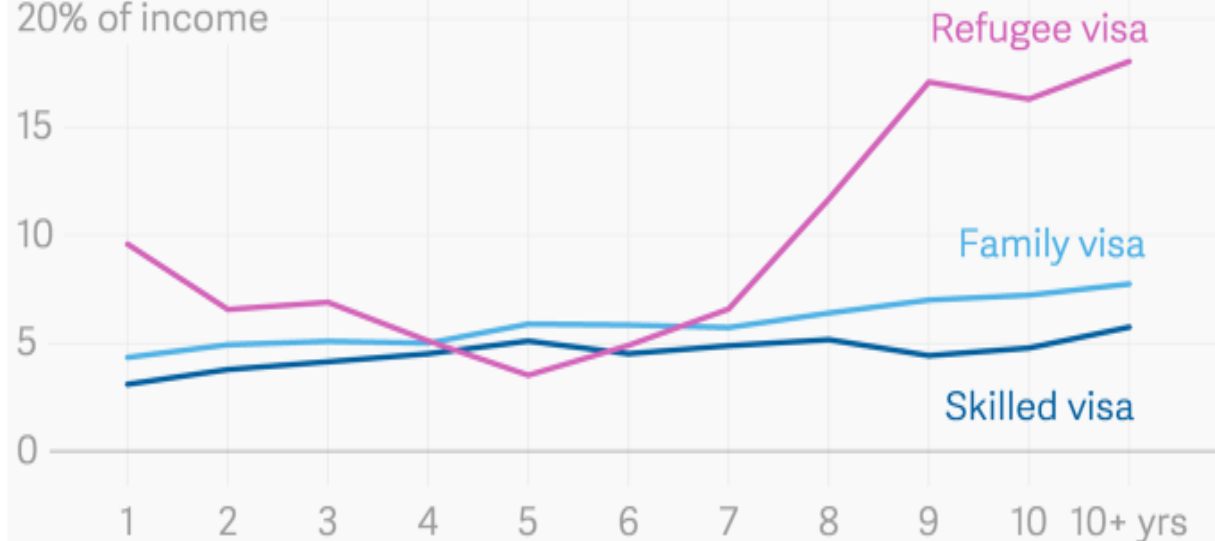
ATLAS | Data: ABS

## Refugee enterprise formation by years in Australia

Source <http://qz.com/495390/refugees-the-most-enterprising-migrants-in-australia/>

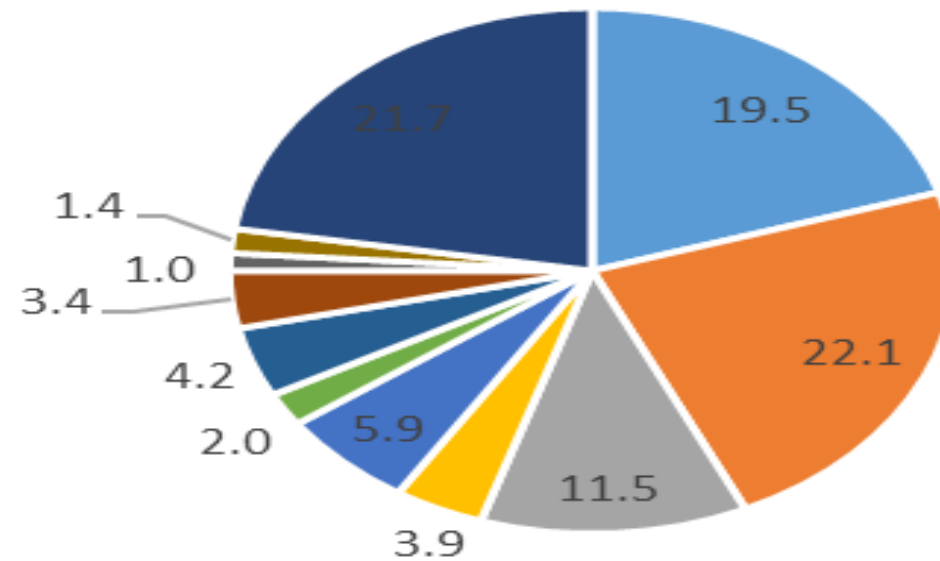
### No. of years in Australia vs. own small business income

20% of income



ATLAS | Data: ABS

# Birthplace of Refugee Entrepreneurs 2013-14 (%) ABS Data



- Sudan
- Afghanistan
- Iraq
- Myanmar
- Iran
- Sri Lanka
- China
- Ethiopia
- Sierra Leone
- Liberia
- Born elsewhere

# Why an *apparent* paradox?

- The **barriers** that refugees face to setting up a business in Australia are very real and considerable, but not unsurmountable.
- But by focussing only on these barriers we get transfixed by a **deficit model**.
- This does not give sufficient attention to the **agency** and **resilience** of refugees, their **determination** to make a good life in Australia for their families.
- It does not take in to account that many refugees have experience as entrepreneurs (often **informal entrepreneurs**) in their home country prior to displacement and in the refugee camps.
- It does not acknowledge that while setting up a business requires risk takers **refugees (especially boat people) are the greatest risk takers of them all**.

# Refugee Entrepreneurship in Australia: new research insights

- **ARC Discovery Grant (2015-17) DP150104059** “*Humanitarian immigrant entrepreneurs in private and social enterprises*” (with A/Prof Branka Krivokapic-Skoko (CSU): A national survey of 100 refugee entrepreneurs.

Collins, J., Watson, K. and Krivokapic-Skoko, B. (2017) *From Boats to Businesses: the Remarkable Journey of Hazara Refugee Entrepreneurs in Adelaide*, UTS Centre for Business and Social Innovation, pp 117, <https://www.uts.edu.au/sites/default/files/2017-10/From%20Boats%20to%20Businesses%20Full%20Report%20-%20Web.pdf>

- **UTS Contracted Research Grant (2014-17)** “Facilitating New Refugee Enterprise Formation in Sydney” Contracted Research partnership with Settlement Services International (SSI). Action research assisting newly arrived refugees to set up a business.

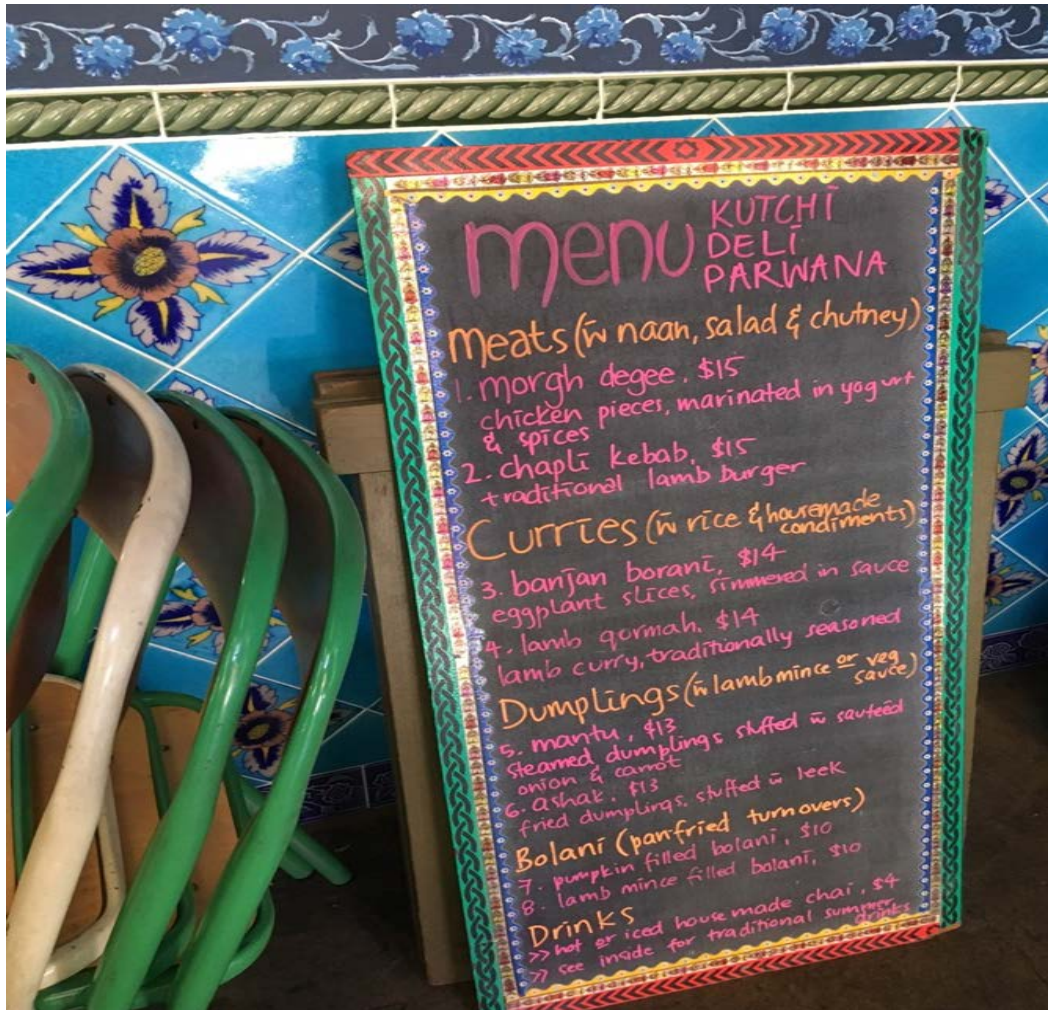
Collins J.(2017) *From Refugee to Entrepreneur in Sydney in less than Three Years*, UTS Business School, Sydney, pp 98. <http://www.ssi.org.au/services/ignite>

# Refugee entrepreneur informants from metropolitan (LHS) and regional and rural Australia(RHS)

World Region	Country of birth*	No. of informants						
		NSW		QLD		VIC		All
		Male	Female	Male	Female	Male	Female	
Africa (48)	Burundi			1				1
	Congo			2	4			6
	Egypt*						1	1
	Eritrea			1	2	1		4
	Ethiopia		1	3	1			5
	North Somalia			1				1
	North Sudan	1			1			2
	Rwanda				1			1
	Somalia*			3	7		1	11
	South Sudan		1	1			2	4
	Sudan	2	2	3	2			9
	Uganda				1			1
Asia (7)	Western Sudan	1		1				2
	Bhutan (Buddhist)			1				1
	Bhutan (Hindu)			1				1
	Burma	1		1				2
	Myanmar			1				1
	Sri Lanka (Tamil)			1				1
	Thailand (Hmong)*			1				1
Middle East (29)	Afghanistan (ethnicity not stated)					1		1
	Afghanistan (Hazara)			1		15		16
	Afghanistan (Pashtun)					2		2
	Iran	1					1	2
	Iraq	1	1			1		3
	Pakistan (Hazara)					3		3
	Syria						1	1
	Yemen					1		1
<b>Total</b>		7	5	23	19	24	6	84

World Region	Country of birth*	No. of informants						
		NSW		QLD		VIC		All
		Male	Female	Male	Female	Male	Female	
Africa (15)	Burundi			1				1
	Congo			2	2			4
	North Sudan				1			1
	Rwanda				1			1
	Somalia			1	2			3
	South Sudan		1				2	3
	Sudan		1	1				2
	Asia (5)	Burma	1		1			
Myanmar				1				1
Sri Lanka (Tamil)				1				1
Thailand (Hmong)*				1				1
Middle East (2)	Afghanistan (Hazara)						1	1
	Iraq					1		1
<b>Total</b>		1	2	9	6	2	2	2

# FROM BOATS TO BUSINESSES: HAZARA REFUGEE ENTREPRENEURS IN ADELAIDE



## 3. The Hazara Informants

### Hazara Boat People and Incarceration

- While most were born in Afghanistan, nineteen of these Hazara refugee entrepreneurs had lived in another country (Pakistan, Indonesia or Iran) after being displaced. The majority of them had arrived in Australia by boat
- Some informants spent several years in one or more countries before arriving in Australia. Some spent only a brief time in other countries, such as Indonesia, on their way to Australia, others were sponsored by the UNHCR or by a relative, and travelled by air
- At least 15 informants spent time in detention – most in the Woomera Detention Centre in South Australia – and then moved to Adelaide to settle.
- Other informants had spent time in other places in Australia, most often capital cities of other States, most often Melbourne, but also Brisbane, Sydney and Perth. They moved to Adelaide to reunite with their acquaintances – family and friends – in the Hazara Diaspora.

Manner of arrival	No. of informants		
	Male	Female	All
Arrived by boat	16	1	17
UNHCR	2	1	3
201 Visa	1		1
Sponsored by spouse	1		1
Sponsored by parent	3		3
Sponsored by other family member	3		3
Not specified	3		3
<b>TOTAL</b>	<b>29</b>	<b>2</b>	<b>31</b>

City or town*	No. of informants		
	Male	Female	All
Christmas Island**	3		3
Nauru**	1		1
Port Headland**	2		2
Woomera**	6		6
Darwin**	3		3
Brisbane	4		4
Melbourne	5		5
Perth	3		3
Sydney	4		4
Newcastle	1		1
Dubbo	1		1



# Key Findings

- embedded within their family
- One in three had prior entrepreneurship experience
- Necessity entrepreneurship due to blocked mobility
- Finance and lack of social capital a barrier: but years of work and partnership with others (including those they met in detention) overcame this barrier.
- Embedded in the Hazara Community in Adelaide
- The personal and family costs of entrepreneurship
- Employment Generation Employment Generation Employment Generation

## 4 Key Findings

### Employment Generation

- Generating employment for family and others

No. of employees	No. of businesses employing each category					
	Full time			Casual		
	Refugees (not family)	Family members	Others	Refugees (not family)	Family members	Others
1	3	2	1	2	2	
2	4	2				1
3	2		1	1		
4			1			
5					2	
6			1			
7						1
8			1			1
9					1	
20+						1
80+			1			
870 sub-contractors						1

# Action Research: The SSI Ignite Program

- embedded within their family
- One in three had prior entrepreneurship experience
- Necessity entrepreneurship due to blocked mobility
- Finance and lack of social capital a barrier: but years of work and partnership with others (including those they met in detention) overcame this barrier.
- Embedded in the Hazara Community in Adelaide
- The personal and family costs of entrepreneurship
- Employment Generation Employment Generation Employment Generation