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Selection, Migration and Integration: Why Multiculturalism Works in Australia (And Fails in Europe)

Oliver Marc Hartwich

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Executive Summary

Australia is one of the most multicultural countries in the world. Almost a quarter of the population was born abroad; almost half have at least one parent born overseas.

It is remarkable that this high degree of diversity has not led to social segregation. On the contrary, Australia's migrants are extremely well-integrated by international standards. Migrant children often reach better education results than the native population. Migrants are on average not more criminal than Australians, and they score very well in terms of their labour market results, too.

Other countries' experiences with migration have been very different. In particular, migration into European countries like Britain and Germany has created socio-political tensions. Last year, Chancellor Angela Merkel declared that multiculturalism had failed in Germany. More recently, Prime Minister David Cameron made similar remarks about the United Kingdom.

So why is it that multiculturalism works in Australia but failed elsewhere?

It is often believed that Australia provides an especially welcoming atmosphere to its migrants and integrates them well into society. Although there may be some truth in these assertions, this monograph argues that the key to the success of Australia's multiculturalism can be found in its selective immigration policy.

Australia predominantly receives migrants who were qualified and capable of easily integrating into society. This is unlike Europe where for decades, countries such as Germany and Britain failed to select their migrants carefully. Migrants who entered European countries with poor language skills and qualifications found themselves dependent on the welfare state.

Ethnic diversity can work—but only if it is accompanied by a selective migration system to ensure that only migrants willing and able to integrate enter the country. The future of Australian migration depends on not repeating the 'come one and all' policy of Europe and its welfare model—the reasons why multiculturalism has failed in Germany and Britain.

Introduction

Australia's population is growing. And it will keep growing, according to the key demographic factors. At a median age of just over 37 years, Australia's population is young compared to other developed nations. Australians born today can also expect to live much longer than previous generations, and longevity is forecast to improve still further. In addition, fertility is just below the level that would keep the native population stable. Finally, inward migration strongly exceeds outward migration, leaving a positive net migration gain to Australia year after year.

The demographic factors of life expectancy, fertility and migration shall ensure that under existing conditions, Australia's population will increase from its current level of about 22.5 million people.[1] By precisely how much is an unknown. The 2010 *Intergenerational Report* projected a most likely population scenario of 35.9 million by 2050.[2] My own calculations confirm the Treasury's findings.[3]

It is important to accept the inevitability of population growth because only then will we able to work on the multiple challenges to public policies. Demographic change has many different facets. Related issues range from infrastructure provision and health care for an ageing population to planning for housing and water policy.

Of all the probable results of Australia's inevitable population growth, though, the social impacts of migration are probably the most controversial. This is unsurprising. Migration can change the face of a country and alter the social and ethnic composition of entire cities or individual neighbourhoods. In the most positive case, migration can enrich a culture. In the most negative scenario, migration can create tensions within society and lead to socio-ethnic fragmentation and segregation.

Over the past half century, Australia has become one of the most ethnically diverse countries on the planet.

Over the past half century, Australia has become one of the most ethnically diverse countries on the planet. Internationally, it is seen as a model 'multicultural' society (although the term in itself may be misleading as it mainly refers to a multi-ethnic society). Domestically, there is pride in this achievement, particularly since it was achieved in such a short time. As former Prime Minister John Howard put it some time ago: 'No country has absorbed as many people from as many nations and as many cultures as Australia and done it so well. The strength of a culturally diverse community, united by an overriding and unifying commitment to Australia, is one of our greatest achievements and one of our greatest national assets.'[4]

As part of Australia's predicted economic and demographic growth is from overseas migration, the challenge is to build on Australia's unparalleled record of integrating newcomers into its social fabric. However, to make this happen it is useful not only to study the success story of Australian migration policies.

It is equally useful to draw on the negative examples set by other countries that have failed to deal with their own migration programs. Both kinds of experiences, domestic success and European failure, can help us design the necessary migration policies for a socially cohesive Australia.

This essay first looks at the reasons why Australia's immigration policy has been so spectacularly successful in integrating its ethnically diverse migrants, followed by a comparison with the negative experiences of the United Kingdom and Germany. It concludes with policy recommendations to assist the social integration of new arrivals into the country.

Taking stock

How diverse is Australia? How well integrated are its migrants?

From the end of the White Australia policy, Australia has developed into one of the most diverse nations. At the time of the last census of 2006, nearly a quarter of Australian residents (23.9%) were born abroad and almost every second resident (45%) had at least one

parent who was born overseas.[5] The largest share of Australia's overseas-born population came from Europe (47%), followed by Asia (28%) and Oceania (11%).

Recent years show shifting immigration patterns. European migration, particularly from the United Kingdom, has declined, while arrivals from Asian countries have increased markedly. According to the Department for Immigration and Citizenship, since the 2006 census, the number of migrants from India 'has increased rapidly and moved ahead of Italy and Vietnam to become the fourth largest contributor to Australia's overseas-born population' (after the United Kingdom, New Zealand, and China).[6]

Although there is no single index figure to measure how well migrants integrate in a new society, indicators such as education results can be used to compare the performance of migrant children against the native population. The more similar the results, the more integrated are the children of migrants and vice versa.

In this respect, Australia seems to be doing particularly well. In comparative studies, the children of Australian migrants regularly do at least as well as the children of the native population, if not better.[7] But are such indicators a reliable measure of good integration? A recent study published in the *American Sociological Review* came to a less flattering conclusion:

> To analyze the effects of policies regulating immigration, we focused on traditional immigrant-receiving countries (i.e., Australia and New Zealand). In these countries, immigrant children perform better at school. We found that composition effects from restrictive immigration policies explain this better performance. Such policies ensure that better qualified adult immigrants are more eligible for admission into these countries. The relatively high educational and occupational status of immigrant parents in these countries fully explains the better educational performance of immigrant children in these countries. We did not find evidence supporting alternative explanations. Our analyses do not support the hypothesis that the better performance of immigrant children in traditional immigration countries can be explained by a more receptive attitude toward immigrants in these countries, nor by education policies specifically designed to meet the needs of immigrant children. Apparently, traditional immigrant-receiving countries do not differ from other Western countries in these respects.[8]

Australia may deservedly claim to have the best integrated migrant children in the world. But that's not because specific efforts have been made to integrate them. It actually follows from the fact that Australia's immigration system works as a self-selecting mechanism. It allows only migrants who are well qualified and eager to succeed in their new country. Such people are then in turn also more likely to ensure that their children will enjoy a good education. In this way, Australian migrant children succeed because they come from ambitious family backgrounds.

Australia's immigration system works as a self-selecting mechanism.

Another indicator of successful integration are crime statistics to compare the likelihood for different population of getting into conflict with the law. Unfortunately, we don't have country-of-birth crime statistics. Both the Australian Institute of Criminology and the Australian Bureau of Statistics (ABS) don't keep such records. However, statistics about Australia's prison population give us a clue about the ethnic background of the perpetrators of more serious crimes such as homicide, assault and robbery.

According to the most recent ABS data, for every 100,000 Australia-born residents there are 202.4 prisoners. The total rate for the entire resident population, however, stands at 170 prisoners per 100,000 residents. This means that foreign-born residents actually have a lower chance of being imprisoned for serious offences than the native-born population.[9]

A few caveats remain, though. First, the prisoner statistics only relate to the most serious crimes. Second, there is a wide gap between different migrant groups, ranging from an extremely low rate of 28.2 for Indian-born to 555.3 for Samoan-born residents. Third, the

figures are not controlled for age or socio-economic status. Fourth, it may be that foreign-born offenders without Australian citizenship are deported early on in their criminal career.

As with education results, the reason for fewer criminals among migrants than native-born Australians may not have much to do with a particularly good integration policy but that the newcomers are less likely to offend in any case. If you are qualified enough to go through the rigorous migration system, you are more likely to come from a respectable social background with a reduced tendency towards criminal activity.

Another way of looking at the integration of migrants is to analyse their status in the labour market. Unsurprisingly, skilled migrants do particularly well in this respect. In an update on the employment results of recent skilled migrants, the Department of Immigration and Citizenship concluded that skilled migrants have higher labour market participation than the overall population. Their unemployment rate is lower and their median full-time earnings are higher.[10] Unemployment rates of all migrants converge with the Australian average the longer they have lived in Australia.[11]

Once again, the pattern is familiar. The better skilled the migrants, and the better their English language proficiency, the better are their labour market outcomes. That Australia does not have a general problem with unemployment and welfare dependency in its migrant communities has much to do with its selective, skilled migration policies. It is not, or at least not primarily, the result of specific efforts to integrate migrants into the Australian labour market.

Australia has become not only a very diverse country but also a country with a well integrated migrant population. The reason behind this positive outcome, however, may not lie in programs to foster integration, diversity or multiculturalism. Through its public policy, Australia has deliberately attracted skilled and hard-working migrants (both the European migration after World War II and the Asian migration from the 1970s) whose ethics and skills and desire to make a new life in Australia managed to attract migrants willing to work and prosper in Australia while effectively barring entry to those whose profiles did not match these strict requirements.

In terms of global migrant movements, Australia has been cherry picking the best-qualified migrants.

In terms of global migrant movements, Australia has been cherry picking. With its points based migration system, it has actively tried to attract only the best-qualified migrants who are most likely to positively contribute to Australia's society and economy.

Other countries have been far less selective in their immigration policies. The United Kingdom and Germany are good examples of such less targeted migration programs. Both countries admitted migrants for reasons other than their skills profiles. Both countries are now case studies of how unplanned migration policies can create social segregation and welfare dependency—the very things Australia has avoided so far but can easily fall into the same trap if we don't take precautions.

UK: Living apart together

The United Kingdom has always attracted migrants. Ever since the Norman conquest of 1066, large waves of migration regularly reached Britain.[12] In the seventeenth century, more than 50,000 Huguenots arrived; between the sixteenth and the twentieth centuries, more than 150,000 Jews settled in Britain. However, ethnically the United Kingdom remained a predominantly white European country. Its ethnic composition after World War II looked little different from the late medieval times. The 1951 Census recorded a foreign-born population of about 2.1 million (4.2% of the total population), and they were almost exclusively from other European countries.[13]

Compared to the preceding centuries of 'ethnic tranquility,' Britain experienced demographic changes at a remarkable speed and intensity after World War II. They were triggered almost by accident. The *Nationality Act* of 1948 gave a right of residence to citizens of all places around the world that were still British colonies on 1 January 1949. In theory,

more than 800 million people could have moved to Britain under this law. However, Britain did not expect a surge of migrants.[14] After all, it was still suffering from the destruction of the war (food rationing only ended in 1954!) and did not consider itself as a desirable destination.

Reality was different. Migrants from the colonies arrived in droves. Despite later attempts to close the door that had been opened wide in 1948, the number of foreign-born UK residents grew dramatically: 2.5 million in 1961, 3.4 million in 1981, and 4.9 million in 2001. The current figure is close to 7 million.

It was not just the number of migrants that changed, but their ethnicity as well. In the 2001 census, 85.7% were classified as 'White British.' However, there are strong regional variations, with Scotland, Wales and Northern Ireland remaining almost exclusively 'White British' while England has lower percentages. The lowest 'White British' share was recorded for Greater London at 57.7%.

In a sense, the United Kingdom and Australia have experienced similar developments over the past 60 years. Both started out as almost exclusively white British countries, and both have become ethnically diverse since (Australia even more so than Britain). However, Australia is seen as an example of successful multiculturalism, whereas Britain has to deal with increasing segregation, religious extremism, racial tensions and also, as seen in the attacks on the London Underground, incidences of home-grown terrorism. Migration and the lack of integration are driving Britain apart. In the words of Trevor Philips, chairman of the Equality and Human Rights Commission, Britain's current approach to multiculturalism is moving Britain to 'sleepwalk towards segregation'.

The superficiality of British multiculturalism is on display in every British town hall.

The most obvious explanation is that Britain did not select its migrants like Australia, which allowed only those migrants it wanted. Compare this to the United Kingdom's open invitation to hundreds of millions of unknown quantities from the colonies. A mere link to the Commonwealth of Nations sufficed for entry and citizenship. Throughout the post-War period, it has been far easier to enter the United Kingdom than its former colony Australia.

Britain's development into an immigration nation largely happened in the same way it had built its Empire: unplanned, uncoordinated and, in the words of John Seeley, in 'a fit of absence of mind.' British governments adopted multiculturalism as a guiding principle, and introduced strict non-discrimination laws in the mid-1960s. Noble motives aside, British authorities showed an astonishing lack of interest in either steering migration or ensuring integration into British society.

The superficiality of British multiculturalism is on display in every British town hall. The British government and its agencies now rival the United Nations in its employment of interpreters and translators. London's *Daily Telegraph* reported that the police spend £25 million on interpreters annually for the benefit of foreign offenders, victims and witnesses who do not speak English.15 Haringey Council welcomes visitors to its website with information in French, Kurdish, Albanian, Somali and Turkish. The council of Salford went even further. They recruited a 'Welfare Rights Linkworker' to provide advice on 'means-tested, non-means tested and disability benefits as well as tax credits' in Urdu and Punjabi. Although such initiatives are well-intentioned, they send a problematic message to newcomers: English is optional.

As a result of such policies, integration of migrants into British society has been a case of hit or miss. Although some migrant groups have become vital and successful parts of society, this is by no means true for the migrant community as a whole. In particular, the alleged lack of integration of Muslim migrants has been the subject of controversy in recent years.

Based on data from the UK Fourth National Survey of Ethnic Minorities, an IZA discussion paper showed that Muslim integration differed significantly from non-Muslim integration.

> We find that Muslims integrate less and more slowly than non-Muslims. A Muslim born in the UK and having spent there more than 50 years shows a comparable

level of probability of having a strong religious identity than a non-Muslim just arrived in the country.[16]

Slow integration into British society is also confirmed by opinion polls. According to a report by the British think tank Policy Exchange, 37% of young British Muslims would prefer to live under Sharia law.[17]

Britain developed into a migration country not only without goals or plans but also without a clear idea of what it desired to be. This lack of guiding principles was filled by migrant communities clinging on to their (religious) identities. Britain allowed migrants to dictate the terms of their residence, permitting increasing numbers for diminishing returns. The British are partially to blame themselves for the ensuing segregation tendencies. Their naive 'anything goes' multiculturalism has failed.

Germany: Unselected migration into the welfare state

Germany's migration history shows some parallels to that of the United Kingdom. Germany, too, received large migrant groups throughout its history: Huguenots fleeing from religious persecution in the sixteenth and seventeenth centuries and Poles who found work in the coal and steel industries of the Ruhr in the nineteenth and early twentieth centuries. Like the United Kingdom, migration was almost exclusively from white, European and mainly Christian countries.

The differences between Germany's migrant community and the rest of society are strong.

It is also notable that these migrant groups assimilated so well that only their French and Polish sounding surnames testify to their migrant history. It is fair to say that in the immediate post-War period, Germany was as 'white German' as Britain was 'white British,' i.e. an ethnically homogenous country.

As in the case of Britain, Germany's ethnic composition changed dramatically and rapidly since then. Last year, the German Federal Statistical Office reported that of Germany's 81.8 million inhabitants, 16 million people (19.5%) were of a so-called 'migration background,'[18] defined as either being a migrant or the descendent of migrants who entered the country after 1950. Of those people, 7.2 million migrants (8.8%) did not hold German citizenship. A large part of German migrants still originate from other European countries. However, there are currently about 3 million ethnic Turks living in Germany.

The differences between Germany's migrant community and the rest of society were strong:

- At an average age of 34.7 years, migrants were younger than the native population at 45.6 years.
- 14% of migrants lacked school qualifications, compared to only 1.8% of non-migrants.
- Even more migrants, 42.8%, did not have any professional qualifications compared to only 19.2% of the native population.
- Consequently, unemployment among working-age migrants was twice as high as in the rest of the working-age population (12.7% and 6.2% respectively).

From this statistical snapshot, the big deficiencies in the integration of migrants are obvious. However, the problems become more apparent if we break the migrants into constituent groups. The federal Labour Agency published a statistic showing the huge differences in tertiary qualifications of German residents aged 26–35:[19]

Table 1: Tertiary qualifications, German residents aged 26–35 (percent)

	No qualifications	Vocational training	University degree
Germans without migration background	12	68	20
German refugees from Eastern Europe	14	69	17
Germans of other origin	21	59	20
Other foreign nationals	30	59	11
German citizens of Turkish origin	33	57	10
Turkish nationals	54	44	2

It is clear that Germany has a social and integration problem concentrated in clearly defined migrant groups. These problems exist with regard to other criteria such as welfare dependency and crime rates, as former state treasurer and central bank director Thilo Sarrazin shows in his book. *Deutschland schafft sich ab* (*Germany Abolishes Itself*), so its provocative title, became the best-selling non-fiction book in post-War history by dealing with the failings of integration in Germany head-on.[20]

There are many reasons why Germany scores poorly on integration:

- Germany had invited migrants as 'guest workers' as a quick fix to labour shortages in the 1950s and 1960s. However, the jobs were almost exclusively non-skilled labour, and thus the qualifications of those arrivals were poor.
- It was assumed that guest workers would eventually return to their home countries, so no efforts were undertaken to integrate them.
- The Germans were busy trying to figure out their own national identity after the Third Reich—how could they make a national identity attractive to new arrivals when they had such severe difficulties in defining who they were?
- Not only did the guest workers not leave, they brought in members of their families through family reunion visas. There were no skills requirements.
- The generous German welfare state further encouraged this process. A life on benefits in rich Germany was often more enticing than a life of work in poor Turkey.

Germany did not choose its migrants carefully and ended up with large groups of poorly educated 'migration background' people.

Conclusion

Australia, the United Kingdom and Germany: All three of these countries were less ethnically diverse after World War II than they are today. But only Australia managed the transition to a multi-ethnic society well.

The differences between the three countries can almost entirely be reduced to a different approach to selecting migrants. Whereas Australia always emphasised skills and language proficiency, Germany and Britain had a free-for-all policy. If Australia wants to continue the process of attracting migrants into the future, it should not deviate from its policy of strictly enforcing its policy of selecting migrants by their suitability.

Migrants can only add value to recipient countries if they fit in and make an effort to integrate. Immigration nations ignore this basic insight at their peril.

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