The Changing Political Economy of Australian Racism

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Abstract
The Australian labour market is undergoing fundamental change, following economic restructuring and industrial relations and vocational education reform. This article outlines the recent evidence relating to unequal outcomes for immigrants from non English-speaking background and Aboriginal and Torres Strait Islanders in the Australian labour market. It then argues that, rather than meritocratic, these outcomes are partially the result of racial discrimination. The paper then considers the social and economic contradictions of racial discrimination in Australia today.

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1. Introduction

Racism has been an integral part of Australian society since white invasion more than 200 years ago. But racism is not a static phenomenon. Rather the processes of racialisation (Miles, 1982) of immigrant and indigenous peoples change over time. Economic and political changes in Australia over the past decade have transformed the dynamics of racism in the Australian labour market and in broader Australian society. The recession and economic restructuring have resulted in a dramatic transformation in the nature and availability of work. At the same time, changes in Australian industrial relations policy - including the decentralisation of employer/employee negotiations under the enterprise bargaining framework and the award restructuring process initiated under the Accord- and vocational education reforms have fundamentally changed the organisation and structure of the Australian workplace. These changes have led to complex changes in the size and composition of Australia's immigration policy - most noticeably reflected in the increasing reliance on highly qualified Asian immigrants. Nearly half of all immigrant settlers arriving in Australia over the period 1986 to 1991 came from South and East Asia (Stahl et al 1993). This is a remarkable change to immigration patterns, since Asians were excluded from entering Australia as the White Australia policy dominated immigration selection from Federation in 1901 to the late 1960s (Collins, 1991: 204-211). Similarly, the enactment of the Mabo legislation (Rowse 1993), and the establishment of a reconciliation process between Aboriginal and Torres Strait Islanders and non-indigenous Australian society, has changed the processes underlying the racialisation of Australia's indigenous peoples.

One of the main dimensions of racism is racial discrimination at work. Racist attitudes, practices and ideologies are produced and reproduced in the labour market as in other spheres of society. In Australia, it has been immigrants from non-English-speaking background (or NESB immigrants) and Australia's indigenous peoples - the Aboriginal and Torres Strait Islanders - who have been the main victims of racial discrimination in the Australian labour market in particular, and Australian society in general. The Australian labour market, like the economy in general, has undergone rapid restructuring in recent decades. Cyclical crises - in the form of the severe economic recession of the 1990s - and structural change - stemming from global economic restructuring and domestic policy shifts - have been the major forces behind these changes. At the same time, the Australian state has introduced Acts which proscribe the most overt dimensions of racial discrimination. This article attempts to sketch some of the major aspects of this changing political economy of Australian racism.

There are many manifestations or forms of racial discrimination in the Australian labour market. The first is disproportionately high rates of unemployment experienced
by NESB immigrants and Aboriginal and Torres Strait Islanders. This can be explained partly in terms of the racist attitudes and practices of the "gatekeepers" of the labour market, that is, individual employers or personnel officers, and partly by the more indirect form of institutional racism. Here racism acts to exclude NESB immigrants or Aboriginal and Torres Strait Islanders from participation in wage labour. Another manifestation or form of racial discrimination occurs when NESB immigrants or people of indigenous background are employed, but in jobs below their ability. Here racist attitudes and practices, conscious or unconscious, of individuals and/or institutions are a barrier to the meritocratic recognition of the skills, qualifications and capabilities of NESB immigrants or Aboriginal and Torres Strait Islanders. The result of this form of inclusive racism is that they are disproportionately concentrated in lower paying, inferior jobs compared to others of equal ability or equal human capital. Patterns of labour market segmentation emerge, marked by gender and ethnic or "racial" background, with men and women from NESB or Aboriginal background demonstrating different and inferior employment profiles to that of others in the Australian labour market.

Much of this is of course heresy to conservative social scientists, who explain such labour market outcomes as meritocratic outcomes for individuals with "inferior" levels of human capital. Clearly, racism in the labour market and elsewhere in society is an elusive phenomenon to document and demonstrate. This is part stems from an absence of any "hard data". There are no statistical series on the incidence of racist decisions by personnel officers or employers, who do not record the number of times per day that they have acted in a racist way. Indeed, one of the features of contemporary racism is denial, because racial discrimination is deemed as an unacceptable - and in Australia's case, unlawful - way to behave. Anti-Discrimination, Equal Employment Opportunity and Racial Vilification legislation have been introduced by Federal and State governments (Foster and Seitz, 1993). These laws outlaw the practices of racial discrimination at work and in the community. But despite the existence of these laws - and bodies such as the Human Rights and Equal Opportunity Commission - racial discrimination in Australian society continues in the 1990s, often in an indirect or informal way. A report on racial discrimination which reviewed all aspects of the Australian evidence for the International Labour Office, concluded that "despite the existence of significant legislation outlawing discrimination and the introduction of racial vilification legislation in some States, there is ongoing and systemic evidence of discrimination at the general workplace level, involving in particular immigrants from NES [non English-speaking] countries" (Foster et al, 1991:110-111). Australia is not alone in this regard. A major survey of racial discrimination among migrant workers in Western Europe recently reached similar conclusions: "the discrimination in employment of migrant workers in western Europe is pervasive and widespread. Although forbidden by law, discrimination occurs both in direct and indirect forms. Most of it is of an indirect and informal nature; it is neither openly admitted or easy to detect" (Zegers de Beijl 1990:44).

One of the central concerns of this paper is the way in which various conservative economic and sociological theories attempt to explain - or explain away - racial discrimination in the Australian labour market. This partly stems from the social construction of notions of "race", "gender", "skill" and "human capital". Skill is not an objective category of actual or potential labour market productivity, as conservative
economic and sociological theories claim, but is a social category, shaped historically by the male-dominated, sexist power structures of Australian society (Burton, 1988). As a result, some aspects of the skills of men and women from an NESB or indigenous background - which can be referred to as "cultural capital" as distinct from and the narrower conservative concept of human capital - have often been unrecognised and unrewarded in the Australian labour market. But even more disturbing is the finding that the very signs that should indicate to potential employers that workers possess cultural skills - an accent hinting bi/multi-linguality; cultural knowledge indicating an ability to deal with a multicultural/multinational market or knowledge of Aboriginal culture - trigger in employers or labour market "gatekeepers" negative responses. Viewed through the ideologies of racism and sexism, these cultural skills are re-interpreted in the eyes of these gatekeepers as "poor communication skills", "high training costs", or "unreliable employers". This is an example of indirect racial discrimination, which occurs when employment practices which are in themselves not explicitly discriminatory have discriminatory outcomes.

Indirect racial discrimination also occurs when the level of language proficiency required for jobs is in excess of the level really needed. As the Council of Europe (1988:2-4) has found, the impact of such language requirements on migrant workers in Europe is discriminatory, since their command of the host country's language is often imperfect. Since most jobs in the Australian labour market of the 1990s will be linked to vocational education and training, access to vocational training is critical to a workers' ability to achieve upward employment mobility via access to job ladders. The potential for indirect labour market discrimination against immigrant or indigenous workers emerges because of the greater emphasis placed on English language ability as a criteria for entry into the vocational training programs. At the same time, changes to the institutional framework of industrial relations in Australia has seen the centralised wage decision process under National Wage Cases of the last decade recently replaced with decentralised enterprise bargaining. This has been accompanied by large-scale award restructuring within the Industrial Relations Commission. These awards, which specify a job's scope and the resultant wages and conditions, have been broadened to take in a greater number of job tasks. As a consequence of these changes, weaker sections of the labour movement - such as those with large numbers of NESB men and women workers - will lose out on future wage increases and improved working conditions (Collins 1990). Baker and Wooden (1992) found that the ability to communicate in English has become a critical screening device for entry into the award restructuring processes for women in the Australian communications industry, while Levine et al. (1992) found that in the automobile industry it was more difficult for those workers who have poor English skills to participate in retraining under award restructuring.

Racial discrimination in the labour market, direct or indirect, individual or institutional, has the effect of confining its victims - usually men and women from NESB immigrant or indigenous backgrounds - to unemployment or employment in jobs below their capability. The inferior labour market position of immigrant or indigenous men and women serves to help reproduce negative stereotypes of these people, which is the fabric of the prejudice against many NESB immigrants and Aboriginal people in broader society. In this way, ideologies of racism and sexism are produced and reproduced in a changing economy and society. These ideologies help construct NESB
immigrants and indigenous peoples as the Other, reinforcing social divisions in Australian society. They also lay behind incidents of racist violence and abuse in the workplace and in the community. In other words, racism sucks from a humanitarian point of view, given the impact of racism on the lives of the victims. But racism also has a negative impact on the bottom line of business profits and productivity, since the economic potential of the victims of racism remains untapped. This points to the contradictions of racial discrimination in Australia. The benefits for employers in terms of the “divide and rule” effects of racism on the Australian working class may be outweighed by the extent to which racism may be a barrier to improved labour productivity. At the same time, racism also stands as a barrier to attempts to internationalise the Australian economy. Hence anti-Asian attitudes will constrain the ability of Australia to further enmesh with the dynamic Asian region, or limit the potential of industries such as tourism and education to attract Asians to Australia.

This article first reviews the evidence relating to racial discrimination in the Australian labour market today. This analysis stresses the importance of understanding the political economy of racism. The next section surveys the labour market profile of NESB immigrants and Aboriginal and Torres Strait Islanders - including unemployment rates and occupational concentration - to present the evidence for inequality in the Australian labour market. Following this, the theoretical debates between conservative and radical scholars over discriminatory versus meritocratic explanations-of these unequal labour market outcomes for NESB/indigenous men and women will be discussed. The article then considers the impact of economic restructuring in Australia of the dimensions and dynamics of racial discrimination in Australia in the 1990s. Such an analysis requires a focus on how matters of ethnicity, gender, class and racial background intersect to determine different patterns of racialisation for NESB immigrant and indigenous men and women. Next, some of the contradictions of contemporary Australian racism are discussed before a brief conclusion.

2. Discrimination in the Australian labour market: the evidence.

There is much debate as to the extent and nature of racial discrimination in the Australian labour market. This section looks at the evidence relating to the unequal labour market outcomes for many immigrants and indigenous people in the Australian labour market today in terms of unemployment, labour market programs, labour market segmentation and earnings differentials. There is no doubt that NESB immigrants and indigenous people have much higher rates of unemployment than others. This is the racism of exclusion. Similarly, NESB immigrants and indigenous people appear to earn less than others with similar qualifications, while immigrant workers in particular face problems such as the non-recognition of skills and qualifications gained overseas. These emerge from the racism of inclusion.

unemployment:
Just as NESB immigrants appeared to bear the greatest burden of the 1974-5 and 1982-3 recessions in terms of disproportionately high unemployment rates (Collins 1991: 115-119), recent studies have confirmed that this is also the case in the 1990s recession. Ackland and Williams (1992:28) conclude that “[i]n the last three recessions, immigrants from NESBs have fared worse in the labour market than either
those from ESBs or those born in Australia". Jones and McAllister (1991) reviewed the unemployment experience of immigrants up to 1989 to find that Lebanese and Vietnamese unemployment rates were about four times greater than that of the Australian-born. They also found that NESB immigrants who were recently-arrived suffered an unemployment rate two to three times higher than immigrants of English-speaking background (ESB immigrants) who arrived during the same period.

These findings are confirmed by the official unemployment rates from the 1991 census (Table 1), which clearly show that NESB immigrants do have significantly higher rates of unemployment than the Australian-born. For example, Vietnamese-born women had the highest unemployment rate (44.8%), nearly five times greater than that of Australian-born females (9.5%). Other birthplace groups with female unemployment rates at least twice that of Australian-born females include Turkey (34%), Lebanon (32.9%), Taiwan (27.8%) and Indonesia (19.7%). A similar picture emerges from official male unemployment rates. The Australian-born male unemployment rate (11.48%) was much lower than the Vietnamese-born (35.9%), the Lebanese-born (33.7%), the Turkish-born (29.8) and the Taiwan-born (27.5%) Many other NESB birthplace groups have significantly higher unemployment rates than Australian-born males, while most ESB migrant groups had unemployment rates similar to, or below Australian-born males.

Aboriginal and Torres Strait Islanders also suffer very high rates of unemployment, particularly for youth and women. During the economic boom of the mid-1980s, when the average unemployment rate was 8.0%, data from the 1986 census revealed that one half of the teenage Aboriginal labour force was unemployed, as were 40 per cent of Aboriginal 20-24 year olds. Similarly, in 1986 Aboriginal women were only half as likely to be employed as non-Aboriginal women, and were more than twice as likely to be unemployed (Daly, 1991: 93). The overall unemployment rate of indigenous people in 1991 was three times the national average (Miller, 1991: 81).

While these official unemployment rates indicate unambiguously that NESB immigrants and indigenous peoples experience unequal labour market outcomes, they actually underestimate the severity of the extent of unemployment. Official unemployment rates do not include the "hidden unemployed", that is, those without jobs but who are not counted in official statistics. This occurs partly because the very narrow definition of unemployed used in surveys. A person is counted as unemployed only if they have not have worked at all in the week prior to the survey and have actively sought work during the previous month and are available to start work (Norris 1993: 207). Because of the very high rates of unemployment during the 1990s Australian recession, job vacancies were scarce. Many unemployed were "discouraged" from continuing to seek work and stopped looking. While this may be a rational response to labour market realities, the result is that these people disappear from unemployment statistics and are said to have left the labour force. In addition, if an unemployed person is married, they forfeit any right to unemployment benefits. There is thus little incentive to register with the CES as unemployed.

Because of its very nature, it is difficult to measure hidden unemployment. Nevertheless estimates of the 1974-5 recession suggested that hidden unemployment was so large as to double official unemployment rates, with NESB immigrants
reported to be two to three times more likely to be included in the hidden unemployed (Stricker and Sheehan, 1981: 71). One consequence of this is that labour force participation rates - the proportion of those aged between 15 and 65 years of age who either have jobs or are unemployed - of NESB immigrant men and women fall. Labour force participation rates were also substantially lower for indigenous people, partly due to the discouraged worker effect, indicating high rates of hidden unemployment. As Wooden (1993: 41) concluded in a more recent report, “if discouraged job seekers were included as part of the unemployed...1.8 percentage points would be added to the official unemployment rate for the Australian-born, while the rate for immigrants would be increased by 2.9 percentage points”. Hidden unemployment is an even greater problem for Aboriginal peoples. Miller (1991: 81) found that there were 3.7 economically inactive indigenous people to every employed person, compared to the national average of 1.3 economically inactive people to every employed person.
<table>
<thead>
<tr>
<th>Country of Birth</th>
<th>Unemployment Male</th>
<th>Unemployment Female</th>
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<tbody>
<tr>
<td>Australia</td>
<td>11.48</td>
<td>9.54</td>
</tr>
<tr>
<td>New Zealand</td>
<td>13.63</td>
<td>11.91</td>
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<tr>
<td>United Kingdom</td>
<td>11.72</td>
<td>8.71</td>
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<tr>
<td>Cyprus</td>
<td>14.29</td>
<td>13.19</td>
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<tr>
<td>Greece</td>
<td>13.49</td>
<td>10.95</td>
</tr>
<tr>
<td>Italy</td>
<td>9.99</td>
<td>7.64</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>16.58</td>
<td>14.17</td>
</tr>
<tr>
<td>Germany</td>
<td>12.49</td>
<td>9.94</td>
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<tr>
<td>Netherlands</td>
<td>10.95</td>
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<tr>
<td>Czechoslovakia</td>
<td>15.99</td>
<td>13.2</td>
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<td>Hungary</td>
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<td>Poland</td>
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<td>13.3</td>
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<td>Lebanon</td>
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<td>Indonesia</td>
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<td>Vietnam</td>
<td>35.87</td>
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<td>China</td>
<td>14.93</td>
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<tr>
<td>Hong Kong</td>
<td>13.5</td>
<td>13.91</td>
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<tr>
<td>Japan</td>
<td>4.9</td>
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<tr>
<td>Korea</td>
<td>14.52</td>
<td>17.58</td>
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<tr>
<td>Taiwan</td>
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<td>India</td>
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<td>Sri Lanka</td>
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<td>Canada</td>
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<td>USA</td>
<td>9.36</td>
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Source: 1991 Census

Labour market opportunities are particularly difficult for indigenous people in remote and rural regions. Elliott Johnston Q.C, head of the Review of the Training for Aboriginals Program, reported the "particularly intractable employment situation of Aboriginal people living in small multi-racial towns. Regular labour market opportunities in these areas are extremely constrained due to economic conditions, the closed nature of the local labour markets, and the low skill level of many Aboriginal residents" (Johnston, 1991:87). Johnston recommended that committees comprised of representatives from Local Employment Promotion Committees,
Aboriginal groups, local employers, government departments and trade unions, be established to help promote Aboriginal employment, particularly in those areas where there is the greatest disparity between Aboriginal and non-Aboriginal unemployment rates.

Part of the inferior position of Aboriginal and Torres Strait Islanders in the Australian labour market is rooted in the poorer educational performance of indigenous people. Only 85% of indigenous children of compulsory schooling age were participating in primary or secondary education, compared to a national participation rate of almost 100%, according to 1986 census data. Less than half indigenous people aged between 15 and 19 years were attending some form of educational institution when the comparative national rate was around 90%. Indigenous students are also under-represented in higher education in Australia, with indigenous comprising 0.9% of the higher education students. This figure, however, was 80% higher than five years previously (Miller, 1991). As the report Social Justice for Indigenous Australians 1993-94, (1993: 13) concluded, "[T]he harsh fact nonetheless remains that Aboriginal and Torres Straight Islander people continue to be at severe disadvantage compared with other Australians". But the inferior position of Aboriginal and Torres Strait Islanders cannot be solely be explained by differences in education or human capital, As Miller (1985: 92) argued in his 1985 Report of the Committee of Review of Aboriginal Employment and Training Programs, "...even if we allow for differences in geographic location, education and the age structure of the population, we still find that Aboriginal people are disadvantaged in the labour market".

*labour market programs:*

Another arena of labour market discrimination relates to the access of NESB immigrants and Aboriginal and Torres Strait Islanders to programs which are designed to help unemployed people re-enter the labour market. Despite having higher unemployment rates, the evidence suggests that labour market programs have not adequately targeted unemployed NESB or indigenous men and women. The Review of Migrant and Multicultural Programs and Services (ROMAMSPAS 1986:151) concluded:

"the picture that emerges is of the most disadvantaged job seekers being excluded from the very labour market programs under which they are intended to receive preferential treatment because their disadvantage (in this case lack of English) is considered to be too severe for them to achieve success in those programs"

Similarly, indigenous people are under-represented in labour market programs, despite experiencing unemployment rates three times the average (Social Justice for Indigenous Australians 1993-94, 1993:12). Jones and McAllister (1991: 71, 86) found that the outcomes from general labour market programs are significantly poorer for Aboriginal people than for any other disadvantaged group in Australia, including those with language difficulties and the long-term unemployed. In 1984, a committee of review into existing Aboriginal employment and training programs found a story of under-representation and disadvantage. In the words of the Committee:

We have found that, not only do Aboriginal people participate in the labour force at a much lower rate than do Australians generally, but that when they do participate they can expect fewer job opportunities, with those that are available being concentrated in the less secure and lower paying areas of the labour
market. Moreover, the chances of being unemployed for long periods of time are very much lower, on average, than are those of Australians generally. Moreover, the extent of disadvantage amongst Aboriginal women and youth, in particular, is even more serious than is the case for Aboriginal people generally (Miller, 1985:91)

*labour market segmentation:*

Collins (1978) argued that the Australian labour market was segmented along the lines of gender, ethnicity and Aboriginality. In other words, there were six segments of the Australian labour market: males born in Australia and the major English-speaking countries (ESB immigrants), NESB males, females born in Australia and the major English-speaking countries, NESB females, Aboriginal men and Aboriginal women. Each segment was very different, with the workers born in Australia and ESB immigrants over-concentrated in the best, highest paid jobs in the male and female labour markets. Males born in Australia and the major English-speaking countries dominate what Piore (1981) calls the “primary” labour market, that is well-paid jobs requiring significant education and training with good conditions, significant autonomy and access to career paths. Their female counterparts are usually at the bottom rungs in this primary labour market. In contrast, NESB males and females tend to be over-concentrated in semi-skilled and unskilled jobs in the blue collar sector or “secondary” labour market where tasks are routinised, autonomy non-existent, pay low, conditions bad and with little access to job-ladders. These are the “factory fodder” jobs that immigrant workers occupy in many countries (Castles and Miller 1993). Aboriginal employment patterns are so different to that of all others in Australia that it appears to be a completely different segment, with different dynamics, different barriers and different profile to the other labour market segments.

Labour market segmentation is not static. Rather they change with changes to the employment structure over time. National and international economic restructuring has changed the structure of the Australian labour market since the 1970s. As a consequence, patterns of labour market segmentation have also changed. Taylor (1992) reviewed 1986 census data to investigate the occupational profiles of Aboriginals and Torres Strait Islanders compared to other Australians. He found that occupational segregation between Aborigines and Torres Strait Islanders and others in the workforce declined considerably during the 1970s: in 1971 about one third of indigenous people would have to change their occupation of employment to achieve an occupational profile equivalent to that of other Australians. By 1981 less than one-fifth of indigenous would have to change occupations. In 1986 he observed growing indigenous employment in skilled occupations, including clerical, administrative, managerial and professional occupations. Nevertheless, indigenous workers were still under-represented in these groups and over-represented in the unskilled occupation of labourers and related workers. Exploring the gender dimension of indigenous occupations, Taylor (1991:24) still found in 1986 an “overwhelming concentration of Aboriginal and Torres Strait Islander females in semi-skilled occupations, compared to the male emphasis on unskilled labouring jobs”.

In 1991, indigenous workers were most under-represented in the white collar sector of the labour market: the Managers & Administrators, Professionals and Personal Services & Sales and Clerks occupations. Rough parity between indigenous workers
and the national average was evident for the Trades persons and Para-professionals occupations. Only in the manual, blue collar occupations of plant and machine operators and labourers and related workers - where indigenous workers were twice as likely to be employed in the labourer category than Australian workers on average - did indigenous workers have a larger relative presence than the national average as a whole.

Economic restructuring is changing the opportunity structures for both new and old migrants in Australia. This, together with changes to Australia’s immigration program, has had an impact on patterns of labour market segmentation. In the last decade, immigration intakes have been progressively reduced, with entry increasingly limited to those with the highest skills and qualifications. One consequence of this is that many NESB immigrants arriving in Australia in the last decade have been highly skilled and qualified professionals, technicians and managers. This is particularly the case of Asian immigrants, who make up the majority of immigrants entering Australia in the 1990s (Collins, 1994). In 1990-91, for example, when eight out of the top ten source countries of Australia’s migrants were Asian (Inglis 1992: 25), one-quarter of Indian-born and 15.7% of all Asian-born settler arrivals were professionals (Awasthi and Chandra, 1993: 23, Table 15). Many professionals, such as doctors, establish themselves in small businesses. Moreover, since the mid 1970s Australia introduced a “business migration” category to annual immigration quotas (Collins 1991: 91-2). In the decade following the introduction of the Business Migration Program in 1981, over 11,000 business migrants and about 50,000 of their dependent family members arrived in Australia (Borowski 1992). A large proportion of recent business migrants have come from Asian countries.

As a result, many Asians have moved into “primary” sector jobs where hitherto few NESB immigrants were to be found. Hence 1986 census data for NSW shows a relatively high concentration of immigrants born in Asian countries such as Malaysia, Hong Kong and India in managerial, professional and technical occupations (Collins 1989), despite continuing problems that many NESB immigrant still face having their qualifications recognised in Australia (Castles et al. 1989). Hence thirty per cent of Japanese and Taiwanese-born men were managers or administrators in 1991, compared with 16 per cent of the Australian-born. Those born in Hong Kong, Korea and Malaysia tend to cluster in the finance and business sectors of the economy while the Chinese, Japanese and Thai-born are concentrated in the personal and recreational services, including the restaurant and tourist industries. In contrast, Indochinese men and women - particularly those from Vietnam who arrived as refugees - are concentrated in low skilled jobs in the declining manufacturing industry (Khoo et al. 1993:9), with Vietnamese women over-represented at eight to twelve times the rate of Australian-born women in the declining clothing industry (Castles et al. 1988: 82-85). These changing and uneven patterns of racialisation of Asian immigrants - a response to economic restructuring and corresponding changes in Australian immigration policy - therefore lead to different “opportunity structures” for more recently-arrived NESB immigrants, with a subsequent impact on patterns of labour market segmentation. Complementing these changes
3. Explaining Racial discrimination in the Australian workplace

There is much debate as to the nature and extent racial discrimination in the workplace in Australia. This is because such practices are difficult to detect and "prove". As Foster et al. (1991:109) put it, discrimination "is difficult to define both within and across disciplines" and that the distinction between discrimination and disadvantage is not clear. A similar view was taken by the ROMAMPAS (1986) which stated that "some forms of disadvantage, such as those arising from racial prejudice, might not be susceptible to measurement". Similar problems confront the study of racial discrimination in Europe: a survey of racial discrimination in western Europe concluded that discrimination "is often difficult to demonstrate. An employer, for instance, will not easily admit that (s)he is discriminating against people on nationality, racial or ethnic grounds" (Zegers de Beijl 1990:2).

In the absence of such "hard data" much of the debate on racial discrimination in Australia has centred on the earnings differentials of immigrant workers vis a vis their Australian-born counterparts. Most NESB immigrant men and women earn less than others in the Australian labour market (Collins 1991: 156-161). The key debate here is whether these earnings differentials are meritocratic or discriminatory. If they merely reflect differences in the "human capital" of different immigrant groups in the Australian labour market, this would support the meritocratic view. According to this view, different average earnings merely reflect differences in education levels and qualifications, or different competencies in English language, between NESB immigrants and others. But if NESB immigrants with the same human capital as others earned less, this would indicate discrimination. Econometric studies by sociologists Evans, Jones and Kelley (1988) conclude strongly that there is no evidence of racial discrimination in the Australian labour market. This view is supported by the Wooden (1990:264) who concluded that "we cannot dismiss the possibility that many Australians have attitudes prejudiced to immigrants. It would seem, however, that few employers are prepared to indulge their tastes for discrimination".

Foster et al, (1991:61), on the other hand, conclude that the evidence on the labour force status of immigrant workers in Australia "does lend itself to analyses of patterns consistent with discrimination". A number of studies support this view. Haig (1980) studied migrant earnings and found that Southern Europeans earned distinctively less than similar Australian-born workers, while Chapman and Miller (1983) concluded that immigrant workers received lower returns for their education and experience than did Australian-born workers. This general view was supported by the Bureau of Labour Market Research (1986: 103) in a study of 1981 census data which concluded that there was a difference between earnings of some migrants compared to the Australian-born workers with similar work and education experiences. Similarly, a study of Stromback and Williams (1985) found that, after a consideration of factors such as education, work experience, age and English language proficiency, "migrants from non-English speaking countries got lower rewards from higher secondary schooling than those from English speaking countries of people born in Australia".

Human capital theory, embodying the meritocratic model, does not work well in accounting for the labour market experience of indigenous people. Jones (1991: 42) found that Aboriginal women earn about a dollar less per hour than Anglo-Celtic
women average, with only about one-third of the difference due in any way to
differences in endowments of human capital, the residual due to "occupational
discrimination, weak attachment to the formal labour market, and poorer educational
experiences of Aborigines". Similarly, Miller (1991: 83) controlled for differences in
educational attainment in an attempt to explain what he calls the "widely different
degrees of success of Aboriginal and non-Aboriginals in the labour market". He
concluded that human capital variations cannot explain the degree of inequality
between Aboriginal and non-Aboriginals in the labour market: "the major part of the
substantial unemployment rate differential between Aborigines and non-Aborigines
cannot be explained by the standard methodology that economists employ, and thus
may be attributable to labour market discrimination and/or cultural factors" (Miller
1991: 85)

Given the preceding history of the relationship between immigration history, policy and
racism in Australia (Collins 1991: 198-223) - and the persistence of attitudes and
practices of prejudice against immigrants (Human Rights and Equal Opportunity
Commission 1991) - it would be surprising if prejudice does not flow over into the
labour market in some way. Perhaps the answer is that it depends who is looking and
what they are looking for. The problem with the neoclassical economic theory of racial
discrimination is that it presumes that racial discrimination occurs only if white
employers are prepared to pay a higher wage to whites to avoid employing blacks or
coloured workers (Becker 1957, Arrow 1972). Such employers are said to have
exhibited a "taste" for discrimination. For these economists, racial discrimination is
simply a phenomenon of exclusion. The fact that employers might express their taste
for discrimination by employing blacks or coloured immigrants - men and women - to
work for low pay in bad working conditions to maximise profits does not appear to fit
into the abstract world of economic rationalism.

In another recent economic rationalist approach to Australian immigration, Lloyd
(1993) applied rational public choice theory to the political economy of Australian
immigration to argue for the "rationality" of racism. Lloyd argues that individuals have
objective economic and social interests that are effected by immigration in general or
by a specific ethnic group of immigrants. Those individuals who suffer real income falls
because of immigration - or who think that their real income will rise because of it - are
dubbed by Lloyd the economic "friends" of immigration. Those who experience or
expect that their real income will fall because of immigration are economic "enemies".
These friends or enemies then form coalitions or interest groups to lobby for or against
immigration. This behaviour is deemed to be rational, with Lloyd referring to "natural"
friends and "natural" enemies of Australian immigration in general or immigrants of a
particular type.

The great danger of this approach is that it appears to justify anti-immigration or anti-
immigrant action and attitudes. It is only "natural", understandable, rational behaviour
of individuals attempting to maximising their actual or perceived living standards.
Those who think that they will be worse off because of immigration are rational to
actively oppose it or the particular immigrant group that they consider responsible
worsening their income. Although it is impossible to work out, objectively, who gains
and who loses from immigration in general or specific components of the immigration
intake in particular (Collins 1991: 105-7), Lloyd proceeds as if this can be objectively
determined. For example, Lloyd asserts that "immigration of unskilled labour should be strongly opposed by resident unskilled workers [but] strongly supported by skilled labour". No evidence is given to support this argument, ignoring research (Pope and Withers 1990; Junankar and Pope 1990) that suggest that resident workers gain from immigration with a net increase in jobs. Since Lloyd's analysis rests on individual perceptions of the impact of immigration, some understanding of how prejudice influences such behaviour is required. But Lloyd admits that he has ignored these factors in his analysis. At a time when ethnic conflict and racist violence is dominating world headlines, any analysis that attempts to rationalise racist attitudes and actions against immigrants - no matter how inept - is dangerous is a society still struggling to overcome racism and social conflict.

4. Changing Dimensions of Racial Discrimination in the Australian Labour Market

There have been many anecdotal accounts of immigrants recounting their experience of racism in the workplace (Foster et al, 1991: 100-107). These experiences, though widespread, are dismissed by some quantitative sociologists as "soft" evidence at odds with the world of econometric models or the narrow definition of racial discrimination that constrains the vision of conservative economics and sociology. This blinkered approach to the study of racism leads to racial discrimination being reduced to earnings differentials. But racial discrimination occurs in many guises. As we have seen, higher unemployment rates, or occupational concentration in low status jobs, can also be linked to racism. So to can the exodus of many NESB migrant workers out of the paid work force into small business (Collins and Castles 1992). Moreover, indirect racial discrimination can occur when immigrant or Aboriginal men and women are excluded from jobs and vocational education because of a view that these workers have inherent problems of communication and training. Institutional racism may lead to the non-recognition of overseas-obtained qualifications. We need to explore these dimensions of racism if we are to fully understand the complex nature of racial discrimination in the Australian labour market.

One immigrant response to racism in the workplace has been to leave paid employment to enter small business as self-employed or an employer. Kidd (1991) has recognised the need for the study of racial discrimination in the workplace to include the fact that many immigrants choose self-employment to avoid facing discrimination. Studies of ethnic small business in Australia support this view and point to racism as one factor blocking the mobility of immigrants in the workforce and leading to the disproportionately high rate of immigrant small businesses in Australia (Castles et al 1991). The European evidence also supports the link between the growth of ethnic small business and racial discrimination. As Zegers de Bijl (1990:46) put it, "the increase in the number of migrant entrepreneurs seems to have been brought about by discrimination in its various forms. Starting one's own business enables migrants to escape the daily humiliations of the work place". Similarly, Dex (1992:23) predicts that the inclusion of this aspect into studies of discrimination would show "that discrimination is probably greater than originally found".

A number of studies into the experience of NESB immigrant women in the workplace point to many instances of racist attitudes and practices on the part of employers,
supervisors or trade union officials (Storer et al, 1976, Nord, 1983). Outworkers appear to be particularly vulnerable in this regard (Centre for Urban Research and Action, 1978; Centre for Working Women’s Co-operative Limited, 1986). More indirectly, immigrant women appear to bear the greatest burden of the costs that are accompanying the restructuring of the Australian economy and the changes to institutional arrangements in the workplace that have occurred in the last decade. NESB immigrant women are the greatest losers in the move away from centralised wage-decision making processes to decentralised enterprise bargaining (Collins 1990). They also appear to bear the greatest burden of economic restructuring in Australia, exacerbated by Federal government policy to reduce levels of protection to the clothing, footwear and textiles industries where the majority of workers are NESB immigrant women. Immigrant women are the most likely to be pushed out of wage-labour into the “informal” world of outwork because of this economic restructuring (Alcorso 1991). But even those immigrant women who remain in jobs covered by awards appear to be further marginalised by the changes to date under the award restructuring agenda (Yeatman 1992).

Another aspect of institutional racism relates to the way in which institutions in the Australian labour market respond to overseas-obtained vocational qualifications. The irony is that while high levels of qualifications are often required to get entry into Australian immigration intakes, many NESB immigrants do not have their qualifications and skills recognised once in Australia (Castles et al. 1989). This prevents them from fully-utilising their “human capital” in Australia, despite the fact that these qualifications are “cost-free”, having been paid for by some other government. NESB immigrants are much more likely than ESB immigrants to have their qualifications rejected by Australian professional organisations (Collins 1991: 97). Chapman and Iredale (1990) found that only 39 per cent of formally skilled immigrants subjected their overseas qualifications to official Australian assessment and of these 42 per cent had them recognised as being equivalent to Australian qualifications.

Segmentation of the Australian labour market also reflects institutional racial discrimination. NESB immigrant men and women are often concentrated into lower paid, menial jobs with the worst conditions in the semi-skilled and unskilled segments of the labour market (Collins 1978; Lever-Tracy and Quinlan 1988). Moreover, it appears that once in these jobs it is difficult to escape, irrespective of subsequent education or the recognition of qualifications. Hence Chapman and Iredale (1990) note that earnings studies showed that those immigrant workers who had qualifications recognised did not subsequently earn more than those whose qualifications remained unrecognised, and that employers appeared to treat all immigrants - qualified or not - as homogeneous. This supports the arguments of Turpin (1986:22) that “segmentation in the labour market has the effect of placing culturally distinct waves of migrants in the least desirable occupational structures (including unemployment) and making it difficult for them to break out of this employment pattern”.

Recent restructuring of the Australian economy, combined with changes to the skill and ethnic profile of the Australian immigration intake in the last decade, have had an impact on patterns of labour market segmentation. Many of the southern and eastern European immigrant groups who arrived in Australia in the 1950s and 1960s are today being discarded from the manufacturing sector and thrust into the ranks of the
unemployed (Ackland and Williams 1992). Australia’s largest Asian birthplace group, the Vietnamese, are the latest wave of NESB immigrants destined for “factory fodder” employment. But these jobs were hardest hit by the 1990s recession and the more permanent economic restructuring of the economy. The Vietnamese-born have rates of unemployment four to five times the average, and are the worst hit by 1990s unemployment (Viviani et al 1993). On the other hand, we have seen that many new Asian immigrants are highly qualified and find employment in well-paid white collar jobs, including in the professional and managerial and administrative occupations. While patterns of labour market segmentation have exhibited these changes, it is strongly apparent that many NESB immigrant men and women are still employed in jobs below their ability, or are without jobs at all. This disadvantage cannot be fully accounted for by “meritocratic” factors such as English-language ability or education. Racial discrimination of the indirect or direct kind clearly plays an important, if elusive, role.

The potential for indirect racial discrimination is clear following the recent developments in vocational education and training in Australia. Following three major reports by Mayer (1992), Finn (1991) and Carmichael reports, there has been a move to a nationally uniform, competency-based approach to education and to a restructuring of the vocational education system. A new vocational educational certificate system will be the credential-base for these changes which reflect the critical link between work and education and training that has accompanied economic restructuring. These changes mesh in with movements to the multi-skilling of workers as industrial relations awards are also restructured.

It is clear that in this new Australian workplace environment as in most western economies (Thurow 1975), a job applicant chance of getting a job will be linked to the employer’s perception as to the applicant’s suitability for training. Similarly, in the choice of which of existing employees get to take part in new training opportunities – will the key to opening the doors to newly-established career-paths - the issue of training suitability will become increasingly important. This problem is exacerbated by the emphasis in the new workplaces on communication skills and teamwork. English is the language of training, with English proficiency seen as a necessary qualification to enter training. The danger here is that conscious or unconscious racism and prejudice creates negative stereotypes to of a job applicant of NESB or indigenous background. Despite the fact that immigrants with an accent might be great communicators, great in teamwork, possess multi-lingual abilities and be good English-speakers, the accent will hint to employers that there are potential costs, not potential benefits, of employing this person. Hence an accent or physical appearance may lead employers – or in larger public and private corporations their gatekeepers such as personnel officers – to reject these applicants on the ground that they might cost too much to train and/or might not be able to handle training. In this example, rational behaviour, defined in the manner of conservative economic theory as taking actions that on the basis of probability maximise profits, will discriminate against NESB and indigenous workers if employers of personnel officers hold racial stereotypes which view all NESB migrants as having communication problems and all indigenous people as being unreliable.

This decision, apparently based on rational economic business principles, is in fact based on prejudice. The same argument applies to female skills and stereotyped
attributes. If employers believe that, on the balance of probabilities, female workers will be unreliable or short-term employees - they will leave to have babies or take excessive time off work because of their children’s illness - it is rational not to hire them or, if employed, to pay them less than equivalently skilled males who do not carry the burden of the same stereotypes. In the case of women from NESB or indigenous backgrounds, racism and sexism gender intersect, creating barriers to either their employment or their promotion within employment. Even when workers are judged on the competencies they can demonstrate, the social and cultural construction of skills and qualifications perpetuates discrimination on a gender and racial basis (de Lepervanche and Bottomley, 1988).

There is evidence to support the argument that immigrant and indigenous workers will be discriminated against because of these perceptions and structures. Recent studies of the award restructuring process in the Australian automobile and telecommunication industries suggests that those workers without adequate English appear to be bypassed by award restructuring. Baker and Wooden (1992) studied immigrant women in the communication industry - which includes such major public sector employers as Australia Post, Telecom and OTC - to see if they had a similar experience of industry restructuring to non-immigrant women in the industry. The study found that ability to communicate in English - perceived or real - had become an important screening device for job selection in the first instance and a screening device for entry to award restructuring processes, including training. Similarly, Levine (1992) studied the automobile industry and found that it was more difficult for those workers who have poor English skills to participate in retraining under award restructuring. A study of the impact of award restructuring on the clothing industry (Yeatman 1992: 70) also found that “immigrant women “are at high risk of the intensification of their already low labour market status”.

One innovation that accompanies the vocational education change to competency-based standards is recognition of prior learning (RPL). The idea is that if a worker can demonstrate that s/he can do the job a Vocational Education Certificate will be awarded. RPL holds the potential to redress some of the entrenched racial and gender imbalance in the labour market that has resulted from the social construction of what constitutes “human capital” and from the non-recognition of skills acquired overseas. In fact, the experience to date suggests that past inequalities will be further entrenched. As Mary Kalantzis (1992: 6) has argued:

“In fact, the influence of the competencies on curriculum is, more than anything else, going to be testing driven. In their nature, moreover, these tests will invariably put a greater premium on written and spoken communication. This means, however, that students and workers of non-English speaking backgrounds, for example, will appear not to be competent. Competency training and assessment will actually, albeit perhaps inadvertently, test linguistic performance more than what people can or cannot do“.

Despite having a culturally-diverse labour force, cultural factors are not adequately recognised or rewarded in the Australian labour market. Culture was excluded from Mayer’s list of the six competencies that workers were required to demonstrate. But there is a strong argument that cultural capital is an important part of a workers skill, and should be included as the eighth (Kalantzis 1992). In a culturally-diverse society
and workforce, cultural knowledge is important. One half of the people in most Australian capital cities, such as Sydney and Melbourne, are first or second generation immigrants. If the market is multicultural, why do businesses not recognise this with respect to the communication skills of those immigrants who come in contact with the public? In addition, many first, second or even third immigrants have bilingual or multilingual skills and a cultural knowledge about customs and practices of different ethnic groups. These are skills which non-immigrants generally do not have. Yet the contradiction is that the very worker attributes of accent, gender, skin colour that should indicate the possession of cultural capital by prospective employers generally trigger off precisely the opposite response: images of high training costs, communication problems, less productivity and unreliability.

Conservative economic and sociological theory disputes the existence of racial discrimination the Australian labour market, arguing that labour market outcomes are meritocratic and consistent with human capital theory. In reality, the human capital of NESB men and women is undervalued, resting on gender/culture biased notions of productivity and skills. Moreover, the “cultural capital” of NESB immigrant workers is not acknowledged by employers or conservative theorists. Cultural capital, in the form of bi/multilingual skills, community and family networks, cultural familiarity with business and social practices and so on, is penalised rather than rewarded in the Australian labour market. The result is that many NESB immigrants suffer downward economic mobility in Australia and suffer hardship. Moreover, the potential economic contribution of immigrant workers is stifled. As one report on cultural competencies recently put it:

> It is now critical that all students and members of workplaces have the skills required to handle cultural diversity and to be able to negotiate broad cultural contexts so that the organisation can maximise the human and linguistic resources of the diverse groups that make up Australian society (NLLIA Centre for Workplace Communication and Culture, 1994: 9).

As new technologies and economic restructuring on a national and international scale combine with changes in the industrial relations climate and the relationship between work, education and training, those who apply to get new jobs in after the early 1990s recession will be judged from the viewpoint of their ability to handle the training requirements at least cost to the employer. Put simply, if NESB/indigenous people miss out disproportionately in terms of access to new training opportunities today, they will be even more disadvantaged in the Australian society of tomorrow. Racial discrimination will become further entrenched, but invisible to conservative academics who will be satisfied that these outcomes merely reflect different English-language abilities.

As the Australian economy gradually recovers from the severity of the 1990s recession, it appears that many NESB men and women will miss out on getting new jobs. This was the case in the New South Wales labour market during the growth in employment that accompanied the boom of the 1980s (Collins, 1989). The fear is that NESB immigrant workers - who have born the brunt of the 1990s recession in terms of disproportionately high unemployment - will find it even harder to get new jobs in the recovery phase of the 1990s because the stronger focus on the critical importance language and literacy skills as a necessary condition to open access to the ladders of
training. Similarly, the success of indigenous men and women in accessing the new workplace education and training will be a critical factor in determining the extent to which Aboriginal inequality in Australia is reduced.

5. The Economic, Social and Political Contradictions of Australian Racism

While it is important to study the historical origins of racism in capitalist societies such as Australia, Canada and New Zealand - and link this to the needs of colonial and capitalist growth, expansion and political dominance - it is also critical to focus on the contradictions that racism carries with it. As Bolaria and Li (1988:39) put it, “racism can be socially counter-productive in creating excessive social tensions”. Four recent examples from Australia - and one from the USA - illustrate this point.

The first is the 1988 bicentennial immigration debate, triggered by John Howard, then leader of the Liberal/National coalition (Collins 1991: 301-6). Howard, desperate to win an election against Labor Prime Minister, Bob Hawke and requiring only a few percentage points swing his way, played the “prejudice” card by turning immigration and multiculturalism into a political issue. He declared that as Prime Minister he would reduce Asian immigration “if necessary” and abandon multiculturalism in favour of a policy of “One nation”. Howard was clearly attempting to attract those Labor voters who, because of attitudes of racism and prejudice, opposed Asians and multiculturalism. While the extent of opposition to Asian immigration is debatable - Victorian RSL President Bruce Ruxton claimed that as many as 80% of the population were opposed to it - a large number of Australians do still hold to strong attitudes of racial prejudice. Surely the task of convincing a few percentage of labour voters to swing to Howard on this issue would be easy:

But Howard’s political masterstroke backfired. He was dumped as Opposition leader before the election. Howard was a victim of the contradictions of racism. First, it appeared that the coalition could lose, rather than gain, votes on the issue. Many Asian voters - attracted to the coalition by their anti-communism and the fact that the Fraser Government had been in power during their arrival - threatened to change their alliances. While many Labor voters claimed concern about Asian immigration and multiculturalism, these issues were not decisive: they were also concerned about high interest rates, unemployment, inflation and so on. But the decisive blow to Howard came from his traditional constituency - big business in Australia. Corporate Australian capital viewed the dynamism of the Asian region with eager eyes. Australia’s economic future lay with improved economic and political relations with Asia. Howard’s stance on Asian immigration was criticised widely in the Asian media as a return of the white Australia policy. Clearly the initial appeal of Howard’s attempt to gain from the politics of prejudice had backfired, with continued anti-Asian racism a barrier to improved Australian/Asian relations. The first words that his replacement, Andrew Peacock, uttered to the press conference announcing the change of leadership was that the Coalition would return to a bipartisan immigration policy, including an acceptance of multiculturalism and abandoning any suggestion that Asian immigration would be treated any different to immigration from other regions.

A second contradiction is the way in which racial prejudice and racial discrimination of individuals and institutions limits the economic contribution of immigrants and
Aboriginal people. According to neoclassical economic theory, a person is paid a wage in relation to their marginal productivity. Investment in human capital - education, training - can increase this productivity and hence a person's income (Norris 1993). However, racial discrimination - conscious or unconscious - can lead to an under utilisation of the human capital of immigrants and Aboriginal people. The NSW Minister for Ethnic Affairs, Michael Photios, recently estimated that the cost to NSW of not recognising the skills and qualifications - the human capital - of immigrants was $250 million per year. This problem is exacerbated by the way in which the skills which constitute "human capital" is socially constructed. Many female skills are thereby undervalued and underutilised (Burton 1988) while we have seen that immigrants and aboriginals are hampered by a mono-cultural, mono-linguistic valuing of skills in the education system and Australian labour market. As a recent report put it, "[w]ithout competence in Cultural Understandings, counterproductive inequities and prejudice can arise. Discrimination in the workplace leads to inefficiency, absenteeism, inflexible work practices and lower productivity" (NLLIA Centre for Workplace Communication and Culture, 1994: 9).

A third example, developing on the previous points, relates to the attempt by Australia to increase economic ties with Asia following the Garnaut Report (Garnaut 1989). A recent report (Department of Foreign Affairs and Trade 1992) on the success of Australian businesses in penetrating the South East Asian market found that few if any corporations had employed Australian-Asians in this task. This is despite the importance of cultural traditions in business negotiations and partnerships. The report found that "there is a prominence of ethnic Chinese in the [South East Asian] business community" but laments that the cultural skills needed - and available in Australia - for negotiations with these ethnic Chinese, are not utilised, are a largely "untapped resource" (Department of Foreign Affairs and Trade, 1992:237, 240):

Australia has a valuable asset in its citizens of Asian origin who understand the cultures and languages of the region and maintain close links through family and other personal networks. Very few firms in Australia appear to draw on this pool of skills to any great extent when dealing with the region...Developing personal relationships is of critical importance in establishing links with the South-East Asian business people. To develop these ties requires an understanding of the concept of 'face' and of the distinctive relationship between employers and employees. The pattern of family relationships and obligations to relatives also needs to be understood".

A fourth example relates to the recent success in having Sydney chosen as the Olympic venue for the 2000 Games. Australia has been championing "human rights' abroad: the Minister for Foreign Affairs, Gareth Evans, recently announced that aid to Papua New Guinea would be tied to improvements inhuman rights. While this approach is laudable, the contradiction is that this focuses attention on Australian human rights. In this way, the deplorable "third world" conditions of health, education, employment and living standards of Aboriginal and Torres Strait peoples - a legacy of 205 years of racism and prejudice - is an international embarrassment for the Australian government.

Finally, there is a link between racism and social conflict in contemporary societies, as the recent events of Europe and the USA vividly testify. Some would argue that ethnic
diversity itself leads to social conflict and undermines social cohesion. The "race riots" in Los Angeles in 1992 has been widely interpreted as proof of the inevitable link between ethnic diversity and social conflict. However, a closer study of the factors underlying the LA riots suggest that it is racism and prejudice that shape the lives of ethnic minorities and the resulting socio-economic disadvantage and political disenfranchisement of the black and Latino people in the USA - that is to blame for these conflicts (Collins 1993). The USA does not have programs and services of multiculturalism and biculturalism that attempt to create the conditions for equality of all, regardless of racial or ethnic background. There is no safety net of Medicare or unemployment or welfare benefits that prevent people falling so far below the standards of society as a whole. The lesson from the LA riots is that ethnic diversity will lead to social conflict unless every attempt is made to ensure the indigenous and immigrant minorities are given equal opportunity and equal access to the societies economic, social, political and cultural resources. Racism is, of course, a barrier to such access and equity, and hence a precondition for social conflict in ethnically-diverse societies such as Australia, Canada and New Zealand.

6. Conclusion.

Racism and prejudice have been a constant feature in white Australian society. The Australian labour market has not escaped from racial discrimination: it both reflects and reproduces racist social relations. NESB immigrants and Aboriginal and Torres Strait Islanders suffer from disproportionately high unemployment, are overlooked in labour market programs and are employed in jobs below their abilities. It is not plausible to explain these unequal outcomes in the Australian labour market in solely meritocratic terms. Although conservative economists and sociologists put much effort into this task. But the issues are complex and subtle. The processes of racialisation in the labour market and in broader society change over time and are often contradictory. The main forces for these changes are the international and national processes of economic restructuring, corresponding changes to Australian immigration policy and intakes, changes in the industrial relations and education systems, and the contradictions themselves. When private and public sector institutions respond to these changes and new opportunities emerge to help overturn discriminatory outcomes, new racist practices and possibilities arise.

Racial discrimination is strongly entrenched in individual prejudice (Markus 1988) and in negative stereotypes which justify discriminatory outcomes for the victims, as well as in institutional practices in the Australian labour market. Often racism takes and indirect and unintentional form. Clearly there is still much debate about, and an urgent need for further research on, the many facets of racial discrimination. As yet there have been no studies of the influence of racist prejudice on employment selection procedures, on promotion prospects or on decisions as to who should be fired when economic downturn leads to retrenchments. New research, investigating the complex nature of racial discrimination in Australia, is urgently required. Critical here is the way in which sexist and racist ideology (Vasta 1991, Yuval-Davis and Anthias 1989) have shaped the social construction of what constitutes "human capital" and led to unequal labour market outcomes, particularly for men and women from NESB and indigenous backgrounds. In addition, recent cyclical and structural economic changes have thrown the Australian labour market and related institutions into a state of flux hitherto unseen
in post-war Australian society. These changes throw up many opportunities to overcome discriminatory labour market outcomes, yet the evidence to date is not encouraging. At stake is not only the continued inequality and individual hardship for the victims of racism and the threat to social cohesion that racism poses. At issue also is the under utilisation of the ability of NESB immigrants and Aboriginal and Torres Strait Islanders and the corresponding diminution of Australia's economic potential in an increasingly internationalised economy and society.
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