

Migrant workers and the systemic resilience of regional and seasonal industries

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There have been longstanding academic and political debates about the relationship between immigration policy and the institutions that regulate the labour market (e.g. Ruhs and Anderson 2010). Some studies have found that immigration negatively impacts the working conditions of resident workers (Borjas 2003). Others have found that immigration benefits the workforce by positively impacting wage growth and job creation (Dustmann et al. 2003). These outcomes are influenced in part by the extent to which labour market institutions and visa rules protect migrant workers and regulate the activities of their employers (Anderson 2010; Afonso and Devitt 2016).

Academic debates about the relationship between immigration policy and labour market institutions are reflected in political discourse in many countries, including in Australia. Australia's Prime Minister has said that migrant workers "are not a substitute for Australian jobs, but they are an integral part of the economic machinery that creates Australian jobs" (Morrison 2014). By contrast, the Shadow Minister for Immigration and Home Affairs recently claimed that "the shape and size of our [immigration] intake has hurt many Australian workers, contributing to unemployment, underemployment and low wage growth" (Keneally 2020).

Lost in these somewhat crude political characterisations of immigration's impact on the labour market as either positive or negative is recognition that labour market needs often differ greatly *within* countries. Immigration policy can play an important role in addressing these diverse localised needs.

Labour markets are inherently inefficient and prone to market failure. Labour market institutions in the form of collective bargaining and statutory minimum standards

exist to address predictable instances of market failure, for example requiring employers to pay minimum wages or to providing an adequate level of training to ensure there are enough skilled workers to address current and future skills needs (Berg and Kucera 2008).

But there are some situations where labour market institutions will struggle to address market failure. An important situation in this respect relates to geographical effects that can create significant variation in the supply of and demand for workers between urban and remote areas. There are often major barriers to the ability of workers, both citizens and migrants, to move between locations within countries and regions due to social and family connections that can deter people from relocating for work. This is especially the case in geographically vast countries such as Australia, Canada and the United States (Hawthorne 2015).

Geographical barriers to mobility are especially acute for industries defined by seasonal production, and in essential services where employers in regional and remote areas face considerable challenges to finding the skills they need. My research with colleagues on the health care, tourism and horticulture sectors in Australia highlights the critical role that migrant workers play in meeting regional skills need in essential services and seasonal industries (Howe et al. 2019; Wright and Constantin 2020).

In health care and social care, there is a tendency for skilled medical professionals in Australia to seek work in large cities. This creates a mismatch within the national labour market. Despite considerable locally targeted investment in workforce development, trained health and social care professionals do not always work in the locations where their skills are most needed, including rural and remote areas. Health and social care sector

employers in rural and remote areas have recruited skilled migrants and internationally trained medical graduates to address the challenge of maintaining adequate staffing levels. Many of these workers are willing to work in rural and remote areas and encouraged to do so by various visa pathways (Hawthorne and Hamilton 2010; Wright and Constantin 2020).

In horticulture and tourism, immigration policy also provides a remedy for the deficiencies of labour market institutions, which struggle to address the specific workforce needs of different regions due to their large distances from major cities or the timing of harvest periods. Regional areas typically have fewer suitably qualified or experienced workers based locally for tourism and horticulture employers to recruit from. This challenge is compounded by the greater opportunities that urban local labour markets offer to workers whom regional employers seek to retain. A related challenge for these industries is attracting and retaining workers during peaks in seasonal demand. Labour market institutions such as training systems and active labour market programs have struggled to address these challenges (Howe et al. 2019).

The willingness of many migrants to work in regional industries characterised by seasonal peaks and troughs, and the incentives that immigration policies provide to work in these industries, have helped to resolve these challenges. For instance, in Australia, visa rules offer ‘working holiday makers’ with a visa extension if they spend 88 days working in regional areas. This has helped to address the workforce needs of the horticulture sector and working holiday makers have become the main source of the harvest workforce (Reilly et al. 2018).

This development has produced various adverse consequences. Visa rules have discouraged working holiday makers from speaking up if they are underpaid or mistreated, which has contributed to deteriorating working conditions and workplace safety and has resulted in numerous worker deaths (van den Broek et al. 2019). Farmers’ increased dependence on working holiday makers has deterred them from recruiting groups of workers they previously relied upon, such as itinerant workers and young people from local regions (Howe et al. 2019). The COVID-19 pandemic has highlighted the downsides of this dependence, as border restrictions have reduced the availability of working holiday makers, thus contributing to farm labour shortages and concerns about possible food shortages (Howe 2020).

To avoid these problems, employers have been encouraged to improve the quality of jobs through better wages, conditions and career opportunities to ensure that they can attract more workers in the event of border restrictions. Visa rules that entice migrants to work in regional and seasonal industries must ensure that migrant workers are not at the mercy of their employers and have access to representation via unions and worker organisations (Clibborn and Wright 2020).

The role migrant workers play in addressing regional and seasonal workforce needs, including for essential services, deserves greater acknowledgment in political discourse. Evidence from Australia highlights the critical importance of migrant workers and immigration policy in remedying the challenges that labour markets and the institutions designed to regulate them face in supplying labour to where it is most needed.

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The Migrants and Systemic Resilience Hub ([MigResHub](#)) facilitates research and debates on how migrant workers affect the resilience of essential services during the Covid-19 pandemic and similar shocks in the future. MigResHub is a joint initiative of the EU’s Migration Policy Centre (MPC) and Migration Mobilities Bristol (MMB) at the University of Bristol.

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