



Economic, Social and Regional Benefits of Community Refugee Sponsorship

1. Overview and background

When refugees resettle in Australia, there are well-documented benefits to the local and national economies. Community sponsorship of refugees is a practice that can enhance these benefits by engaging incentivised local community members in the process of supporting refugee newcomers in their first 12 months. Sponsors play a significant role in bridging the social capital gap experienced by newcomers – helping them settle quickly, learn English and other necessary skills, find local work and start businesses. Sponsorship can also be a way to help refugees settle in regional communities.

The Community Refugee Sponsorship Initiative (CRSI) is working towards the successful establishment of a community refugee sponsorship program in Australia, inspired by the successful program that has operated in Canada since the late 1970s. Community refugee sponsorship is a practice that enables individuals in a local area to come together to form a sponsor group, which commits to providing financial, emotional and settlement support to refugee newcomers over a 12 month period. The benefits of this approach, and the system of sponsorship that we envisage, are outlined in the Appendix and in CRSI's 2020 'Explainer' booklet available on our website.¹

2. Humanitarian migration boosts Australia's economy

It is well documented that refugee newcomers and subsequent generations have made and continue to make an overwhelming positive contribution to the Australia communities and our economy.² Refugees bring valuable skills and personal qualities and are typically highly motivated to build successful new lives for themselves and their families and contribute back to their new communities.

Case Study: Nhill, Victoria

The economy of Nhill in regional Victoria has been bolstered by \$105 million due to the resettlement of refugees there a decade ago. 230 Karen refugees have, with the support of the local community, made their lives in Nhill in north-west Victoria, creating 156 jobs, buying homes and starting businesses.³

¹ See <http://www.ausrefugeesponsorship.com.au/wp-content/uploads/2020/03/CRSI-Sponsorship-Explainer-web.pdf>

² Department of Immigration and Citizenship, *A Significant Contribution: The Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants* (2011)

³ The Australian, *Nhill is \$105m the richer for taking refugees* (15 February 2020)

Refugees are the most entrepreneurial people in Australia – more so than Australians or other migrants
Five of the eight billionaires in Australia in 2000 were from refugee backgrounds

The Centre for Policy Development⁴ has found that:

- Refugees are more likely to start a business than the wider Australian population. In 2013-14, refugees had a higher median income from their own businesses (\$15,716) than Australian taxpayers in general (\$10,960), and than other types of migrants.
- Over 25% of humanitarian migrants reported income from a business in 2013-14, compared with just under 15% from the Australian average.

A 2019 report by Deloitte Access Economics⁵ highlighted how humanitarian migration increases the availability of labour and increases local demand for goods and services, in addition to positive social impacts. The economic benefits of refugee migration are highlighted by DAE’s modelling which predicated that increasing the humanitarian intake by 88,750 places over 4 years would:

- increase the size of the Australian economy by \$37.7 billion net present value terms over the next 50 years (on average \$4.9 billion increase per annum)
- sustain an additional 35,000 full time equivalent jobs in the Australian economy every year for the next 50 years
- increase private consumption by \$18.2 billion in net present value terms

3. Community sponsorship can speed up economic participation

Canada’s refugee sponsorship scheme, which has enabled the resettlement of more than 300,000 refugees since 1979, reveals the positive impact that community refugee sponsorship can have on the economic participation of refugees:

Local sponsors are empowered and incentivised through their sponsorship obligations to help refugees find work or start businesses, with the most disadvantaged refugees benefitting the most

Canadian research⁶ shows that:

- Between 70% and 90% of sponsored refugees find employment within their first full calendar year post arrival
- Employment rates in the early years of settlement are significantly higher for sponsored refugees than for those who do not have sponsors, even after taking into account key demographic differences on arrival. The most educationally disadvantaged refugees seem to benefit the most from the role of sponsors.

⁴ See Centre for Policy Development, *Seven Steps to Success* (2019)

⁵ Deloitte Access Economics, *Economic and social impact of increasing Australia’s humanitarian intake* (August 2019) (Commissioned by Oxfam Australia)

⁶ See Kaida, Hou and Stick, *The Long-term Economic Outcomes of Refugee Private Sponsorship* (2020) and Immigration, Refugees and Citizenship Canada *Evaluation of the Resettlement Programs (GAR, PSR, BVOR and RAP)* (2016)

Case Study: 'Peace by Chocolate' business, Canada

Canadian sponsors helped Syrian refugee Tareq Hadhad establish chocolate factory/retail business in Antigonish, Nova Scotia (population 4,364) The business is now employing 40+ people and selling in retail outlets across Canada.

4. Community sponsorship supports language acquisition and social integration

The holistic and intensive and individualised support provided by sponsors helps refugees become socially integrated in their new communities

Through frequent informal interactions, sponsors can help refugees learn English, supplementing the role of formal English classes

The Canadian experience reveals that:

- Sponsors provide comprehensive wrap-around support which can assist new arrivals to quickly integrate into the community.⁷
- Community sponsorship is likely to have a positive impact on the development of English proficiency, supplementing formal English language education.⁸
- Sponsors typically interact with the refugees whom they sponsor several times a week in connection with all manner of issues. These interactions, during which interpreters are often not present, become informal learning opportunities.

5. Community sponsorship can support sustainable settlement in regional locations

Community sponsorship can be a powerful tool for Australian communities seeking to increase their populations or labour pools

- In Canada, refugees have been settled in over 400 locations, well beyond the 34 metropolitan locations that support comprehensive settlement services.⁹ 85% of sponsored refugees remain living in their initial settlement communities after 5 years and are thought to be more attached to their new communities than other migrants¹⁰
- In the UK around 50% of sponsored refugees are settling in rural or 'sub-urban' locations.¹¹

Sponsor groups provide an alternative to professional settlement support in smaller communities

Sponsors can provide the social network that helps refugees feel welcome, supported and inclined to put down deep roots in a community

⁷ Schmidtke, *The Civil Society Dynamic of Including and Empowering Refugees in Canada's Urban Centres* (2018)

⁸ Kaida, Hou and Stick, *The long-term economic integration of resettled refugees in Canada: a comparison of Privately Sponsored Refugees and Government-Assisted Refugees* (2019)

⁹ Data supplied by Global Refugee Sponsorship Initiative (2019)

¹⁰ Kaida, Hou & Stick, *Are Refugees More Likely to Leave Initial Destinations than Economic Immigrants? Recent Evidence from Canadian Longitudinal Administrative Data* (2020)

¹¹ Data supplied by RESET UK (2019)

APPENDIX: What is community refugee sponsorship?

Community refugee sponsorship is a practice that enables individuals in a local area to come together to form a sponsor group, which commits to providing financial, emotional and settlement support to refugee newcomers over a 12 month period. The sponsor group becomes deeply and directly involved in supporting refugees to apply their skills, realise their goals and ultimately contribute back to their new communities. **Sponsor groups help newcomers with:**

-  local orientation, including meeting refugees at the airport
-  enrolling children in school
-  finding housing
-  registering with government services
-  accessing social opportunities and emotional support
-  opening bank accounts
-  learning English
-  using public transport
-  getting a drivers license
-  finding a job or starting a business

Community refugee sponsorship has been working successfully in Canada for more than 40 years. Ordinary community members in Canada have sponsored and welcomed more than 300,000 refugees since the late 1970s, in addition to those entering under the government-funded resettlement program.

The practice is now spreading around the world with countries including the United Kingdom, Ireland, Germany, New Zealand, Spain and Argentina all having established community sponsorship schemes.

What are the benefits of sponsorship?

Sponsorship is great for refugees, who can benefit from **personal connections** to help them find their feet in a new country. Refugees benefit from **intensive, individualised and holistic support** provided by committed **local volunteers**.

And sponsorship is great for sponsors, who develop new networks and relationships by coming together to pursue a **powerful shared purpose**. Through sponsorship, ordinary citizens uncover and **build capacities** and communities, and often develop lifelong friendships. Many former sponsors say that sponsoring a refugee is one of the most meaningful things have ever done and sponsored refugees often go on to become sponsors themselves.

Community sponsorship can **enrich civic life** and also **foster social cohesion** and the **full economic participation** of humanitarian migrants in Australia.

Sponsorship can **help regional communities attract and retain migrants** to boost their populations and expand their workforces. It can enable sustainable settlement in regional locations lacking professional settlement infrastructure.

Sponsorship provides a **model for expanding Australia's refugee resettlement program** by drawing on the time and resources of compassionate Australians to supplement the long-standing government-funded resettlement program.