



Labor conditions

An insight into Australian Economy

Executive Summary:

The report highlights how the foreign labor is exploited in Australia by making comparisons of the foreign labor with the domestic, stressing upon the ethical issues which arise in context with the worker who are Australian Visa Holders and negative economic consequences of the exploitation of foreign labor and suppression of their human rights. The report signifies the importance of more regulations in the labor market and highlights the incidents of labor exploitation. It addresses problems pertaining to labor trafficking, low wages, long working hours and adverse working condition, sexual abuse and forced labor of the foreigners that are working in the public or private manufacturing, service and agricultural sectors. Finally the report concludes that exploitation of labor is a menace which is destroying the country morally, ethically and creating a bad name for the state not only nationally but also globally.

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Introduction:

The word exploitation may refer to a social relationship in which a person, a group of persons or an entity exerts pressure on another for their own vested interests and to reap unfair gains from them. The power share is a symmetric in this sort of an affiliation (Roemer, 1982). Exploitation has a direct association with the consumption as far as the social theories are concerned. The more widely accepted definition of the term ‘the exploitation of labor’ is taking an unfair advantage of a member that belongs to a working class because of his or her inferior position. The foreign labor have been subject to extreme forms of exploitation in many countries and Australia is no exception to that. The structure of the Australian economy has changed a lot in the past 35 years (Attas, 2000). Though there has been a shift towards a more capital intensive economy but the availability of cheap labor from the developing world means that the economy is still very labor intensive in the agriculture, manufacturing and service sector. Due to being labor intensive, there have been problems regarding the foreign labor exploitation and suppression of the human rights of the work visa holders in the country (Roemer, 1982).

Exploitation of Foreign Labor in Australia:

There have been many incidents that are reported on the national scale that signify the problem of exploitation of labor. The foreign workers are treated differently as compared to the domestic workers that are working in the public sector as well as the private.

The ABC (Australian Broadcasting Corporation) has been repeatedly reporting that there has been an increase in the events that relate to the problem of exploitation of labor and suppression of their human rights especially in the hospitality, service and construction industries (Russel, Christodoulo, & Hanna, 2015). The major concern according to the ABC is the outburst of labor trafficking in the country from the overseas. According to the report published by the ILO

(International Labor Organization) the foreign workers who migrate to the country for the reason to live a prosperous life are subjected to less social protection and labor inequalities in Australia as compared to the domestic workers. They are also vulnerable to human trafficking, exploitation and discrimination in the labor market.

In detail analysis of the Deagon Review of the 457 program that was published in 2008 reveal that there are a lot of practices that relate to the exploitation of foreign skilled labor in Australia (Russel, Christodoulo, & Hanna, 2015). According to the report, the foreign workers are not paid for their overtime work. Moreover they have to labor for long hours to earn the same amount of money as compared to the domestic workers. The foreign workers have no or minimal access to the sick leaves in some cases. There have been some reports that the foreign workers have been dismissed as they were absent from the workplace because of sickness (Russel, Christodoulo, & Hanna, 2015). Other suppressions include dismissal on being pregnant and sexual harassment. There have been reported incidents in which the employer has charged extra rent for living within the workplace from the Visa Holders or living that is organized by the employer. The report recognizes that there have been many cases of human trafficking and slavery of severe degree in the country (Russel, Christodoulo, & Hanna, 2015).

Fiona David conducted a research on labor trafficking in Australia in which she highlighted the groups of workers that are most exposed to “unlawful conduct” (Putt, 2007). It was revealed in the study that the workers who are at the lower end of the occupations and are considered in the category of skilled laborers under the program of 457, workers that work in the domestic environment, visa holders that relate to bridging and permanent migrants who have arrived in the country recently fall under the list of most vulnerable to unlawful conduct (David, 2010)

The foreign workers are given low wages in the garments industry of Australia. Often the work force comprise of workers especially women who are given a quota to weave clothes with hands in their houses. The wages they are given are as low as \$2.5 per hour (Putt, 2007). There have been increasing reports to the state and federal inquiries about these outreach workers who are underpaid and have deplorable condition in which they are living. These living conditions are organized mostly by their employers. Most of these outreach workers are migrants from the third world countries.

Comparing the Foreign Labor with the Domestic Labor:

Things are in contrast when it comes to the domestic labor in the country. The residents of Australia who work in the industry enjoy all the benefits one can think of. They are paid highly by the employers (Howe, 2013). They have all the rights to take leave of sickness, pregnancy and child birth. Though the home labor can be dismissed by their employer within the first three months of their employment but after that the employers have to give them a legal notice of dismissal. That is not the case with most of the foreign labor (Howe, 2013). They are forced to work for hourly wages which are less than the minimum wage and are mostly dismissed without any notice of termination. The clause of the Australian law offers strict adherence to a 40 hour per week work, beyond that the workers should be paid a premium and the home labor avails that premium if they are working overtime. This is not the case with the foreign workers. There are reports which suggest they are subject to labor exploitation and they are forced to work for long hours (Howe, 2013).

Causes of the Exploitation of Foreign Labor:

Majority of the foreign labor are either students, some of them are illegal immigrants or visa they possess do not allow them to work (Howe, 2013). The students in Australia work in the service,

construction and manufacturing industry on low wages. This is because of the fact that they are permitted for limited working hours. Beyond these limited working hours they are subject to exploitation in the labor market. The reason behind this being the employer already knows that they are working illegally after their working hours limit exceeds. They are forced to work long hours with meagre wages and nonpaid overtime. The illegal immigrants are subject to the most severe labor exploitation. Often they work in the farms on very low wages because if caught by the authorities they will be deported to their respective countries (Howe, 2013).

A paper that was submitted to the walk free Foundation signifies the challenges that are faced by the foreign workers that are working in the domestic places (Moore, 2015). They comprise of a small population but are subject to inhumane behaviors by their employers, human trafficking, forced work and sexual harassment. The reason for this labor exploitation is that the authorities lack information regarding these overseas domestic workers. Moreover they live in isolated places and do not tend to report these human rights suppressions because of the fear of deportation. This makes it difficult for the government to take action against the employers who are committing these crimes (Moore, 2015).

The same is the case with the foreign labor which is linked with the agricultural sector. These workers comprise of many different kinds of visa holders and undocumented immigrants (Andrevski & Lyneham, 2014). The reports from the 417 visa holders and evidences that are provided by the unions suggest that the foreign labor linked with the agricultural is subject to extreme forms of exploitations. As the laborers are subject to isolation, there is no direct access to them and hence they are unable to receive any legal advice. More over there is a practice all across the country of deportation of the workers within no time without any detailed interrogation. This makes the culprits to get an easy passage to escape from the punishment of the labor exploitation

and suppression of human rights. The incident in Carabooda market garden (WA) is a prime example of this where 160 workers were deported within 24 hours of detention (Bembridge, 2014).

Ethical Issues Concerning Foreign Labor:

There also have been reports of racial discrimination where the Australian laborer have been given all the privileges and the foreigners were neglected. A four corners investigation reveals that there have been strong evidence of the exploitation of labor, conditions that are slave like and gangs that constitute black labor in the farms and the industrial area which supply food to the supermarkets such as Woolworth, Costco, IGA and Aldi (Russell & Hanna, 2015). There have been news that the fast food chains like KFC, Subway and Red Roaster have also been named. The products supplied to these big markets and fast food chains which are tainted by the exploitation of labor include poultry and various vegetables. Often the farms on which they are produced have black labor which is often sexually harassed and are forced into labor by their employers or owners (Russell & Hanna, 2015).

More over the workers that have migrated from Asia and Europe have also been subject to sexual harassment and forced labor (Andrevski & Lyneham, 2014). They are badly beaten sometimes. The Four Corner investigation also revealed that women working on these farms are also sexually abused (Russell & Hanna, 2015). They are propositioned for sex and are forced into sexual activities not complying with which can end up in visa problems.

These exploitations of labor is sometimes an organized act where many organization or group of employers make a consolidated understanding to conform to the act. A scam has been reported by the four corners in which the labor contractor have been caught red handed who were supplying

cut price migrants in search of work that are being supplied to the industries and farm lands (Russell & Hanna, 2015).

These migrant workers come to Australia under the 417 visa and are allowed to work in the country for six months. These migrant workers are offered very low wages, forced into labor and sexually assaulted (Russell & Hanna, 2015). Expert on the labor law and migration expert Dr. Joanne who is a lecturer at the university of Adelaide law school have argued about the fact that the visa 417 have been corrupted so badly that it has placed adverse effects on the reputation of the country globally (Russell & Hanna, 2015). According to her, this visa policy has been exploiting the migrants who are vulnerable to indecent conduct and labor exploitation. She also argued that how will the Australian government feel if the Australian nationals are treated the same way in any other part of the world as foreign labor is treated in Australia. The federal minister for Hinkler Keith Pitt also accepted the fact the reputation of the country has already been damaged (Russel, Christodoulo, & Hanna, 2015). Having said that he pressed on the concerns that the country needs this extra labor in the fields of Horticulture in order to cut the crops.

There has been a thorough investigation by the Four Corners that reveal that the landowners and industrial giants who do not accept the terms of labor exploitation are subject to alienation (Russel, Christodoulo, & Hanna, 2015). It has been reported that the famers and the employers who pay their employees correctly and abide by the rules of employment are often kicked out by these large super markets.

SA potatoes is a prime example. It is considered one of the largest supplier of the potatoes in the supermarkets. SA potatoes has complied with the rules of employment and had been paying the workers as per the minimum wage requirements. The company lost the contract due to these employment compliances and the large markets entered into the contract with the companies who

were supplying potatoes at a rate which was less than SA potatoes (Russel, Christodoulo, & Hanna, 2015). These companies were underpaying the migrant workers and exploiting them.

Consistent downward pressures which are applied by the supermarkets on the industry and relaxed auditing practices are pushing the farmers and the industrial employers to employ cut price labor. More over the Australian government is not opening this Pandora box because it would mean more regulation and more regulation means more hard work. Many authorities in Australia and the agencies that relate to the government who are responsible for any sort of regulation with the inclusion of The Fair work Ombudsman and the immigration department should be accused as they have failed to negotiate the problem with the contractors who are hiring this cheap migrant labor which is subject to sexual assaults, forced labor and very low wages (Russel, Christodoulo, & Hanna, 2015).

The inquiries done by the Productivity commission (2003) and the industrial commission (1997) state that the outreach workers are subject to labor exploitations in terms of wages they get and the conditions they work and live. According to Cregan (2002), these outreach workers were paid up to \$3.6 per hour which is very low as far as the minimum wage requirement is concerned, they worked 12 hours a day and 62 % of the workers worked 7 days a week (National Library of Australia, 2002).

The problem lies at both the employers and the employees end. Most of the medium sized and small manufacturing units do not comply with the employment and workplace practices because they do not know the law in depth. Moreover the employees are unaware of their rights (National Library of Australia, 2002).

Negative Impact of Foreign Labor Exploitation on the Economy:

Reputation:

There have been adverse impacts on the economy of the country. The country has been making a bad name for itself due to foreign labor exploitations. The international students who arrive in the country for the purpose of getting a degree and work part time in order to meet their living expenses are subject to severe forms of labor exploitation. After completing their degree, when they go back to their respective countries they tend to spread the word. This leads to insecurities for the parents to send their children on student visa to Australia (Howe, 2013). Australian education industry is a billion dollar industry with a revenue generation of over 15 billion in the preceding year and this bad reputation is slowly but surely affecting the industry (Howe, 2013).

The consumers not only nationally but also globally have now been completely aware of the issue of foreign labor exploitation. They tend to reject consuming the product of the companies which are highlighted for reports of foreign labor exploitations and sexual abuses. This has dented the country badly. The country has already made a bad name due to labor exploitation. The international and national consumers rejecting the products that are produced by the exploited labor can have adverse effects in terms of revenue generation of the country (Russell & Hanna, 2015).

Income disparities:

The working class which is holder of the 417 working visas are subject to extreme labor rights violation (Andrevski & Lyneham, 2014). They are forced to work at an average of \$3 to \$4 per hour in adverse working conditions in the agricultural, manufacturing and service industry. This wage is way below the minimum wage requirement as per the labor laws in Australia. Comparing the situation with the labor which constitutes the nationals of the country, the scenario is

completely opposite (Moore, 2015). They know their rights, are paid according to the minimum wage requirement and provided with adequate working condition. Hence there is a huge income disparity between the home and foreign labor.

International Labor Organization:

The international labor organization an agency of the United Nations and working for the social protection, international labor standards and equal working opportunities for all, has been submitting reports on the lack of social security of the foreign labor in Australia. The ILO (International labor organization) is a platform that is heard by almost all of the world leaders of the states and international bodies (National Library of Australia, 2002). The highlight of the labor exploitation in the country may lead to labor sanctions on the country. This can adversely affect the labor productivity of Australia. The sole reason for this is, the agricultural and service sector of the country is mostly labor intensive. The skilled workers that are working in the sector mostly comprise of Asian, African and European origins (Putt, 2007). Labor sanctions on the country would mean letting go of this labor unless proper labor rights are being provided to them. This will lead to shunted supply of skilled labor resulting in low productivity and supply of the commodities.

Unemployment for the Home labor:

The other adverse effect of foreign labor exploitation is an increased unemployment for the home labor. This is because of the fact that most of the foreign labor in the country are allowed to work on the 417 visa work permit (Russel, Christodoulo, & Hanna, 2015). This labor is subject to severe form of labor exploitation in terms of low wages and adverse working conditions. The reason for this is they are unaware of their rights, most of them are subject to isolation and have a fear of deportation. In contrast to this, the home labor is aware of their rights and employers feel bound to pay them and provide them with adequate working facilities as required by the law. Hence the

employers tend to employ the foreign labor who are willing to work on very low wages and worse working conditions. This creates unemployment for the home labor (Russel, Christodoulo, & Hanna, 2015).

Conclusion:

The exploitation of foreign labor is not only adversely affecting the reputation of Australia but also having adverse impact on the economy of the country. Though in order to achieve the desired productivity and ensuring constant supply, the use of labor is a necessary production input for the labor intensive country but the government should regulate the supply of labor in order to minimize the exploitation of foreign labor that has ethical, social, moral and economic implications for Australia. Proper documentation, facilitating the illegal migrants, complete interrogation before their deportation and hunt for the visa holding workers who are subject to isolation can minimize the foreign labor exploitation.

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