

INTERNATIONAL MIGRATION AND CULTURAL DIVERSITY AND THE GLOBAL FINANCIAL CRISIS

by

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Outline of Presentation

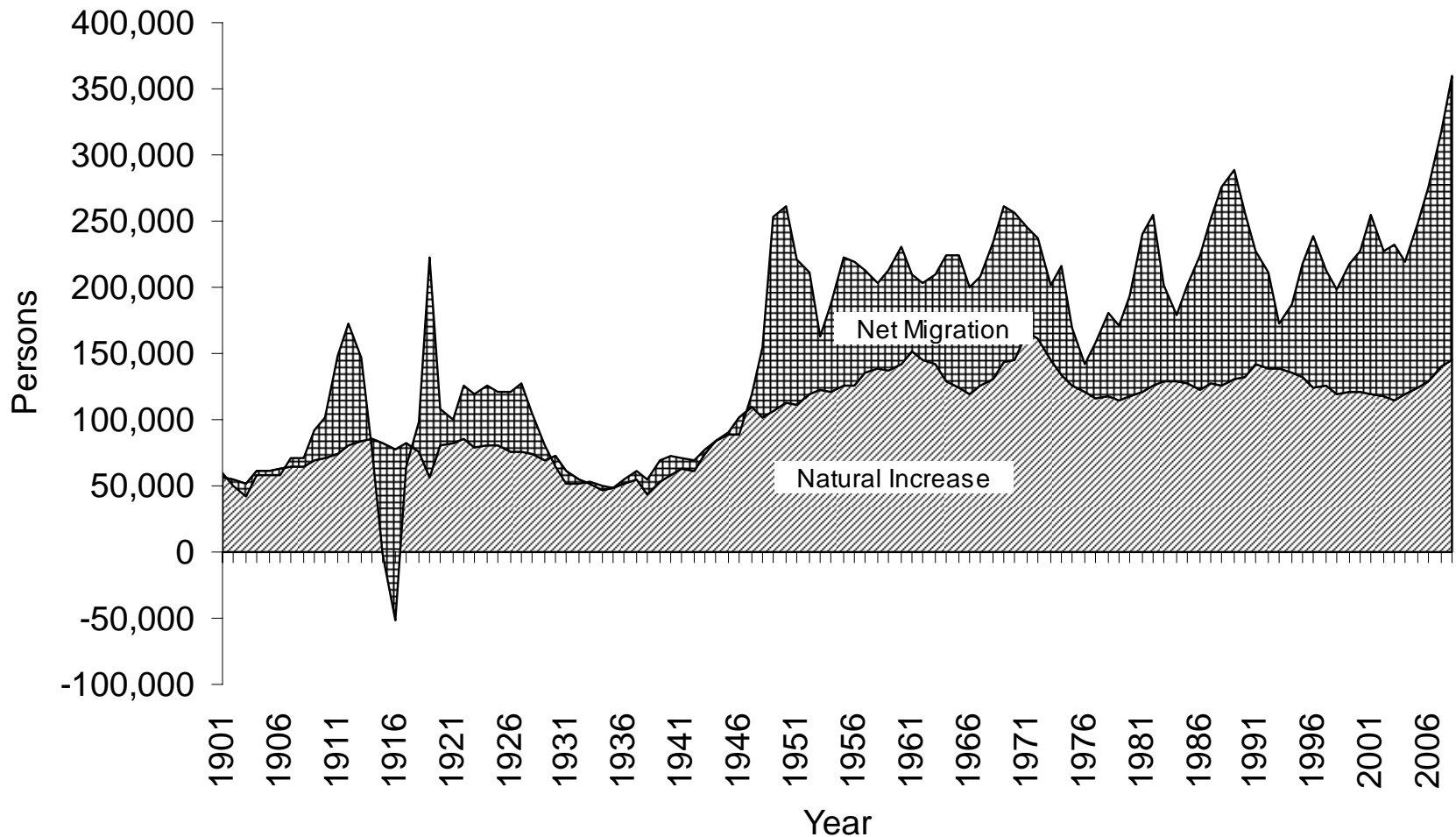
- **Introduction**
- **Migration and the Australian Economy**
- **The Crisis and Migration**
- **Effects of the Crisis on Migration for Australia**
- **How Can Migration Help the Transition Out of the Crisis**
- **Conclusion**

Australia: A Country of Immigration

- 24 percent born overseas
- 26 percent Australia-born with an overseas-born parent(s)
- 630,513 persons temporarily present at 30/6/06
- Without postwar migration the Australian population would be 12 million

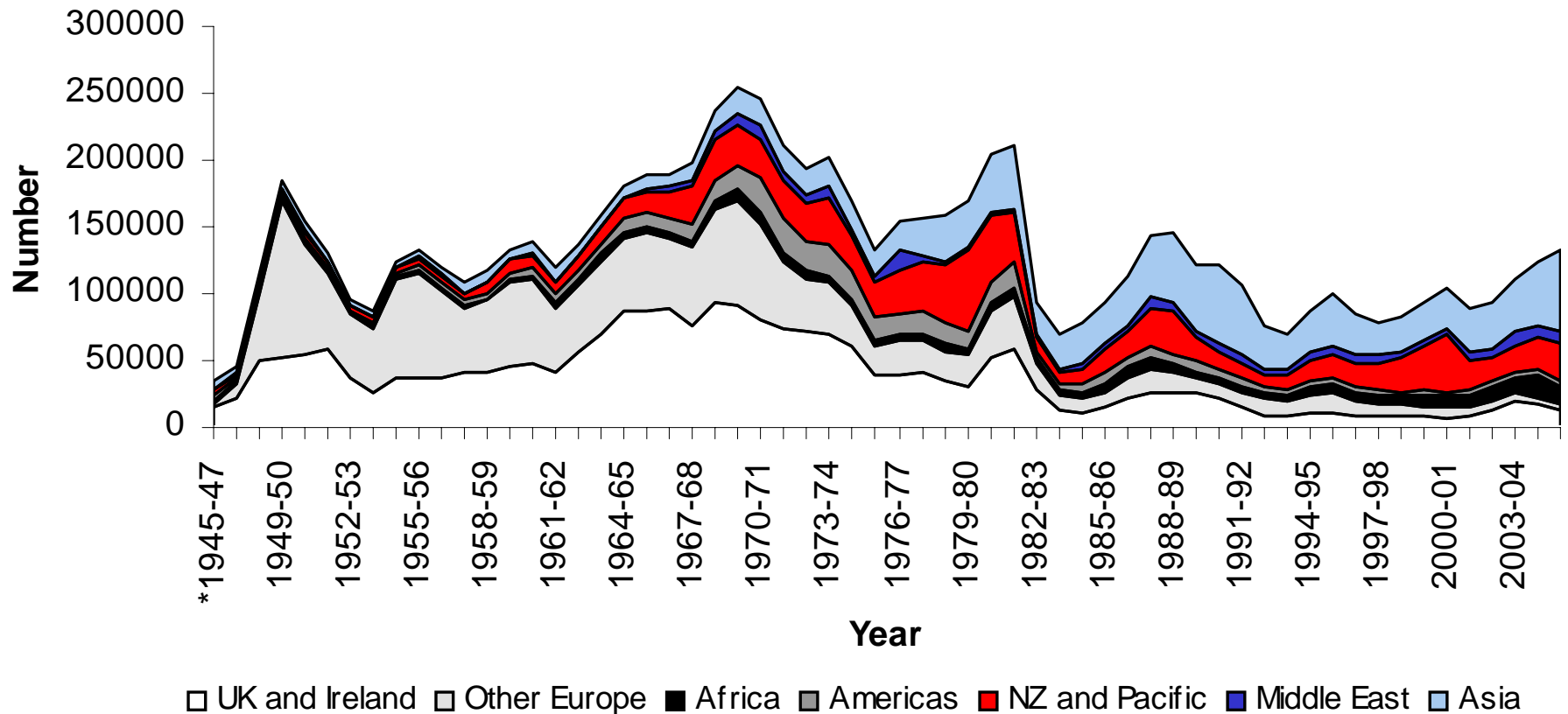
Australia: Total Population Growth Showing the Natural Increase and Net Migration Components, 1901-2008

Source: ABS 1986 and ABS *Australian Demographic Statistics*, various issues



Australia: Settler Arrivals by Region of Last Residence, 1947 to 2006

Source: DIMIA, *Australian Immigration: Consolidated Statistics*, various issues; ABS, *Migration Australia*, various issues; DIAC, unpublished data



Higher Degree Qualification by Australia- and Overseas-Born, 1981-2006

Source: 1981 to 2001 Census One Percent files, ABS 2006 Census

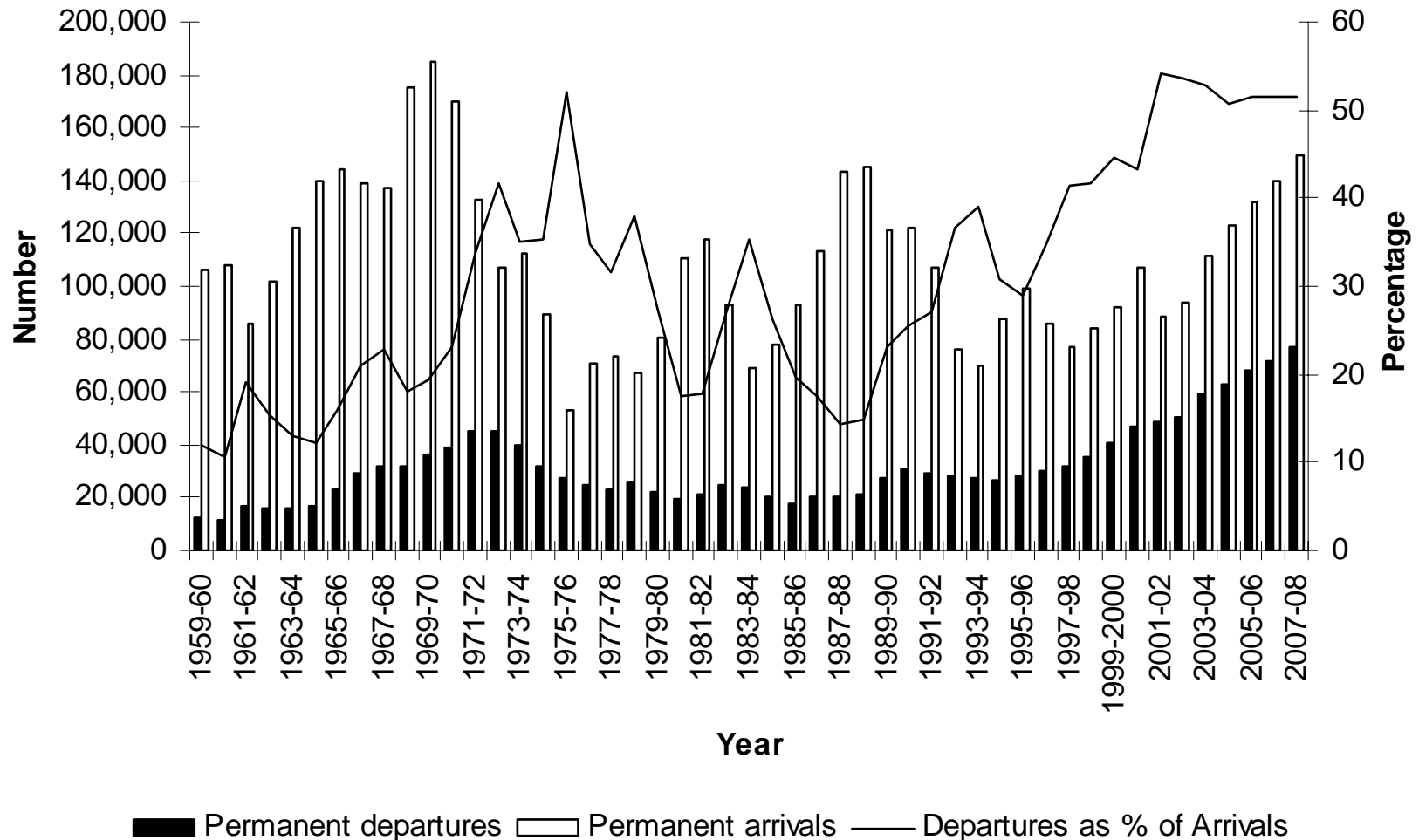
Year	Australia-born	Overseas-born	Percent of All Higher Degree Overseas-Born
1981	0.44	0.97	43.5
1986	0.53	1.21	44.2
1991	0.72	1.58	44.9
1996	1.07	2.3	44.9
2001	1.35	3.22	47.4
2006	1.46	4.59	49.0

Contribution of Migrants to the Economy

- **Supply particular skills, contribute to increasing productivity**
- **Also fill low skilled jobs eschewed by Australians (e.g. agriculture)**
- **Important part of risk taking, entrepreneurial groups**
- **Crucial in developing economic linkages with origin countries**
- **No evidence that locals are displaced from jobs by migrants**
- **Myths about economic impacts of migration**

Australia: Permanent Arrivals and Departures, 1959-60 to 2007-08

Source: DIMIA *Australian Immigration: Consolidated Statistics* and DIAC *Immigration Update*, various issues



Global Migration Before the Crisis

- **Unprecedented scale and complexity**
- **Increasing recognition that migration is a structural feature of economies. Not just a temporary fix for labour shortage**
- **The migration and development initiatives – the triple bottom line**
- **Growing feeling that the world had benefited from a breaking down of trade barriers but neglected the barriers influencing the international flow of labour**

Effects of the Crisis

- **Migrants the first 'laid off'**
- **Increased pressures for migration from origin countries**
- **Impacts of decrease in remittances**
- **Increased exploitation of migrants**

Impacts of the Global Financial Crisis in Australia

- **Increased age at retirement among baby boomers**
- **Decrease of 14 percent in skilled migration intake in 2009-10**
- **Increased return migration of Australian expatriates**
- **Reduction in immigration intake**
- **Increased global pressure for migration**
- **Changes in Talent Wars Scenarios**

At times of economic downturn there is a tendency for countries to adopt protectionist policies both with respect to trade and migration. While the response is understandable, the global experience has not been that making substantial reductions in migration has not had the desired consequences for improving the economic prospects for local workers.

Why are Migrants Needed Even During the GFC?

- **Skill shortages**
- **Labour market segmentation**
- **The value added effect of diversity
in a globalising world**

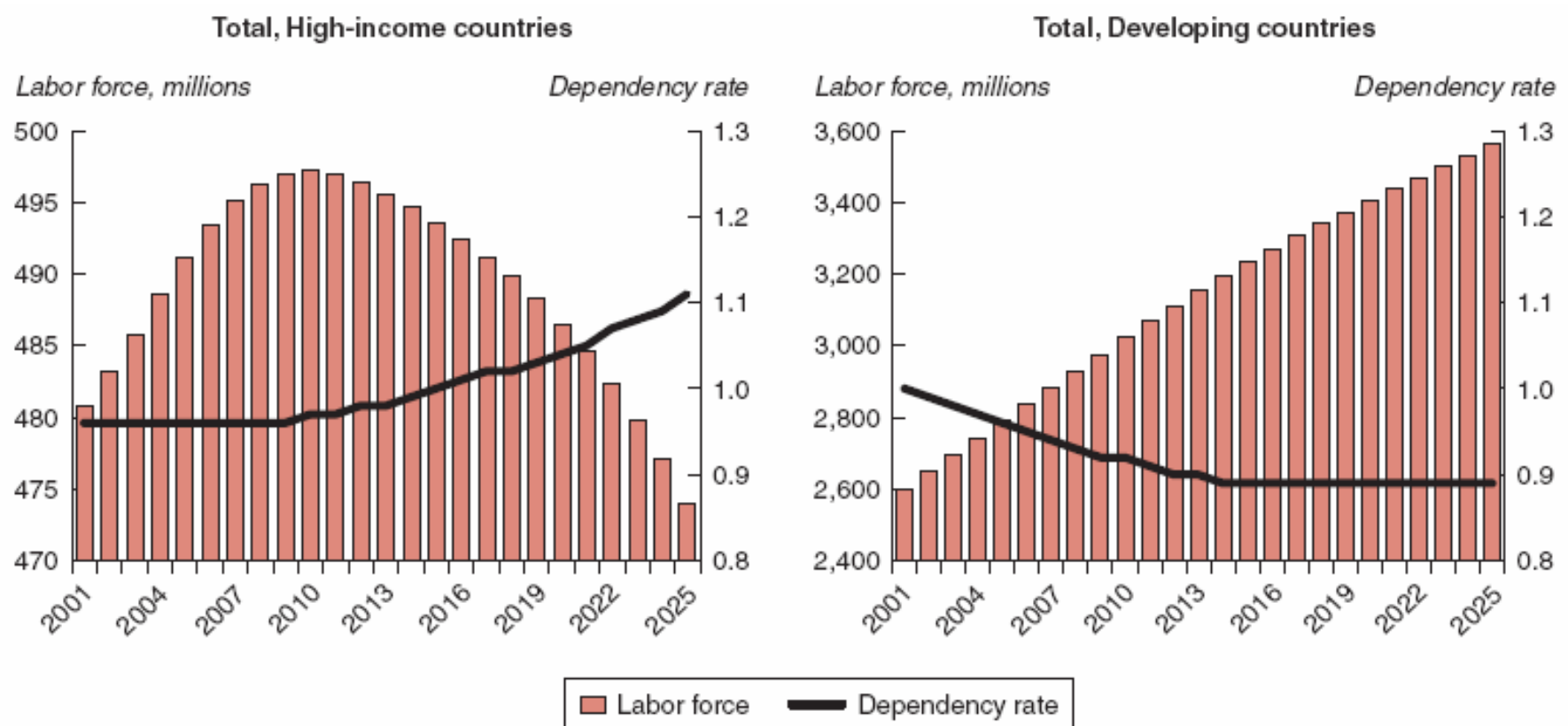
**Need to Recognise Long Term
Structural Causes of Migration
– Increasing global
differentials in economy and
demography and the forces of
globalisation**

**“Over the next couple of decades
nothing will impact OECD economies
more profoundly than demographic
trends and, chief among them, ageing”**

**Jean-Philippe Cotis
Chief Economist, OECD
March 2005**

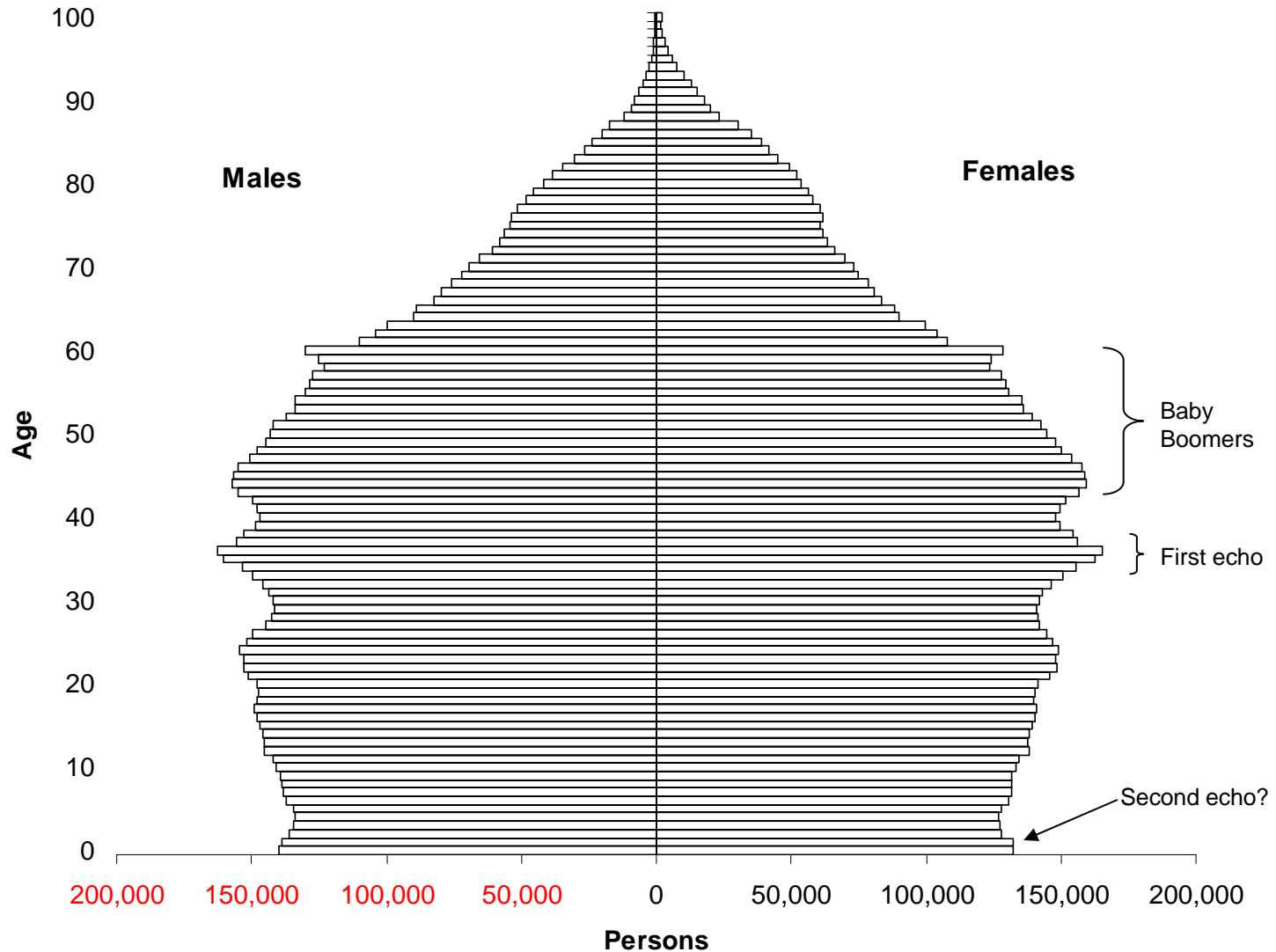
Labour Force Age Groups and Dependency Rates

Source: World Bank, 2006



Australia: Age-Sex Structure of the Population, June 2007

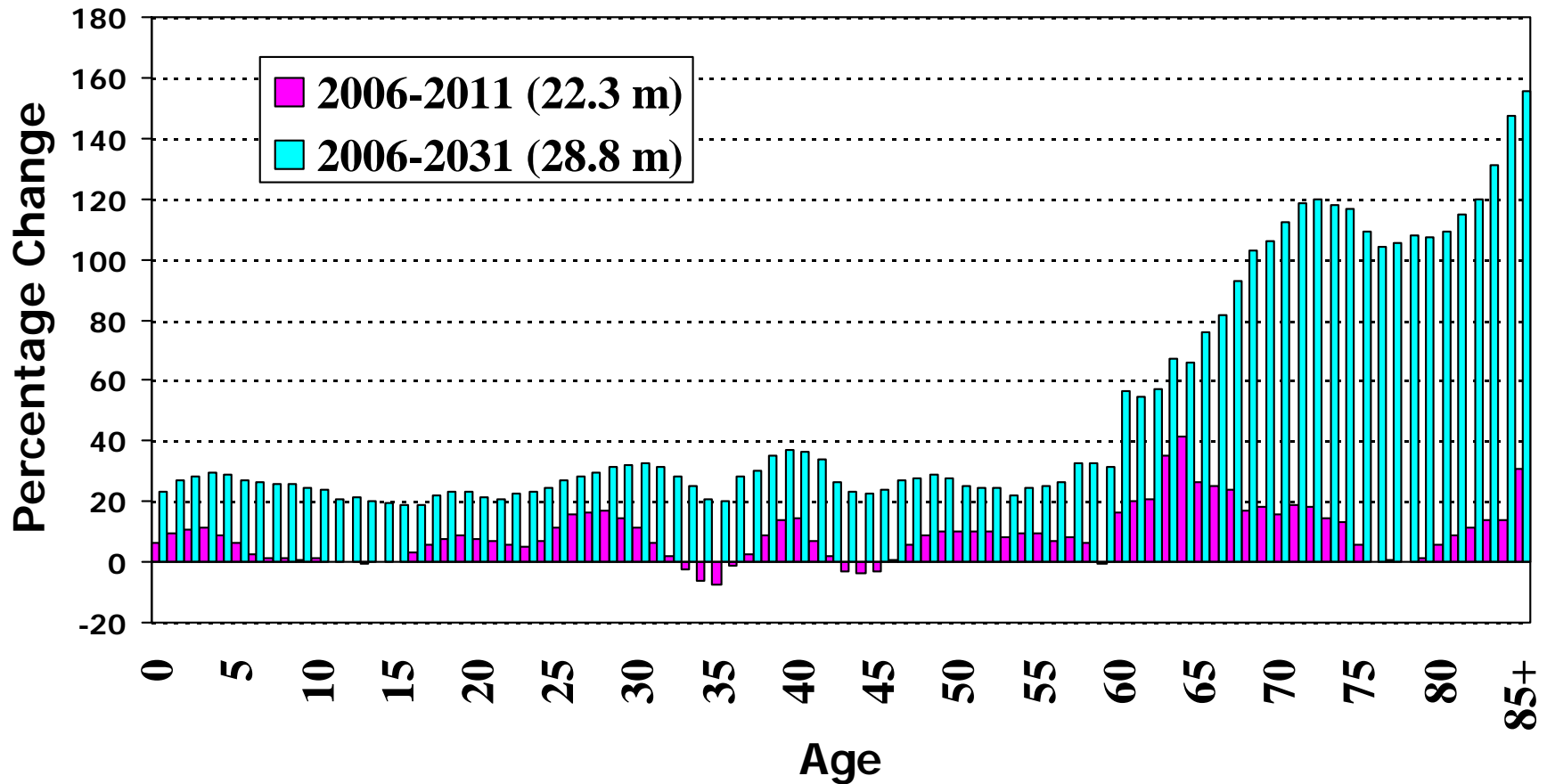
Source: ABS Estimated Resident Population data



Structural Ageing:

Australia: Change by Age (5): 2006 – 2011; 2031 (Series B)

Source: ABS 2008 Projections



- **In Australia, without migration, the population would begin to decline from around 2030 and workforce ages would begin to decline in between 5 and 10 years from now**
- **Currently migration contributes 40 percent of workforce growth but this proportion will gradually start to increase so that during the 2010s it will start to contribute all growth of the workforce**

Baby Boomers 2006

- **25.7% of Australian Population**
- **41.8% of Australian Workforce**

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GENERATION.
AND THEY ALL
WANT HIP
REPLACEMENTS.



"Terrifying" PETER COSTELLO, FEDERAL TREASURER.

Advantages of Migration in a Globalising Economy

- **Premium on skill in global economy**
- **Migration communities 'hard wire' Australia into the global economy**
- **All high income countries will be competing for migrants. Australia's experience of multiculturalism gives it a significant advantage**

Concerns

- **Scapegoating, stereotyping of migrants**
- **Increasing populist influences**
- **Need for more empirical evidence in discourse**

Conclusion

- **Migration is an integral part of the contemporary Australian economy and society**
- **Australia has gained a great deal from migration**
- **Need to recognise role that migration has to play in both the recovery and in long term economic sustainability**