

## **Economic Impacts of Migration and Population Growth**

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Countries like United States of America, Canada, and Australia have benefited quite significantly because of Migrants to these countries from various parts of the world. United States is mainly a country of migrants and the progress it has made is due to these migrants. Usually most of the migrants work very hard to establish themselves and have better life which in turn brings great economic benefits to the country. There are other benefits like the enrichment of the culture. United States has already exploited a good portion of its resources during the past 200 years and progressed to be world's top super power. In Australia we have still got a major proportion of our resources intact. These resources can be exploited with proper planning and increased manpower for the progress of the country. With current population probably it may not be possible to progress quickly as one of the regional superpowers. Migration brings the required manpower and the country can progress very fast with proper planning and management.

At present it appears that several countries in the west are trying to attract migrants for the progress of these countries. This is evident from the intake of migrants with Computer skills, Engineers, Nurses, Teachers, etc. by countries like USA, Canada, UK, Germany, and other European countries. Certain traditional countries like Germany are offering permanent residency/citizenship to computer professionals and others which was not considered easily earlier. It appears that there is a competition between some of the countries to attract migrants with specific skills. Australia and New Zealand are also taking migrants in some of the areas of demand in limited numbers which has produced some economic benefit in terms of the services offered by these migrants. In the past post war migration has significantly enriched Australia in many respects including significant economic benefits.

Progress of Australia depends very much on labour force in general and skilled labour force in particular. At present our capacity to produce required skilled labour force is limited due to several reasons. Migrant intake probably is the only way to plug the gap of shortage of skilled labour force. There is significant gain both in the short term and also in the long term by having skilled migration. If we consider immediate benefit, there is significant savings compared to locally producing skilled professionals like engineers, computer professionals, medical professionals, teachers, trades persons, persons required for the tourism and hospitality industry etc. For example if the expense to the commonwealth and state Governments to produce an Engineering Graduate based on the expenses starting from pre-primary school age to graduation may be in the order of several hundreds of thousands of dollars (Ref.1,2,3). By spending few thousand dollars a migrant engineer can be trained to use our methods and would be a very useful member in contributing to the economic benefit of the country. As a matter of fact in early nineties a course was conducted at RMIT under my leadership for overseas qualified migrant engineers with a funding of about half a million dollars from the then Department of Employment, Education and Training. Most of them are now contributing to our economy with their services. Most of the professional Engineers in that program

had many years of professional experience in their country of origin before migrating to Australia in addition to the professional engineering qualifications obtained outside Australia. Some of the employers who provided training for these overseas qualified migrant engineers informed that some pending problems for several years were solved by these trainees.

Like engineers to produce a medical professional or other professional, the total expense to the country can be several hundreds of thousands of dollars. By having these persons as migrants the country is saving considerably. Only a small amount has to be spent to retrain these professionals to understand our procedures and the way we work here. Persons with technical skills will contribute significantly to our manufacturing industry which in turn contributes to our economic growth. But at present there is a problem with the qualification recognition of some of the professionals like Physicians, Surgeons, Dentists and other medical professionals. The qualification recognition is in the hands of the professional bodies and some of them are like very strong unions. This needs to be addressed to provide required services to the semi-rural and rural areas. If the persons are already academically qualified, it makes sense to train them for a reasonable period and employ them initially in a rural area for certain length of time. It is not in the interest of the country to allow the professional bodies to regulate the market to protect the incomes of its members. Country's economy will improve by deregulating the hold of the professional bodies on the qualifications and registration of migrant professionals.

Migration has immediate and direct impact on the economy. Demand for consumer goods, primary industry produce increases. Housing industry gets a boost as the migrants work hard and try to acquire a home of their own. In addition many migrants bring cash and other items with them which add to the riches of the country. In some cases the amount they bring with them may be small but at a later date they bring more once they have settled in the country by disposing off their assets in their country of origin.

Australia is graying fast and in the next 20 year's time there will be more retired persons who may be on pensions or require Medicare and other facilities. These are to be supported by tax payers. If we do not have sufficient population to contribute to the taxation system, the country will face problems in the future. Usually migrants are relatively young and also have or produce young children who will be contributing to the economy and to the taxation system.

Another issue to be considered is the security of the country from foreign aggression. With current population and the size of the armed forces it is very difficult for us to defend our country from a more powerful and populated country's aggression. At present the expectation is that we get help from other allies. But it is hard to predict how much help we can get. It is always wise to depend on our own capability. For this reason also we need to increase our migrant intake to boost our population and armed forces.

There is some argument about the sustainability issue and some persons argue that Australia can not sustain more population without having problems like insufficient water resources, energy consumption, etc. But to a large extent these problems can be

minimized with proper planning. In Australia good percentage of water is used for gardens but this can be considerably reduced by encouraging people to plant native garden which do not require much water. Also the size of the block of land can be reduced so that the area for garden is minimal. Energy problem can be reduced by encouraging people to install solar hot water systems. In a country like Australia it makes sense to utilize the free energy from Sun which is available in abundance. People may be encouraged to use public transport instead of a single person driving a V6 car to go to work. Design of buildings need to be modified to take advantage of passive solar energy so that heating and cooling is significantly reduced.

At present very frequently the fruit growers face problem as they can not get fruit pickers at the right time. Because of this there is a loss to the fruit grower and to the country as the export income reduces. It may be better to consider bringing in labour from countries with higher population like China and India on a temporary basis for few months during the fruit picking season using contract labour. It may be possible to negotiate with the unions so that they do not demand award wages. Similar temporary labour migration on contract basis can be used for planting trees, creating fire breaks etc.

Migration contributes significantly to Australia's economy and therefore careful consideration has to be given to migration, in particular to skilled migration.

#### References:

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