



# International Migration in Response to Changing Global Demographic Reality: Ageing and Structural Labor Shortage

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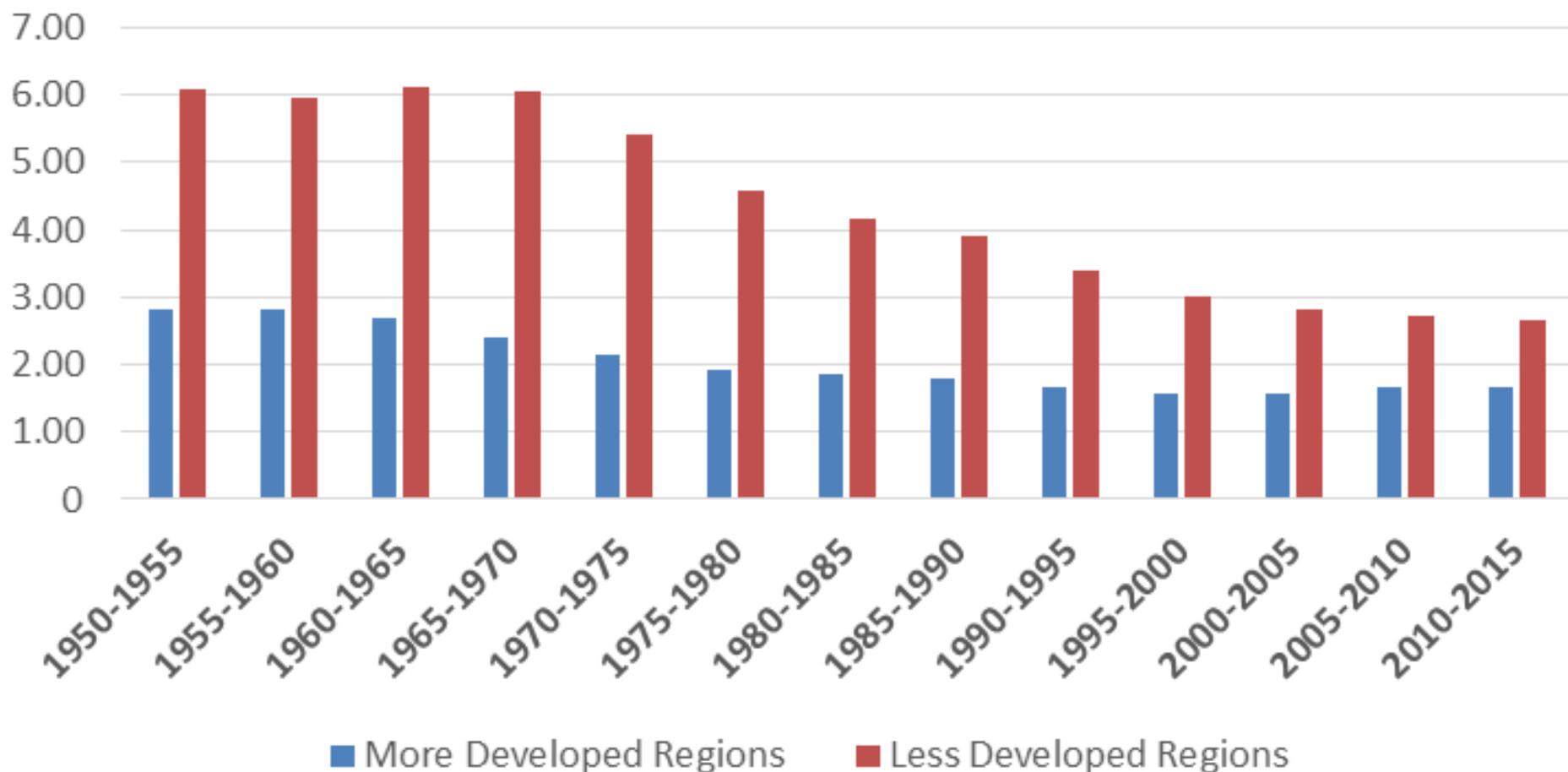
# International Migration and Global Demographic Reality

- International migration in contemporary times in many aspects is similar to what happened in the history
  - People
    - pursue better employment opportunities
    - avoid political or religious persecution
    - displaced by wars and conflicts
    - pursue desirable lifestyles or environments
  - Countries
    - receive migrants for increasing population sizes and scales of economy/markets
    - Nation-building, national security
- **New “silent” driving force of international migration – changing global demographic reality**

# Low Fertility and Very Low Fertility

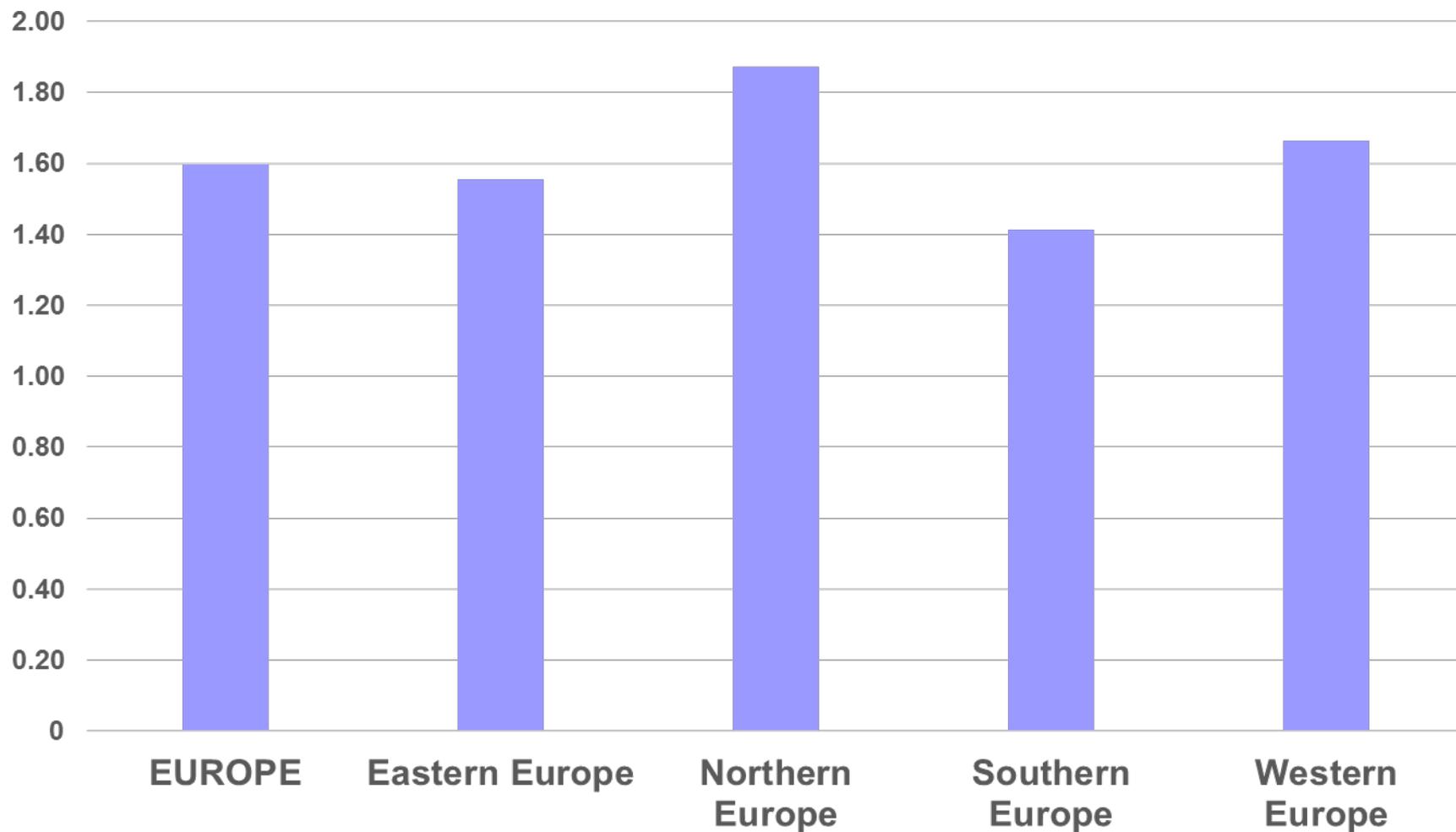
- Major industrialised countries have experienced low fertility in the past five decades and some have reached to very low level
  - Europe TFR 2.66 in 1950s, 1.60 in 2015
  - **US TFR 3.3 in 1950s, 1.89 in 2015**
- Fertility in major European countries and Japan are among the lowest.
  - Spain TFR 1.32 in 2015
  - Germany TFR 1.39 in 2015
  - Japan TFR 1.40 in 2015
- Major demographically important country, China, has also reached to very low fertility level, a reversal of the trend is unlikely in the future.
  - China TFR 6.11 in 1950s, 1.55 in 2015

## Total fertility Rate, 1950-2015



Source: UN Population Division (2016) *World Population Prospects 2015*.

## Total Fertility Rate - European Regions, 2010-2015



Source: UN Population Division (2016) *World Population Prospects 2015*.

# Consequences of Low Fertility - Slow or Negative Population Growth

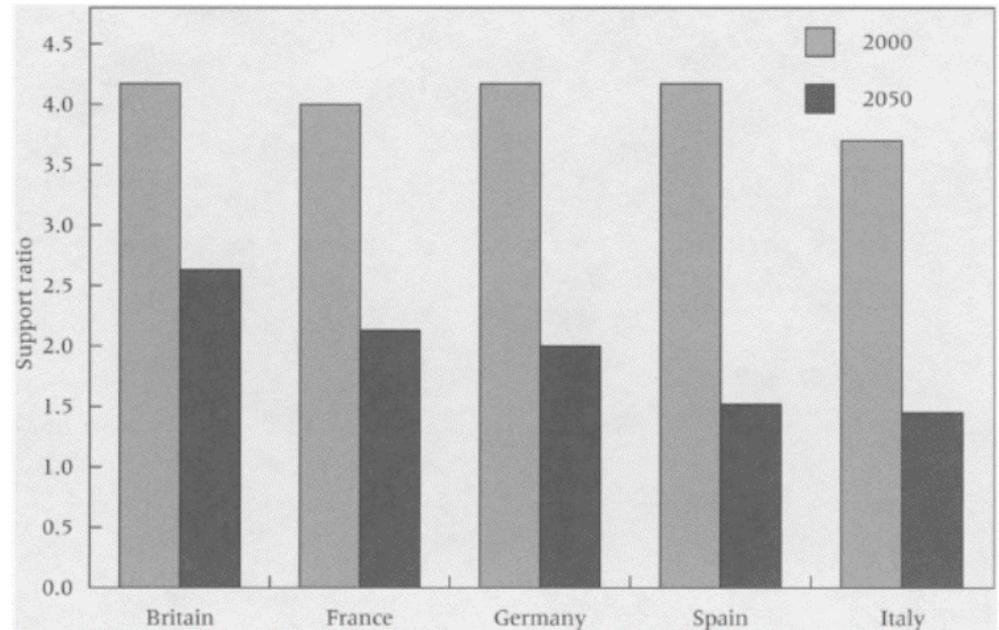
- Politicians see this as “Death of the West” – caused by “demographic malnutrition” (e.g. Buchanan 2002 and others)
- Concerns about Europe’s shrinking population would lead its diminishing influence on the world stage (Longman, 2004; Wattenberg 2004).
  - 2015 - 738 million (Europe)
  - 2050 – 706 million (Europe)
- UN’s Long-term projections suggest that Europe’s share of the world’s population will be reduced to only 7.3% by 2050 (10% in 2015 and 25% in the late 19<sup>th</sup> century).
- Populations in “the West” are not sustainable without implementing more vigorous and effective immigration strategies.

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- In a number of countries, the number of deaths have exceeded the number of births
    - Germany since the 1970s
    - Italy since the 1990s
    - Russia and other Eastern European nations since the mid-1990s
  - Immigration prevented the overall population decline in Germany and Italy
  - Russia and Eastern European population have been in decline for more than two decades, due to low fertility and no inflow of immigrants (UNDP, 2015; Coleman, 2015).

# Consequences of Low Fertility - Ageing

- Countries experienced sustained low fertility in the past decades are ageing and some have reached to unsustainable level of ageing.
- % of aged 65+ in 2015
  - World 8.3%
  - Europe 17.6%
- % of aged 65+ will increase further, by 2050:
  - S Europe 33%
  - E Europe 26%

FIGURE 4 Potential old-age support ratios (number of persons aged 15–64 divided by number of persons aged 65 and older), selected countries, 2000 and 2050



Coleman, 2006; UNDP 2005.

# Structural Labour Shortage

- Structural labour shortages are evident in many countries, both unskilled and skilled labour force, e.g. in UK 2014:
  - Labour intensive sectors: Elementary process plant occupations (43% are migrants workers), cleaning and housekeeping (34%), and food preparation and hospitality (30%)
  - Health professionals (28%)
  - Educational sector – Natural and social science professionals (24%)
  - Other sectors...
- Similar in many other countries

# Formation of Middle Class in Emerging Economies and Student Migration

- Rapid growth in major emerging economies in recent decades, especially China (to a lesser extent, India), created an increasingly important middle class (and upper middle class), who completed accumulation of wealth in a very short period of time.
- Middle class wealth → makes it possible for many middle class children to study in overseas educational institutions.
- Good education is considered as a ladder to higher social hierarchy; Western qualification is valued highly
- The number of international students from the emerging economies to major English-speaking western countries (US, UK, Canada, Australia, New Zealand, plus other non-English speaking European countries) has grown exponentially in recent years.

# ■ Increase in international student enrolments

## □ US

- 2005 – 564,000
- 2015 – 975,000

## □ UK

- 2006 – 356,000
- 2015 – 437,000

## □ Germany

- 2006 - 233,000
- 2015 - 301,000

## □ Australia

- 2005 - 160,000
- 2015 - 270,000

# Student Migration → Skilled Migration

- Global race for talents – locally qualified international students are considered to be able to better integrate in to local labour market compared with those who do not have local qualifications.
- International students are encouraged to become permanent residents in some countries (e.g. Australia skilled migration policy awards additional score for local qualifications).
- International students contribute to the host countries in two ways
  - Revenue for educational sectors
  - Reservoir of young and skilled labour force

# Australia's Skill Migration Policy – responding to sectoral labour shortage

- “Point System” skilled migration policy – rewards extra skilled points for specific occupations in designated sectors that suffer labour shortage.
- International students have also responded to the policy by enrolling in “designated degrees” in Australian universities, e.g. Accounting, IT, Nursing, Engineering etc
- Regional migration scheme – encourage migrants, skilled or non-skilled, to have permanent settlement in non-metropolitan areas, as ageing and labour shortage problems in regional Australia are even more severe due to out migration of young people to major cities, such as Sydney and Melbourne.

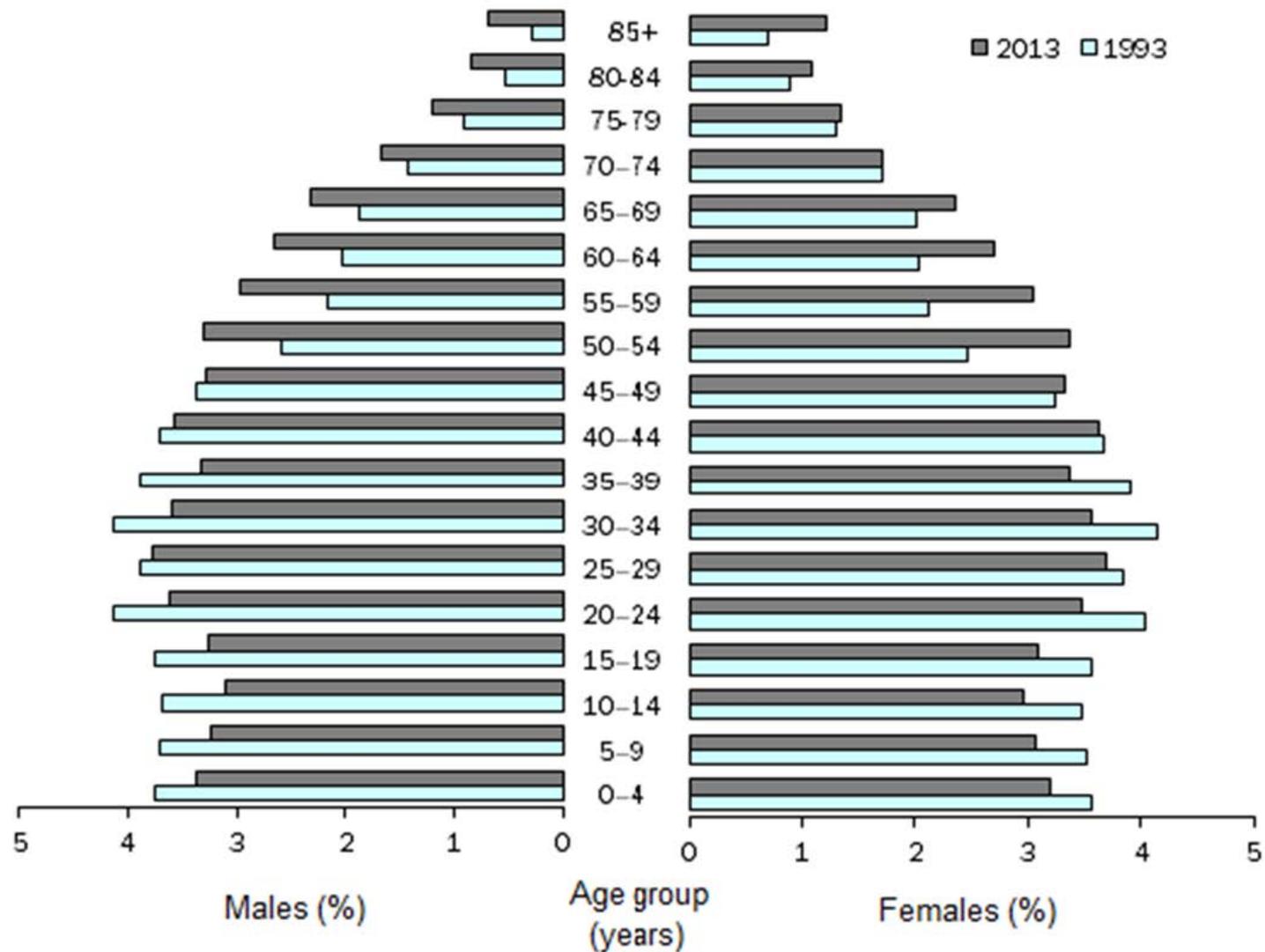
# Australia's Unskilled Migration Policy

- “Seasonal guest worker scheme” – Guest workers from the Pacific Islands as part of Australia’s international aids program
- “Working Holiday Maker scheme” – Australia’s agribusiness heavily relies on temporary workers, known as “backpackers” from Europe and Asia, e.g. harvest seasons in orchards or working in abattoirs etc.
- Similar to the European Union’s guest worker programs
- Recent policy proposal of increasing “backpacker” tax frustrates many agricultural business owners as the new tax would increase the costs of production and make Australia’s agricultural sector unsustainable.

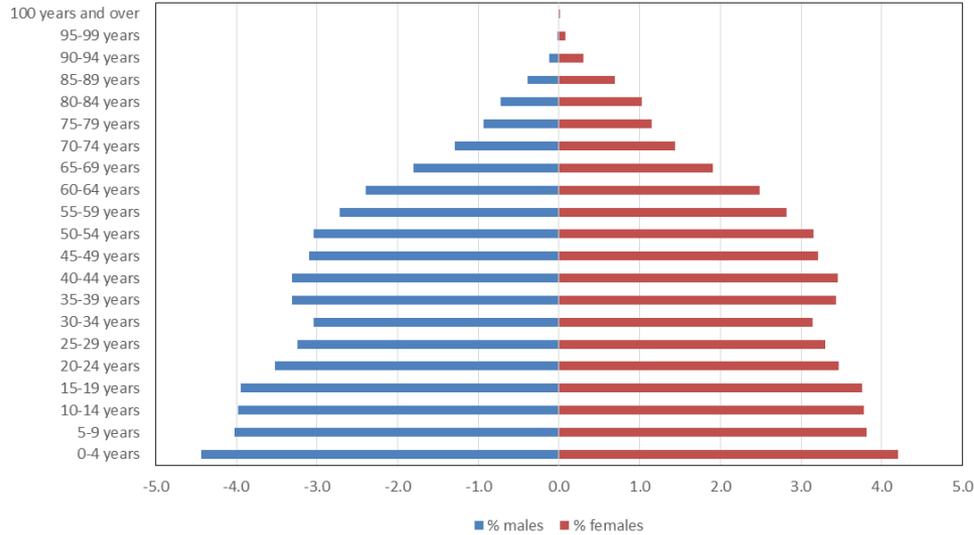
# Australia's Humanitarian Migration Policy

- Refugee issues have always been very political, sometimes could influence federal election result (e.g. John Howard government was elected due to its hard line policy toward refugees, the Tampa incident)
- Current policy “Pacific Solution” – offshore detention centers in PNG. All illegal arrivals by boats (asylum seekers or otherwise) are sent to offshore detention centers. Their applications will be processed there.
- Justification of offshore detention centers – as a deterrent for illegal arrivals by boat to avoid deaths on the sea.

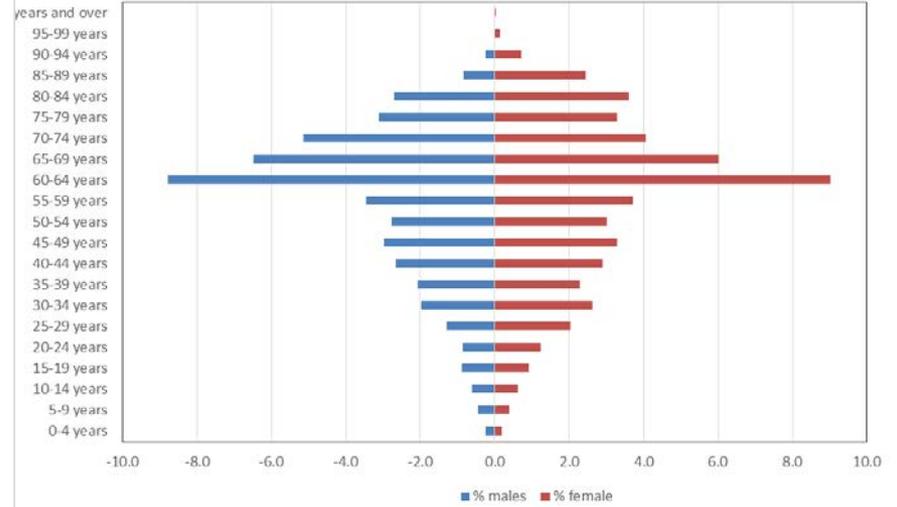
# Australian Population Age Structure, 1993, 2013



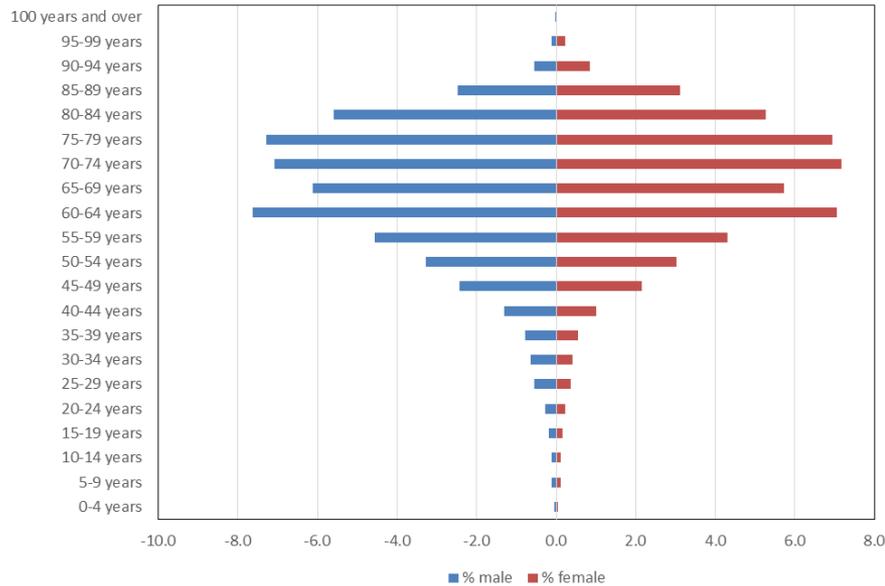
Australia, 2011



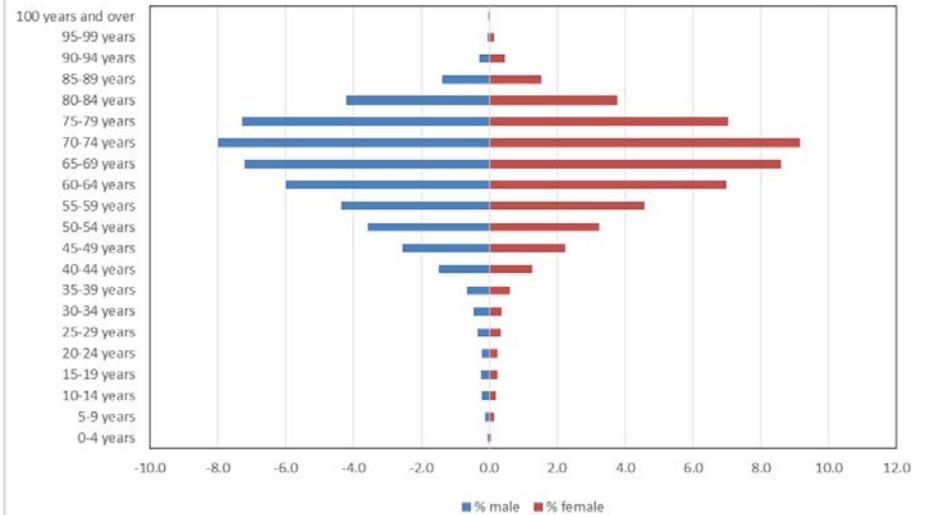
Germany-Born, 2011



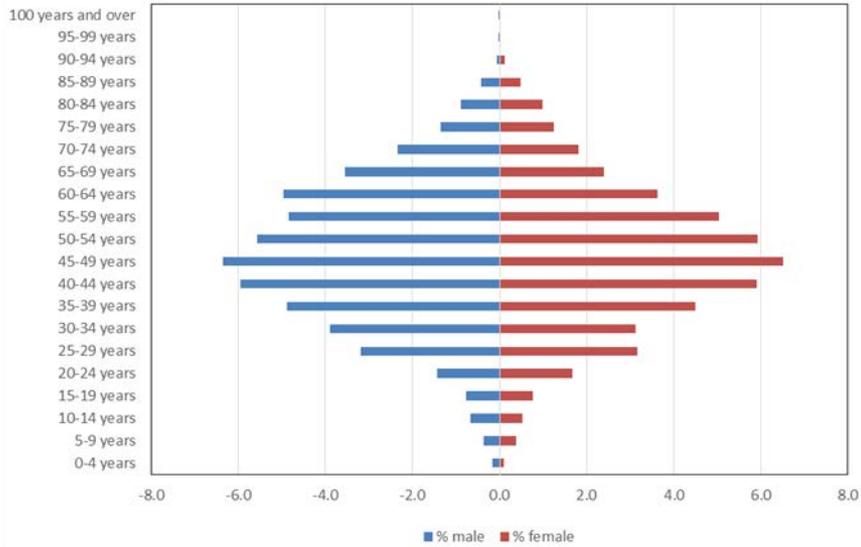
Italy-Born, 2011



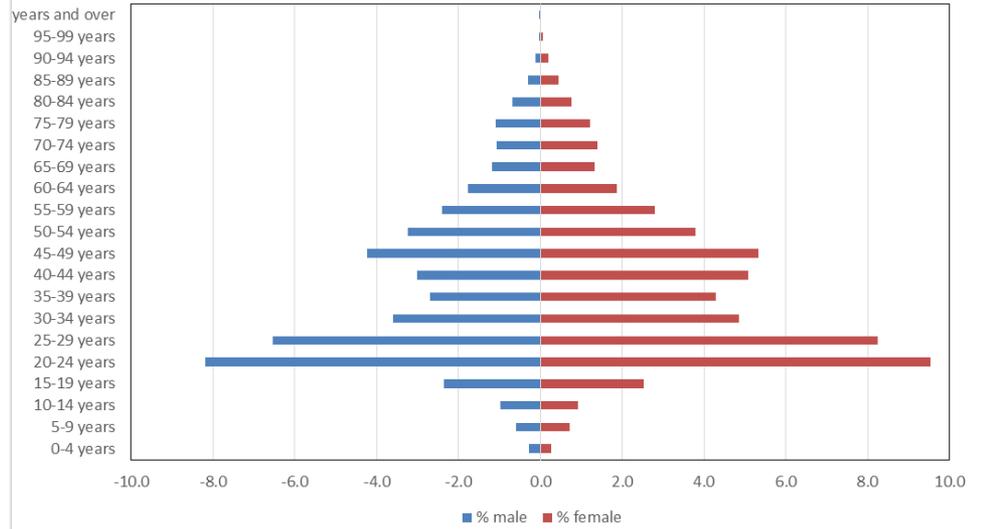
Greece-Born



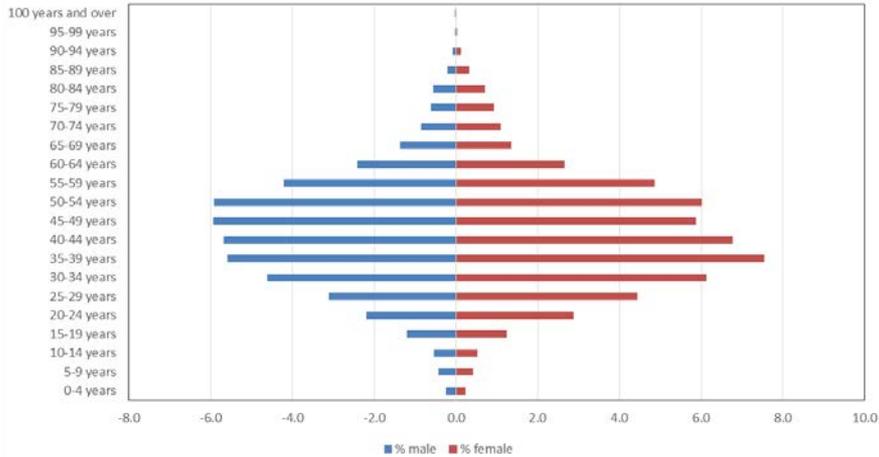
**Lebanon-Born, 2011**



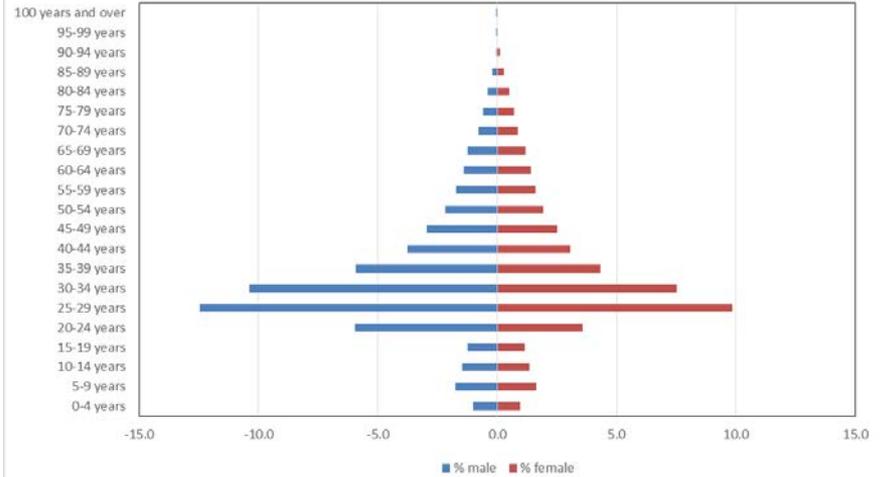
**China-Born, 2011**

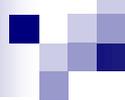


**Vietnam-Born, 2011**



**India-Born, 2011**





# Re-thinking International Migration

- Ageing in the West (and traditional migrant-source countries) is unavoidable.
- Studies suggested that reversal of fertility in the near future is highly unlikely (e.g. Japan)
- Global race (or war) on talents will be intensified and structural labour shortage will be persistent in the decades to come.
- Countries need to re-adjust immigration policies to proactively and strategically prepare for the forthcoming ageing of the labour force and ageing of the societies.



*Thank You!*