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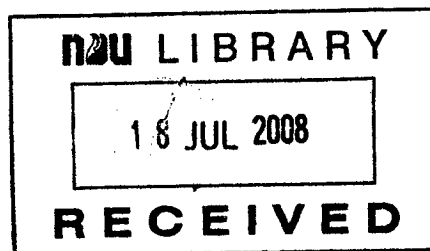
**Bordeaux Business School
Institute of International Business**

Human Capital Mobility: The Case of Lebanese in Australia

**A Thesis Submitted in Partial Fulfilment of the
Requirements for the Joint Degree of the Master of Business
Administration (M.B.A.) and the Master of Science in
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Approval Certificate


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DECLARATION

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ABSTRACT

International migration is one of the major constituents that determine the size and structure of a population. By its very nature, international migration connects populations across boundaries and thus has impacts beyond any specific country. It has shaped the worldwide human and economic globalization trends. Nowadays, more people are residing or permanently settling outside their country of origin, as human talent has become a key economic sought resource and a basis for innovation in science, technology, business, arts and other activities. This new given mobility offers countries a way to expand their labour supply, and provides various implications for the countries of origin and destination. As skills become even more interchangeable between the different segments of the global labour market; the movement of people increases. Australia has been always looked upon as a “nation of immigrants” as it has been experiencing increasing migration for decade’s even centuries.

In this thesis, I review the policy issues related to the international mobility of human capital, with description of the quantitative dimension of immigration: how many immigrants entered Australia and the implications of this mobility on the source of origin [*Lebanon*] and the destination country [*Australia*]. Furthermore, I surveyed the economic impact of international labour migration and examined the effects of this mobility on natives in the countries of immigration as well as on the migrants, and on those left behind in the countries of emigration; in addition to the role played by migrant workers’ remittances in stimulating local economic development. Using the data available, the analysis will attempt to highlight the potential and adverse economic effects that migration has on the native country [*Lebanon*].

Keywords: Human talent, international mobility, brain drain, Australia and Lebanon.

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CHAPTER 1

INTRODUCTION

1.1 General Background

Immigration is the movement of people from a foreign place into a country of which they are not native in order to settle in often in search of freedom, economic security and development of potential, it involves the crossing of borders, changing of lifestyle, culture and values. In Adam Smith's words, "*Man is of all sorts of luggage the most difficult to be transported.*" International Migration emerged as a crucial issue that evoked cultural and economic concerns and fears about the preservation of natural, human and public resources. It influences economic growth, patterns of trade, income distribution and the application of political power within and between countries. It also alters the labour supply and the demographic characteristics of both the sending and the receiving countries.

In 1910, just after the period of high international migration from both the Middle East and the world that had characterized the early twentieth century, an estimated 33 million persons were living in countries other than their own and one out of every 48 persons was considered an international migrant.

Australia, Canada, New Zealand and the United States were and still are among the few countries in the world admitting large number of immigrants for permanent settlement. Consequently, the number of international migrants in these four countries increased remarkably between 1960 and 2000, amounting from 14.5 million to 46.4 million. The United States registered the major increase, amounting to over 25 million migrants, as its foreign-born population rose from 9.7 million to 35 million. Canada registered a net gain of 3 million migrants during that period, Australia another 3 million, and New Zealand about half a million. By 2000, Canada was hosting 5.8 million foreign-born persons, Australia, 4.7 million and New Zealand, 850,000. Immigration to these countries has been shaped by the admission policies adopted by each. (*International Labour Office, 1994*)

In the 1970s, Australia and Canada rescinded their selection systems based on national origins and instead adopted their respective versions of a “points system” whereby various characteristics of prospective immigrants are graded and weighed in making selections for admission.

In all countries of immigration, the flows of immigrants vary in terms of origin. Data for Australia, Canada and the United States show that the proportion of immigrants originating in developing countries increased in all of them, especially in Australia, where it passed from 6 per cent in 1960-1964 to 60 per cent in 1990-1994, when the highest levels of Asian migration were recorded in that period. Among the immigrants admitted during 1990-1994, 12 countries of origin accounted for three quarters of those admitted by Australia. (*World Bank, 2004*).

In the year 2000, 175 million persons settled outside their country of origin; making 1 in every 35 persons in the world an international migrant, up from 1 in every 40 in 1960. The International Labour Organization’s estimates show that in 2004 about 50 per cent of all international migrants, about 86 million were economically active in 2000, with 32 million in developing countries and 54 million in developed countries (*World economic and Social Survey 2004*).

1.1.1 The Australian policy context

The policy context covers the country’s immigration policy which determines who comes and in what numbers.

Few major objectives marked Australia’s Immigration policies. On the social level, immigration facilitated the reunification of family members. On the economic level; it helped increase the productivity and standard of living, whilst on the cultural and moral levels it has promoted diversity and endorsed human rights. At the national and economic security level, it encouraged the legal entrance of migrants and hindered illegal immigration.

Immigration policies in Australia have undergone a substantial shift towards skilled and business oriented migration, away from family migration. Australia’s international migration had been modified in the 1990s and these changes included:

- A shift away from immigration being based purely on the permanent settlement model and increasing numbers of workers entering Australia on a non permanent basis.
- An increasing emphasis in both the settlement program and in non-permanent visa categories on attracting skilled workers.
- Increasing levels of permanent and long-term emigration of the Australia-born population. (*DIMIA, 2002, Conference Proceedings of 'Migration: Benefiting Australia'. Sydney 7-8 May 2002*).

Australia aims to improve its economic prospects by encouraging the inflow of skilled migrants while supporting a reasonable level of family reunion. Nowadays, potential migrants to Australia must fulfil a more demanding set of requirements than those who came earlier, in regards to age, credentials, past employment, language aptitude as their qualifications will be formally assessed when candidates apply to migrate.

1.1.2 The flow of Lebanese Immigrants into Australia

The first wave of Lebanese incomers, mostly Christians which settled in Australia from around 1880 to the 1920's were a small and alien group of people whose occupational skills moved from selling merchandise on the streets or door to door, mining, shop-keeping and working in manufacturing industries to professional and managerial positions, thus setting the path to the second wave of Lebanese immigrants who came between 1947 to 1975 and initiated the opening and owning of small businesses which eventually led to larger ones, mainly in the public, service sector. The third group, predominantly Muslim Lebanese who came to Australia in the aftermath of the break of the civil war in Lebanon in 1976, made the most profound changes in terms of numbers, composition and settlement needs. Moreover, following the Lebanese Civil War, there has been a clear reduction in Lebanese migration to Australia and a significant rise in the number of short-term visitors and temporary visa entrants.

In the 1996 census, the Lebanese-born population of Australia amounted to 70,325 persons; 52.5 per cent were males and 47.5 per cent females. Although Lebanese are to be found throughout Australia, yet they are concentrated in two of the largest

states; 75 percent in New South Wales and 20 per cent in Victoria. (*Australian Bureau Statistics, 1996 census*)

1.2 Objectives of this Study

International migration and the role it plays in the economies of the mother and host countries have been a topic of interest for researches. However, such study does not yet exist in the literature particularly in reference to Lebanon and Australia. The present research paper aims at filling this gap by introducing Australia through the eyes of early Lebanese settlers, exploring the labour market and the impact of talents mobility and the immigrants and natives' benefits and concerns, examining the main types of talent who move internationally, their characteristics and the implications of this mobility for global development.

This research sheds the light on many of the issues raised by the impact of immigration on Australia. The more important objectives are identified as follows:

a- To accurately establish and analyse the scale of permanent and long-term movement of Australian-born and overseas-born individuals to other countries over the last decade.

b- To determine the demographic, economic, educational and social characteristics of the people involved in that movement.

c- To outline the causes of this movement and relate this to migration theory. In particular it is hoped to insert this explanation within a migration systems theory framework (Kritz and Zlotnik 1992; Massey et al., 1993, 1998; Bauer and Zimmermann, 1995, Zlotnik 1992; Borjas 1989, 1990).

' This framework incorporates full consideration of context and elements at origin and destination. It also places particular emphasis on the linkages established between origin and destination and the inter-relationship between different types of movement.

d- To investigate the extent to which networks established by Lebanese could be utilised to increase Australian trade, business and other linkages with countries such as Lebanon. This would involve considering the extent to which policy intervention could facilitate the development, maintenance and strength of those linkages.

e- To develop an improved set of methods to monitor the scale and impact of Australian long-term and permanent movement outside the country and the impacts of those movements.

f- To establish the extent to which the pattern of immigration is advantageous or disadvantageous to Australian and Lebanese on social and behavioural levels.

1.3 International perspective

One cannot define the word immigration without engaging the word international or overseas, the simple act of migrating takes the individual from being a native in his own country and makes him an international person selling his or her qualifications to the world labour markets. This research paper assesses the impact of the overseas movements of Human capital on the size and composition of the labour force in Australia. Individuals from developing countries are increasingly meeting the global demand for talent. This is important in a context where skill shortages are obvious in countries like Australia where the migration program is being expanded to help cover the shortage of skills. For example, this is the case of medical doctors from the Caribbean, Sub-Saharan African countries or the Philippines, information technology experts from India, Taiwan, and China, engineers and mathematicians from the former Soviet Union, indigenous singers from Africa, professionals and writers from Latin America and others. The following sections of this paper go into greater analysis of the movements of human capital and the changes that result from these movements in their native and host country as well as the significance of these movements, as they concern what is known as the 'brain drain' issue.

1.4 Brief overview of the chapters

In the 2001 census, the total number of Lebanese-Australians was 162,239 and the total number of immigrants amounted to 11 percent of the nation's population. But Australia's immigrant population grew more rapidly than the nation's in recent years, leading to questions about immigrants' financial impacts on the host and mother countries. (*Australian Bureau Statistics, 2001 census*).

There are a number of factors that affect migration outcomes; therefore in this report we will use the findings of previous analyses to evaluate the factors that shape the migrant outcome. Chapter I of this research provides an overview for readers

exploring immigration issues. It summarizes the Australian policy context of immigration and immigrant policy and sets the profile of Lebanese immigrant population in Australia. Chapter 2 reviews some of the existing studies and theories related to the impacts of alien workers on the economy and labour markets. Chapter 3 provides a theoretical framework through which immigration may impact the economy of the host countries and the data and methodology used to identify those hypotheses. Chapter 4 and 5 reviews the descriptive statistics and discusses the findings of the labour market effects by Lebanese immigrants in Australia, summarizes the evidence on wage and displacement effects on the population as a whole and presents the obtained results. The last section provides conclusions and policy implications that emerge from the study. It summarizes the themes laid out in the report and highlights several areas of concern for future immigrant integration and immigration policy.

CHAPTER 2

REVIEW OF LITERATURE

2.1 State of knowledge in the area of interest

Immigration and resettlement experiences have been recognized as a source of academic research as the movements of migrants have become more complex. Lately there has been a rise in academic, political and popular interest in international migration to reflect the noteworthy changes that have occurred on both a quantitative and qualitative measure.

This chapter will explore the theoretical background of international migration; the framework in which four groups of factors are identified; social, cultural, economic, political and historical ties. To date, several theoretical models have been put forward to describe international migration: the neo-classical economic theory, the dual labour market theory, the new economics of labour migration, the relative deprivation theory and the world systems theory which portrays the commencement of migration. Furthermore the network theory and the institutional theory that describe the course of international migration flows and trends over time will be examined. The explanation provided on the above mentioned theories will give a clear idea that the economic level plays a major role in shaping the theoretical background of international migration.

2.1.1 Theories explaining the instigation of international migration

Analysis of the economic literature shows that early immigration was characterized as emigration of highly skilled individuals. According to the neo-classical theory; the main reason for labour migration are wage differences between regions.

“Such wage differences are due to geographic differences in labour demand and labour supply”. Due to these wage differences the labour flow reduces the stock of human capital and the output in the low-wage country (source country) into the receiving country (high-wage countries)” (Borjas, 1989; Massey et al., 1993, 1998; Bauer and Zimmermann, 1995)”. (Borjas, 1999a)

In addition to that there can be a loss of welfare for the population that remained in the home country due to a loss of scarce skills. The highly skilled emigrants will create a new international equilibrium as they will generate positive outputs. With the neo-classical theory it is understood that first comers are usually low-skilled labour from low wage countries to high-wage countries while the second one is a capital flow from high-wage countries to low-wage countries. A capital flow comprised mainly of labour-intensive industrial capital and accompanied by high-skilled labour migration. The below figure presents this mechanism by Öberg (1997, p. 24, see Figure 1).

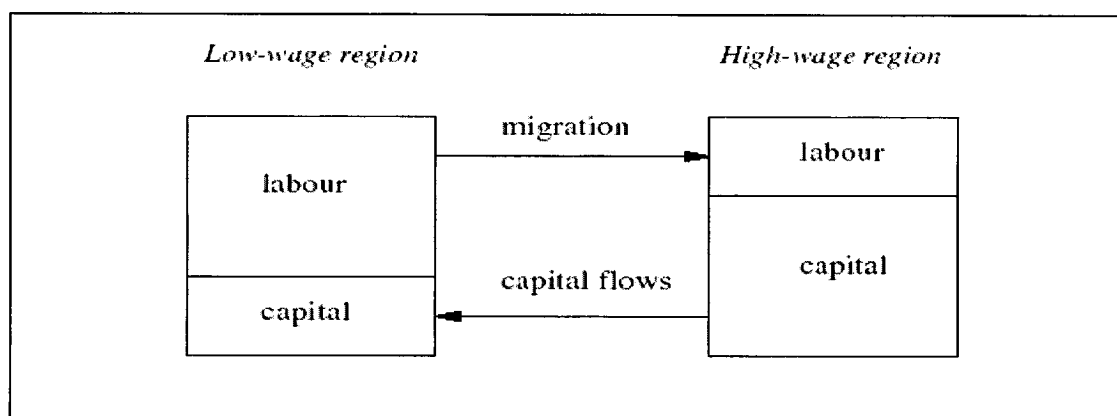


Figure 1: Neo-Classical Mechanisms

Source: Roel Jenissen, 2004, *Macro-Economic Determinants of International Migration in Europe*, Chap. 3

It is also argued that due to wage differences labour flows arise from low-wage countries to high-wage countries and in general labour migrants are relatively young. Therefore, it is most likely that labour migration will have an aging impact on the sending society and a rejuvenating impact on the receiving society. Hjarno (1996) says that; *“In the long run international migrants may have a rejuvenating impact on the demographic composition of receiving societies due to their higher fertility rate.”*

The *dual labour market* theory argues that international migration is mainly caused by pull factors in the developed (migrant-receiving) countries, assuming that international labour migration stems from labour demands in the labour-intensive segment of modern industrial societies (receiving countries) (Piore, 1979; Massey et al., 1993). It divides the labour market into a primary and a secondary segment. The primary segment characterised by capital-intensive production methods and

predominantly high-skilled labour, while the secondary segment is characterised by labour intensive methods of production and predominantly low-skilled labour. Skilled workers in the primary segment, who are trained on the job to work with advanced capital goods, have more social status, higher income and better employment conditions than unskilled workers in the secondary segment. (Jennissen, 2004)

Piore gives three possible explanations for the demand for foreign workers in modern industrial societies: *general labour shortages, the need to fill the bottom positions in the job hierarchy, and labour shortages in the secondary segment of a dual labour market.* (Unemployment and Inflation, Institutional and Structuralist Views, Sharpe Press, 1979). General labour shortages lead to vacancies at the bottom positions in the job hierarchy. In addition to that there may be *specific shortages at the bottom of the job hierarchy arising from motivational problems and demographic and social changes in modern industrial societies* (Massey et Al., 1993: Review, 19).

Motivational problems come about because jobs at the bottom of the hierarchy are often associated with low social status and because the opportunities for upward mobility are generally low. Demographic and social changes in modern societies due to decline in birth rates and educational expansion may lead to a relatively small inflow of teenagers who are willing to take jobs at the bottom of the hierarchy in order to earn some money and to gain some work experience. Emancipation of women and the rise in divorce rates too, may be of importance here. In modern societies the aim of working women changed from supplementing family income, which can be earned as part-timer at the bottom of the job hierarchy into earning primary income. As a result of labour shortages at the bottom of the job hierarchy, employers are compelled to recruit foreign workers. International migrants that reduce labour shortages in certain branches can contribute to economic growth in receiving countries (Gieseck et al., 1995). International migration can have an impact on economic development in receiving countries because of changing saving and consumer habits or changing forms of investment (Frey and Mammey, 1996; MaCurdy et al., 1998).

Demographic and social changes in receiving societies may cause a decrease in low skilled labour supply. Subsequently, the wages for low-skilled labour increase, which may result in rising immigration flows. Increasing immigration, then, may act on demographic and social developments, which again may cause changes in the labour supply. “*Demand for skilled and unskilled labour in receiving countries often determines the entry requirement of these countries*”, says Böhning (1998). Policies concerning search and deportation of illegal immigrants can also be determined by supply and demand of labour. In times of labour shortages, receiving countries lower their entry criterion which enables more potential immigrants to enter these countries with these migrants causing an increase in low-skilled labour supply. (Jennissen, 2004).

Stark and Bloom in their article *The New Economics of Labor Migration* (*American Economic Review*, 75, 1985) argue that the decision to become a labour migrant cannot only be explained at the level of individual workers instead it has to be studied within wider social entities: i.e. households. Their approach is called the *new economics of labour migration*. One of the social entities which they refer to as the main determinant of Labour migration is the household one way to reduce the risk of insufficient household income is labour migration of a family member. Subsequently, the household member abroad may send remittances to his/her family. According to this theory these remittances have a positive effect on macro-economic development in host countries.

Moreover, migration in the context of the relative position of a household in the sending society may be seen as a second aspect of the new economics of labour migration by Massey et al. (*Massey et Al.*, 1993). Here, the sending society is the wider social entity in which international migration is studied. The relative deprivation theory, which is the subject of the next section, is a key player of this aspect of the new economics of labour migration.

The *relative deprivation* theory describes that awareness by other members or households from the sending society about income differences is an important factor with regards to migration. Therefore, the incentive to emigrate will be higher in societies which experience much economic inequality (Stark, O. and J.E. Taylor,

1991). Some studies; Stark et al., Docquier and Rapoport, suggest that the inequality in a society in which many people receive remittances from family members abroad follows an inverse U-shaped curve. Another consequence of migration which may also have an impact on inequality is human capital formation. Being high-skilled is an incentive to emigrate from a less developed country to a developed one or richer one. An outflow of relatively high-skilled workers is called a 'brain drain'. A large number of successful high-skilled emigrants may serve as an example for potential migrants. Moreover, the surplus value of education on the labour market in receiving countries is higher than the surplus value of education on the labour market of sending countries if differences in wages for skilled labour between receiving and sending countries are higher than differences for unskilled labour. The possibility for emigration may increase the incentive to amass more education in this case, taking into account that the opportunity cost incurred in pursuing education in the first stage is loss of income from wage labour and that both education and migration involve costs. Mountford analysed models in which the interaction between income distribution, human capital accumulation and migration has been expressed. He concluded that when human capital accumulation is endogenous and when successful emigration is not a certainty, the interaction between human capital accumulation decisions, growth and income distribution can lead to the result that a brain drain, either temporary or permanent, may increase the long run income level and income equality in a small open economy (*Mountford, 1997*)

The drive behind capital accumulation forced capitalist countries to search for new natural resources, new low-cost labour and new outlets. It was within this context that capitalist countries also started to colonise overseas areas. In order to stimulate the economic exchange between colonies and the mother country, transport connections were created. Colonisation has also led to cultural exchanges between the overseas colonies and the mother country. However, these two types of exchanges were not equal. With respect to economic exchange a large net flow of capital resulted from the colonies into the mother countries. After decolonisation political dependencies disappeared but the economic dependencies of the former colonies, which are regarded as the peripheral countries in the world system, remained and were often even strengthened. These peripheral countries produce predominantly primary commodities and their export base is often dependent on only

a few products. In this way peripheral countries suffer from the instability of world producer prices. Since the world producer prices are determined by the core countries, peripheral countries deal with unfavourable terms of trade which result in slow economic expansion and a growing economic dependence on core countries (Amankwaa, 1995). This view of international trade is highly controversial, however, according to modern economic thinking; international free trade can reduce migration between developing and developed countries. Free trade leads to an increase in the export of labour-intensive goods from low-wage to high-wage countries. This increase in the export of labour-intensive goods causes an increase in the employment of unskilled workers in low-wage countries. Further, this export increase results in a decrease in the income of unskilled workers in high-wage countries when there is wage flexibility or an increase in unemployment when there is wage rigidity. The export of capital-intensive goods from capital-rich to capital-poor countries also equalises income and employment conditions between countries. Decreasing income and employment differences between countries, in turn, decrease international migration.

The world systems theory may be seen as an explanation for the existence of differences in economic development that determine the volume of international migration directly or indirectly. *This approach emphasises that the interaction between societies is an important determinant of social change within societies (Dunn and Hall, 1994).* It is mainly seen as an explanation for the existence of linkages between countries, which are located over large geographical distance and an example of interaction between societies is international trade. Trade between countries with a weaker economy and countries with a more advanced economy causes economic stagnation. In other words, the world systems theory can be used to explain the existence of migration flows. Linkages between countries may also have an indirect influence on international migration via the society cluster. Cultural linkages can influence lifestyles within countries. In addition there is a direct impact of large groups of immigrants on the native population and vice versa. Culture may have an impact on the attitude towards migrants and on the supply of labour. *(Jennissen, 2004)*

2.1.1 Theories explaining the course of international migration flow over time

Network theory: As a result of large inflows of international migrants, migrant networks may be formed, involving interpersonal relations between migrant populations in origin and host countries. Migrant networks may help potential migrants of the same ethnic origin, for instance, by contributing to financing the journey, helping to find a job or appropriate accommodation, or by giving information about education possibilities or access to social security. (Esveldt et al., 1995), (Jennissen, 2004) If network theory is put in the context of the microeconomic level of individual choice, one may say that networks do lower the costs of migration and increase the probability of employment at the destination and decrease the probability of deportation. In other words, the presence of this form of social capital enlarges the expected net return to migration. This is reflected in the causality chain [6-9-1-6] (see Figure 2). Network theory tries to explain why international migration is an ongoing phenomenon. International migrants change the ethnic composition in receiving countries (arrow 6). As a result of large inflows of international migrants, migrant networks may be formed. These networks enhance the probability of employment and a decent income (arrow 9). Together with lower costs of migration, the increased probability of employment and a decent income enlarge the expected net return to migration. This enlarged expected net return to migration increases in turn the volume of international migration (arrow 1), thereby increasing the migrant population (arrow 6). A good example is the Arabic, Pakistani and Indian migration to the Gulf countries in search of economic gains.

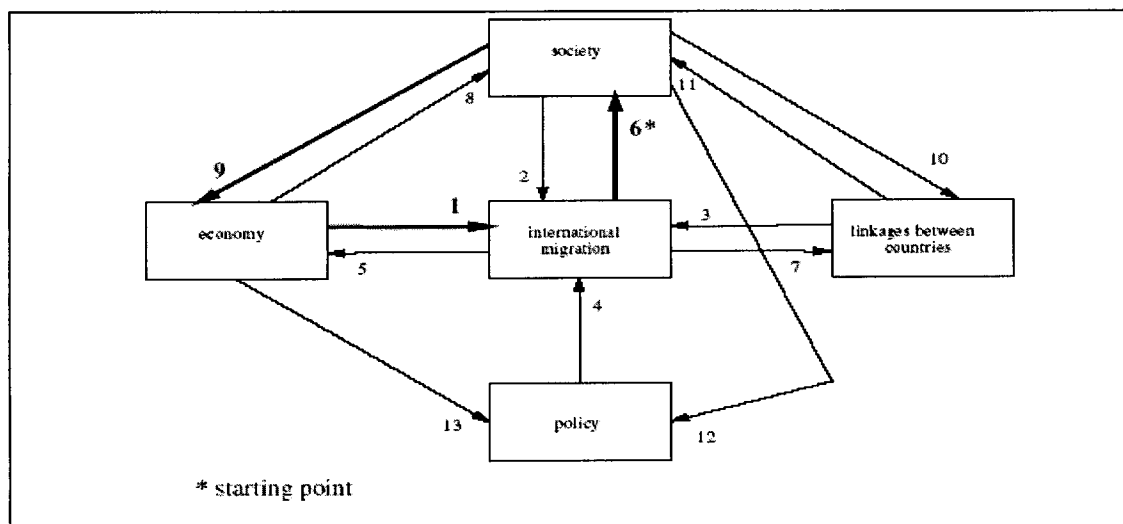


Figure 2: Network Theory

Source: Roel Jennissen, 2004, Macro-Economic Determinants of International Migration in Europe, Chap. 3

According to the *institutional theory*, a large inflow of international migrants induces profit and non-profit organisations, which can be legal or illegal, to provide clandestine transport, labour contracts, counterfeit documents, housing or legal advice for migrants, were US and Mexicans figure. In a wider sense the concept of institutions may be used to reflect the structure of the entire social environment, in which individuals have to make choices. De Bruijn, for instance, reserves the concept of institutions not only for such contextual entities as universities, organisations and firms, which are generally –also in common language– perceived as institutions but also for more abstract social constructs such as democracy, religion, policy and gender systems or bodies of knowledge like science and ethno physiological knowledge systems. (*De Bruijn, 1999*)

Following Massey et al. state that the entire systems approach to international migration may be seen as an institutional approach. Arrow 4 represents the political and legal constraints and opportunities of international migration. In the theoretical framework institutional theory is reflected by the cycle [7-3-7] (see Figure 3). Similar to network theory, institutional theory tries to explain why international migration is ongoing. Large international migration flows strengthen material linkages between countries. For example if travelling between the sending and receiving country increases, cheap and frequent flight connections will be established. In this way, moving costs of future migrants will become lower (arrow 7). Subsequently such lowering costs of mobility may lower the threshold that deters potential migrants from migration (arrow 3). The cycle [7-3-7] reflects the mechanism initiated by institutions that are involved in the physical mobility of migrants. Institutions may also be working with already settled migrants such as voluntary organisations that help migrants to settle down in the host society. These institutions strengthen cultural linkages between countries (arrow 10). They lower, for instance, the (psychological) costs because of the assimilation in the receiving society. (*Massey, D.S., Arango, Hugo, Kouaouci, Pellegrino and Taylor, 1993*)

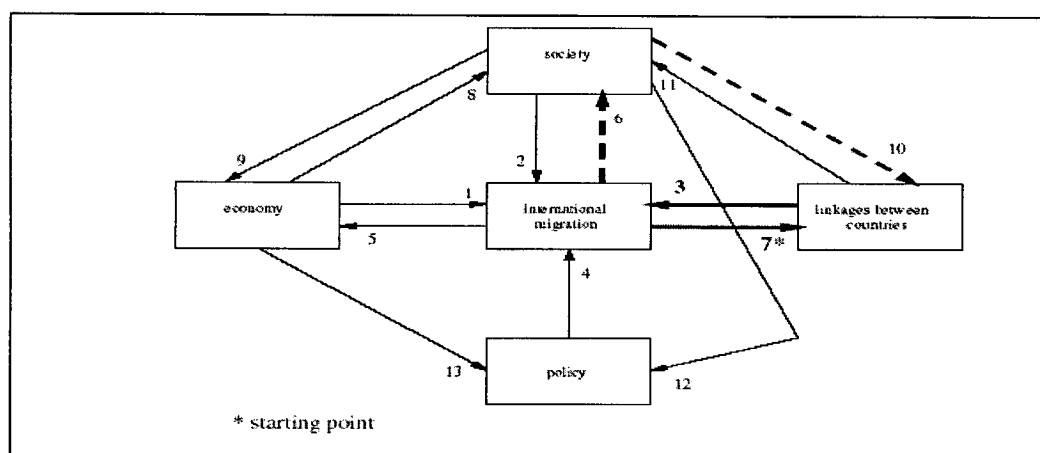


Figure 3: Institutional Theory

Source: Roel Jenissen, 2004, Macro-Economic Determinants of International Migration in Europe, Chap. 3

2.1.3 Theories about the Diaspora

The international research on the potential contribution of Diaspora to the sending country includes the theory of Hercowitz and Pines and the evidence on homeland investment by Diaspora residing in the USA by Gillespie et al.. When emigration coincides with a significant loss of human capital, it is expected that this would have a detrimental effect on economic growth. However, under certain circumstances, a brain drain can be beneficial as Beine et. al. suggests. Several Studies conducted by the World Bank in 2006 and Maimbo and Ratha in 2005 show that the large amount of remittances sent back by migrant workers has spurred an intense debate worldwide on their potential effects for poverty reduction, financial stability, and economic development of migrant sending countries. A good case would be the Srilankan and Syrian workers in Lebanon.

2.2 Previous research

In the early post-war period, major names in Australian economics such as Karmel, Corden, Bensusan-Butt, Kmenta and Arndt found immigration a topic worthy of their close attention. In more recent times economists such as Norman, Lloyd, Chapman, Nevile, Pope, Cobb-Clark, Junankar, Creedy, McDonald and others have been ongoing contributors. A recent trend has been for economic consultancies such as Econtech, Access Economics and the Centre for International Economics to provide valuable commissioned studies in the field. However a brief outbreak of high quality official research work in the 1990s under the sponsorship of the Australian Bureau of

Immigration, Population and Multicultural Research stopped when that organization was abolished in 1996. (*DIMIA, 2004*)

The early post- world war II focus was upon the short-run macro-economic impacts of immigration, and analysis in this regards has continued ever since. For the short-term issues the basic economic concerns had been the implications of immigration for unemployment, training, wages inflation, public expenditures and income distribution.

In the first half of the 1990's, Australia's knowledge on migration and its economical, cultural, social and environmental effects has been revitalised through the support of the Bureau of Immigration research, however, in the later half of the 1990's, the Australian experience and research had a low profile as the major academic and governmental research centres suffered from reduced funding; which resulted in research that has been concentrated on relatively small range of local projects with much of the vital work being undertaken by students. Nearly a decade later; and in different national and international circumstances there has been a need for more strategic research cooperation in the field of migration studies. Given the urban concentration and the scattering of Australia's population geographically, research on the impact of migration on housing, labour markets and daily life has been the strongest in large cities with considerable migrant populations and policy responsibilities. (*DIMIA, 2004*)

The University Centres that focus on migration issues are located in Adelaide, Canberra, Melbourne, Perth and Sydney and the subjects studied focus on the patterns of migration flows, policy issues involving refugees and other migrants, the legal issues surrounding citizenship and migration policy, questions of national identity and belonging, labour market experiences of migrants and their descendants, the health, education and welfare needs of ethnic minorities and last, newly developing cultural and artistic forms and questions of personal identity, especially among the descendants of migrants.

Some of the various studies conducted by Swan et. al. (1991) for Canada and Whiteford (1991) for Australia; examined the fiscal impact of immigration. Both studies were induced, by an examination of the fiscal implications of population

pressures projected to occur as a result of ageing populations. The studies use tax and benefit schedules by age and sex groups and then apply these to various demographic projections for the immigrant population. Incorporation of labour, product and capital market effects within an accounting framework is rare. When it does occur it is usually based on limited information and fairly simple and sometimes debatable assumptions about how markets respond to immigration. For example, Huddle's assumption that immigrant workers displace native-born workers in the labour market is not a view held by all researchers in this area. The Australian study carried out by the Centre for International Economics in 1992 is the only case where estimates of the fiscal effects of immigration have been made within a general equilibrium framework. The approach is consisting of generating different projections of taxes and benefits by making different assumptions about labour supply in an existing model.

Moreover, further research on the economic impact of immigration has focused mostly on the effects of immigration on the unemployment of domestic workers. Konya tested the Granger causality between immigration and long-term unemployment in Australia in the period between 1983 and 1998. (*Konya, 2000, Working Paper No. 18/00*). "*Using quarterly, both seasonally adjusted and unadjusted data, she found that there was a negative unidirectional Granger causality, both between the seasonally unadjusted and adjusted series, running from immigration to long-term unemployment.* The Granger causality tests revealed that immigration was not caused by past unemployment; however, past immigration did cause unemployment. Evidence also suggested that immigration and unemployment rates were contrariwise related and the past unemployment rate had a quantitatively smaller impact on immigration than past immigration had on current level of unemployment.

Withers and Pope studied Australian data spanning the period between 1861 and 1991 using both structural disequilibrium modelling and causality testing. They found that unemployment didn't cause immigration evidence in the opposite direction. They also found structural breaks in the relationship that originated from government policy changes. Withers and Pope also studied quarterly Australian unemployment and immigration data from 1948 to 1982. They used both statistical

causality techniques and conventional structural models to investigate the relationship between immigration and unemployment. They run Granger causality tests on quarterly data with twelve lags and reached the conclusions that there was no evidence of causality from immigration to unemployment, unemployment did influence subsequent immigration, immigration did not significantly affect structural unemployment; and migrants created as least as many jobs as they filled. (*Withers, Pope, 1993, Economic Record, 61*)

In addition, there exists a vast empirical literature on the effects of immigration on the income of the host country citizens. Jolley examined the impact of migration on Australia's economic growth using a neoclassical production function, adjusted for cyclical demand-driven fluctuations. (*Jolley, 1971*) The results suggested that immigration had raised GDP but had slightly lowered GDP per capita. Easton (1990) attempted to appraise the growth performance of the New Zealand economy using descriptive statistics. He concluded that one of the reasons behind the relatively poor post-war economic growth performance was a high rate of population growth. On the other hand, Grossman, (1982), using cross sectional U.S. data, found that a 10% rise in migration causes a 0.8% fall in native employment and the long run wage elasticity suggests that the same rise in immigration will reduce natives' wages by 1%.

The policy significance of these questions is evident. For example, "immigrants who have high levels of productivity and who adapt rapidly to conditions in the host country's labour market can make a significant contribution to economic growth", according to Borjas.

Another major analysis is the Longitudinal Survey of Immigrants to Australia. The longitudinal survey of immigrants is a crucial source of data which surveys approximately 10 000 primary applicants from the Skill and family migration to assess the employment outcomes and is done by comparing unemployment rates, participation rates and earnings for Skill stream applicants with the national average.

2.3 Conclusion

This chapter provides an introduction to the migration theories, which will be used to formulate hypotheses about the impact of immigrants on different aspects of the host and origin country in the following analytical chapters.

Many of these theories imply that the economic factors have an influence on the size and direction of international migration flows. For instance, the presence of a large migrant network will increase the prospects of employment and will decrease the costs of accompanying migration. Moreover, establishments that arise because of a large inflow of migrants will substantially lower the costs of migration. Therefore, we may say that the economic point of view concerning the determinants of international migration indeed accounts for a large part of the theoretical background of international migration; however it does not exclude other variables such as ethnicity, colonial past, language or the political situation. Table 3.1 provides an overview of the theories discussed in this chapter. The migration flow to a fictitious receiving country A from a fictitious sending country B is used to highlight the key variables that, according to the theories, have a significant impact on international migration. Moreover, this table also shows which measurable socio-economic indicator may be used to estimate the effect of the key variables on international migration.

Overall, the studies reviewed in this chapter do not provide a definite answer to the question of whether immigrants generate a net gain or a loss for the origin country or how exactly they affect their destination country.

CHAPTER 3

PROCEDURES AND METHODOLOGY

3.1 Introduction

Immigration has been one of the major concerns of the contemporary global economic trends. The previous chapter presented the literature on different migration theories and analyzed the Australian data in assessing the implications of international migration on the economic and political levels for both sending and receiving countries. In this chapter, the different approaches, tools will be explored along with the methodology used to assess hypotheses.

Four major effects were identified by Coppel. The first being that there is the impact that immigration has on the host country's labour market; although in some cases immigration can have unfavourable effects on wages and employment levels of natives, it may also have a role to play in reducing skill shortages in some sectors of the economy. Secondly, immigration is likely to influence the budgetary position of the receiving country since the amount recent arrivals receive through health, education and welfare systems doesn't exactly balance the increased tax revenues from new workers. Thirdly, it is argued that immigration might be a solution to the aging population problem that faces many countries such Australia. Finally, immigration can have a significant economic impact on the country of origin due to the migrants' remittances. These effects can be either negative, in terms of brain drain; though in some instances a brain drain can be beneficial as it creates incentives for human capital investment in the source country, or positive since migrants' remittances are an important economic development tool for many labour exporting countries. An increase in innovation; in an integrated world economy benefits everyone.

Therefore, the overall balance of these effects is likely to have a major influence on the immigration policies that are implemented, both in the source and host countries. (*Coppel, Dumon, and Visco, 2001, Working Paper, 284*).

3.2 Hypotheses

Theories are essential in the development of knowledge. They refer to an organized body of concepts and principles that are intended to explain a phenomenon and the context in which it exists. They are the cornerstone of research. In this memoir, it is possible to hypothesise that the movement of highly educated Lebanese could result not only in benefits to the movers themselves but it would also generate effects on Australia and Lebanon more generally for the following reasons:

- If these Lebanese eventually return to their homeland they will bring with them the new skills and extended experience they have acquired to contribute towards Lebanese economic growth and development.
- The tie that these movers establish between their destination countries and Lebanon could become a channel for flow of information and goods. Such migrants can play a major role for penetration of overseas markets for Australian skills, goods and services.
- The extent that the migrants are remitting significant amounts of hard foreign currency to Lebanese-based families and bank accounts they cause a positive balance of payments effects. Migrants' Saving, Remittances and the Duration of Migration.
- The extension of the skills and experience of the Lebanese workers involved abroad as well as their productivity at a time of scarce opportunities in Lebanon.
- The mobility of skilled labour may be creating opportunities for Lebanese companies to supply goods and services to other countries because the Australian expatriate workers will be most familiar with Lebanese-based suppliers who could be importers of these goods.
- The effect on human capital formation in the host countries.
- The impact of skilled immigrants on the Australian Labour market: Whether immigrants displace native workers or depress the wages of natives, unemployment rates and industry-specific impacts.

3.3 Selected variables (qualitative and/or quantitative)

Darwin argued that nothing is as practical as a good theory. *“Theories focus researchers on the key issues and guide the accumulation of scientific knowledge”*. One of the most important types of evidence of validity is a theory's ability to predict results. Therefore, empirically testing theories is a crucial part of the process and findings are the strongest when they are cumulative and general over a variety of

situations, groups, and times. This research will be based on qualitative collection of information, in addition to quantitative data, surveys, government documents, publications, internet information, books and articles. *Qualitative*, as defined by Bryman, normally aims to analyze "soft data" in forms of words rather than figures from questionnaires (Bryman, 2006). Babbie (1983), for example, has described qualitative analysis as "the no numerical examination and interpretation of observation for the purpose of discovering underlying meanings and patterns of relationships". This method is used in the first chapters of the memoir, in the model and the empirical findings. However, I have also adopted the *Quantitative* method in the remaining of the research due to numerical representation; the data that consists of annual observations spanning the period between 1986 and 2006 and are obtained from the Immigration department database.

3.4 Methodology used

Empirical research in the field of migration and its impact on the host and original country is rare and its recent appearance follows decades of inconsistent reports in the research literature. Primary data was gathered in a quantitative manner through extensive literature search in libraries and Immigration databases, books, web pages, journals, newspapers and magazines.

The secondary data has been collected through a qualitative manner. A short survey was conducted with open questions via phone with persons contacting the Department of Immigration (DIAC) of the Australian Embassy, where the theory has worked as a source of inspiration. The survey questions are found in Appendix 1. The purpose for this choice of survey was neither to steer the respondent too much with the risk of losing valuable information, nor to make it too informal as it was necessary to be able to analyze the answers against theory (Jacobsen, 1993). The intention was to interview more than one person with different age, gender and qualifications which were necessary as the questions to which answers were more or less of a strategic character. However due to an extremely short length of time for the call, it was only conducted for a period of 1 week and with the clients who had called the Australian Embassy, Immigration department seeking information about skilled migration.

3.5 Choice of Literature and a critical review

Over a six-month period, Web-Based searches were used with various search engines and portals of the NDU library's system, the Lebanese Emigration Research Centre (LERC), Immigration Database and Google Scholar searches were aimed at journal magazine. In addition, Google Scholar allowed access to a number of unpublished working papers available on the websites of various research centres, universities and individual professors. Using a description of the memoir and discussions with the advisor, a list of key words and phrases were compiled and used to structure this research. Terms such as: Lebanese Diaspora, brain drain, migrants, economic conditions of migrants, emigration, labour shortages, globalization, human talent and international mobility.

Based on the review of the annotated bibliography, all sources that appeared to have any relevance to the topic were included and consulted. In general, volumes of poetry by members of the Diaspora, works dealing exclusively with historical aspects of the Lebanese Diaspora, and biographies about notable members of Diasporas were omitted.

Quite early in the search process, the Econtech's Migration Modelling Framework and their "MM2- Migration Model 2" were available. The model built in 1988 was used, tested and criticised in articles and research projects by the Department of Immigration as well as in the private and academic sectors within the same field of research.

CHAPTER 4

Australia's key economic figures

4.1 Introduction

The question of the economic impact of international migration is vital for Australia and Lebanon, given that past international inward and outward flows have contributed (in the case of Australia) to a population of which 23.9 percent was foreign born at the time of the 2006 census; and (in the case of Lebanon) to a number of emigrants reaching 138,047 between the years 1991 and 2000. In this chapter, the effect that immigration has on the host country's "Australia's" labour market, the role it plays in raising skill levels and the effect of migration on the long-term growth of Australia are surveyed.

4.2 Descriptive Statistics

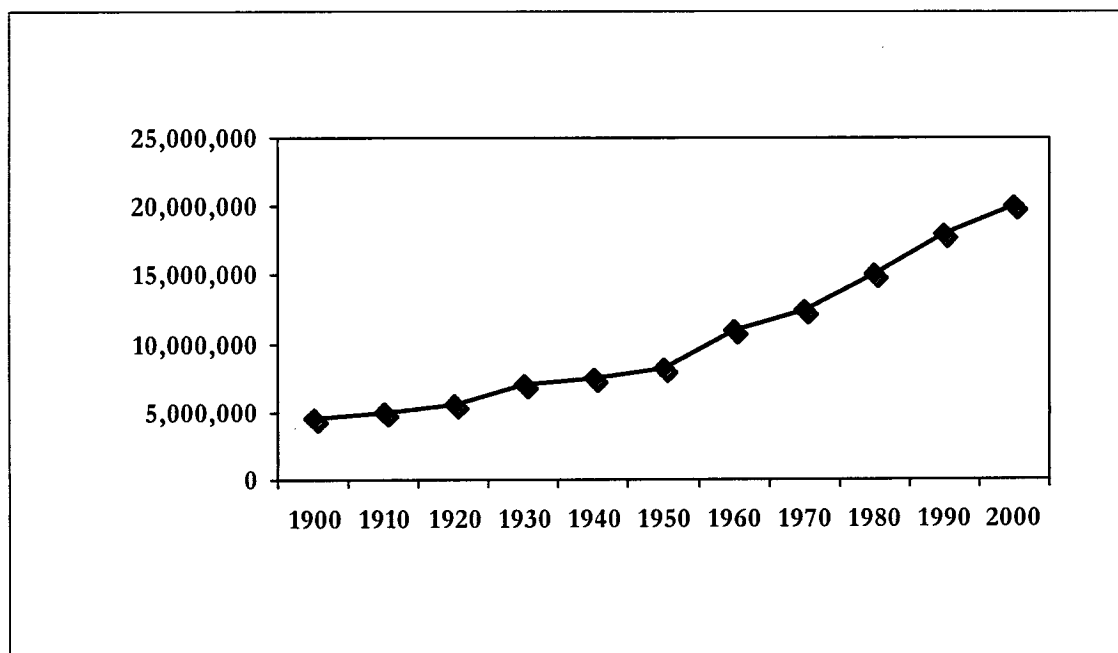


Figure 4 - Population of Australia, 1900-2000

Source: Australian Bureau of Statistics

COMPONENTS OF POPULATION INCREASE, 1986 TO 2000								
	Population size (at end of period)	Population	Growth (a)	Natural Increase		Net Overseas Migration (MON)		NOM as a percentage of population growth
Calendar Year	Number	Number	Annual Rate (b)	Number	Annual Rate (b)	Number (000)(c)	Annual Rate (b)	
1986	16,134.10	233.5	1.47	128.4	0.81	107.5	0.68	46
1990	17,169.80	233	1.38	142.6	0.84	97.1	0.57	41.7
1995	18,196.10	244.6	1.36	129.8	0.72	106.9	0.6	43.07
2000	192,772	224.6	1.18	120.1	0.63	104.5	0.55	46.5

Table 1: Components of Population Increase, 1986 to 2000

Source: Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), Australian Immigration Consolidated Statistics, various issues: Australian Bureau of Statistics, Australian Demographics Statistics Catalogue No.3101.0.

CENSUS POPULATION BY REGION/ COUNTRY(a) OF BIRTH, 1981 TO 1996						
REGION COUNTRY OF BIRTH	1981	0 1986	1991	1996 % change from 1981 to 1996	1996 % of Overseas Born Population	
OCEANLA (b)						
TOTAL	212.6	262	336.8	378.1	77.8	
EUROPE & THE FORMER USSR						
UK & Ireland	1,332.6	1,127.2	1,159.0	1,124.0	-0.8	
Southern Europe						
Total		681.3	661.9	659.8	644	
					-5.5	
Total			280.2	288	276.4	
					-1.4	
Western & Northern Europe						
Eastern Europe, the former USSR & the Baltic States						
Total	162	168.3	170.7	172.1	6.2	
TOTAL	2,256.10	2,245.40	2,273.30	2,217.10	-1.7	
THE MIDDLE EAST & NORTH AFRICA						
The Middle East						
Iran	3.7	7.5	12.7	16.2	337.8	
Lebanon	49.6	56.3	68.8	70.2	41.5	
Yurkey	24.3	24.5	27.7	28.9	18.9	
Other	14.8	18.5	24.4	37	150	
Total	92.4	106.8	133.6	152.3	64.8	
North Africa						
Egypt	30.6	30.6	33.1	34.1	11.4	
Other		0	5	6.3		
Total	30.6	30.6	38.1	40.4	32	
TOTAL	123	137.4	171.7	192.7	56.7	
Regional groupings are based on those of the 1996 Canons. Care must be taken comparing regions total over the period 1981 to 1986.						
(b) Excludes Australia and Australian External Territories.						
© Aggregated for consistency with 1981 data.						
SOUTHEAST ASIA						
TOTAL		135.9	240.6	374	456.4	
NORTHEAST ASIA					235.8	
TOTAL		63.5	76.8	109.8	145.5	
NORTHERN AMERICA					129.1	
Canada	17.7	20.4	22.5	25.1	41.8	
USA	32.6	42.4	43.6	49.5	51.8	
Other (f)			0.4	0.4		
TOTAL	50.3	62.8	66.5	75	49.1	
SOUTH AMERICA, CENTRAL AMERICA & THE CARIBBEAN						
TOTAL	45.9	53.6	71.4	75.7	64.9	
AFRICA (Excluding North Africa)						
TOTAL	59.6	77.9	93.3	107.2	79.9	
TOTAL (Overseas born)	3,002.10	3,244.90	3,688.60	3,908.30	30.2	
Australia (g)	11,573.80	12,112.90	12,719.50	13,227.80	14.3	
TOTAL ALL COUNTRIES (h)	14,576.30	15,602.20	16,771.70	17,752.90	21.8	

Table 2: Census Population by Region/Country of Birth, 1981 to 1996

Source: Census – Cross-classified Table CX0003, 1991 Census Customised matrix Table USC6348, 1996 Census Customised Matrix Table CS078.

Settler Arrivals by Region/Country of Birth, 1990-91 to 1999-00										
BIRTHPLACE	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
OCEANIA										
Australia & External Territories (a)	386	336	385	339	489	551	376	351	276	378
New Zealand	7,467	7,242	6,694	7,772	10,498	12,265	13,072	14,723	18,677	21,889
Melanesia										
Total	237	181	167	195	184	269	193	179	180	158
Micronesia										
Total	17	14	13	13	28	19	15	13	11	12
Polynesia (excluding Hawaii)										
Total	2,863	2,589	2,258	1,877	2,393	3,121	3,105	2,526	3,357	3,602
Total OCEANIA	10,970	10,362	9,517	10,196	13,592	16,225	16,761	17,792	22,501	26,039
Total Europe & The Former USSR	32,333	26,870	22,200	20,473	25,523	26,470	22,167	19,501	19,608	18,796
United Kingdom & Ireland										
THE MIDDLE EAST & NORTH AFRICA										
<i>The Middle East</i>										
Bahrain	27	17	14	11	19	22	24	20	9	12
Gaza Strip	1		2	11	11	5	2	1	10	11
Iran	977	668	310	409	654	1,018	822	693	525	797
Iraq	191	1,407	1,539	1,092	2,539	2,617	1,966	1,793	1,510	1,673
Israel	246	228	185	160	149	154	137	142	126	105
Jordan	221	356	264	176	198	146	190	112	138	121
Kuwait	66	221	285	107	130	95	99	123	106	197
Lebanon	2,891	1,617	1,042	1,064	1,197	1,326	1,019	1,107	944	1,226
Oman	2	10	5	8	19	8	14	11	14	12
Qatar	16	14	7	11	17	14	12	12	10	9
Saudi Arabia	60	82	70	43	122	94	118	70	42	48
Syria	341	315	217	226	249	204	150	171	166	182
Turkey	1,090	888	625	556	718	803	741	635	521	513
United Arab Emirates	63	81	27	38	46	53	57	63	49	54
West Bank	1	1			1	3	4	4	6	13
Yemen	7	4	5	3	3	1	17	7	12	18
Total	6200	5,909	4,597	3,915	6,072	6,563	5,372	4,964	4,188	5,004
Total North Africa	954	1,112	820	911	1,074	1,045	853	826	1,002	1,027
Total Middle East and North Africa	7,154	7,021	5,417	4,826	7,146	7,608	6,225	5,790	5,195	6,031
South East Asia	29,417	22,325	13,853	14,239	14,861	13,147	11,357	9,700	10,934	11,269
North East Asia	22,100	21,473	12,504	8,045	9,899	18,668	15,125	10,214	10,869	11,341
Southern Asia	9,389	10,594	6,632	5,482	7,616	7,709	5,602	5,333	5,316	8,447
Northern America	2,811	2,570	2,021	2,002	2,576	2,499	2,417	2,049	1,624	1,739
Total Africa (excl. North Africa)	3,728	2,823	2,570	3,249	4,857	5,444	5,014	6,256	7,246	7,857
Not Stated	41	45	59	103	29	52	44	25	77	73
Total All countries	121,688	107,391	76,330	69,768	87,428	99,146	85,752	77,327	84,143	92,272

Table 3: Settler Arrivals by Region/Country of Birth, 1990-91 to 1999-00

Source: Census – Cross-classified Table.

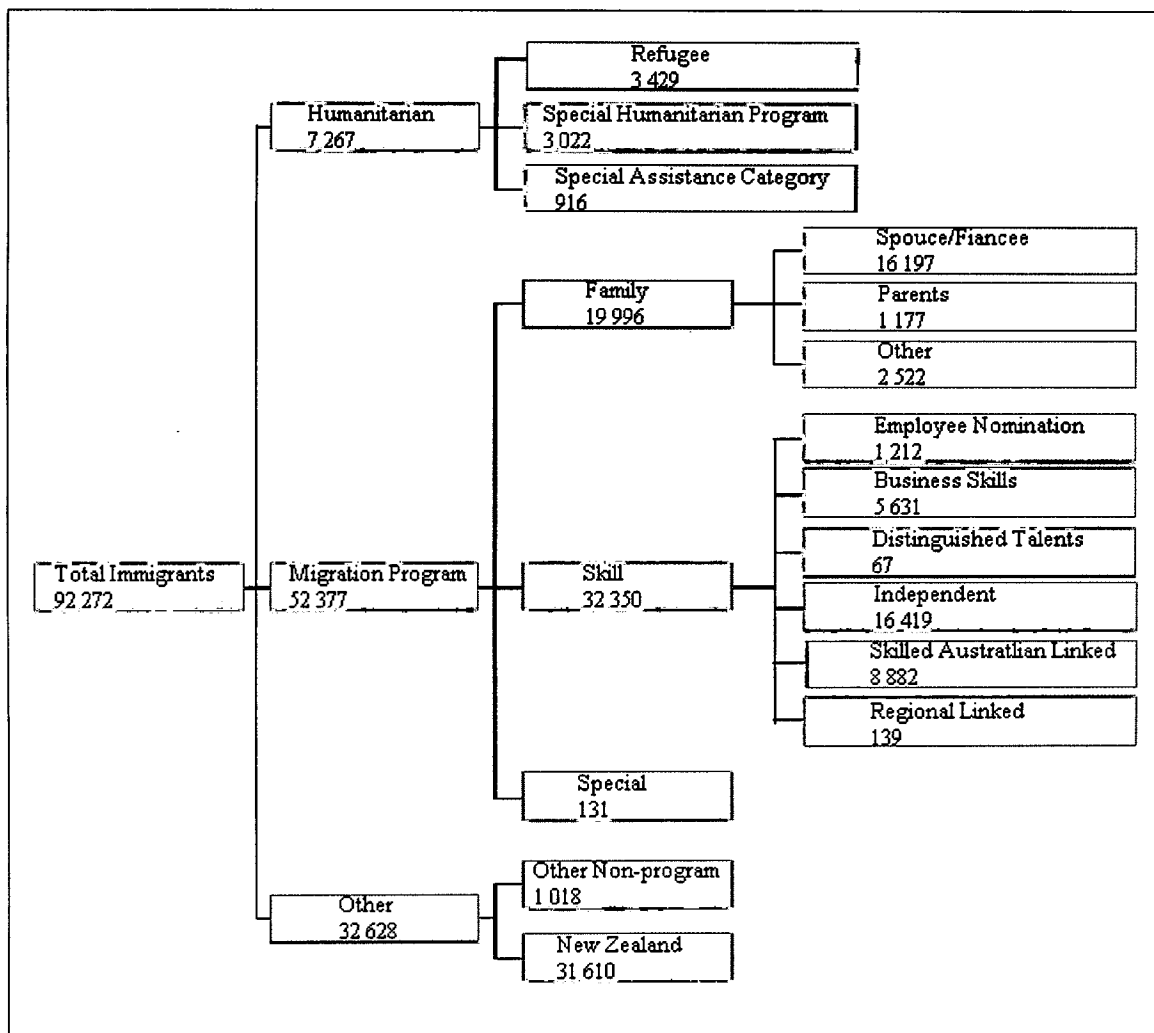


Figure 5: Categories of immigration to Australia 1999-2000 (Movements to Australia)

Source: From Data in DIMA 2000b

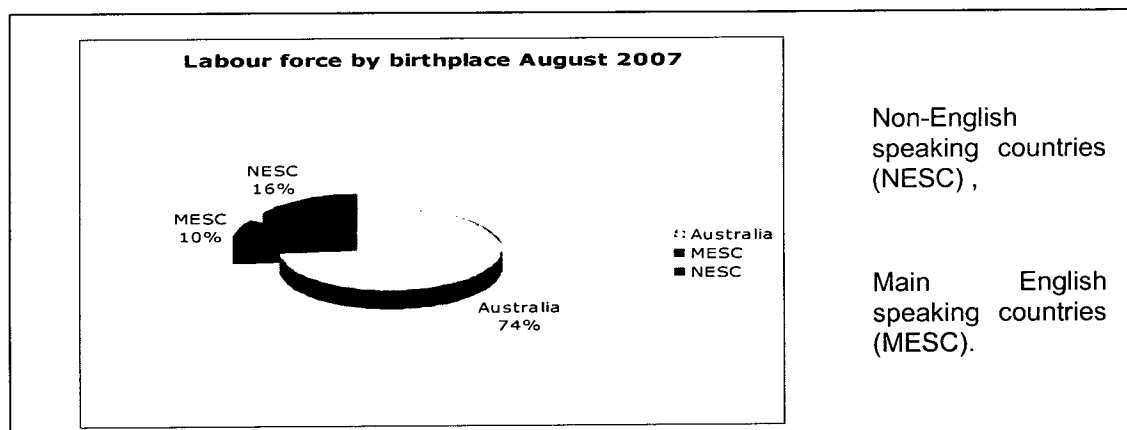


Figure 6: Labour force by birthplace August 2007

Source: Australian Bureau of Statistics.

In August 2007, the Australian labour force totalled 10,883,400 people: 8,083,100 Australia-born and 2,800,300 overseas-born. Of the overseas-born, 1,663,400 people were from non-English speaking countries (NESC) and 1,136,900 were from the main English speaking countries (MESC). The Australian-born are more strongly represented in the workforce than the migrants. The participation rate of the Australia-born was 68.2 per cent. The participation rates for NESC were 55.2 and for MESC 65.7 per cent. These differences partly reflect the older age structure of the overseas-born population compared to the Australian-born. Of the migrants in the workforce, 96.5 per cent belonging to MESC migrants and 93.1 per cent to NESC migrants were employed. This compares with 96.0 per cent employed for the Australia-born.

Migrant employment

In August 2007, the unemployment rate for all people born overseas was 4.3 per cent, compared with 4.0 per cent for those born in Australia. People born in English speaking countries had a lower unemployment rate (3.5 per cent) than the Australian-born. People born in non-English speaking countries had a higher unemployment rate (5.3 per cent). This pattern has been in evidence since 1992. Fig. 7 also suggests that the unemployment rate for people from non-English speaking countries is more strongly affected by changes in economic conditions. While employment has improved for Australians as a whole over the last eight years, the employment and participation rates of the newly arrived overseas-born have improved even more significantly.

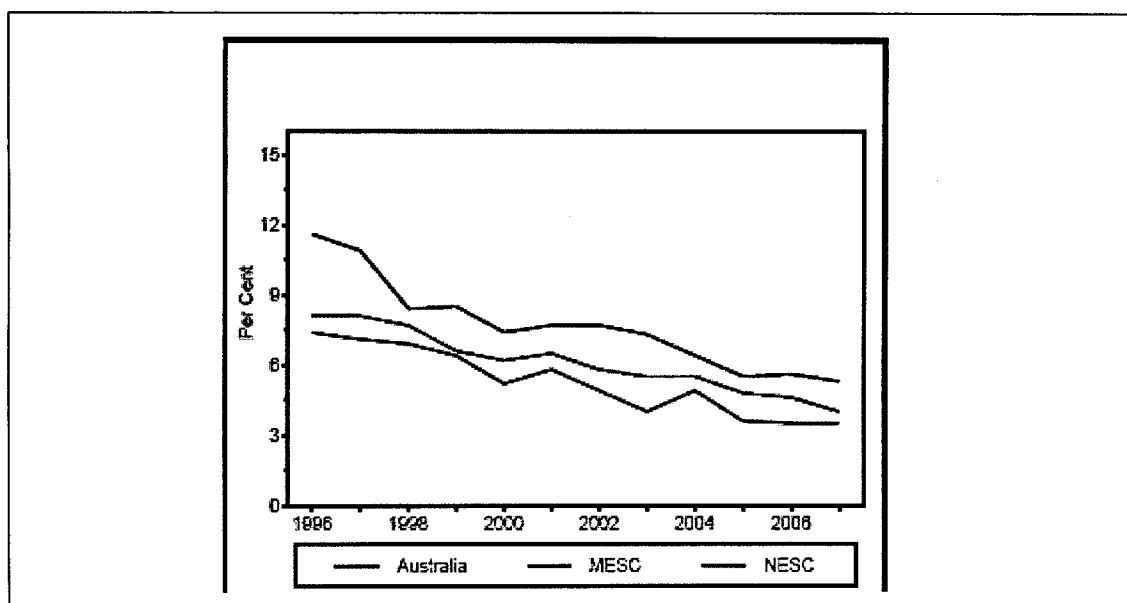


Figure 7: Unemployment rates by birthplace at August 2007
Source: Australian Bureau of Statistics.

Employment by industry

The overseas-born are heavily represented in communication services, compared to other industries, making up 34.3 per cent of all workers as of August 2007, while 32.4 per cent of workers in finance and insurance, and 32.3 per cent of workers in manufacturing were also born overseas. Migrants are least represented in agriculture, forestry and fishing (10.1 per cent of the workforce).

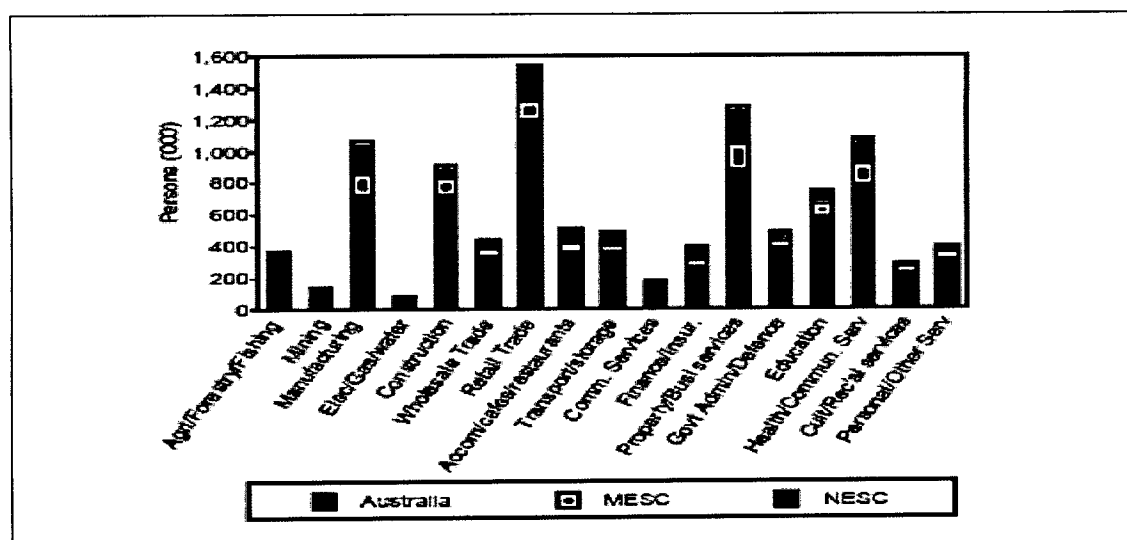


Figure 8: Employment by industry and birthplace, August 2007
Source: Australian Bureau of Statistics.

	Feb 08	Mar 08	Feb 08 to Mar 08	Mar 07 to Mar 08
Trend				
Employed persons ('000)	10 656.8	10 677.0	20.2	2.7 %
Unemployed persons ('000)	454.9	449.4	-5.5	-7.1 %
Unemployment rate (%)	4.1	4.0	-0.1 pts	-0.4 pts
Participation rate (%)	65.2	65.2	0.0 pts	0.3 pts
Seasonally Adjusted				
Employed persons ('000)	10 666.8	10 681.6	14.8	2.9 %
Unemployed persons ('000)	439.4	453.2	13.8	-6.8 %
Unemployment rate (%)	4.0	4.1	0.1 pts	-0.4 pts
Participation rate (%)	65.2	65.2	0.1 pts	0.4 pts

Table 4: Australian Key figures from March 2008
Source: Australian Bureau of Statistics.

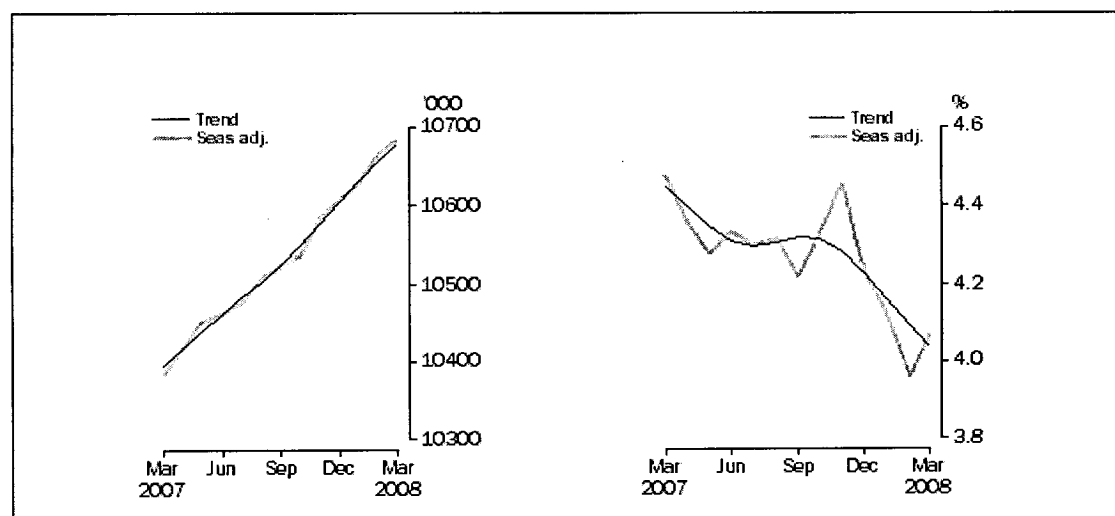


Figure 9: Australian Key figures (Trend Estimates) from March 2008
Source: Australian Bureau of Statistics.

Trend estimates (Monthly changes)

- Employment increased to 10,677,000
- Unemployment decreased to 449,400
- Unemployment rate decreased to 4.0%
- Participation rate remained at 65.2%

Employment

- Increased by 14,800 to 10,681,600. Full-time employment increased by 5,300 to 7,637,900 and part-time employment increased by 9,500 to 3,043,800.

Unemployment rate

- Increased by 0.1 percentage point to 4.1%. The male unemployment rate increased by 0.3 percentage points to 3.9%, and the female unemployment rate decreased by 0.2 percentage points to 4.2%.

4.3 Main Results: The economic benefits from Immigration

The tables in the section above show that there has been an increase in permanent moves to Australia over the past decades. Australia has long had an emphasis on attracting permanent settlers to the country and during the labour shortage years of the 1950's and 1960's it's migration solution to the problem contrasted with that of European nations like Germany and France when it opted to concentrate on attracting permanent migrants to meet worker shortages rather than contract workers.

However, in recent years attitudes have changed in Australia and it has been recognised that in the context of globalised labour markets it is essential to have mechanisms to allow non-permanent entry of workers in certain groups opening up to people with particular skills and entrepreneurs. Hence, there has been an increase in people coming to Australia as short-term or long-term entrants being able to work in the country. There has also been increasing pressure from some groups to allow some unskilled workers to enter the country temporarily to meet labour shortages in some areas. A notable example of this is in the area of harvest labour, especially in fruit, vegetables and vines where significant seasonal labour shortages have occurred in recent years.

4.3.1 Australia's net gains from talent migration

Australia is a major net beneficiary as a result of overseas movements of skilled persons; the net gain of persons with a skilled occupation in 2004-05 was 44,443, up

marginally from 43,612 in 2003-04 but considerably higher than it was four to five years earlier when the net gain was around 30,000. The net flow of professionals by 2004-05 at 29,054 was double what it was five years earlier in 1999-00.

In overall terms, Australia's net gain from international movement of skilled persons has nearly doubled since the end of the 20th Century, with the most rapid growth occurring amongst professionals.

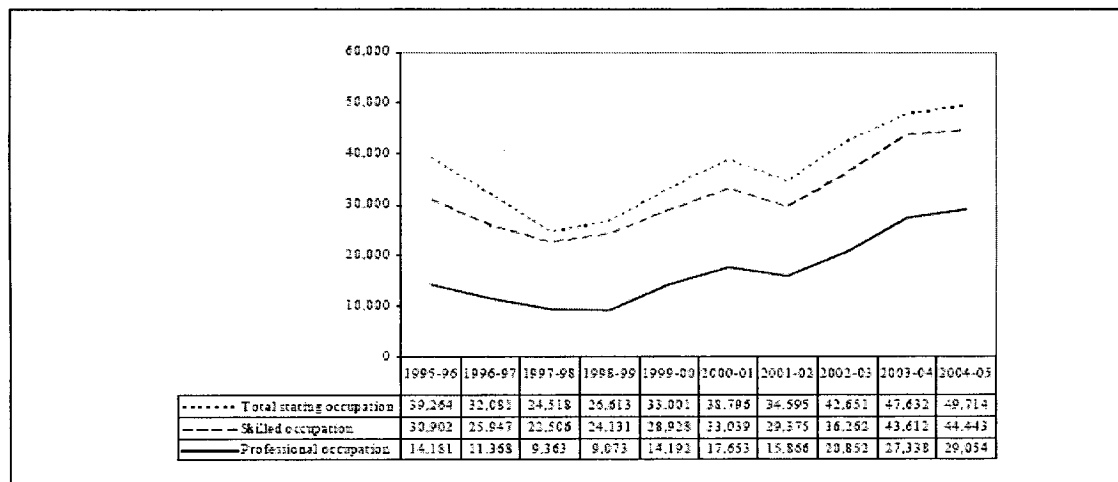


Figure 10: Australia's gains from international movement: net movement of settlers, residents and visitors, total stating an occupation, and total stating skilled and professional occupations, 1995-96 to 2004-05
Source: Australian Bureau of Statistics.

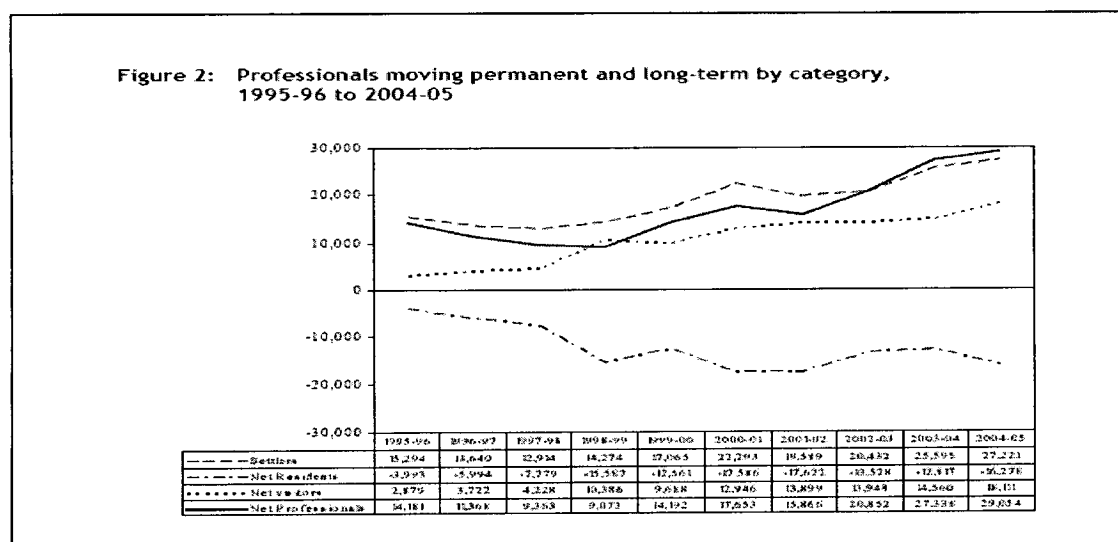


Figure 11: Professionals moving permanent and long-term by category 1995-96 to 2004-05
Source: Australian Bureau of Statistics.

Figure 11 indicates the contribution of the three streams (settlers, residents and visitors) to this overall outcome for professionals. It illustrates the point made above about the similarity in the net losses of residents and the net gains from the flow of visitors. Both are expanding, though it is notable that in the years since 2002-03 the net gains from visitors' movement of professionals exceeded the net losses of similar residents. In the years prior to 2002-03 the reverse was the case.

In overall terms, Australia's net gain from international movement of skilled persons has nearly doubled since the end of the 20th Century, with the most rapid growth occurring amongst professionals. This growth continued in 2004-05, though not as rapidly as in the preceding few years.

The relation between growth and international migration of talent in the *country that receives* the migrants reflects a mutual causality: rapid growth, expanding opportunities, technological discoveries and land availability in the host country generated a demand for unskilled labour and talent as the domestic supply of those human resources may be insufficient to meet the increased demand. Then growth and opportunities may *precede* the mobility of talent.

4.3.2 Labour market effects

Besides the impact on wages, another important question of immigration is the impact on employment outcomes and whether an influx of immigrant workers leads to an increase in the demand for labour in excess of the immigrant supply effect, or to a response in labour supply by the locally born population. In the case of Australia, this has been analysed by looking at the effects of labour force participation and unemployment rates.

In the case of wage effects of immigration, the composition of the immigration flows matters when assessing the effect on (un)employment and labour force participation rates. Combining wage and employment effects, the question arises as to what extent immigration affects earnings inequality?

The catching up of migrants' wages to those of comparable workers may be a process that takes many years and in some cases may not be achieved before reaching retirement.

Evidence suggests that immigrants generated enough economic activity to offset any negative effects their presence might have on the wages or job prospects of local workers. It is apparent that immigration only adds to the number of workers and so increases the level of unemployment or, more specifically, that newly arrived migrants take jobs from existing residents. It is obvious that there is competition for jobs and that migrants may displace other residents. But, migration creates demand; for immigration can boost spending on goods and services which, in turn, increases demand for the labour to produce those goods and services. Migrants are not only workers but are also consumers, a point stressed in the Australian literature. Moreover many also bring capital funds with them and they may induce others to spend ex. domestic and foreign business investment to meet the greater consumer demand.

Migrant workers are also subject to the same minimum requirements for conditions of employment as for existing residents. Nevertheless employers do seek skilled migrants and the remaining issue is whether the numbers arriving displace local skill formation.

The Australian labour market has been one of the most highly regulated amongst industrial countries. The extensive system of minimum wages in place since early in the twentieth century has meant limited capacity for wage reduction.

There are three ways in which immigration can lead to greater economic growth. Firstly, acceleration of convergence to the long-run steady state growth path through enhancing openness of the host economy and increasing the demand for new investment. Secondly, through promoting innovation and consequential long-run changes in total factor productivity; and thirdly through improving efficiency in the short run and long run, which again may boost total factor productivity.

Another way that immigration can affect economic growth is through Schumpeterian innovation. In these models, migrants bring new ideas, work in new industries and occupations, and/or attract trade and FDI from their home countries. Thus, migration can be expected to affect entrepreneurship, innovation and other forms of economic activities.

Moreover, Immigration can affect economic growth by improving economic efficiency. It can be argued that migrants are more responsive to economic signals because of a lack of 'cumulative inertia' and thus help keep the economy moving. The fact that migrants are younger, on the average, also tends to make them more willing and able to adjust to economic change. Immigration also increases the size of the economy, which can potentially lead to more competition and efficiency.

4.3.3 Fiscal impact

Concerns regarding the impact of immigration on fiscal and social policy are widespread, with some politicians and commentators citing an extensive array of unfavourable effects of high inflows of migrants on indicators ranging from crime rates and house prices to the economic sustainability of the welfare state. The standard approach to the fiscal impact of immigration in the international literature consists of combining a demographic profile of the population before and after an immigration influx with the cost per capita of providing public consumption and transfer payments. Similarly, tax revenues are estimated based on the incomes and consumption patterns of different demographic groups. The fiscal impact of immigration is positive: immigrants add more to tax revenue than to government consumption or social security payments. The positive impact increases over time at least up to the time of retirement. The main cause of the positive net impact is the age profile of immigrants. They tend to be relatively young, and often also single. Given the very strong links between age and the major public expenditure items of health and education, immigration tends to increase education expenditure and lower health expenditure, with the net balance being a reduction in total expenditure.

CHAPTER 5

Emigration from Lebanon

5.1 Introduction

Over the past centuries, Lebanon has evolved into an important country of emigration which is expected to have important consequences. Out of the total population of 4 million in 2005, around 621,903 people were emigrants. The actual number may be higher, due to undocumented migration. The effects of emigration can either be positive or negative depending on the interplay between the effects of growth, remittances, brain drain and the positive benefit that may be obtained from strengthening links with the Diaspora. Furthermore In this chapter, we list the descriptive statistics and discuss the findings and present the results obtained.

5.2 Lebanese in Australia

A few individuals and small groups of Lebanese may have arrived to Australia in the 1870s. However it was not until the late 1880's and 1890's that Lebanese began arriving in numbers large enough to warrant the attention of colonial census officials. In the 1880s, a group of Lebanese Christians from the Bekaa Valley settled in the Sydney inner-city suburb of Redfern, but the greater Lebanese migration to Australia occurred in the post-1945 period. It is very difficult to obtain precise data for this early period because of the way Lebanese were classified in the Australian censuses. This meant that early Lebanese immigrants (ie. Before the year 1926) to Australia were classified as "Turks" when hardly any of them were of Turkish origin, the same case which applies to migrants who have flown to Brazil and most Latin American countries. Until the early 1970s, when the immigration of Muslims from Lebanon began, most Lebanese immigrants were Christians involved in what was called *village* chain migration. However, the total Number of Lebanese Australians according to the 2001 census is 162,239. Of these, 71,310 were born in Australia. (*Australian Bureau Statistics-census 2001*)

As immigration officials became aware of internal differences among Turks and Lebanese, they began categorising immigrant on the basis of region of origin. It was not until after semi-autonomous statehood was achieved in 1926 that individuals began migrating with Lebanese passports still being called "Syrians" & it is after

1954 that Australian census officials classified Lebanese and Syrian Immigrants in separate categories. There's no exact date on which we can say Syrians in Australia started calling themselves Lebanese. The geographic and political definitions of Lebanon in 1920 & 1926 respectively had some impact on the development of the Lebanese identity, but it was not until after the Second World War that the term Lebanese finally supplanted "Syrian". The achievement of Lebanese Independence in 1943 and the second influx of Lebanese Migrants in the 1950s stimulated the use of the national term "Lebanese".

"Lebanese immigrants to Australia were of two distinct types-those who simply wished to leave Lebanon for any other country, and those who had the clear intention of joining friends and relatives in Australia. Most Lebanese immigrants were illiterate peasants, who gave their allegiance first and foremost to their extended families, and secondly to other members of their village. A few were from the upper class and came with sufficient capital, education and business experience to establish shops or warehouses." (*Jupp*)

The recent wave of immigration of Lebanese to Australia has brought about a change in their distribution between the various states and territories. In 1940's approximately 60% of the Lebanese were born in New South Wales, with 12-14 per cent each in Victoria, Queensland and South Australia. By 1996 around 74 percent of the Lebanese were born in New South Wales, with 20 percent in Victoria but only 1.6% in Queensland and 2.1% in South Australia. Since the 1980's migration of the Lebanese has been predominantly into Sydney & Melbourne. Within the various states, the Lebanese have reconcentrated in the urban areas. Local government areas with the highest concentration of Lebanese include, Canterbury, Parramatta, Marckville, Bankstown, Fairfield, Auburn, Rockdale, Holroyd, Burwood, Ryde, Ashfield, South Sydney & Randwick in Sydney, Moreland, Darebin and Hume in Melbourne and small concentration in Mitcham and Marion in Adelaide. Most Lebanese live in Sydney's south-western suburbs. Muslim Lebanese tend to live in the Bankstown and Canterbury local government areas – where they comprise up to 13% and 11% of the total population respectively – while Christian Lebanese have settled in the Parramatta local government area. (*Hourani and Shehadi*)

The Lebanese revealed a number of characteristics that distinguished them from Asian immigrants with whom they were classified, namely, a fairly balanced sex ratio, a higher fertility rate and their strong rejection of their classification as Asians. The Lebanese displayed most of the features of chain migration in coming to Australia.

Lebanese immigrants have lower than average incomes, with higher rates of entrepreneurship and unemployment than the Australian average. Within the Lebanese population, Muslim Lebanese have lower incomes and higher unemployment rates than Christian Lebanese, while the second-generation Lebanese are more likely to be employed in professional, managerial and skilled occupations and have lower unemployment rates than the first-generation. Nonetheless, second-generation Lebanese are under-represented in the tertiary sector of Australian education.

5.2.1 Recent Numbers and Characteristics of Lebanese in Australia

Geographic distribution

The latest Census in 2006 recorded 74 850 Lebanon-born people in Australia, an increase of 5.0 per cent from the 2001 Census. The 2006 distribution by state and territory showed New South Wales had the largest number with 55 780 followed by Victoria (14 950), South Australia (1530) and Queensland (1250).

Age and sex

The median age of the Lebanon-born in 2006 was 45.0 years compared with 46.8 years for all overseas-born and 37.1 years for the total Australian population. The age distribution showed 2.5 per cent were aged 0-14 years, 6.8 per cent were 15-24 years, 40.6 per cent were 25-44 years, 37.9 per cent were 45-64 years and 12.2 per cent were 65 and over. Of the Lebanon-born in Australia, there were 38 830 males (51.9 per cent) and 36 020 females (48.1 per cent). The sex ratio was 107.8 males per 100 females.

Ancestry

In the 2006 Census, the top three ancestry responses that Lebanon-born people reported were, Lebanese (64 390), Not Stated (3870) and Australian (2630).

In the 2006 Census, Australians reported more than 250 different Ancestries. From the total ancestry responses, 0.7 per cent responded as having a Lebanese ancestry.

Language

The main languages spoken at home by Lebanon-born people in Australia were Arabic (89.4 per cent), English (7.4 per cent) and Armenian (1.3 per cent).

Of the 68 960 Lebanon-born who spoke a language other than English at home, 76.5 per cent spoke English very well or well and 22.8 per cent spoke English not well or not at all.

Religion

At the 2006 Census the major religious affiliations amongst Lebanon-born were Islam (30 290 persons), Catholic (29 190 persons) and Eastern Orthodox (7590 persons).

Of the Lebanon-born, 1.3 per cent stated 'No Religion'; this was lower than that of the total Australian population (18.7 per cent). 3.2 per cent of the Lebanon-born did not state a religion.

Arrival

Compared to 67.9 per cent of the total overseas-born population, 77.8 per cent of the Lebanon-born people in Australia arrived in Australia prior to 1996.

Among the total Lebanon-born in Australia at the 2006 Census, 7.0 per cent arrived between 1996 and 2000 and 8.9 per cent arrived during 2001 and 2006.

Citizenship

At the 2006 Census, the estimated rate of Australian Citizenship for the Lebanon-born in Australia was 96.0 per cent. The estimated rate for all overseas-born was 75.6 per cent.

Median income

At the time of the 2006 Census, the median individual weekly income for the Lebanon-born in Australia aged 15 years and over was \$256, compared with \$431 for all overseas-born and \$488 for all Australia-born. The total Australian population had a median individual weekly income of \$466.

Qualifications

At the 2006 Census, 32.2 per cent of the Lebanon-born aged 15 years and over had some form of higher non school qualifications compared to 52.5 per cent of the Australian population. Among the Lebanon-born, 11.9 per cent had Diploma level or higher¹ qualifications and 11.0 per cent had Certificate level qualifications. From the Lebanon-born, 48 360 had no higher non school qualification, of which 5.6 per cent were still attending an educational institution.

Employment

Among Lebanon-born people aged 15 years and over, the participation rate in the labour force was 45.5 per cent and the unemployment rate was 12.1 per cent. The corresponding rates in the total Australian population were 64.6 and 5.2 per cent respectively. Of the 28 350 Lebanon-born who were employed, 18.8 per cent were employed in a Skill Level 1 occupation, 12.5 per cent in Skill Level 2 and 20.6 per cent in Skill Level 3. The corresponding rates in the total Australian population were 28.7, 10.7 and 15.1 per cent respectively.

5.3 Reasons for Immigration

Lebanese Immigration to Australia began over 100 years ago. Emigration from Lebanon during the latter part of the nineteenth and early twentieth centuries may be attributed to a number of economic, social and religious causes. Economic hardships were caused by the opening of the Suez Canal in 1869, which altered the traditional trade routes across the Middle East. The influx of the manufactured goods imported from Europe, contributed to a decline in traditional industries. Droughts and plagues in rural areas; shortage of Land from the growing population were other factors. The fact that the early immigrants were predominantly Christians is indicative of the religious and cultural persecution suffered by Christians under Ottoman suzerainty

over Lebanon. Religious issues such as the Druse-Maronite conflict, and the desire to escape Turkish domination forced those people out of their homeland. (*Jupp*)

Moreover, there are other factors that have led to migration of Lebanese workers; The Palestinian conflict, the Syrian occupation factor and the Israeli factor, not forgetting the internal communal divisions. The Palestinians enjoyed organized military power over Lebanon and along with Syrian troops; both have contributed to stirring internal conflicts in 1975. War has been launched by Israeli forces against Lebanon in 1978, 1982, 1983, 1996 and recently in 2006. The more recent political, social and economic instabilities in Lebanon are driving more people to migrate in search of security mostly and business opportunities.

5.4 The brain drain issue

The 'brain drain' issue deserves close attention; public discussion focuses on the numbers of Lebanese expatriates living abroad and claims that these numbers are escalating. The term 'brain drain' is normally limited to movements of residents. Lebanon is experiencing 'heavy net migration drain' in almost all occupational categories. 'Brain drain'- a process whereby the most talented and highly educated people were being drawn from less-developed and backward countries to the large dominant metropolitan countries of North America, Europe and Australasia, because they could command much better incomes, education opportunities for their children, freedom and others in those countries. Whatever their numbers were the impact was catastrophic because it lost its elite to be replaced by immigrants, those people who were most likely to play crucial roles in achieving economic development and social change. Moreover, the loss was disadvantageous to the origin nations in that they had invested scarce resources in the education, training and rearing of the emigrants, and then not been able to capitalise upon that investment. On the other hand, the developed economies receiving the highly qualified immigrants accrued a double benefit not having to have invested in the training and up bringing of the migrants but immediately benefiting from their productivity. This 'brain drain' movement was seen as a barrier to development in origin areas and exacerbating causing substantial international inequalities.

In an attempt to highlight the rising emigration rate, *Ii Monthly* referred to the number of people who left the country via the airport in the month of January in 2004, 2005, 2006 and 2007. The numbers showed that Lebanese who left the country exceeded those who entered Lebanon by 19,575 people in 2004, 18,029 people, 15,321 people and 21,140 people respectively, thus the number of Lebanese people departing from Rafik Hariri International airport in January 2007 increased by 38% compared with January 2006 & 8% by compared to January 2004. (Ii monthly-issue number 58/April-May 2007)

What is at issue is the size of the Lebanese expatriate community and its significance for Lebanon's skilled workforce. Some prominent business commentators believe that business and legal professionals have been departing in large numbers. It is the size, occupational make-up and, most importantly, the extent to which expatriates are engaged in skilled careers.

Emigration, 2005

- Stock of emigrants: 621,903
- Stock of emigrants as percentage of population: 17.4%
- Top 10 destination countries: United States, Canada, Australia, Germany, Saudi Arabia, France, Sweden, Brazil, West Bank and Gaza, Denmark.

Skilled Emigration, 2000

- Emigration rate of tertiary educated: 29.7%
- Emigration of physicians: 1,327 or 9.3% of physicians trained in the country

Immigration, 2005

- Stock of immigrants: 656,727
- Stock of immigrants as percentage of population: 18.4%
- Female as percentage of immigrants: 57.5%
- Refugees as percentage of immigrants: 61.4%

Table 5: Emigration Indicators for Lebanon

Source: www.worldbank.org/prospects/migrationandremittances.

5.5 Remittances

Highly skilled graduates can contribute more to the development of their home country by working in rich developed countries than by staying home. This is partly

due to the fact that skilled labour markets in the home country may be underdeveloped so that full use may not be made of those skills. It has been shown that skilled people in the Diaspora can significantly contribute to the home economy by:

- Sending remittances to the home country which can improve the balance of payments situation and trade.
- Encouraging investment of their based companies in their home area
- Eventually returning to the home nation, not only with enhanced skills and wealth to invest but also the business linkages to facilitate the development of industry at home.

In theory, migration may make those left behind in the source countries worse off insofar as they no longer enjoy the gains from trade that they used to enjoy from employing the workers who have emigrated. Workers left behind may enjoy an increase in wages as a result of the departure of competing workers, but employers and their consumers would lose more from the departure of those emigrants than the workers left behind would gain from their departure. As long as the migrants as analyzed by the World Bank send the same proportion of their income to those left behind in source countries. The World Bank estimates that with these remittances, those left behind would enjoy a net increase of 0.9 percent in their real income, that is, a gain of \$143 billion. Developing countries, including the migrants enjoy an increase of 1.8 percent in their real income. Thus, “the relative gains are much higher for the developing-country households than high-income country households,” not only increasing the world’s real income but also reducing international income inequality.

Countries	Total remittances as% of GDP	% EU of total remittances	Migrants as % of total population	% of migrants in the EU	% of migrants in the Arab countries
Turkey	1 – 2%	85%	5%	86%	3%
Morocco	6 – 9%	90%	10%	96%	9%
Algeria	2 – 3%	90%	4%	92%	6%
Tunisia	4 – 5%	85%	9%	83%	14%
Jordan	20 – 22%	5%	1%	27%	-
Egypt	3 – 4%	5%	4%	16%	70%
Lebanon	9 – 15%	-	15%	26%	20%
Syria	≈ 2%	-	1%	35%	-

Table 6: Remittances as share of GDP (range constructed on data 1998-2003)

Source: Columns 1 and 2: EIB, 2005, p. 30; Columns 3-4-5: author's elaboration based on data from Fargues, 2005, p. 373 and 375. Data for Jordan and Syria are based on statistics of destination countries. For the other countries data are based on statistics of origin countries.

Migrant remittances to Lebanon have shown an upward trend over the past years (see table 7). While remittances represented 22.8 percent of Lebanon's GDP in 2006.

(US\$ million)	2000	2001	2002	2003	2004	2005	2006	2007e
Inward remittance flows	1,582	2,307	2,544	4,743	5,592	4,924	5,183*	5,500
<i>of which</i>								
Workers' remittances	..	..	2,544	3,964	5,183	4,257	4,603	..
Compensation of employees	..	..	0	779	409	667	580	..
Migrants' transfer	..	..	-	..	..	..	..	..
Outward remittance flows	..	..	2,521	4,081	4,233	4,012	4,132**	..
<i>of which</i>								
Workers' remittances	..	..	2,510	3,694	3,573	3,281	3,471	..
Compensation of employees	..	..	11	387	660	731	661	..
Migrants' transfer	..	..	-	..	..	..	..	..

* 22.8% of GDP in 2006. **18.2% of GDP in 2006. This table reports officially recorded remittances. The true size of remittances, including unrecorded flows through formal and informal channels, is believed to be larger. Total flows may not always equal the sum of the components as they may have been taken from alternative sources.

Table 7: Volume of official remittance flows to Lebanon

Source: www.worldbank.org/prospects/migrationandremittances

There is some macro-economic evidence that the inflow of remittances substantially

contributes to income growth; The actual contribution of migration to income growth and poverty alleviation is likely to be higher, as this study only considered official recorded remittances and ignored the unrecorded flows through formal and informal channels.

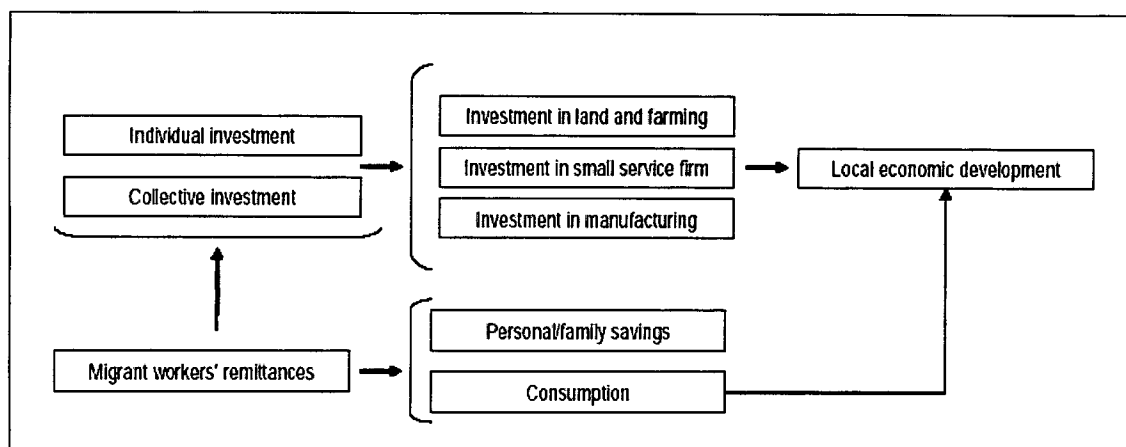


Figure 12: Model of Remittances Use and Development Impact

It is also important to note that not all Lebanese emigrants seek permanent settlements; some only leave Lebanon for work purposes as shown in the figure below.

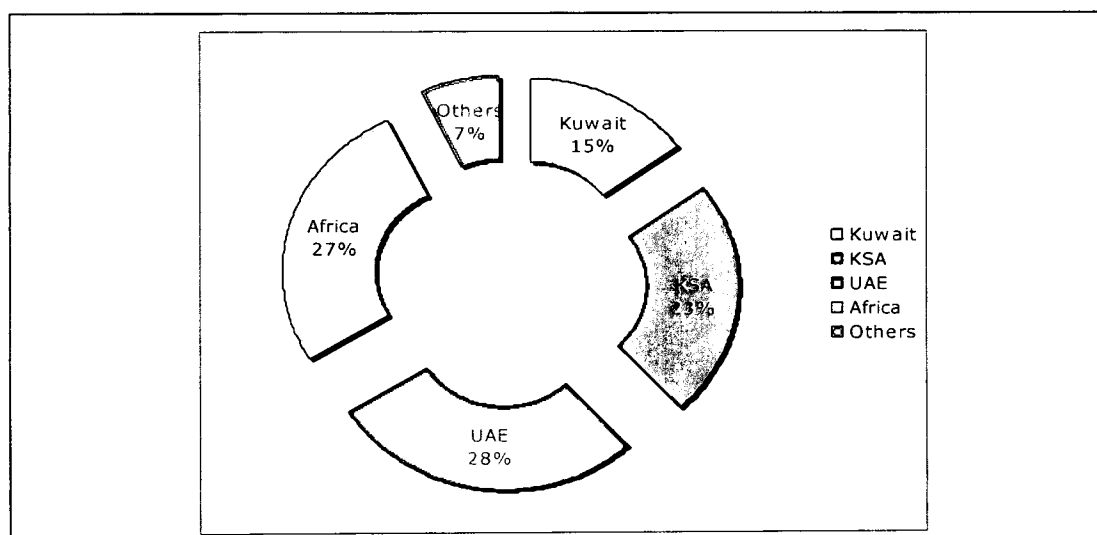


Figure 13: Destinations of Lebanese who leave for temporary residence (1991-2000)
Source: Survey about Emigration from Lebanon by Information International (November 2001)

The potential for international migration to stimulate development in countries of origin among multilateral agencies, national governments and development agencies is being recognized.

5.6 Lebanese and Emigration

In an opinion poll conducted by Information International in August 2006, 58.9% of respondents expressed their determination to remain in Lebanon and 21.5% said they were waiting to see how the situation would develop, while 15.3 % said that they were determined to emigrate and 4.3% of the respondents did not answer.

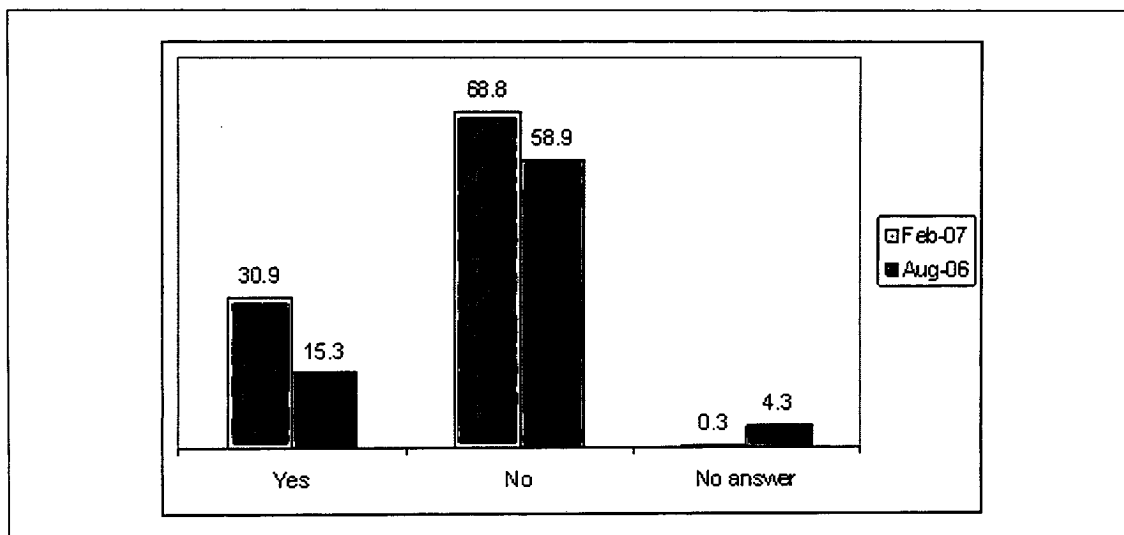


Figure 14: Responses to the opinion poll by Information International August 2006
Source: Ii Monthly-issue number 58-April-May 2007

With the survey conducted with the Department of Immigration and Citizenships; comparable numbers of migrants said that they want to leave Lebanon seeking better employment opportunities, security and stability, professional development and higher income, promotion and career advancement, Marriage, partnership and partner's employment, education, close family/friends and finally to establish or expand their business.

5.7 SWOT Analysis of Human Capital trade:

Strength:

- The demand created by migration: Immigration can boost spending on goods and services which, in turn, increases demand for the labour to produce those goods and services.
- The macro-economic significance of remittances and incomes of migrants' families.
- The gain of talented migrants.
- The development of a global common market- Globalization.

Weaknesses:

- Migration is seen as a major cause of the increasing number of female-headed households.
- The rise in quantity and the fall in quality of immigration.
- Racism, xenophobia and nationalist sentiments can push citizens to vote for immigration restriction.
- The immigrants are less skilled and less productive than natives/lower educated.

Opportunities:

- The composition of the population.
- The Cultural diversity created with the arrival of immigrants holding different nationalities.
- The extent to which international migration and remittances can bring about more long-term, sustained development and economic growth in migrant-sending areas in poor countries.
- The immigrants can promote businesses and tourism to their native country.

Threats:

- The competition for jobs.
- The fact that migrants may displace native workers and existing residents or less-skilled workers.
- The decrease in population growth or unemployment at the national levels.
- Brain Drain.
- Labour Shortages.
- The fact that immigrants can depress the Wages of Natives.
- The ageing population in the native country.

Chapter 6

Conclusion and Recommendations

6.1 Brief Overview

International migration will no doubt continue to be a highly controversial topic and developing countries are increasingly concerned with this issue. Over the last decades of the twentieth century, population mobility increased markedly. As the previous chapters have shown, one measure of international mobility, the stock of international migrants is rising having more than doubled over the course of those 40 years. The data presented also showed that the number of international migrants from Lebanon to Australia has grown at a steady pace. The late twentieth century did witness some key changes however, in international migration trends. The steady and rapid increase in the number of international migrants in the developed world has led to a greater concentration of the stock of international migrants in developed countries. International migration is not a one-way street, although the lack of data on emigration often leads to the false conclusion that countries receiving foreign migrants are not themselves in the origin of migrant outflows. Even Australia, one of the major attraction poles in the world, is estimated to lose several thousands of emigrants annually fleeing mostly to New Zealand, Europe and the Gulf countries.

There have also been changes in respect to the origins of migrants, which imply that there has been some diversification in the countries which are the main sources of migrants to the developed world, even if the migrant stock of each receiving country continues to be dominated by a handful of different nationalities. In addition, the conditions under which migrants are admitted have evolved. In the 1990s, developed countries doubled efforts to attract temporary skilled workers from abroad in order to satisfy the demand in different sectors of their economies. Consequently, temporary admissions of skilled workers increased in a number of countries. Clearly, international migration evolves as the economic, social and political situation of countries changes.

Given the persistence of economic disparities between countries, population movements respond to available opportunities, whether in the developed world or in the more prosperous developing countries. Differences in demographic dynamics also play a part, as the economically better-off countries tend to be those where human fertility levels have been lower and where population ageing is accelerating. International migration is already contributing to preventing or slowing down the decline of a number of populations in the developed world, and is expected to continue playing that role in the future. Immigration will not fully compensate the effect that declining fertility has had, and will continue to have, on population ageing and, particularly, on the relative size of the working-age population of many developed countries.

6.2 Main Findings

In the 1960s and 1970s the discussion on talent mobility was dominated by concerns on brain drain. The dominant view at that time was that permanent emigration of talent from the developing countries had adverse consequences on national development, autonomous policy-making, and qualified human resources. In the early twenty first century, the international circulation of talent has significantly increased as the world moved towards increased economic interdependence, rapid technical change, and lower transportation costs.

Individuals with special skills moved across countries in response to economic incentives whereby skilled experts, concentrated in certain locations such as the gulf countries, the US and Europe. That talent may eventually return home if the appropriate conditions for work and investment as well as a favourable socio-political environment exist in the source countries.

Migration has enabled households to invest in housing, agriculture, private enterprises and the education of male and female children. The relatively high and stable remittance income improved living standards of households. This generally seems to confirm the hypotheses of the new economics of labour migration.

However, there is substantial evidence which leads us to hypothesize that migrants' consumption and investments have in some form stimulated the economies of

migrant-sending regions as a whole, from which non-migrants and 'reverse' immigrants to emigration areas have indirectly benefited through increased employment and income. Through household relocation and increasingly urban-based real estate and business investments, international migrant households simultaneously capitalize on and actively contribute to the accelerated urban growth and concentration of economic activities in urban centres mostly located inside or nearby migrant-sending areas. The remittances induced construction of houses destined for families and improve the wellbeing of migrants' wives and enable their children to go to school.

This is visible in the widely diverging opinions about how to evaluate migrants' consumption and investment behaviour as well as various processes of social change, such as the demise of traditional societies and extended families. Developing countries such as Lebanon, which see their entrepreneurs, scientists, technology experts, medical doctors emigrate can experience a delay in developing their potential. In contrast, receiving countries will benefit from an inflow of talent that enlarges their qualified human resource base relieving shortages of high skills people. Depending on the type of human capital received, recipient countries can benefit in the science sector, in health and in culture. Return migration and the international circulation of ideas, technology, and expertise can counter-balance, to some extent, a distribution of gains from the mobility of talent toward receiving countries.

Notwithstanding the generally positive impact, some regions and some social groups can be adversely affected by migration. Firstly, whereas international migration and remittances have contributed to stimulating social and economic development in many migrant-sending regions, it is important to observe that this impact is fundamentally diverse across space and time, as well as across socio-ethnic and gender groups. Secondly, instead of a more or less predetermined impact, migration and remittances offer migrants and their households the freedom to draw back from, just as much as to invest in, local economic activities. While remittances enable change in both directions, they do not determine the direction of this change as such. Whether migration will trigger development or perhaps the reverse, it is fundamentally reliant on the specific social, cultural and ecological context

prevailing in migrant-sending countries, as well as on national and international factors, such as migration policies, political and economic conditions prevailing in sending and receiving societies. This context will eventually determine the extent to which migrants tend to return, circulate, remit and invest, as well as the sectoral and spatial allocation of such activities.

Thirdly there is ample evidence that the potential development of international migration for Lebanese sending communities is far from fully realized. “Many return migrants are *not* successful and that many investment projects fail.” The fact that Lebanese of successive generations have one of the lowest tendencies to return to the homeland among all immigrant groups in the world seems to indicate that Lebanon is indeed not the most attractive environment in which they would live in and invest.

It is also not realistic to expect a beneficial return on investments for as long as the society and state of origin fail to create an attractive social, political, economic and institutional environment. Although migrants do exhibit a relatively high tendency to invest in the original home, the investment opportunities for migrants in their regions of origin are very limited. Therefore it is concluded that healthy development in migrant-sending regions is a *prerequisite* for their return and/or investment rather than a consequence of emotional migration.

Economic, social, and cultural factors are very important causes of the international mobility of talent. However, they do not exhaust the list of factors that affect that mobility. Governance and political factors also influence the decision by talented individuals to migrate. The political regimes prevailing in host and source countries— democracy or authoritarianism—and also the quality of democracy matter in the decision to emigrate or leave a country. In general, it is presumed that individuals would prefer to live in countries where civic freedoms and individual rights (freedom of speech and association, access to fair trial, religious freedom, right to elect public officials, etc.) are respected and economic rights are protected.

6.3 Limitations of the findings

While the information described and analyzed is of great value for the purposes of this study, it has limitations since international migration involves the crossing of

borders, and changing of lifestyle. Its definition and measurement depend on the instruments and concepts used in many different national data collection means. International migration occurs as people move from a country of origin to a country of destination. Available data are very limited.

First, as noted above, no occupation or work data are recorded for persons who arrive for short-term visits. This means that the data tend to understate the contribution of skilled visitors to the Australian workforce. This is particularly so in the case of arrivals holding long-stay business visas (visa category 457) who are permitted to stay for up to four years but often indicate that their visit is to be short term (that is, less than one year's duration). These 457 visa category visitors would normally undertake skilled work in Australia.

Second, the veracity of the occupation data depends on the traveller filling out his or her passenger card accurately. One exception is those entering Australia as permanent residents in the skilled categories or on long-stay business visas whose occupational data are taken from electronic data sources entered by DIMIA Department of Immigration, Multicultural and Indigenous affairs officers at the overseas issuing post. Passengers often do not fill in the full details of their occupation. Thus instead of declaring that they are an electrical or mechanical engineers, they simply write 'engineer'.

For some movement categories the information comes from a less reliable passenger card. Thus the 'other natural and physical science' sub-category tends to be artificially increased because those coding the passenger cards often do not have enough information to be precise about which occupation within the natural and physical sciences the person would occupy.

Third, there is the possibility of people incorrectly filling in the time period of their visit or stay overseas. Analysis of these data has shown that about a third of visitor entries recorded as long-term are second or subsequent entries. Thus published information of the movements of long-term visitors (including that reported in Australian Bureau of Statistics (ABS) publications) may exaggerate the number of people entering Australia for such visits. For this study we have not taken account of duplicate entries because there is no parallel indicator for 'first' and subsequent departure for visitors leaving Australia after a long-term stay. To some extent the

'excess' of long-term visitor arrivals will be counteracted by duplicates in the departure data as well.

Finally it is difficult to assess the 'quality' of movers. As noted, there are no data on educational level in the overseas arrivals and departures data base. It is obvious that the value to Australian employers of movers such as doctors, university lecturers, engineers and so on will vary sharply according to the qualifications and experience these persons bring with them. Those selected under the Government's Independent program are far more likely to be able to productively enter the Australian labour market than those entering under the family reunion or humanitarian programs. In these latter categories there is no consideration for qualifications or English language skills in the selection process.

Ideally, data on such movement should be recorded in both places, including information in the country of origin in the case of immigration and in the country of destination in the case of emigration. However, detailed data are available for only a few countries. When adequate data are studied, common patterns are often found. In a majority of countries, migration flows are not completely recorded, if they are recorded at all. Migration data from many National Statistical Offices include only the total number of immigrants and emigrants, thereby giving but a hint of the complex web of links a particular country may have with the rest of the world. Monitoring and appraising international migration trends are thus hindered by lack of data; in addition, there are problems related to the quality, comparability and consistency of the data over time and space.

Because of these data limitations, international migration on a global scale can be assessed and discussed only in terms of net migration—the difference between the number of immigrants and emigrants. Many countries, including Lebanon do not have adequate data even for arrivals and departures, so estimates of net migration must be calculated as a residual for changes in population size between two successive listings of the population that are not accounted for by natural increase, that is, the difference between births and deaths.

6.4 Recommendations

Human capital has always been an extremely important determinant of individual and social progress, but is even more important in an increasingly competitive and knowledge-intensive global economy. As literature has demonstrated, the main source of improvements in productivity through time has been the substitution of ideas, skills and knowledge for resources and manual labour. Human capital formation is necessary for improving labour standards. From an economic perspective, overall economic policies and strategies condition the nature of the demand for human capital. A political consensus by the international community on the subject of human talent mobility is unlikely to emerge in the near future. Issues such as population decline and population ageing, family reunification, human trafficking, undocumented migration, and national security require reassessments of migration policies as well as the potential benefits and disadvantages of international migration.

In this context, it is possible to identify four broad areas in which development agencies and the government of Lebanon can support and strengthen the engagement of migrants and Diaspora groups in the social, economic and political development of their country of origin.

1 Facilitating and reducing costs of remittances. This is the most tangible area of policy intervention. There are several feasible ways to serve the interests of migrants one of which is to improve the banking system rather than to close down on the informal system without creating viable alternatives. Another mean is tax relief systems for Australians or Lebanese-Australians wanting to invest in Lebanon. The Lebanese government should offer special ratings that would channel remittances from migrants into productive investments.

2 Supporting migrants to set up small enterprises in countries of origin and facilitating 'brain circulation.' Some promising results have been achieved by UNDP's long-standing TOKTEN (Transfer of Knowledge through Expatriate Nationals) programme to facilitate 'brain circulation.' The Lebanese government and other local agencies should favour the creation of projects and companies in Lebanon by giving lower tariffs, lower taxes and lower interest rates. For example, lower interest rates for individuals wanting to buy houses in the origin country. The expertise that the migrants bring to their country of origin can be translated to setting

up new businesses which will create jobs for skilled persons still living in the country and looking for greater opportunities.

3 *Supporting collective development projects initiated or implemented by Diaspora organisations or individual migrants.* For projects to succeed, it seems important that development agencies do not stipulate the kind of projects to be funded but rather link up with existing initiatives of migrants. Co-funded projects that have been selected through an open tendering system have generally been more successful than ‘co-opted’ projects based on 100 percent funding. The successful French-Moroccan example of the *Migrations et Développement* associations demonstrates that a successful implementation of projects should evolve from a long learning process and from a thorough knowledge of local contexts and cultural sensitivities. Workers are a very important part of this process as they are the primary advocates of their own work. Human capital formation requires attention to formation at every level—individuals, family, enterprise and society. Thus comes the role of these organizations.

4 *Supporting Diaspora networks and capacity building of Diaspora organisations along with creating durable alliances with governments and established development agencies.* Government or agency-led efforts to ‘engineer’ consultative bodies or migrant platforms do not seem to be the way forward to create such alliances. A more fruitful strategy seems to support existing, spontaneously created Diaspora organisations or networks, such as Afford (African Foundation for Development) in the United Kingdom, which have already gained legitimacy through their role in development and advocacy of migrant rights and interests. Firstly and foremost, the Lebanese government should create an institution which would work closely to give the citizenship for Lebanese immigrants, their second and third generation of kids by dividing the main years of migration to four sections: migrants from 1880-1926, 1926-1950, 1950-1975 and 1975 to 2008, thus strengthening links with Diaspora. Lebanese immigrants throughout the world and specifically in Australia can create a Lobby in favour of their country of origin. Moreover and with the assistance of these organizations, Lebanese immigrants should enjoy their civic rights, (the right to vote), political, social and economical rights.

The Lebanese government should also address some of the other concerns that arise with human capital mobility such as the new challenges brought by declining and ageing populations. In addition to immigration policies, the Lebanese government will need to re-assess, retirement ages, labour force participation, levels of contributions of workers to retirement and health-care schemes, and benefits for the elderly. A high migration of young people means that Lebanon is left out with an ageing population. Bilateral and regional agreements among nations should be signed to promote business exchanges, import and export from and to the host country. Many business leaders and some Governments are looking to immigration as a possible solution to address the consequences of declining and ageing populations.

The data base on international migration is relatively poor. Sound analytical studies and research are needed and would be facilitated by improved coordination in the collection and compilation of migration information among national offices as well as international institutions.

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Appendix 1

Survey Questions

- What factors do you take into consideration when choosing a country for settlement?
- Why did you choose Australia?
- What factors or reasons have influenced your decision to leave Lebanon.
- How many of your family lives in Australia?

Appendix 2

The story of an Immigrant: George Batrouny

George Batrouney was one of the estimated 350,000 Lebanese who left Lebanon during the 'first wave' emigration period from about 1880 to the outbreak of the First World War in 1914. The first wave of emigrants was predominantly young, single males from a Christian background. Wherever these pioneer Lebanese went, they started as pedlars or hawkers as a first step along the pathway of economic and social mobility. The first wave settlers ensured that links with their homeland were maintained; family, property and possessions were left behind while one or more male family members sought employment abroad. This is clearly evident in the early life of George Batrouney. In 1875 at the age of 38 years, George married the 15 year old Annie, the daughter of Waheeb and Mary Nini, in El Mina, Tripoli. By the 1880s, with five surviving children (Marianna, Spiridon, James, Farah and John), George was becoming concerned about his family's future. He decided, in the late 1880s, to venture abroad with his cousin Elias Batrouney to investigate the prospects of making a living in the newest country of the western world: Australia. At this time, Elias was a young man of 22 years while George was by then 52 years old, an unusually advanced age at which to seek to begin a new life in another country.

The Arrival of George Batrouney in Australia;

There may be a number of reasons why George and his cousin, Elias chose Australia as their country of settlement. Possibly tales of the wealth to be gained from Victoria's gold discoveries had reached Lebanon in the late nineteenth century. This may explain why George chose "Ballarat" as the centre for his hawking activities and the first home for his family in Australia after they arrived in 1896 and 1898. Another explanation may lie in the fact that other emigrants from Lebanon had already made their way to Australia and news of the opportunities in this land were spread through the coastal towns of Lebanon. By the time of George's arrival there was already a small colony of Lebanese in Victoria. While most lived in Melbourne a number were also living in country towns, which they used as a base for their hawking journeys.

George and Elias were not the first Batrouneys to settle in Victoria. They had been preceded by a Michael Batrouney who arrived in 1887. What is known about Michael is that he died at the District Hospital in the City of Ballarat on 29 April, 1895 at the age of 70 years, after only eight years in Victoria. His occupations were listed as hawker and hairdresser. It appears that Michael had arrived in Australia as early as 1887 at the advanced age of 60 years. It is likely that Michael was related to George and Elias, most likely an older cousin as he bore the name of George's father.

To date, no evidence has been found of the arrival of George and Elias Batrouney in 1888 or 1889. What is told is that they travelled with friends under the leadership of someone familiar and experienced with the travelling or emigration process. In the passenger lists of the ship arrivals in steerage class of these years we see entries such as "Mr. Abouzaid and friends". It is possible that they would have been two anonymous people arriving in such a way. Thus, George Batrouney arrived at Port Melbourne in 1889 to begin his search for a stable and fruitful life. George came into contact with the Jaboor and Latoof families and possibly some others. On their advice, and probably with their assistance, George began hawking clothing and white goods around the country areas close to Melbourne.

The process of hawking was a difficult one for new arrivals. George had little knowledge of English and little experience at such trading. But, he was willing to learn and, through his previous experiences as fisherman and carpenter, was able to turn his hand to skills that would bring a living. Hawking was a good choice as it required little or no English, a degree of entrepreneurial skill and produced quite good rewards. For these reasons many of the pioneer Lebanese settlers adopted this work as their first means of income. He was able to rely on other established Lebanese settlers in clothing factories or warehouses to provide him with goods.

George returned to Lebanon in late 1895 and while in Lebanon in 1895-1896 George and Annie decided that their family's future lay in Australia. Thus George, accompanied by the twins, Spiridon and James, left Tripoli and their family in June, 1896 to journey to Australia. After a short voyage from Tripoli, they boarded a German steamship "Orient" at Port Said for their journey to Australia. They paid a fare of some 11 or 13 sovereigns. They arrived at Princess Pier on the 21 July, 1896. One of the twins, James, recalled that, on his arrival at Melbourne, he had one

suitcase and two shillings in his pocket. By 1898 the family of George and Annie Batrouney, comprising Marianna, Spiridon and James, Farah and John, were united in Australia, nearly ten years after George's first journey to Melbourne. They first chose to settle in Ballarat. One of the reasons was that by 1898 Ballarat had a small Lebanese community where, as a hawker, they have felt welcome. Other Lebanese families who settled in Ballarat at about this time were the Doble and Davis families.

The family began to move towards Melbourne in 1900. The reasons for this are full of assumptions; George, who by 1900 was 63 years of age, was finding it difficult to engage actively in hawking after working for twelve years in such a strenuous occupation. There has also been a lack of interest in hawking by the twins and younger boys. They seemed to have held other ambitions and interests. Possibly this was due to the negative attitude towards hawking held by Australians which would have strongly influenced the Batrouney youths engaged in it. James, for example, was more inclined to academic pursuits rather than the labour of hawking.

After the family arrived in Melbourne in 1900 they settled in the 'khara' or Lebanese locality in the north-eastern corner of the city. Through their connections in the Lebanese community in Melbourne, James, and possibly John, began work with Latoof and Callil as clerks. George was too old to work at the age of 63. There was little work he could do as he did not develop with the English language as did his sons. They lived above the barbershop run by Spiridon, at 258 Exhibition Street between Little Lonsdale and Lonsdale Streets. This was the first business established at a fixed address by a Batrouney in Australia. Spiridon employed the skills as a barber he had learned as a youth in Tripoli. He also enjoyed mixing potions and patent medicines which he sold at his barber shop. While living above Spiridon's shop, the Batrouney family lost an important link with its Lebanese origin. At the age of 67 years, George died of pneumonia as a result of influenza on 23 July, 1904. He was buried in the Melbourne General Cemetery on 25 July, 1904.