

## Skilled labour movements

Tuesday 10:35am – 12:15pm

### Chair: Massimiliano Tani

Senior Lecturer, Department of Economics, Macquarie University and Research Fellow of the Institute for the Study of Labour (IZA)

## Productivity and deferring leisure among temporary workers

### Uri Benzion

Department of Economics, University of Be'er Sheva (Israel) and IZA (Germany)

This presentation considers the situation under which workers are willing to invest more effort (or/and time) at the workplace and by doing so increase productivity and decrease leisure for the present. Our model is presented in terms of temporary workers who go to work in a host country for a certain period of time. The temporary workers increase their efforts and the time invested at the workplace while decreasing their leisure. On their return home, they increase the consumption of leisure. We show conditions under which workers would be willing to defer their leisure and increase production at this point.

## Business visits and productivity in Australia

### Massimiliano Tani

Department of Economics, Macquarie University and IZA (Germany)

This presentation studies the contribution of short-term movements of skilled labour on productivity across the main sectors of the Australian economy. Short-term flows, like international business visits, are technically 'outside' the definition of migration. Yet, empirical evidence suggests that they occur in large part as a form of knowledge exchange between a country's skilled labour and skilled workers living elsewhere. The effect of such flows on Australia's industrial productivity is studied using data from the ABS and the Department of Immigration for the period 1991-2005.

## Brain drain' or 'brain circulation': Evidence from OECD's international migration and R&D spillovers

### Thanh Quang Le

School of Economics, University of Queensland

This presentation empirically investigates whether labour mobility can transfer technology across borders based on panel cointegration method. Estimates of specifications on a cross-section of 19 OECD countries during 1980-1990 lend strong support to this thesis. Data indicate that international labour movement transfers technology across borders in both directions: from donor countries to host countries and vice versa. This suggests that migration is more likely to create a 'brain circulation' than a 'brain drain'. In addition, human capital has a significant impact on R&D diffusion process as it enhances a country's capacity to learn from a foreign technology base.

## Occupational transition and country-of-origin effects in the early stage occupational assimilation of immigrants: Some evidence from Australia

**Xueyan Zhao**

Department of Econometrics and Business Statistics and Centre for Health Economics, Monash University

**Weiping Wu**

Department of Econometrics and Business Statistics, Monash University

**Mark Harris**

Department of Econometrics and Business Statistics, Monash University

We examine the occupational attainment of recent immigrants in Australia in order to study their early stage assimilation into the labour market. Human capital endowments and country-of-origin effects are examined for six occupational groups. We also study transitions across occupations from source to host country. The empirical approach utilises the Ordered Generalised Extreme Value model which embodies differing utility functions across occupational outcomes, as well as accounting for any skill ordering in these outcomes. The results suggest that the transferability of knowledge and skills is affected by cultural and social backgrounds, and that non-Western professional immigrants are disproportionately channelled into inferior jobs such as labourer post migration. The investigation of the country-of-origin effect on the skilled migrants' occupational transition process is especially apt in the context of skill shortages in Australia. Other factors being controlled, only 38% ex-tradesmen will remain in the profession and 33% will downshift to labourer or unemployed.

## Factors influencing transnational career choices for international and domestic economics and commerce students: A working paper

**Marie Kelly**

Faculty of Medicine, Dentistry and Health Sciences, University of Melbourne

The current period is characterized by the unprecedented global mobility of people with skills. By 2005, 1 million Australians were based overseas, with growing proportions employed in transnational companies, and qualified in the fields of Economics and Commerce (most notably marketing, finance and management). In addition to these Australia-born expatriates, substantial numbers of former international students who have qualified in these disciplines in Australia have subsequently sought global work (within their own and other countries). Given the significance of this trend, this paper pre-emptively examines some of the factors determining Economics and Commerce students' career choices (while enrolled), followed by the lived experience two years and five years out of the Economics and Commerce Alumni in five field sites; London, New York, Singapore, Hong Kong and Shanghai. This paper also investigates the paucity of outcomes literature in the field of returnee international graduates and qualitative studies of the Australia-born graduate diaspora.