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**Raja Junankar, *Economics of Immigration: Immigration and the Australian Economy*, Palgrave Macmillan, 2016, 344 pp. \$107 Hardcover.**

By Kacey DOUGLAS <sup>†</sup>

**Abstract.** *The Economics of Immigration: Immigration and the Australian Economy* is a compilation of academic articles written by P.N. Junankar and coauthors on the topic of immigration in Australia. From the effects of immigration on Australia's economy to the Australian labor market environment immigrants encounter, this book addresses important questions regarding immigration that are relevant to any economy.

**Keywords.** Australia, International migration, International economics.

**JEL.** F00, F22, J15.

## 1. Introduction

An analysis of any country's economic history would not be complete without addressing immigration. This is especially true of Australia; an immigrant country colonized by Britain and characterized by numerous waves of immigration from source countries throughout the world. This book is comprised of a selection of articles written by P. N. Junankar and various coauthors on the subject of immigration in Australia. The topics of the articles range from immigration's macroeconomic effects on the Australian economy to the experience of immigrants in the Australian labor market. Generally, Junankar finds that immigration has benefited Australia by increasing economic growth while having little to no effect on employment or the current account balance. However, Junankar finds that immigrants are at a disadvantage in the Australian workplace as a result of legislation and discrimination.

Though the literature in the book is specific to Australia, the questions addressed are common to immigration literature everywhere. Thus, this book provides a comprehensive assessment of immigration that is relevant to everyone, regardless of location.

## 2. About the Author

Born and raised in India, Pramod Nagorao (Raja) Junankar received both his Bachelor of Science degree and Master of Science degree in Economics from the London School of Economics and Political Science, University of London. He subsequently received his Ph.D. in Economics from the University of Essex. Junankar has over 50 years of experience as an academic instructor, a researcher

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and a consultant, and has published countless discussion papers, articles and books. His research interests include immigration and the Australian economy, unemployment, ageing populations, and informal labor markets in developing countries. Junankar is currently an Emeritus Professor of Economics at the University of Western Sydney and an Honorary Professor in the Industrial Relations Research Centre at the University of New South Wales.

### 3. Contents

This book is organized into 3 chapters. Chapter 1 is an introduction; it lays out the purpose and organization of the book while providing a brief but comprehensive review of the literature regarding immigration in Australia. Chapter 2 is a selection of four articles that address the macroeconomic effects of immigration on the Australian Economy. Chapter 3 is a selection of three articles that investigate immigrant's success, or lack thereof, in finding suitable roles in the Australian workplace.

The first article in Chapter 2 is a review of various Australian authors' findings on the macroeconomic effects of immigration in Australia, including effects on growth, unemployment, inflation and current account deficits (Junankar et. al 1998). In this paper, the authors summarize important empirical results. Notably, most of the authors surveyed find immigration to be a net contributing factor in achieving economic growth, and, though varied, generally find that migration does not increase unemployment. The authors conclude by encouraging more research to fill existing gaps in the literature.

The second article in Chapter 2 investigates the relationship between immigration and wage and price inflation within the context of the somewhat uniquely constructed Australian economy (Junankar & Pope, 1990). Throughout its history, Australia has had different wage-setting mechanisms and income policies which are addressed in the analysis. In addition, the authors successfully disaggregate migration to better identify various migrant group's individual effects on wage and price. Using a variety of statistical methods of analysis, they find that immigration has no statistically significant effect on inflation.

In the third article of Chapter 2, Junankar and coauthors analyze the impact of immigration on Australia's imports, exports, and current account balance (Junankar, Pope & Withers, 1998). Like in the previous article, they make a point to disaggregate migration data; here into arrivals and departures of immigrants as opposed to looking only at net migration. This specification turns out to be significant: while the authors find that net migration worsens the current account balance, they find that arrivals of immigrants do not have a significant impact on the current account balance and thus should not be controlled in an attempt to manage the current account balance.

The last article in Chapter 2 addresses questions regarding the effect immigrants have on the housing market in Australia (Junankar et. al., 1993). A concurrent increase in immigration and housing prices led many to conclude that immigration was causing housing prices to rise. Junankar and his coauthors analyze data to look more closely at the perceived causal relationship. They find that while immigration seems to increase housing prices in the short-run, in the long run it likely does not. They stress that much further research is necessary in order to better understand the relationship between immigrants and the housing market in Australia.

Chapter 3 of the book is devoted to immigrants' overall experience in the Australian labor market. The first article asks whether migrants to Australia are able to get good quality jobs in light of legislation delaying immigrant's access to social security (Junankar & Mahuteau, 2005). Using two cohorts of migrants, they

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find that migrants were more likely to find jobs but less likely to hold good quality jobs after the legislation than before it. Article 2 in Chapter 3 builds on the previous article by investigating the role ethnic networks play in assisting new migrants looking for jobs (Junankar & Mahuteau, 2008). They find that the use of informal job search methods by migrants leads to lower quality jobs initially, but that this effect dissipates over time. The last article in Chapter 3 contemplates whether Asians are subject to workplace discrimination in Australia compared to their non-Asian counterparts (Junankar, Paul & Yasmeeen, 2010). Though the evidence is mixed regarding Asian females, the study reveals conclusively that Asian males are indeed discriminated against in the Australian labor market.

### 4. Discussion

This book is a commendable summary of Junankar's valuable contribution to the academic literature on immigration in Australia. One key to Junankar's successful compilation is the comprehensive introduction that not only explains the organization of the book and its sections, but also provides a justification for selecting the articles in the book and presenting them the way he did. In doing so, Junankar creates a coherent story of immigration in Australia as opposed to what could otherwise be a disjointed group of academic articles.

While all of the articles in the book are still very relevant today, the research analyzing the macroeconomic effects of immigration in Australia (covered in Chapter 2 of the book) was conducted in the 1990s. It should merely be noted that, since then, migration to Australia has increased considerably. Furthermore, beginning in the late 20<sup>th</sup> century, Australia initiated immigration policies that favored skilled migrants (Hawthorne, 2005). The total effects of these transformations would not have been captured by Junankar's research presented in Chapter 2. Thus, recent studies on immigration in Australia (Productivity Commission 2005; Green et al., 2007; Withers, 2014; Gregory, 2014) should supplement any comprehensive review of the subject, and should be consulted when conducting subsequent research in the areas covered in the book.

### 5. Conclusion

Immigration is a uniquely integral part of Australia's economic history. As such, studying its effects is markedly pertinent. The articles in this book constitute a significant contribution to that end by looking at various aspects of immigration. Though research continues on immigration in Australia and throughout the world, this compilation provides an important portion of the academic literature on the subject.

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