

Invited paper presented at the annual Pathways, Circuits and Crossroads Conference, *Immigration Pathways: Policy and Practice*, City Gallery Wellington, 6 and 7 December 2010.

Immigration in an era of increasing circular mobility: challenges for temporary visa policy

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In his opening address to this conference, the Minister of Immigration, Hon Jonathan Coleman, observed with regard to immigration that: “For me as Minister of Immigration, it begins with making it easy for millions of people to come to New Zealand each year for a holiday or to visit family and friends. We want them to have rich memories and tell all their friends to come here too”. The Minister is acknowledging here that immigration, usually understood as a process involving migration to another country to live, often has its origins in short-term movements to that country as a visitor, a tourist, a student, on a temporary work visa or to do business. In New Zealand’s case in the year ended June 2009 94 percent of the principal applicants accepted for residence in the skilled migrant category had had a temporary visa to visit, study or work in New Zealand before they applied for residence. As the Minister’s observation suggests, short-term visits are a critically important component of immigration, and it is with some dimensions of what is termed ‘short-term’ migration to and from New Zealand that this paper is concerned.

In the year ended March 2010 there were 4.53 million arrivals in the country, 98 percent of which were classified as ‘short-term’. Of the 4.44 million short-term arrivals, 1.94 million (44 percent) were for New Zealand residents. The other 2.5 million (56 percent) were for people (including New Zealand citizens) who usually live overseas. Within the overseas visitor category 410,000 arrivals were recorded for citizens of New Zealand. Overseas visitors are not only people who

are citizens of other countries; they include members of New Zealand's diaspora who are circulating in and out of the country on a temporary basis.

Over the past decade the two nationality groups in New Zealand's overseas visitor arrival statistics that have experienced the fastest growth in numbers are the Australian and the New Zealand citizens. Perhaps unexpectedly, the smallest increase in numbers of overseas visitor arrivals, between the March years of 2000 and 2010, who are citizens of countries in a particular region is for Asia. While the number of arrivals for Australian citizens in the March 2010 year was just over twice as large as the number of short-term arrivals for the year ended March 2000 (and was 90 percent larger for New Zealand citizen arrivals), it was only 1 percent larger for people from Asian countries. The largest percentage increases were recorded for citizens of countries in the Middle East and Latin America, followed by Australia and New Zealand, Europe and the Pacific.

I don't want to dwell on the statistics for short-term arrivals at any length here; simply to make the obvious point in introducing this paper that short-term, usually circular, movements of people into and out of the country completely dominate the statistics on international migration here and everywhere else, and the changing mix of people in such flows is not necessarily what might be assumed based on some of the stereotypes relating to recent population movement into the country. Rather than focussing on the specifics of short-term migration into New Zealand, I want to place the Minister's interest "in making it easy for millions of people to come to New Zealand each year for a holiday or to visit family and friends" in the wider context of some contemporary demographic developments and trends in the international flows of people in the Asia Pacific region.

The IOM's (2010: 3) latest world migration report, that carries the sub-title "The future of migration: building capacities for change", begins with the following observations:

Over the next few decades, international migration is likely to transform in scale, reach and complexity, due to growing demographic disparities, the effects of environmental change,

new global political and economic dynamics, technological revolutions and social networks. These transformations will be associated with increasing opportunities – from economic growth and poverty reduction, to social and cultural innovation. However,, they will also exacerbate existing problems and generate new challenges – from irregular migration, to protecting the rights of migrants. Most States in the world (and not just in the developing world) lack the capacity to effectively manage the international mobility of persons today, not to mention respond to new dynamics.

If we thought the massive growth in scale, reach and complexity in international flows of people that we have experienced in the last 40 years was about to ease off, we clearly need to think again. The next 40 years are going to be even more challenging for all sorts of reasons including the addition of a further 2.5 billion people to the world’s population (the equivalent of another third of the current global population of just under 7 billion people) as the urbanisation of the remaining 50 percent of the world’s population living in rural areas accelerates rapidly (we passed the 50 percent mark this year) and we grapple with a host of issues linked with the deteriorating capacity of our environment to provide for the sorts of lifestyles this much larger urban population is seeking.

We sometimes rather conveniently forget that when the UK and Europe went through their major transition from rural to urban societies over the two centuries between 1750 and 1950 there was a massive exodus of Europeans in search of new lives overseas. During the first 150 years of this urban-industrial transformation the people in the countries where Europeans moved to were not actually interested in “making it easy for millions of people to come each year for a holiday or to visit family and friends”. They certainly did not want the visitors to “tell all their friends to come here too”. I wonder if the Minister really does mean what he says as we look ahead to a massive increase in the scale, reach and complexity in international migration flows.

Let us speculate for a few minutes on what we might be in for, and this is pure speculation. In the year ended March 2010 there were just under 2.5 million overseas visitor short-term arrivals in New Zealand, the arrivals on temporary visas of the kind that over 90 percent of the principal applicants in the skilled

migrant category (and over 80 percent of the applicants in all categories of approval for residence) have before making their decision to move here. This was 4.5 times larger than the number of overseas visitors that arrived in the year ended March 1980. Let's assume that over the next 40 years the 2.5 million overseas visitor arrivals for the March 2010 year number doubles again to reach 5 million overseas visitor arrivals in the year ended March 2050 – not too far below the projected medium variant national population of 5.8 million for New Zealand in that year. This assumes a significant decline in the rate of growth of short-term arrivals compared with New Zealand's recent experience, which might sound logical on the grounds of rising energy prices and a new dimension to the tyranny of distance associated with a 'carbon consumption' tax of the kind the UK is introducing for overseas travellers. However, while a reduction in the rate of growth in numbers of visitors to New Zealand might seem plausible on energy and environment tax grounds, it is not at all logical in the face of the demographic trends mentioned earlier – both the absolute growth in population as well as its accelerating urbanisation.

The biggest contributors to growth in international travel in the coming 40 years will be the burgeoning middle classes of countries in Asia. Between 2010 and 2050 the aggregate population of Asia is projected to increase by 1.1 billion – the equivalent of slightly more than the current combined populations of all countries in Europe (including the UK and Ireland) and North America. Over the same period the combined populations of the latter parts of the world are projected to increase by a mere 60 million, all in North America – Europe's population is projected to be smaller in 2050 than it currently is.

In 2010 the number of departures of New Zealand citizens leaving the country for short-term absences totalled 1.55 million – the equivalent of 35 percent of the resident population of around 4.4 million. Let's assume that in 2010 5 percent of Asia's aggregate population of 4.2 billion were citizens who left for short-term absences overseas. This assumption generates 21 million visitor departures of citizens of countries in Asia. The number of overseas visitor arrivals in New Zealand who were citizens of countries in Asia in the year ended March 2010 was

397,000 – just under 2 percent of the hypothetical 21 million Asian visitor absences overseas.

If we assume that the increasing wealth of a growing number of citizens living in countries in Asia over the next 40 years results in increases in tourist traffic, as it did in Europe and North America as they went through their urban-industrial transformations, then we might find by 2050 that the equivalent of 10 percent of the region's aggregate population of 5.2 billion will be short-term overseas departures – the equivalent of 52 million visitor departures. If New Zealand's share of this total remained at 2 percent of the hypothetical total overseas Asian visitors in 2050, this would mean that just over 1 million visitor arrivals from countries in Asia came in that year compared with 397,000 in 2010 – an increase of 170 percent. There has been an increase in the number of visitors from countries in Asia by around 170 percent since the 1986 immigration policy review that paved the way for much greater population movement between New Zealand and countries in Asia.

The flows could be much larger, especially as New Zealand's visa-waiver privileges for short-term visits now extend to several countries in Asia and are complemented by a range of other policies encouraging temporary flows including working holiday schemes and incentives to encourage international student flows. In the increasingly competitive markets for tourists, students, temporary workers and immigrants these incentives are likely to be spread more widely. In 2010 the ratio of short-term overseas visitors arrivals for citizens of countries in Asia, to permanent and long-term migrant arrivals in the same broad nationality category was just over 16 to 1. If we assumed the same ratio between short-term visitors and PLT arrivals who were citizens of countries in Asia for 2050, then there would be just under 67,000 Asian citizen PLT arrivals compared with 24,500 in 2010.

The Minister need have no fear about the numbers of people who might want to visit New Zealand in the future and spend their money here. Nor need he lose too much sleep about whether they will encourage their friends to come as well. New

Zealand is already highly regarded as a temporary destination for tourists. Much more problematic for the Minister will be the pressure on New Zealand to accept more permanent and long-term migrants, as well as more visitors from countries which are much closer than the ones in Asia, and which currently have none of the visa waiver or working holiday privileges that several Asian countries have.

In 2010 6 Asian countries had both visa waiver privileges for visits of up to 3 months as well as working holiday schemes (Japan, Korea (South), Hong Kong, Taiwan, Malaysia and Singapore), and overseas visitors who were citizens of these countries accounted for 55 percent of the Asian citizen short-term arrivals in that March year. Two other Asian countries had working holiday schemes (the People's Republic of China and Thailand), and if the numbers of visitors from these countries are also included, then 85 percent of the short-term arrivals of citizens of Asian countries are accounted for.

Amongst the countries closest to New Zealand, only Australian citizens have visa-free entry to New Zealand. There were short-lived experiments with visa-waiver for citizens of Fiji, Samoa and Tonga between December 1986 and February 1987, and a longer period when this privilege applied to Tuvaluans and I-Kiribati (1986 to 2002). However, in 2010 none of the 58 countries New Zealand has visa-waiver agreements with, or the 30 countries with which we have reciprocal working holiday schemes, are in the Pacific. This is despite the fact that New Zealand citizens have visa-free access to all of these countries. There are a number of special migration arrangements for particular countries that are covered by the Pacific Access Category, and there is the long-established Samoan quota. All Pacific Forum countries are also eligible to participate in the employer-led Recognised Seasonal Employer work policy which, to date, has drawn workers mainly from six countries in the region: Vanuatu, Tonga, Samoa, Solomons, Tuvalu and Kiribati.

In the year ended March 2010 there were 54,500 short-term overseas visitor arrivals for citizens of countries in the Pacific. Only 9 percent of these arrivals (5,000) were from the three Melanesian countries (Papua New Guinea, Solomons

and Vanuatu) that have very limited migration outlets, but which contain 77 percent of the region's population (7.5 million out of a total of 9.9 million). These three countries currently have less than 25 percent of their populations living in urban places – only half the global average. Their combined urban population in 2010 was around 1.7 million with 1 million of these people living in Papua New Guinea. This compares with around 3.7 million in New Zealand (85 percent of the 4.4 million total population).

If we assume that by 2050 the share of the population that is living in urban places in the three Melanesian countries has caught up with the current world average of 50 percent, then the number of people in towns and cities could total as many as 7.5 million. This is the equivalent of the total population of these three countries today and significant higher than New Zealand's urban population of around 5 million in 2050 if we still have 85 percent of the total projected population of 5.8 million living in towns and cities in that year. Melanesia will have at least one city that is a lot bigger than Auckland in PNG; in that country alone there would be over 6 million urban residents by 2050 if 50 percent of that country's projected population of 13 million was to be living in towns and cities.

The progressive urbanisation of Melanesia's populations will need to be accompanied with improved access to opportunities for travel as tourists, students and workers beyond their national boundaries. The great majority of the new urban residents will have to be absorbed into informal and formal economies in the countries concerned, and this in itself will be a major challenge, especially as most of the major towns and cities in the region are in coastal locations that could be subjected to increasing environmental pressure from changes in sea levels and climate regimes associated with global warming.

There will be much more intensive mobility of Melanesian elites between the different countries in the region and it is essential that Australia and New Zealand anticipate the pressure for increased opportunities for movement of larger numbers of Melanesians in and out of their countries for work as well as

study and as visitors. As Vijay Naidu (2008) stated in a lecture on regional integration in the Pacific at Victoria University of Wellington some years ago, a critical issue facing enhanced co-operation at the regional level is the scope for Melanesian labour migration to Australia and New Zealand. He saw such temporary migration enhancing the skills and entrepreneurship of Melanesians that will be essential for the development of their urban societies of the late 21st century.

Policy makers in many countries are facing increasing pressure for greater access to opportunities to visit, study, work and possibly reside long-term. In responding to this pressure it is very important to keep in mind that the great bulk of voluntary international movement is short-term and circular in the sense that the mover leaves the country again either to return to where they came from or to move on to a third country. A very small share of the total movement into New Zealand by people who are not New Zealand citizens or residents is motivated by the need or desire to stay.

Policies that facilitate what the Swedes call 'spontaneous' circulation of people need to continue to be encouraged, as they have been for a long time in New Zealand through the visa-waiver system and, more recently, the working holiday scheme and growth of the international education industry. The Minister of Immigration has recognised clearly the link between short-term movements and the process that results in people seeking permanent residence in New Zealand. This more holistic approach to international migration, and to immigration policy especially, is to be welcomed. A key challenge for New Zealand is to ensure that our Pacific neighbours, as well as increasing numbers of citizens of countries in Asia and elsewhere, are able to participate fully in the opportunities offered by international migration as it is further transformed in scale, reach and complexity over the coming decades.