

Moving less: Analysing the drivers of internal migration decline in Australia

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Introduction

- Internal migration levels have declined in many advanced economies e.g. USA, UK, Australia.
- Diverse trends- including high mobility countries such as Australia.
- The trends surpasses economic cycles (Figure 1).
- Current drivers of the decline are unknown.
- Existing research mainly drawn from the USA.

Research Aim:

Establish the drivers underpinning the long-term decline of internal migration levels in Australia

Prolonged decline in within and interstate migration intensities

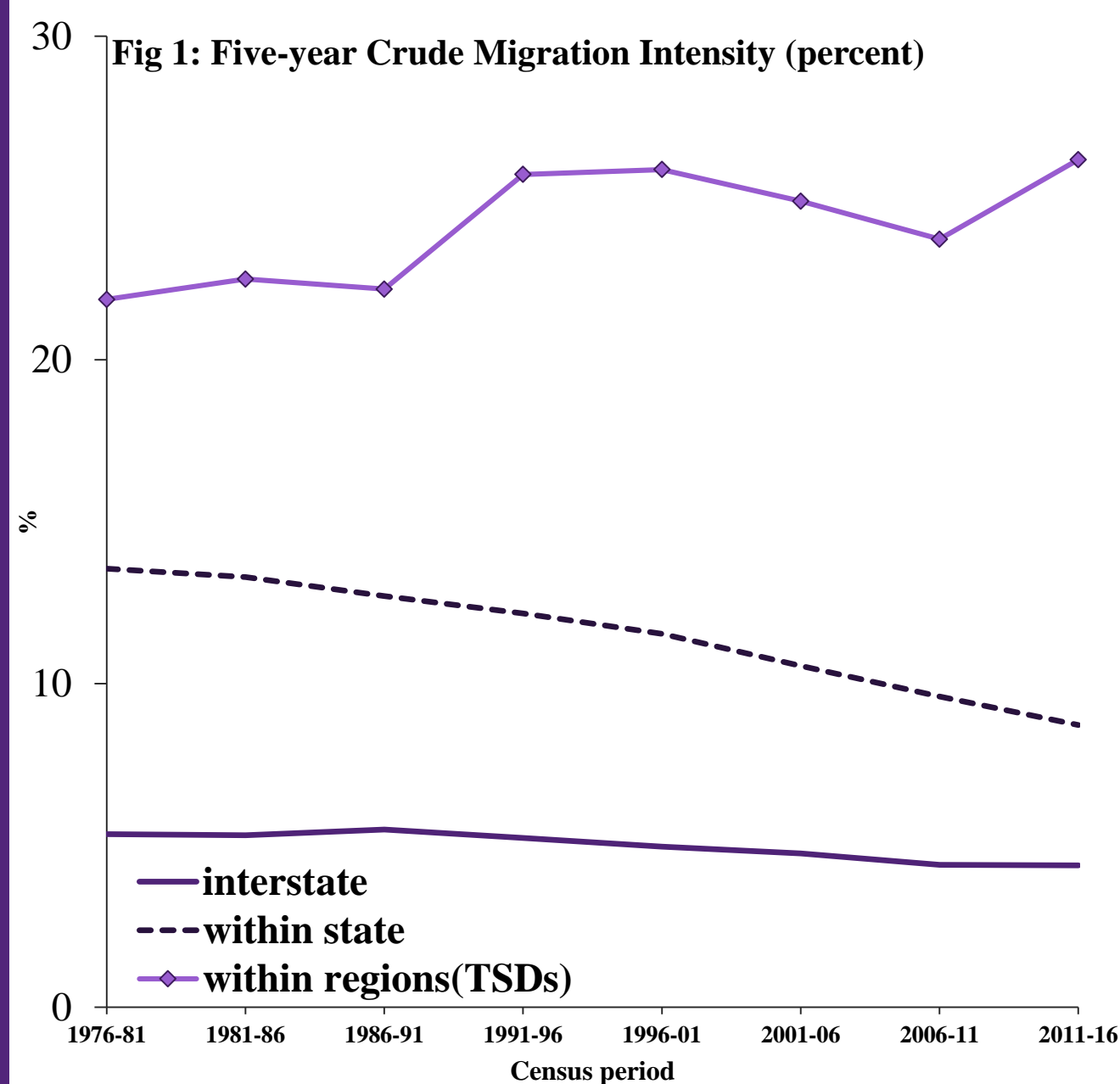


Figure 1: Australia experiencing a prolonged decline in mobility (Fig 1) especially for within state and interstate migration. Data source: AIM database

RESULTS: SPATIAL PATTERNS

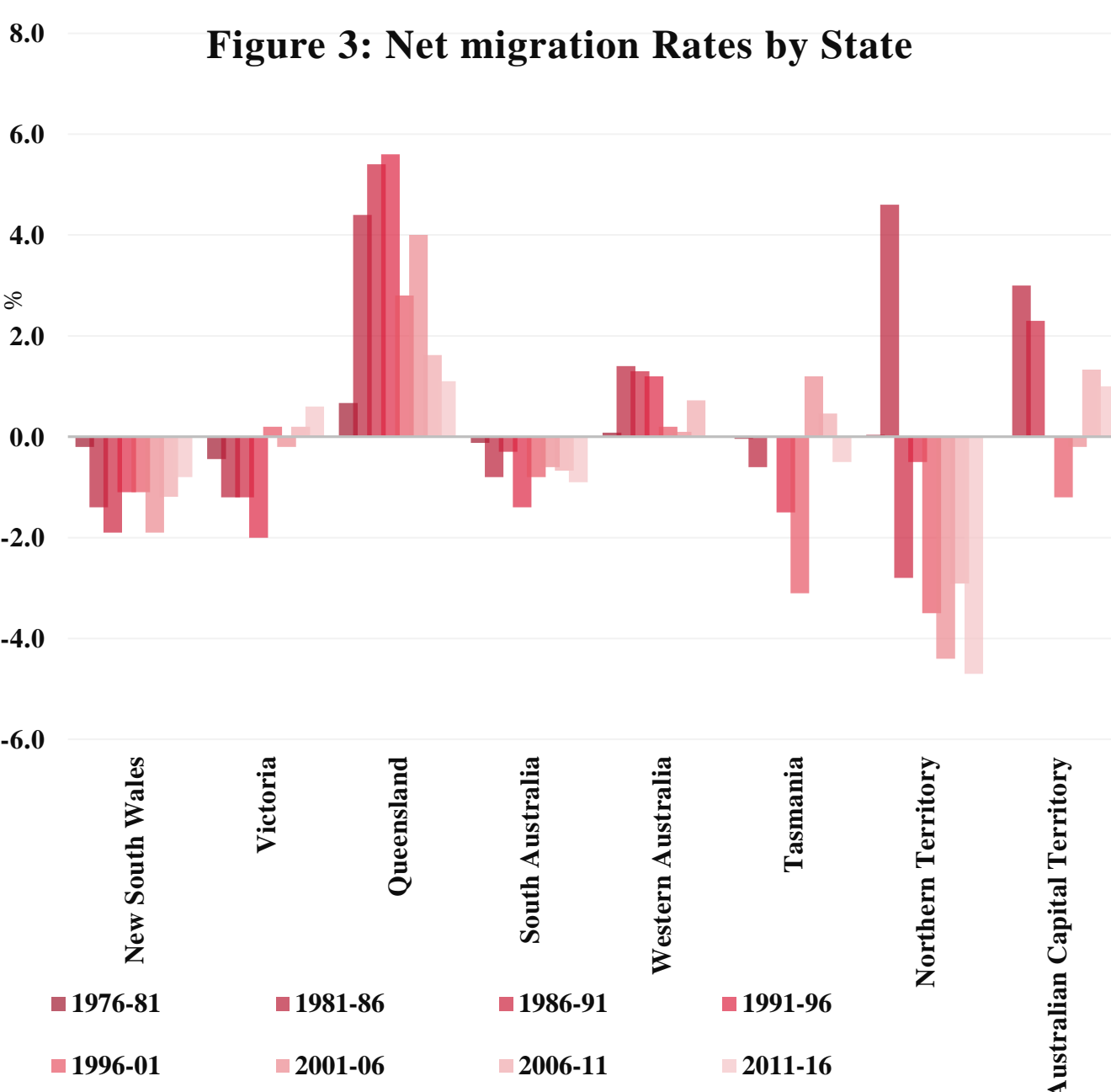


Figure 3: Pattern of migration has remained relatively stable with population losses from the South towards North and West.

Source: Kalemba et.al. (2020)

Demographic

- Population ageing (↓)
- Delayed transitions to adulthood (↓↑)
- Increase in the number of lone households(↑)
- Increase in the rate of separation and divorce(↓)
- Smaller household size(↓↑)
- Increased cultural and ethnic diversity (↓↑)
- International migration as a substitute for internal migration (↓↑)

Economic

- Growing household debt(↓)
- Higher proportion of workers in precarious employment(↓)
- High proportion of college-educated individuals(↑)
- Increase in the share of dual income households(↓)
- Maturation of the spatial economy(↓)
- Substitution effects (labour market transitions in lieu of migration) (↓↑)

MIGRATE or STAY
(Spatial/temporal variation)

Behavioral

Increased rootedness and place attachment (↓)

Technological

- Growth in long-distance commuting(↓)
- Growth in tele-working(↓↑)
- Growing role of technology in sustaining social ties(↓)

Figure 2: Proposed explanations for the internal migration decline in literature. Notes: Many of these explanations remain to be tested using Australian data

Decomposing the internal migration decline (2001-2016)

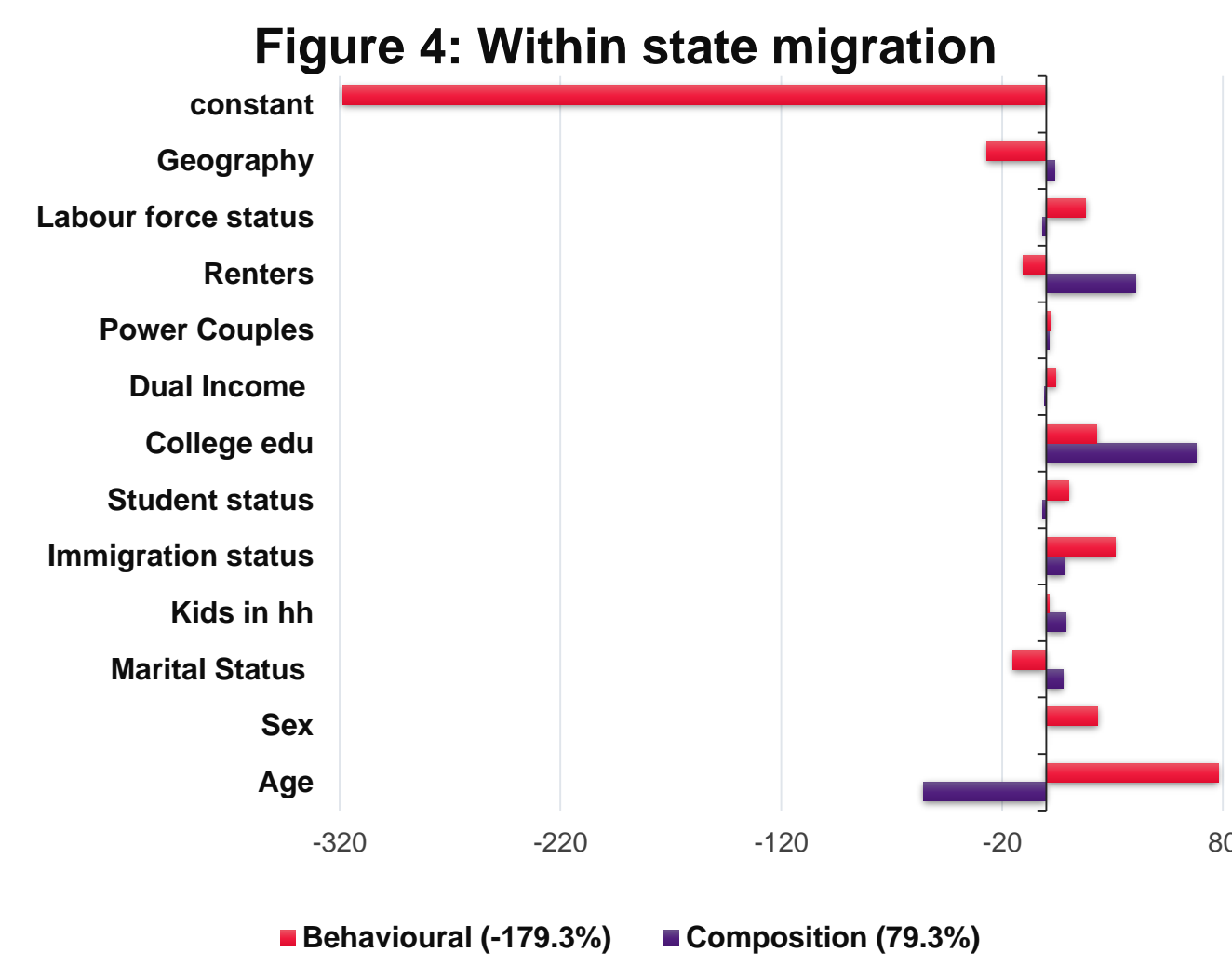


Figure 4: Important composition effect of ageing (-56%), Counteracted by effect of tertiary education (+68%), singles (+40%) and renters (+40%) immigrants (+9%) notes: Decomposition done using Oaxaca Blinder decomposition method in stata

Figure 5: Decomposition of CMIs (2001-2016)

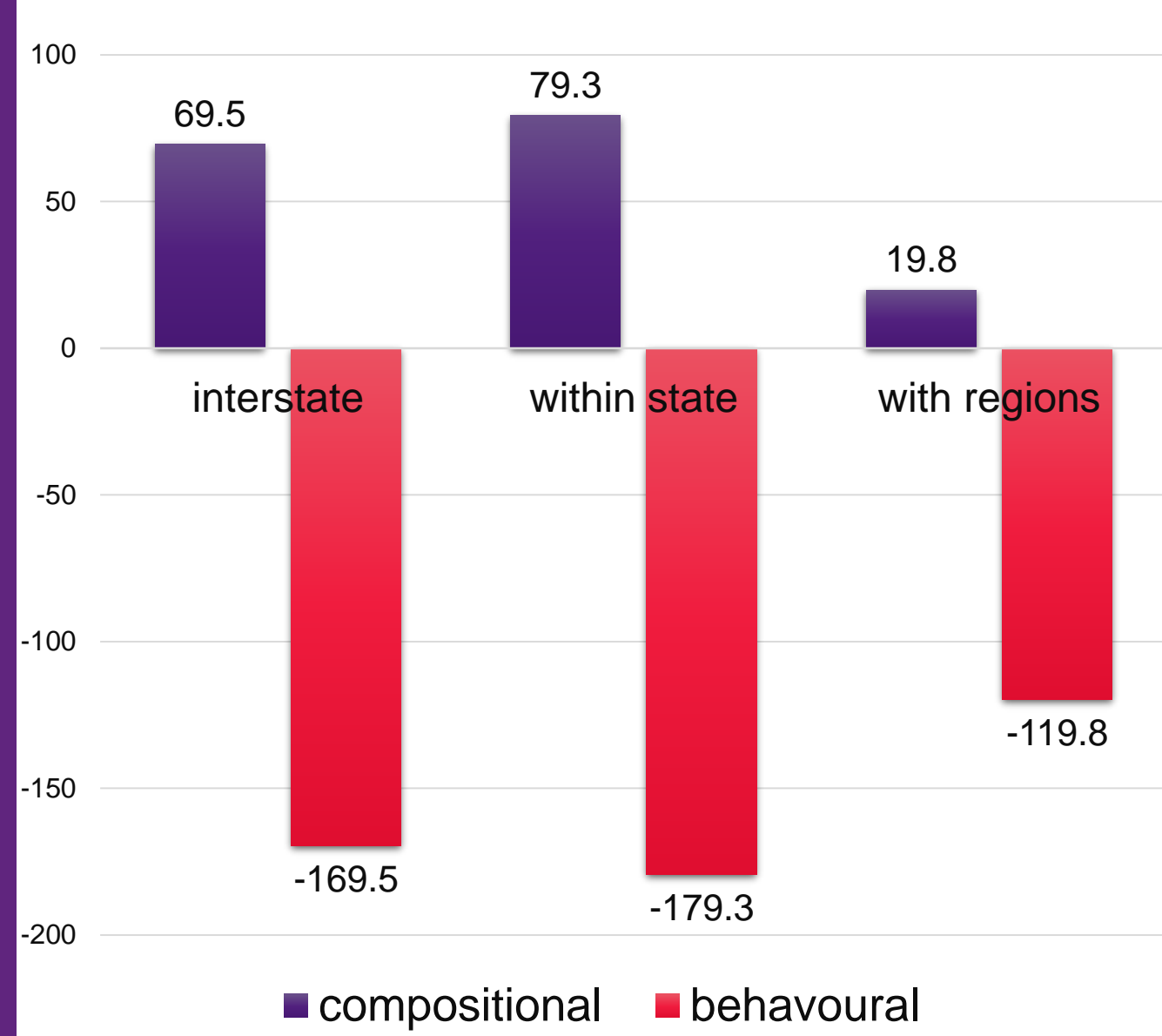


Figure 5: Overall migration decline in the 2001-2016 period can be attributed to a change in migration behaviours as opposed to compositional changes. Decomposition done using Oaxaca Blinder decomposition method using stata.

Trends in reasons for moving (2004-2018)

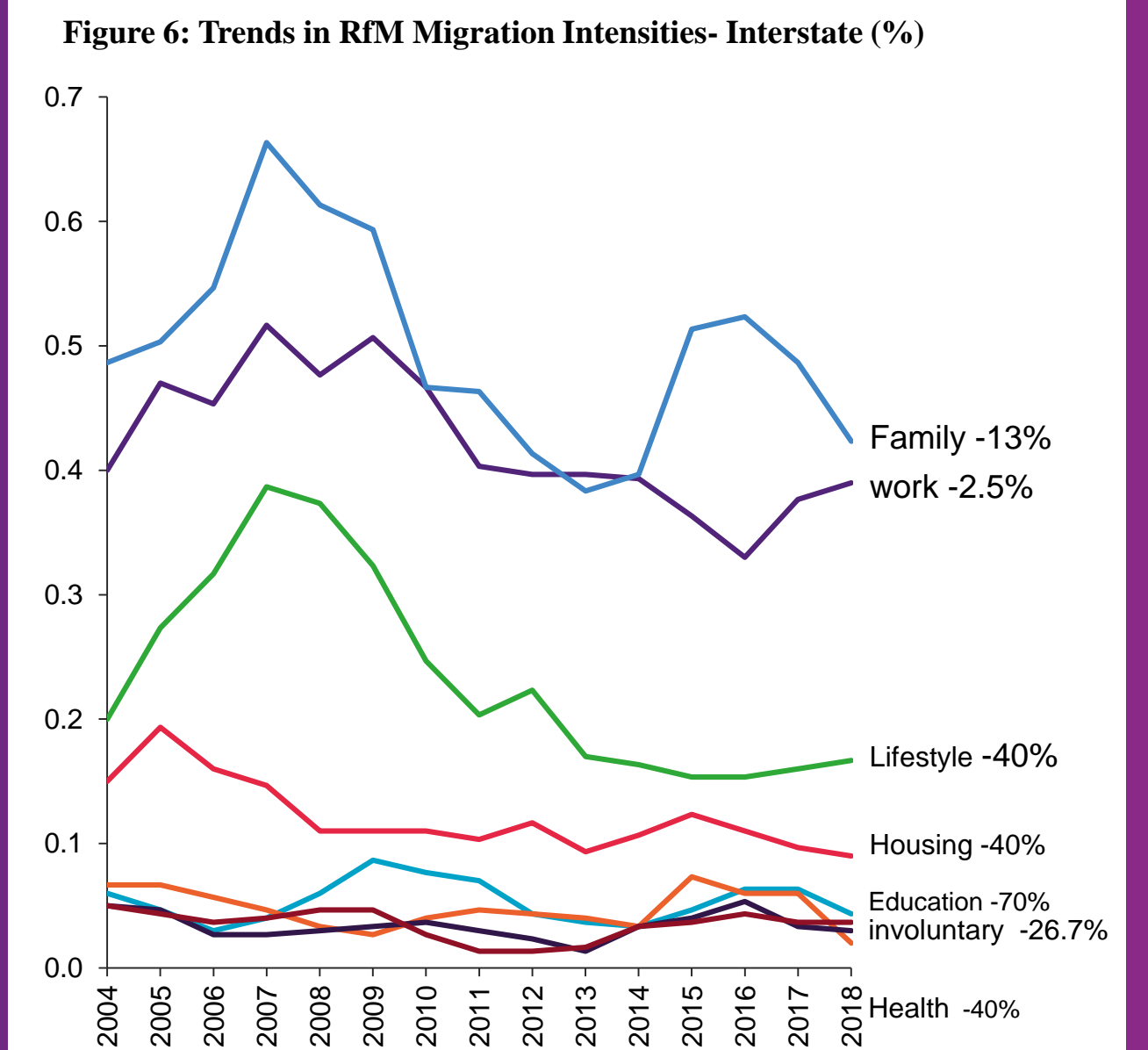


Figure 6: migration intensities for all reasons for moving peaked during the Global financial crisis and declined since then. The relative importance of each reason remains broadly the same. Data Source: Household, Income and Labour Dynamics in Australia (HILDA) Release 18

Conclusions

- Spatial patterns of internal migration flows have been stable since the early 1980's.
- Profound behavioural changes explain most of the decline rather than shifts in the composition of the Australian population.
- A universal decline in all Reasons for Moving (RfM) and no significant changes in the composition of RfM.
- Decline not driven by one particular reason for migrating.
- Increasing rootedness or entrapment could be at play (Next objective).