

Economic implications of immigration and emigration: what's new?

Jacques Poot

*Emeritus Professor of Population Economics, Te Ngira Institute for Population Research
Honorary Professor, School of Accounting, Economics and Finance
University of Waikato*

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Quantifying economic consequences of migration

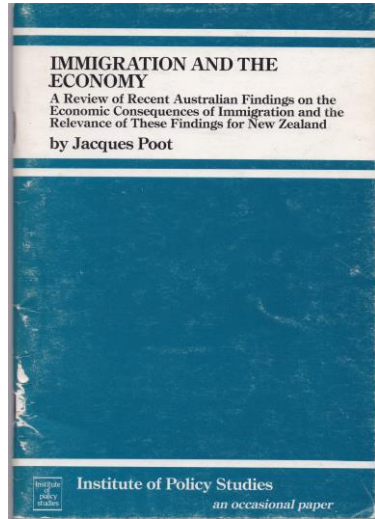
Migration Impact Assessment (MIA) provides a scientific quantification of the effects of immigration and emigration on:

- Demographic trends (short run, long run)
- Labour market & income distribution (native born, migrants & 2nd+ generations)
- Fiscal revenue & public expenditure
- Housing
- Relative prices and inflation
- International trade and travel
- GDP, the national accounts, and the sectoral structure of the economy
- Technological change and economic growth
- Social cohesion and attitudes
- Infrastructure & environment

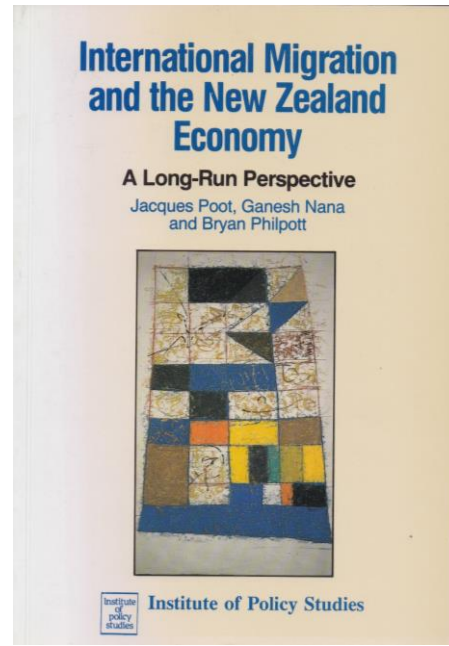


E.g.: Nijkamp P, Poot J and Sahin M (eds) (2012) *Migration Impact Assessment: New Horizons*. Cheltenham UK: Edward Elgar.

Migration Impact Assessment in New Zealand



1986



1988



2010



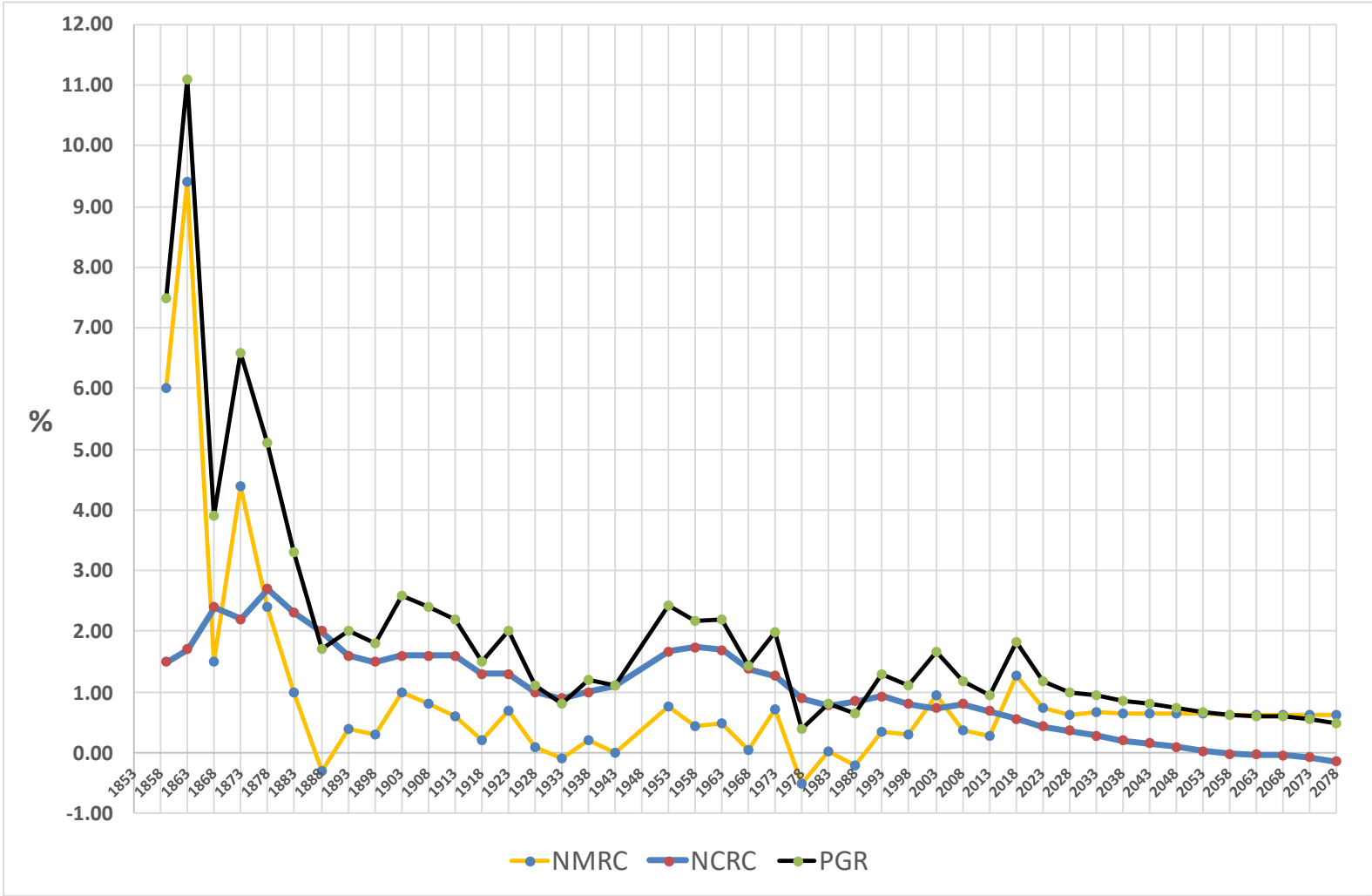
2016



2022

<https://www.treasury.govt.nz/publications/immigration-settings-productivity-commission-inquiry-material-2021-2022>

Growth of the New Zealand total population, and natural change and net migration contributions, 1856-1860 to 2021-2025 and projected 2026-2030 to 2076-2080



NCRC = natural change rate contribution to annual population growth

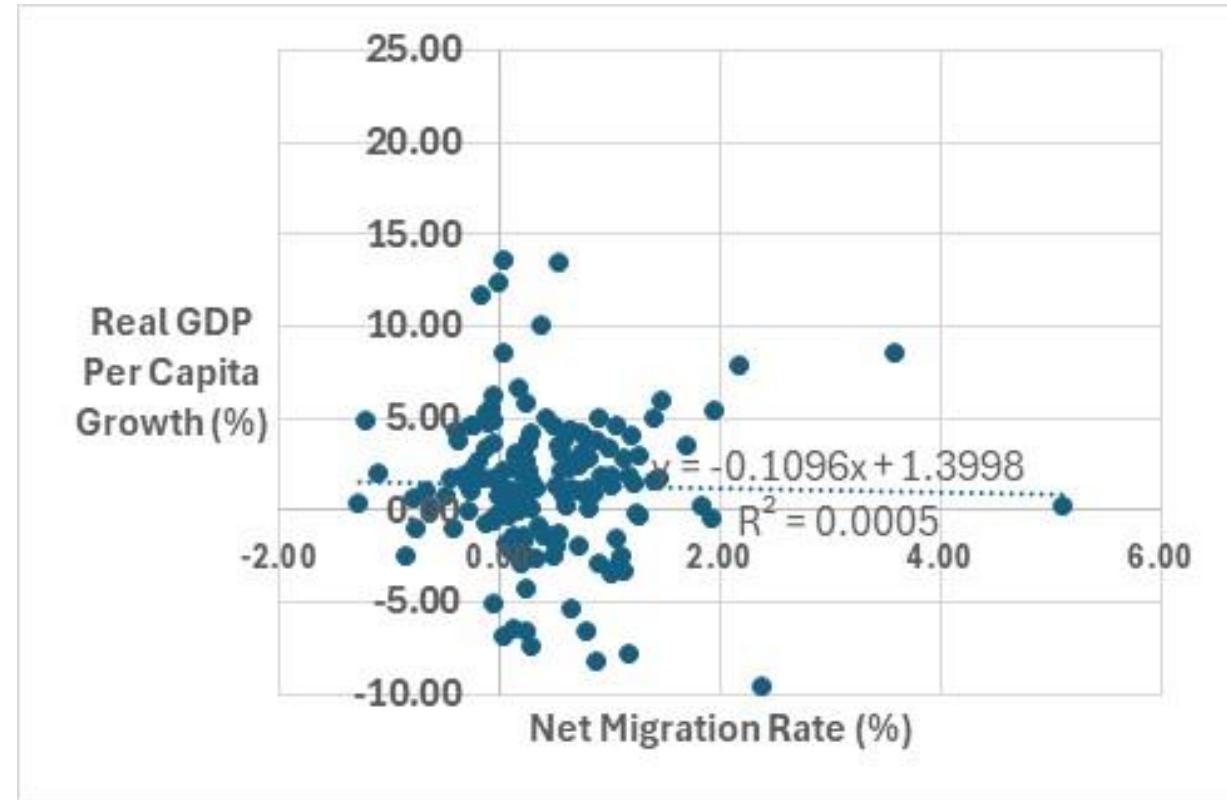
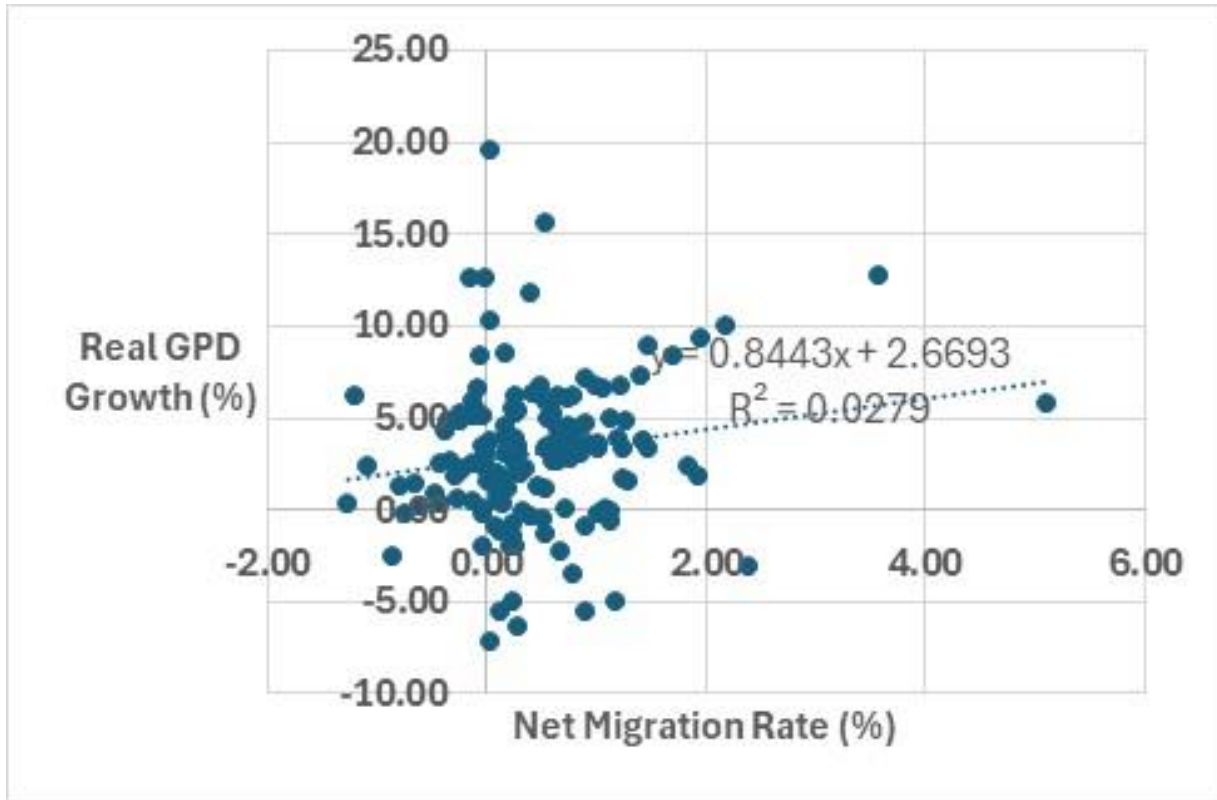
NMRC = net migration rate contribution to annual population growth

PGR = annual population growth rate (PGR = NCRC + NMRC)

five-year averages

Data Sources: [ESCAP \(1985\)](#), [Stats NZ Census 1951-2023](#), [Infoshare](#), [National population projections: 2024\(base\)–2078 \(June 2025\)](#)

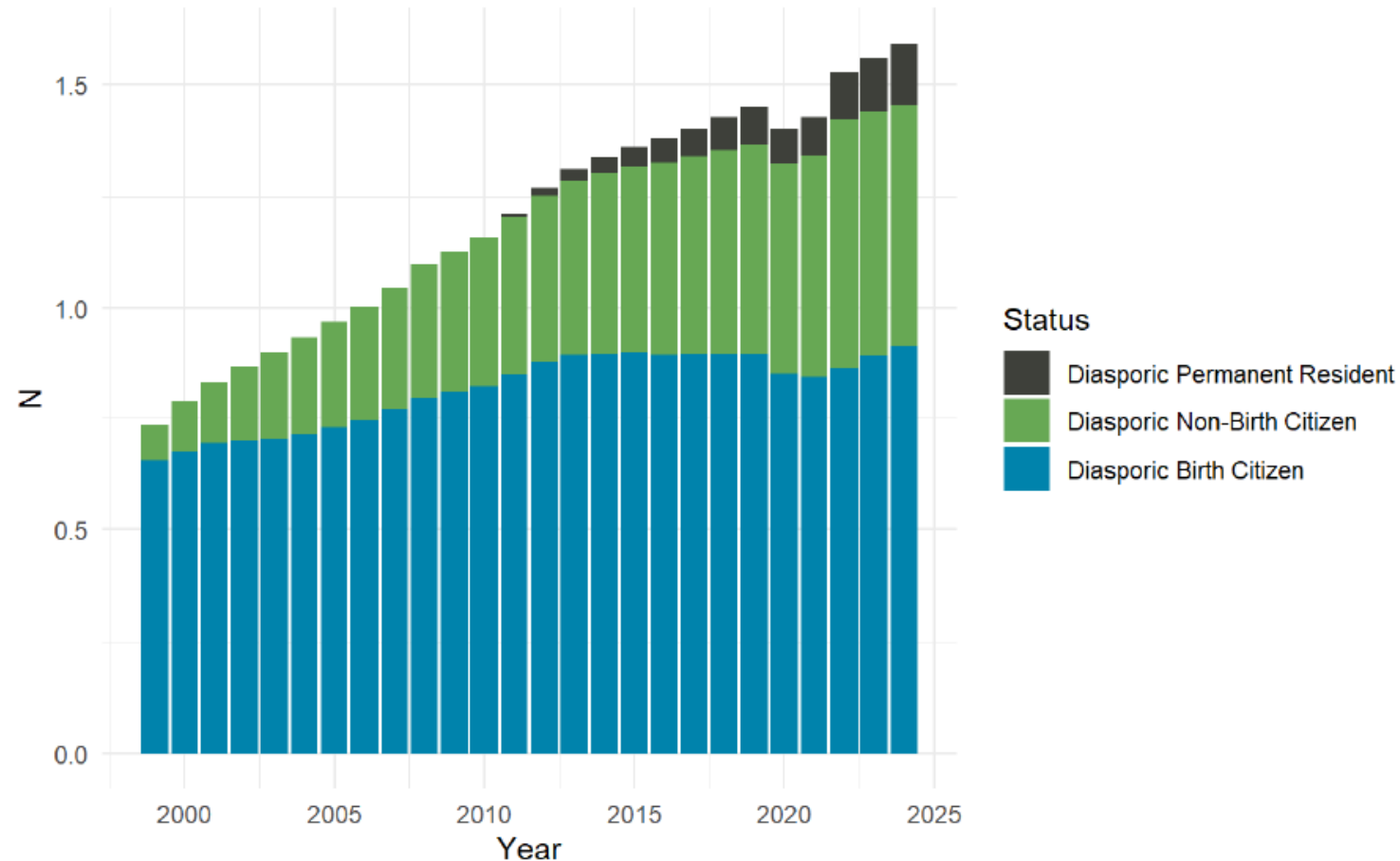
NZ Net migration rate, real GDP growth, and real GDP per capita growth, years ending March 1876-2025



Source: Stats NZ Infoshare – GDP is a combination of several series (SNZ, Easton, Rankin, Greasley & Oxley)

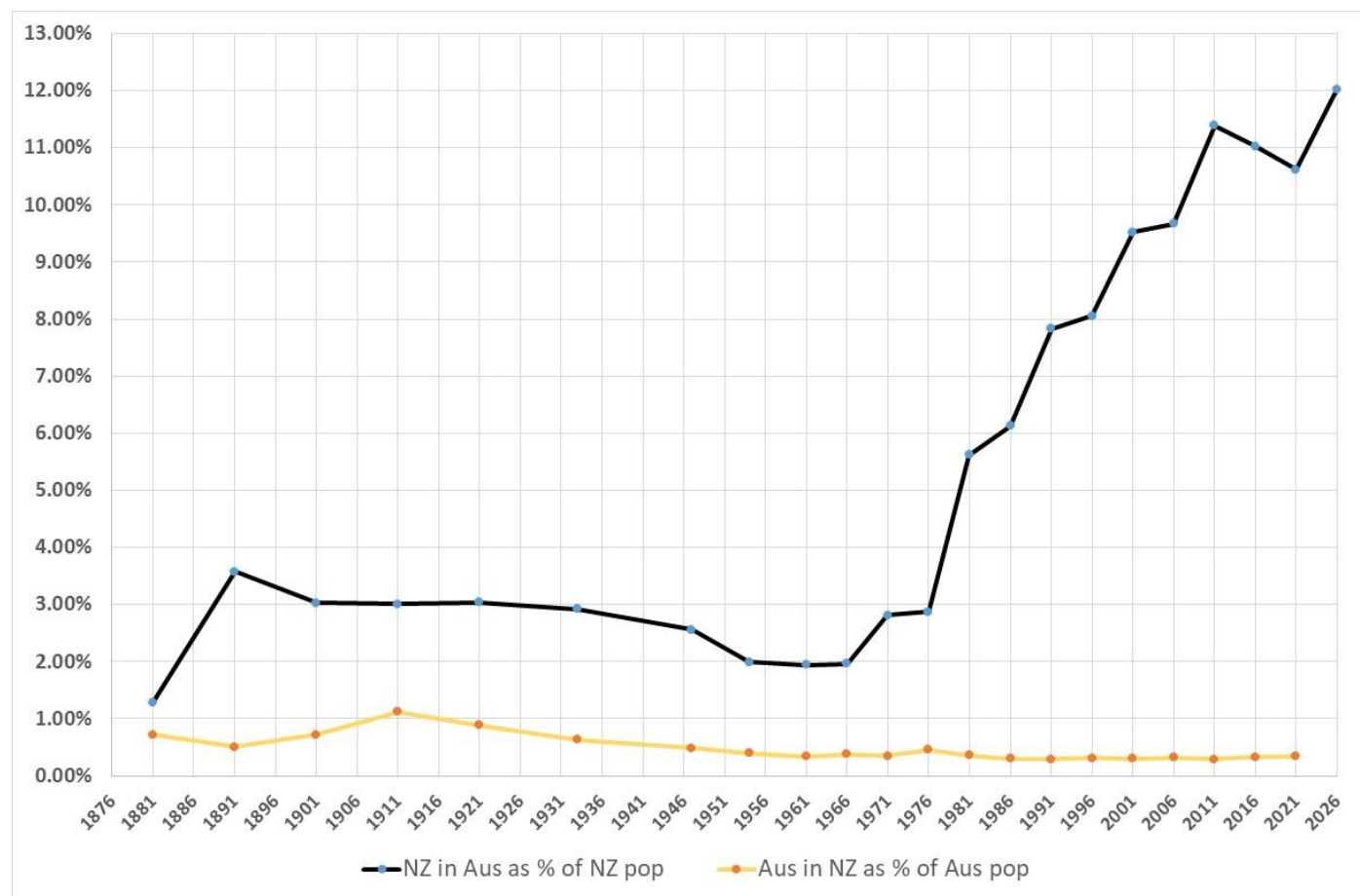
NMRs are large immigration rates minus almost equally large emigration rates!

The share of foreign born in Aotearoa New Zealand keeps growing
The NZ diaspora also keeps growing



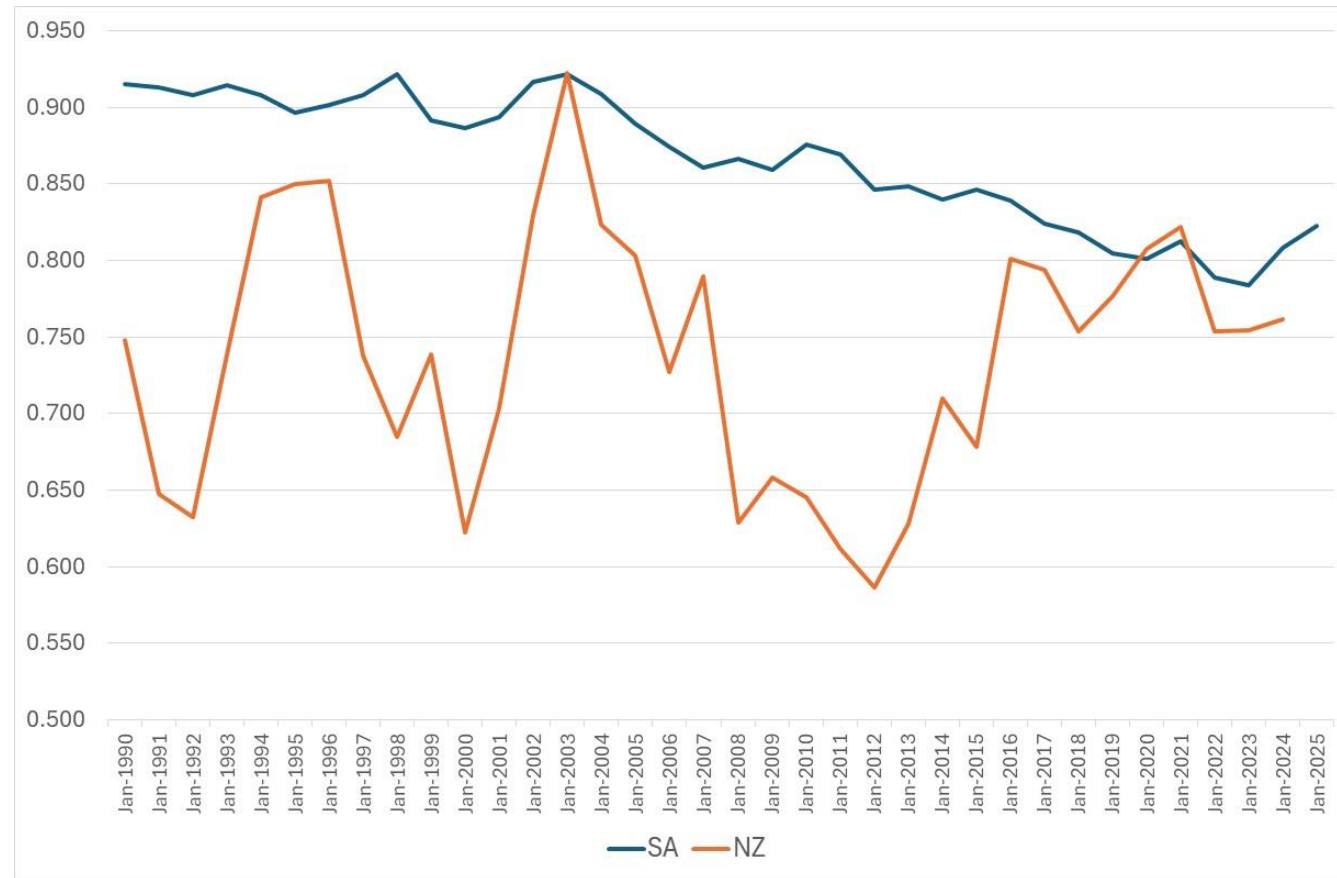
Source: Hughes and Crichton (2025)
Transnationalism over the lifecycle of New Zealand birth citizens, Treasury Analytical Note 25/10.

Trans-Tasman migration: NZ born residing in Australia as % of NZ population, and Aus born residing in New Zealand as % of Aus census population, 1881-2026 (est.)



Data Sources: [ABS - Australian Census of Population and Dwellings - selected censuses since 1881](#)
[StatsNZ - New Zealand Census of Population and Dwellings - selected censuses since 1881](#)

Income per capita relative to Australia: South Australia, and New Zealand (at current exchange rates) 1990-2025

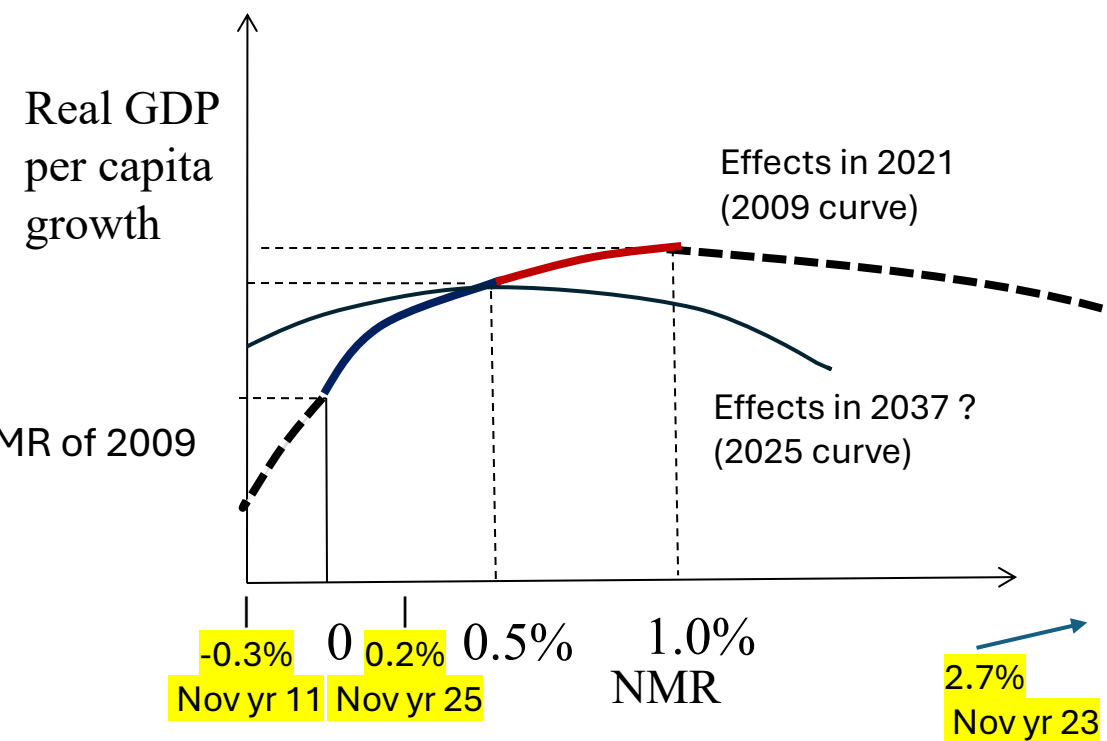
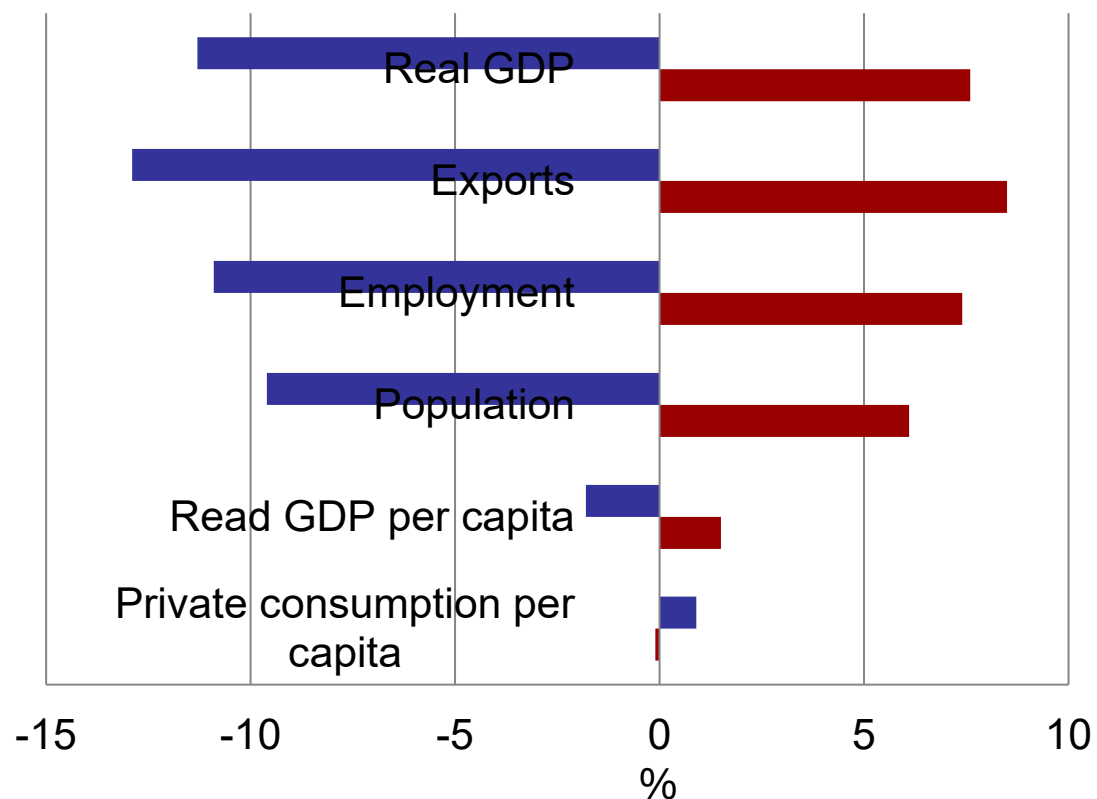


Is NZ in terms of migration a state of Australia? See <https://www.anzrsai.org/assets/Uploads/PublicationChapter/Vol-1-no-2-pg-159-182.pdf>

Data sources: ABS - 5220.0 Australian National Accounts: State Accounts; World Bank – GDP per capita (current US dollars)

Example of results of migration scenarios for New Zealand by means of a multi-sectoral long-run CGE model

Source: Nana, G, Sanderson, K, and Hodgson, R. 2009. *The Economic Impacts of Immigration: Scenarios using a computable general equilibrium model of the New Zealand economy*. Wellington: Department of Labour.



Does immigration affect wages of native-born workers?

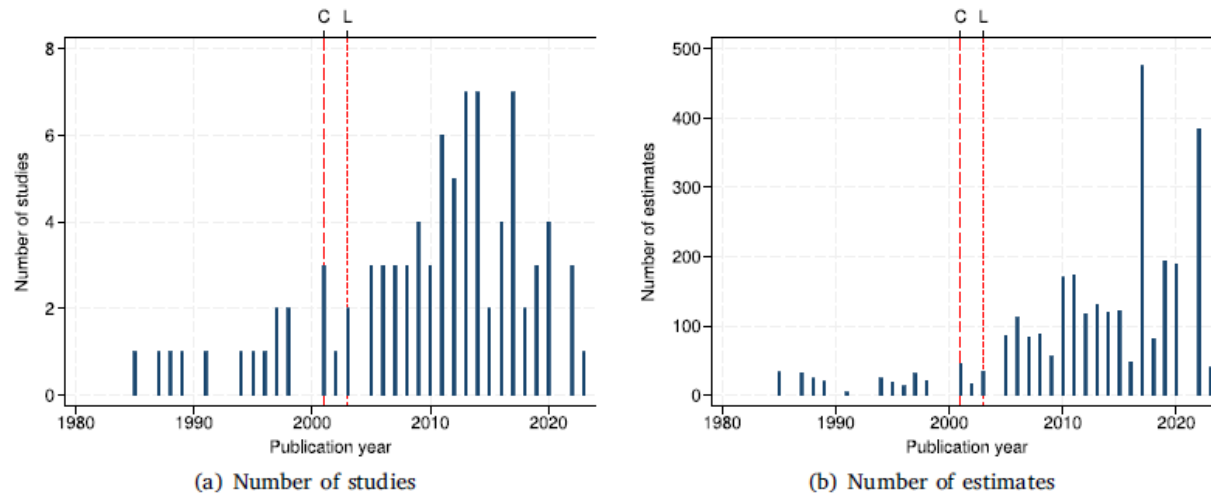


Fig. 1. Scholarly output on the wage effect of immigration, 1985–2023.

Note: The figures plot the production of reduced-form estimates of the wage effects of immigration over time. Our sample comprises 88 studies reporting 2,989 estimates. Figure (a) shows the number of studies, and Figure (b) displays the number of estimates. The dashed line (“C”) marks (Card, 2001); the dotted line (“L”) indicates the final sample year of Longhi et al. (2005).

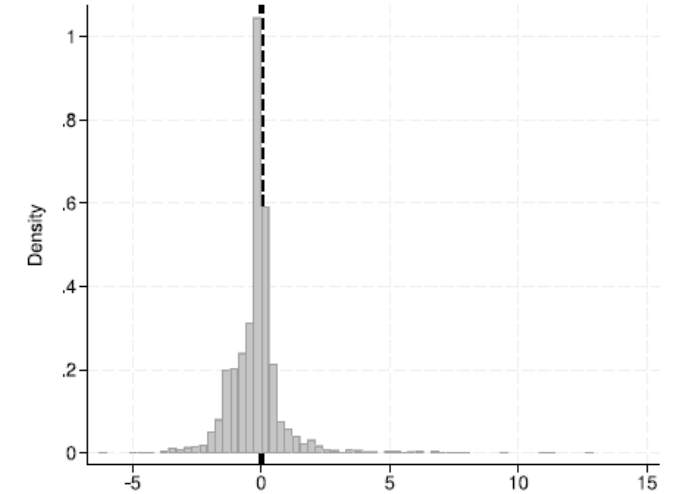


Fig. 2. Density of the estimates.

Note: The figure plots the density of 2,989 wage effect estimates from 88 studies. The dashed vertical line marks zero.

Source: Aubry et al. (2026) Does immigration affect native wages? A meta-analysis. *Labor Economics* 98: 102815

This study updates and extends an earlier meta-analysis by Longhi, Nijkamp and Poot (2005) in *Journal of Economic Surveys*, using studies up to 2003 (indicated by the L lines above)

The new meta-analysis basically reconfirms the 2005 study: **“At best, our results point to a negligible average impact of immigration on native wages, centred around zero”** (Aubrey et al. 2026).

Migration's impact on the housing market



- The impact is very localised
- The two biggest determinants of the impact
 - Will locals move out?
 - Will additional housing be built when demand goes up?
- A synthesis of the literature concluded:
 - A 1% point increase in the NMR in a city may be expected to raise **rents** by 0.5 to 1 % points. The effect on **house prices** is about double, but there is a large variance across estimates
- There is here also the “chicken and egg” (causation) problem
- Immigration is just one factor in a long list of drivers of housing shortages and high housing costs

Source: Cochrane W and Poot J (2020) Effects of immigration on local housing markets.

In: Kourtit K, Newbold B, Nijkamp P and Partridge M (eds.) *The Economic Geography of Cross-border Migration*. Springer Nature Switzerland AG, Chapter 12, pp. 269-292.

Takeaways on economic impacts of migration

- **Myths** like “migrants robbing jobs” and “migrants are responsible for house price bubbles” persist despite the evidence
- In-depth studies of economic impacts of migration tend to show **small effects** that often disappoint both migration advocates and critics
- The information systems, technology and data should be exploited to develop quality **population and migration forecasting routines**, to complement projections
- Population change has in common with climate change and infrastructure change that **long-term trends and needs** are predictable but policies continue to be guided by **short-term** concerns
- Migration issues impact **many portfolios** of Government: Aotearoa New Zealand would benefit from a **Population Change Commission**



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Thank You

jacques.poot@waikato.ac.nz