

The Wage Differential between Migrant and Native Workers in Australia: Decomposition Approach

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Abstract : Using Census Data for Housing and Population of Australia 2001, 2006, 2011, and 2016, this paper shows the existence of wage differences between natives and immigrants in Australia. Addressing the heterogeneous nature of immigrants, this study groups the immigrants in three broad categories- migrants from English speaking countries and migrants from India and China. Migrants from English speaking countries and India earn more than the natives per week, whereas migrants from China earn far less than the natives per week. Oaxaca decomposition suggests that major part of this differential is unexplained. Using the occupational segregation concept and Brown decomposition, this study indicates that migrants from India and China would have been earned more than the natives if they had the same occupation distribution as natives due to their individual characteristics. Within occupation, wage differences are more prominent than inter-occupation wage differences for immigrants from China and India.

Keywords : Australia, labour, migration, wage

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