

MIGRATION, ETHNIC CONCENTRATION AND INTERNATIONAL TRADE GROWTH: THE CASE OF ITALIANS IN AUSTRALIA

Simone Battiston and Bruno Mascitelli

Governments and advocates tend to argue that immigration promotes trade between sending and host countries to the benefit of both. The scholarly literature is rather more circumspect. In the present study the authors find that migrants from Italy have made a major contribution to Australia's post-WWII immigration intake, particularly in the 1950s and 1960s. But the data on bilateral trade between the two countries suggest that, while trade has grown, immigration has had a minimal effect. Rather it appears that trade between the two countries has grown in response to general economic growth and to the exigencies of supply and demand.

Much attention and research has been devoted to the correlation between migration and socio-economic development.¹ International organisations, such as the World Bank, now regard migration as 'the engine for global development'² and 'an important way of fighting poverty'.³ A new, global discourse 'in the whole area of the relationship between migration and economic and social change' is now burgeoning in the literature.⁴ Case studies supporting the argument of positive socio-economic development generated by international migration flows are abundant, especially from a developing country's perspective. Portes and Guarnizo have pointed out, for instance, that returned Dominican Republic migrants from the United States managed to pioneer new business activities in their country of origin based on ideas and skills acquired in the US migration experience.⁵ Similarly, no less than half of Turkish migrants returning home from Germany were likely to start their own companies within a few years of their homecoming.⁶

Conversely, developed countries, such as Australia, have high expectations of migration in terms of being able to foster or create trade links between migrant sending and migrant receiving countries, and beyond. A few years ago, a Queensland Government report emphasised the fact that

new settlers were welcomed not only because they are capable of delivering 'new ideas, skills and expertise', but also for their potential to 'help create international trade and business links' in 'traditional and new overseas markets'.⁷ Recently, the South Australia government expressed an eagerness to support business migrants who were able to demonstrate that they could form export opportunities with their country of origin.⁸ In Australia, public policy discourses of the 1990s adopted the concept of productive diversity, defined by Bill Cope and Mary Kalantzis as 'a system of production that uses diversity as a resource'.⁹ This identified the migrant cohort as one equipped with the necessary skills and tools to help Australian businesses create or boost their international trade links.¹⁰ Productive diversity was viewed not only in domestic productivity terms—as a means of capitalising on the diversity of the Australian workforce—but also as 'a means to increase overseas trade'.¹¹

But scholars have speculated as to whether migration stimulates trade growth. Are migrants likely to boost trade between their host country and their country of origin? Do they play a role as trade mediators? Several studies yield conflicting conclusions as to whether there is a correlation between migration and trade

growth. In the mid 1990s in Australia, the Bureau of Immigration, Multiculturalism and Population Research (BIMPR), to give an example, published two reports that sought to assess respectively the contribution of migrants to Australian trade with East Asia in the food industry, and to Australian trade and investment with East Asia in selected service industries.¹² The reports asked: are employees of East Asian birth or descent in the food industry likely to make a positive contribution to Australia's trade and investment in the region because of their language, cultural and business skills? Are the 'East Asia skills' provided by East Asian migrants in selected service industries likely to boost Australia's trade and investment links to East Asia? Rod and Webster's report sought to understand whether the high migrant intake from East Asia to Australia in the 1980s boosted Australia's food exports to the region. Two national surveys, which were supplemented by a set of case studies, led Rod and Webster to conclude that 'there is no link between volume of exports to specific destinations and recent trends in source countries for immigration to Australia'.¹³ The authors wrote that even though migrant links were capable of facilitating trade, they 'do not appear to be of sufficient magnitude and importance to transform Australia's export performance'.¹⁴ Dawkins, Kemp and Cabalu's report also relied on a nationwide survey and case studies when seeking to examine the value of the 'East Asia skills' of East Asian migrants in Australia in selected service industries.¹⁵ Their report concluded that, unlike Rod and Webster's, 'ample evidence' was found in survey data and econometric analysis to attest to 'the value of East Asia skills [...] in exporting to East Asia', which were largely provided by East Asia employees'.¹⁶ However, these skills were found to be, in general, 'considerably under-utilised'.¹⁷

No attempt seems to have been made by scholars to assess the extent to which similar skills (language and cultural skills, personal contacts, knowledge and familiarity with business ethics and practices) exist—and have been used to boost international trade—by immigrants in Australia coming from Southern European countries such as Italy or Greece. Italian migrants and their descendents constitute, for instance, the largest non-English-speaking-background ethnic community in Australia.¹⁸ Is there evidence to suggest that large scale migration from Italy to Australia during the post-war period might have stimulated, or even decisively impacted on, trade growth between Italy and Australia? Further, are Italian ethnic concentrations within Australian states and Territories in a position to influence the bilateral trade relationship between Italy and Australia? (If yes, it should follow that the greater the concentration, the more intense the trade relationship.)

The purpose of this study is to begin remedying the lack of literature that evidences connections (or lack thereof) between migration, ethnic concentration, and international trade growth in the case of Italians in Australia. In this article we find that, based on bilateral trade data, Italian migrant communities in Australia (comprising Italy-born migrants and their descendents) seem to have had a negligible influence on the bilateral trade relationship between Italy and Australia over the post-war period (1950–2005), especially in merchandise exports from Australia to Italy. Further, based on 2001 trade data analysed on a state-by-state basis, it appears that Italian ethnic concentrations within Australian states and territories do not have a strong influence on the bilateral trade relationship that exists between Italy and Australia. Such findings diverge from claims made by those assuming a key contribution made by the Italian–

Australian community and its prominent business members during the post-war period to bilateral trade between Italy and Australia.¹⁹

THE IMPACT OF MIGRATION ON INTERNATIONAL TRADE: SOME EXAMPLES

Rod and Webster's report concluded that migrants may not be in a position to influence Australia's export performance, whereas Dawkins, Kemp, and Cabalu's report claimed that specific skills held by migrant employees can be of great benefit to export activity, although they found that such skills are, in reality, considerably under-utilised.²⁰ Recent scholarship on the impact of migration on international trade offers some interesting examples of the positive correlation between migration and trade growth. In Canada Keith Head and John Ries have pointed out that thanks to the 'links to their home countries, [immigrants] may realise lower costs associated with foreign trade and thereby be more likely to trade than non-immigrants', as well as increasing 'the demand for home-country imports'.²¹ Scholars have employed gravity models of international trade in order to measure and assess the impact of migration flows on bilateral trade.²² The gravity model of international trade seeks to explain bilateral trade flows from one country to another by taking into account various factors, such as the country's economic size, distance, and elements that might 'attract or inhibit bilateral trade'.²³ In the Canadian scenario, for example, Head and Ries use a gravity equation model to demonstrate the potentially positive linkages between immigration and trade: with a ten per cent increase in the number of migrants settling in Canada, Canadian exports and imports to the migrant's home country would increase respectively between one and three per cent.²⁴

Studies such as Bacarreza and Ehrlich's

on the impact of migration on foreign trade in Bolivia²⁵ and Blanes' on the impact of migration to Spain's bilateral intra-industry trade²⁶ offer models for measuring the impact of migration which are also worth exploring. Bacarreza and Ehrlich also used a gravity model. In their Bolivian model, a ten per cent increase of immigrants would lead to a 0.8-0.9 per cent increase in imports and exports. They concluded that:

[...] Results confirm the existence of statistically significant positive effect[s] of both immigration and emigration on trade flows in a relatively closed economy of Bolivia. [...] The data shows an increase in the level of immigrants in Bolivia; most of them qualified people who try to make business and take advantage of the potentialities of the country, which encourages the increases of bilateral trade. Flows of emigrants have increased, too.²⁷

Bacarezza and Ehrlich obtained positive results similar to those found by Head and Ries (for Canada), in terms of the effect of migration on exports. On analysing the impact of migration on Spain's bilateral intra-industry trade, Blanes both argued and presented evidence to suggest that 'the stock of immigrants in a country has a positive effect on the share of [intra-industry trade] in total bilateral trade between this country and immigrants' home country'.²⁸ Tested gravity models of international trade seem to lead to a similar conclusion: immigrants do expand trade with their country of origin, which is, to a degree, due to their superior knowledge of market opportunities, access to home markets, and preference for products produced in their country of origin.

Has this also been the case of Italians in Australia? Were they likely to boost trade between their host country and their country of origin, due to their greater knowledge of the Italian market and preference for Italian products? Since the 1950s, Italy has

been an important market for Australia. Currently, the Italian market represents the third largest export market for Australian products in Europe after the UK and the Netherlands, and Italy is the third largest European exporter into the Australian market after Germany and the UK.²⁹

Yet, the current literature documenting the trade relationship between Australia and Italy is primarily non-academic, that is it consists of government submissions, brief country analysis, and trade reports.³⁰ Moreover, there seems to be scant critical analysis of the role of migration within the context of the development of the trade relations between the two countries. In our quest to assess the impact of mass migration from Italy to Australia on the bilateral trade relationship between Italy and Australia, we took into consideration bilateral trade data, followed by Italian ethnic concentrations within Australian states and territories as a possible variable in determining bilateral trade growth.

MIGRATION FROM ITALY TO AUSTRALIA AND BILATERAL TRADE BETWEEN ITALY AND AUSTRALIA ON A NATIONAL AND STATE LEVEL

In the 1950s and 1960s, hundreds of thousands of Italian migrants arrived in Australia as part of the larger Australian migration program for post-war economic development. It has been calculated that during the period 1947 to 1976, a total of 280,570 Italians settled in Australia, while around 90,000 departed during the same period.³¹ Italian unskilled labourers represented the bulk of Italian migrants of the time. Due to the paucity of local manpower, many migrant Italians were employed in such key public works as the Snowy Mountains Hydro-Electric Scheme.³² Others found work in the heavy industries, building and construction, and manufacturing.³³

Data on occupational distribution in the 1970s show that Italy-born migrants were over-represented in blue-collar sectors and that high concentrations of Italians were found in manufacturing and construction.³⁴ During the same period, Australia-born workers of Italian ancestry were concentrated in low- to middle-status occupational positions.³⁵ Since the 1970s, the number of Italy-born Australians has progressively declined. Conversely, the number of Australia-born people of Italian ancestry has steadily increased ever since. The 2001 Census counted 581,538 Australians of Italian ancestry (Australia-born Australians), which is more than double the number of Italy-born Australians (218,718). The disparity between Italy-born Australians and Australians of Italian ancestry is even greater in the Australian workforce. According to the 2001 census data, 76,768 workers were Italy-born versus 280,670 workers who identified themselves as Australians of Italian ancestry.³⁶

Has large-scale migration from Italy to Australia influenced Italy–Australia trade relations or created a special trade relationship between the two countries? Based on bilateral trade data, the trade relations between Italy and Australia recorded a slight decline during the decade of strong migration (1950–51 to 1960–61) from Italy to Australia, as can be seen from Table 1. In the following decade—by then Italian mass migration to Australia had reduced significantly—exports from Australia decreased by one quarter, whereas imports from Italy increased more than two and a half times. Since the 1970s, exports and imports between Italy and Australia recorded high levels of growth. Exports from Australia to Italy peaked in 2001 (A\$2.2 billion), while imports from Italy to Australia have continued to rise in recent years (A\$3.1, 4.1, and 4.5 billion respectively in 2000, 2003, and 2006).³⁷ Since the 1990s, the ratio of the value of

imports to that of exports has definitely favoured imports from Italy to Australia: 1.5 in 1990–91 to almost double at 2.9 in 2004–05 (see Table 1). Currently, the ratio of the value of Italian imports to Australia to that of Australian exports to Italy is 2.8 to the benefit of Italy.³⁸

Data on Australian trade with selected European countries, namely the UK, Germany, Italy, and France between the period 1950–51 and 2004–05 (see Table 2), suggest that trade relations between Australia and these countries grew significantly, especially in the last two decades of the twentieth century. Italy and Australia's trade relation grew by about 7.5 times from 1980–81 to 2004–05. During the same period, France's trade relations with Australia increased by about eight times, despite the small number of French migrants in Australia (when compared with

the number of Italian migrants and Italian-background Australians).

The extraordinary growth of the Australian and Italian economies during the 1950s and also in the 1980s may offer an explanation to support the hypothesis that it was the economic growth that emerged as a strong trade relationship. Given the high rates of Italian migration between 1950 and 1970, it would be expected that the trade growth between the two countries might have emulated the migration-driven trade growth analysed by Bacarreza and Ehrlich in their Bolivian study. An examination of the trends in Australian and Italian trade indicates that this migration-driven growth is not reflected in the Australian case study. Growth in trade between Italy and Australia appears to have moved and fluctuated according to factors such as market supply and demand, which

Table 1: Australian trade with Italy, 1950 to 2005 (in SA '000s)

	1950–51	1960–61	1970–71	1980–81	1990–91	2000–01	2004–05
Exports	98,020	95,450	70,897	383,252	923,174	2,101,101	1,543,689
Imports	33,310	31,558	86,089	426,320	1,390,348	3,258,245	4,495,559
Net exports	64,710	63,892	-15,192	-43,068	-467,174	-1,157,144	-2,951,870

Source: Department of Foreign Affairs and Trade (DFAT), *Composition of Trade Australia*, Commonwealth of Australia, Canberra.

Table 2: Total Australian trade (imports and exports) with selected countries, 1950–51 to 2004–05 (in SA '000s)

	1950–51	1960–61	1970–71	1980–81	1990–91	2000–01	2004–05
UK	1,354,972	1,144,244	1,381,015	2,273,173	5,098,790	10,966,939	10,748,237
Germany	84,928	188,900	447,343	1,567,421	4,170,442	7,666,082	9,959,597
Italy	131,330	127,008	156,986	809,572	2,313,522	5,359,346	6,039,248
France	212,468	135,588	177,256	668,923	2,007,028	3,555,949	5,438,450

Source: See Table 1

may have had little to do with the presence of a large Italian community in Australia. Recently, Italian authorities have acknowledged that 'Italian exports towards Australia have doubled in the last decade [mid 1990s to mid 2000s] thanks to strong economic growth in Australia and thanks to growth in private consumption ... our [Italian] products are becoming accepted primarily to due their high level of quality'.³⁹

National bilateral data suggest that a special migration-based trading relationship between Italy and Australia never eventuated, despite the large Italian migrant community resident in Australia. If migration were to have played any role, it was definitely to the benefit of Italy in terms of imports from Italy to Australia. This would be a characteristic effect of migration on trade: an increase in the demand for imports rather than increase in the demand for exports.⁴⁰ However, an analysis of the composition of merchandise imported from Italy reveals that products anecdotally associated with the Italian community such as food, beverages and clothing are not the main imports from Italy. For example, in 2006–07, the major four imports from Italy to Australia, which accounted for 18 per cent of the overall imports from Italy, were: medicaments, including veterinary (A\$317 million), pumps for gas (A\$223 million), telecommunication equipment (A\$192 million), and specialised machinery (A\$142 million).⁴¹

Data on the state and territory levels of bilateral trade offer an interesting picture of the trade relationship between Italy and Australia, especially if ethnic concentration is taken into account. According to the 2001 census, the state of Victoria (Vic) in Australia is home to the largest population of Australians with Italian background (approximately 290,000). In descending order, New South Wales (NSW) follows

with 220,000 Australians with Italian background, Western Australia (WA) with 97,000, Queensland (Qld) with 93,000, South Australia (SA) with 83,000, the Australian Capital Territory (ACT) with 9,000, Tasmania (Tas) with 5,000 and the Northern Territory (NT) with 3,000. Should the proposition that higher ethnic concentration equal stronger trade ties be valid, then Victoria would have the greatest share of trade with Italy.

As seen in Table 3, NSW was the Australian state with the strongest trade links with Italy in 2001. Despite being the number one trading partner with Italy in both imports and exports by a large margin, NSW was not home to the largest population of Italian-background. Conversely, Victoria—the Australian state with the largest resident Italian background population—was ranked in the same year as the third largest exporter to Italy, and second largest importer from Italy. Victoria's exports to Italy were lower than those of NSW and Queensland. Not only was Victoria in third position for exports to Italy, but its exports have suffered a significant decrease in recent years. In 2005–06, the total merchandise exported from Victoria to Italy was worth \$265 million.⁴² In 2000–01, exports between the two regions recorded a much healthier \$464 million.⁴³ Recently, there seems to have been a gradual increase in merchandise exported from Victoria to Italy, yet levels are far below the heights recorded a few years ago.

In 2001, Queensland was ranked fourth in the states in terms of Italian background population (93,000). Queensland provides perhaps the most telling example of the contrast between ethnic concentration and trade growth. Notwithstanding its minor share of Italian-background Australians (11.6 per cent), it was the second largest exporter to Italy in 2001. The trade balance of Queensland with Italy recorded a

Table 3: Trade between Italy and Australian states and territories, 2000–01 (in \$A millions)

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
Exports to Italy	717	464	511	N/A	216	15	12	0	1,935 ^a
Imports from Italy	1,457	1,028	280	147	337	6	2	72	3,329
Net exports	-740	-564	+231	N/A	-121	+9	+10	-72	-1,394 ^a
Percentage share of imports from Italy	44	31	8	4	10	0	0	2	100
Australian population ^b	6,311,168	4,612,097	3,585,639	1,458,912	1,832,008	454,841	202,729	309,184	18,766,578
Per cent of total population in states and territories	33	25	19	8	10	2	1	2	100
Approx. Italian-ancestry population	220,000	290,000	93,000	83,000	97,000	5,000	3,000	9,000	800,000
Per cent of Italian-ancestry population in states and territories	27.5	36.3	11.6	10.4	12.1	0.6	0.4	1.1	100.0
Per cent of total population with Italian ancestry in states, territories and Australia	3.5	6.3	2.6	5.7	5.3	1.2	1.7	3.2	4.3

Source: DFAT, *Australia's Trade by State and Territory 2002–2003*, Commonwealth of Australia, Canberra, 2004; 2001 Census of Population and Housing, Australian Bureau of Statistics, Canberra, 2007.

Note: ^a South Australia not included

^b other territories not included.

positive A\$251 million. The resources boom experienced recently by states like Queensland and Western Australia, which is currently driving Australia's exports to a number of countries and economic areas, including China, the US and the EU, may provide a convincing explanation as to why a strong trade relationship exists between these states and Italy.

Trade data on a state-by-state basis in Australia suggest that any direct connection between the presence of Italian immigrants and trade with Italy is weak. The example of Queensland actually demonstrate that the size of the Italian background population is not a determining factor in the trade flow between Italy and the Australian states. Likewise, NSW, which has high demand for Italian imports does not have a large number of Italians within its boundaries. These relationships again imply that the strong areas of trade relationship—for example, minerals resources sales to Italy from Queensland—are driven by market demand and supply issues and not by those related to an Italian ethnic presence in the industry or within the state.

The composition and characteristics of the Italian migrant population offer an explanation. During the 1950s and 1960s Italian migrants largely originated from poor rural backgrounds and had extremely low levels of education and lacked English language proficiency. They had neither the business skills nor the language skills to integrate into higher professional employment.⁴⁴ Moreover, they lacked the contacts and knowledge to be able to operate at the business level. A sizable number of Italians who migrated to Australia as young adults during that period never fully learnt or mastered the English language. Italy-born dialect speakers and descendents of Italian migrants might not have been particularly versatile, in terms of their knowledge of the Italian language, Italy's cultural mores and an up to date

understanding of the Italian economy. Facilitators in enhancing Italy–Australia trade would have been very few in the 1950s and 1960s. Indeed, the Italian Chamber of Commerce and Industry in Melbourne was only established as late as 1984.

The profile of the average Italian migrant has, however, altered dramatically since the period of mass migration of the 1950s and 1960s. The cohort of Italian immigrants to Australia changed after the 1970s (better educated and qualified), although it was significantly fewer in numbers.⁴⁵ By the mid 1970s, Australia's migration policy had altered its focus to skilled migration. Today there is a new type of migration from Italy which breaks with the labour driven migration of the past. Italian migrants now are more likely to have a versatile grasp of the English language, to be highly educated, and most importantly, to be equipped with an understanding of the sophisticated Italian economy and familiar with contemporary business activities with Italy.⁴⁶ There are reasons to believe that the impact of the new Italian migration on bilateral trade between the Italy and Australia might be significantly different from that of their predecessors. In this different migration environment, the new professional Italian presence in Australia is quite distinct from the unskilled and poorly educated migrants of the past. These more recent migrants along with the more business-oriented second and third generations of Italian-Australians, may indeed engage in furthering the trade relationship between the two countries. Overall, the Italian migrant community has also witnessed an upwardly mobile movement from modest migrant beginnings to middle class status over the decades.⁴⁷

Australia and Italy have been well matched as regards world market conditions and, most importantly, in relation to the development of their own

internal economic growth. The expansion in trade both in Italy and Australia reflects trade growth across a multitude of international markets with each country reflecting positive growth factors. Over the decades, the trade relationship between the two countries has been substantially low key and of limited importance in the overall global commercial setting. The substance of this relationship has been generally framed within the context of normal international transactions in the global market and therefore is driven by supply and demand mechanisms. The impact of this relationship on the respective economies, though real, has been limited and of little or no strategic importance.

CONCLUSION

The Italian–Australian community is strongly entrenched in the Australian business community, particularly as small businesses.⁴⁸ Yet, the level, intensity and concentration of bilateral trade seems not

to support the view that overall Italian migrants have played a major role in the trade relationship between their country of origin (Italy) and their host country (Australia) during the post-war period. Italian migrant communities in Australia appear not to have been in a position to impact decisively on trade growth between Italy and Australia. Trade data on a state-by-state basis also suggest that a direct association between the presence of Italian immigrants and trade with Italy is not strong. Several constraints tied down the bulk of Italian migrants (lack of formal education, poor English language skills, lack of business understanding), which did not favour the growth of a generation of trade intermediaries. Further research on specific cohorts of Italian–Australians such as Australian-born Italians and more recent migrants from Italy will certainly add to the body of knowledge on the role played by Italian migrants and their descendants in the bilateral trade relations between Italy and Australia.

References

- ¹ See for instance, L. E. Guarnizo, 'The economics of transnational living', *International Migration Review*, vol. 37, no. 3, 2003, pp. 666–699.
- ² G. Hugo, 'Diaspora and dual citizenship issues: an Australian perspective', in J. Gatt-Rutter and P. Genovesi (Eds), *Italian Australian Institute Papers*, Italian Australian, Institute, Macleod, Vic, 2006, p. 6
- ³ World Bank, *Global Economic Prospects: Economic Implications of Remittances and Migration*, The International Bank for Reconstruction and Development and The World Bank, Washington, DC, 2006, p. vii
- ⁴ Hugo, 2006, op. cit., p. 6
- ⁵ A. Portes, and L. Guarnizo, 'Tropical capitalists: US-bound immigration and small enterprise development in the Dominican Republic', in S. Diaz-Briquets and S. Weintraub (Eds), *Migration, Remittances and Business Development: Mexico and Caribbean Basin Countries*, Westview Press, Boulder, CO, 1990, pp. 101–131
- ⁶ P. Legrain, *Immigrants: Your Country Needs Them*, Little Brown, London, 2006, p. 164. Escobar et al. argue, however, that the return of Turkish workers with skills acquired abroad did not lead to the expected economic takeoff in the migration-affected areas of Turkey. See A. Escobar, K. Hailbronner, P. Martin and L. Meza, 'Migration and development: Mexico and Turkey', *International Migration Review*, vol. 40, no. 3, 2006, p. 716.
- ⁷ Multicultural Affairs Queensland, Dept. of the Premier and Cabinet, *Queensland Government Position Statement on Immigration*, 1999, pp. 4, 6 <<http://www.premiers.qld.gov.au/library/pdf/default/immigstat.pdf>> viewed 21 November 2007
- ⁸ C. Russell, 'SA wins bigger slice of prized migrants', *The Advertiser*, 6 March 2007, p. 34
- ⁹ B. Cope and M. Kalantzis, *Productive Diversity: A New, Australian Model for Work and Management*, Pluto Press, Annandale, NSW, 1997, p. 289
- ¹⁰ P. Dawkins, S. Kemp, and H. Cabalu, *Trade and Investment with East Asia in Selected Services Industries*, Bureau of Immigration, Multicultural and Population Research (BIMPR), Australian Government Publishing Service (AGPS), Canberra, 1995, p. 1

- ¹¹ S. Bertone, A. Esposito, and R. Turner, *Diversity & Dollars: Productive Diversity in Australian Business and Industry*, Committee for Economic Development of Australia, Paper No. 58, Workplace Studies Centre, Victoria University of Technology, 1998, p. 32; C. Kermond, 'A gold mine of untapped skills', *The Age*, 31 January 1998, p. 1
- ¹² T. Rod and E. Webster, *Immigration and Trade with East Asia in the Food Industry: The Contribution of Immigrants*, BIMPR, AGPS, Canberra, 1995; Dawkins et al., 1995, op. cit.
- ¹³ *ibid.*, p. 69.
- ¹⁴ *ibid.*
- ¹⁵ Dawkins et al., 1995, op. cit., p. xi
- ¹⁶ *ibid.*, pp. xi, 67
- ¹⁷ *ibid.*, p. 70
- ¹⁸ *2006 Census of Population and Housing*, Catalogue no. 2068.0, Australian Bureau of Statistics, Canberra, 2007; according to the ancestry responses reported to the 2006 Census, 852,418 Australians self-identified as of Italian ancestry, followed by 811,540 of German ancestry, and 669,890 of Chinese ancestry. For a definition of the Italian ethnic community (comprising Italy-born Australians and the Australia-born of Italian ancestry) in demographic terms please see the definition of 'Italian community' in D. Ruzzene and S. Battiston, *Italian-Australians: From Migrant Workers to Upwardly Mobile Middle Class*, Italian Australian Institute, Macleod, Vic, 2006, p. 18.
- ¹⁹ See for instance the report prepared by Italy's Ministry of Foreign Affairs and the National Institute for Foreign Trade, Ministero degli Affari Esteri & Istituto Nazionale del Commercio Estero, *Australia. Rapporto congiunto Ambasciata/ICE*, II^o Semestre 2006 <<http://www.ice.it/rapporti/pdf/australia.pdf>> viewed 21 December 2007. See also, P. Hopkins, 'Australian dream keeps a distinct Italian flavour', *The Age*, 28 June 1999.
- ²⁰ Dawkins et al., 1995, op.cit., p. 70
- ²¹ K. Head and J. Ries, 'Immigration and trade creation: econometric evidence from Canada', *Canadian Journal of Economics*, vol. 31, no. 1, 1998, p. 48
- ²² See for instance, D. Gould, 'Immigration links to the home country: empirical implications for U.S. bilateral trade flows', *Review of Economics and Statistics*, vol. 76, no. 2, 1994, pp. 302–315; S. Gliberman, 'Immigration and trade', in D. J. DeVoretz (Ed.), *Diminishing Returns: Canada's Recent Immigration Policy*, Howe and the Laurier Institution, Montreal, 1995; Head and Ries, 1998, op. cit.
- ²³ H. Sandberg, J. Seale, and T. Taylor, 'History, regionalism, and CARICOM trade: a gravity model analysis', *Journal of Development Studies*, vol. 42, no. 5, p. 797. Please note that the gravity model of international trade seeks to explain bilateral trade flows by means of a gravity equation, which takes into account a set of variables. The gravity model derives from the gravity theory, which 'has primarily centred on the fields where distance plays a significant role. Gravity theory has proven useful in describing social phenomena in space, such as population migration, flows of goods, money, and information, traffic movement, and tourist travel'. See, T. Paas, 'The gravity approach for modelling international trade patterns for economies in transition', *International Advances in Economic Research*, vol. 6, no. 4, 2000, p. 634.
- ²⁴ Head and Ries, 1998, op. cit., p. 53
- ²⁵ G. Bacarreza and L. Ehrlich, 'The impact of migration on foreign trade: a developing country approach', Munich Personal RePEc Archive (MPRA), Paper no. 1090, Munich, 2006 <<http://mpa.ub.uni-muenchen.de/1090/>> viewed on 9 December 2007, also published in *Latin American Journal of Economic Development*, no. 6, 2006, pp. 125–146
- ²⁶ J. Blanes, 'Does immigration help to explain intra-industry trade? Evidence for Spain', *Review of World Economics*, vol. 141, no. 2, 2005, pp. 244–270
- ²⁷ Bacarreza and Ehrlich, 2006, op. cit., p. 11.
- ²⁸ Blanes, 2005, op. cit., p. 244.
- ²⁹ Department of Foreign Affairs and Trade (DFAT), *Composition of Trade Australia 2006*, Commonwealth of Australia, Canberra, 2007, pp. 54, 59
- ³⁰ See for instance, G. Rossetto, 'Trade between Italy and Australia', in C. Bettioni and J. Lo Bianco, *Understanding Italy: Language, Culture, Commerce—An Australian Perspective*, The University of Sydney and the Frederick May Foundation for Italian Studies, Sydney, 1989, pp. 25–29; B. Mascitelli, 'Australian–Italian trade relations', in P. Genovesi and W. Musolino (Eds), *In Search of the Italian Australian into the New Millennium*, conference proceedings, Melbourne, 24–26 May 2000, Gro-Set, Thornbury, Victoria, 2000, pp. 29–41; S. Capuana, 'Australia–Italy trade and investments', in Genovesi and Musolino (Eds), 2000, op. cit., pp. 42–47; Ministero degli Affari Esteri & Istituto Nazionale del Commercio Estero, 2006, op.cit.
- ³¹ S. Castles, 'Italian migration and settlement since 1945', in S. Castles, C. Alcorso, G. Rando, and E. Vasta (Eds),

- Australia's Italians: Culture and Community in a Changing Society*, Allen and Unwin, St. Leonards, NSW, 1992, pp. 42–43
- ³² F. Panucci, B. Kelly, and S. Castles, 'Italians help build Australia', in *ibid.*, pp. 58–61
- ³³ *ibid.*, pp. 56–63
- ³⁴ H. Ware, *A Profile of the Italian Community in Australia*, Coasit and Australian Institute of Multicultural Affairs, Carlton, Vic, 1981, pp. 45–52; Castles, 1992, *op. cit.*, pp. 67–72
- ³⁵ Ruzzene and Battiston, 2006, *op. cit.*, p. 55
- ³⁶ *ibid.*, p. 35
- ³⁷ DFAT, *Composition of Trade Australia 2003*, Commonwealth of Australia, Canberra, 2004, p. 219; DFAT, *Composition of Trade Australia 2006*, Commonwealth of Australia, Canberra, 2007, p. 201. Please note that these trade figures relate to calendar years and slightly differ from those shown in Table 1.
- ³⁸ The total Australian merchandise trade with Italy for 2006–07 amounts to A\$6,613 million, that is A\$ 1,744 million of Australian exports to Italy and A\$4,869 million of imports from Italy to Australia. See DFAT, *Country Profile: Italy*, Commonwealth of Australia, Canberra, 2007 <<http://www.dfat.gov.au/geo/fs/ital.pdf>> viewed 23 December 2007.
- ³⁹ Ministero degli Affari Esteri & Istituto Nazionale del Commercio Estero, 2006, *op. cit.*
- ⁴⁰ Dawkins et al., 1995, *op. cit.*, p. 4; Head and Ries, 1998, *op. cit.* p. 54
- ⁴¹ DFAT, *Country Profile: Italy*, 2007, *op. cit.*
- ⁴² DFAT, *Australia's Trade by State and Territory 2005–06*, Commonwealth of Australia, Canberra, 2007, p. 40
- ⁴³ DFAT, *Australia's Trade by State and Territory 2002–03*, Commonwealth of Australia, Canberra, 2004, p. 36
- ⁴⁴ G. Jones, "'Australian identity", racism and recent responses to Asian migration to Australia', Australian National University, *Working Papers in Demography*, Canberra, 1997
- ⁴⁵ According to the latest 2006 Census, 181,190 and 5,139 Italy-born Australians migrated and settled in Australia respectively before 1991 and between 1991 and 2005. See *2006 Census of Population and Housing*, Catalogue no. 2001.0, Australian Bureau of Statistics, Canberra, 2007; F. Cavallaro, 'Italians in Australia: Migration and profile', *Altreitalia*, vol. 26, no. 1, 2003, pp. 68–9.
- ⁴⁶ Further research on this cohort of Italians in Australia (for example, the nature of their employment, their level of education, and so on) would certainly benefit studies analysing the impact of recent Italian migration to Australia and bilateral trade creation.
- ⁴⁷ Ruzzene and Battiston, 2006, *op. cit.*, p. 16
- ⁴⁸ J. Collins, 'Cappuccino capitalism: Italian immigrants and Australian business', in Castles et al., 1992, *op. cit.*, pp. 73–84. See also J. Collins et al., *A Shop Full of Dreams: Ethnic Small Business in Australia*, Pluto Press Australia, Leichhardt, NSW, 1995.