

**Update 1F: The Crisis and its Possible Impact on Global Migration by [Franck Düvell](#),
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Summary: In the short run, the international movement of people seems likely to decrease, protectionism to rise and social discontent to increase; in the long run migration could increase again though it might take some new directions.

Observations

As the credit crunch and subsequent economic and currency crises affect national and global economies, industries, workers and consumers, one might also wonder to what extent they will impact on international migration. So far evidence is scarce and anecdotal:

- ‘U.S. economic crisis has disrupted...the lives of countless illegal immigrants who are now planning to leave or have already left, ... fewer immigrants were arriving because of the economic slowdown and stricter enforcement, ...communities in Latin America and the Caribbean report a reduction in remittances, ...’ (Alfonso Chardy, Miami Herald, 30/11/2008). Already in the first quarter of 2008, ‘the unemployment rate for Hispanics in the U.S. rose to 6.5%, well above the 4.7% rate for all non-Hispanics mainly due to a slump in the construction industry’ (Juan Tornoe, 2/12/2008 on CNN, AC 360).
- Russia is laying-off hundreds of thousands migrant workers from Central Asia, Caucasus, Ukraine and Moldova (Spiegel 5/1/2009).
- In Australia, ‘the federal government is considering cuts to [the] migration intake if economic conditions take a turn for the worse and unemployment rises’ (Radio National Breakfast, 27/10/2008). Italy is reducing its quota for manufacturing migrant workers, though not for carers whilst Spain is introducing a large scale voluntary return scheme.
- In Spain, unemployed Spaniards now accept jobs in the harvest and displace thousands of mainly African migrant workers. These got stranded, stay in train stations and are served by the Red Cross (Arte TV, 20/12/2008).
- In the UK, several hundred thousand Poles are expected to return home this year whilst others who were intending to return are holdback by the gloomy outlook in Poland and got stuck (Financial Times, 20/12/2008). And also Australians are reported to return in their thousands (Times, 25/11/2008).
- In the UK it is already observed that both emigration and immigration slowed down in 2007, though on a still high level. Thus, for the time being, things seem to come to some halt and people remain where they are and might wait to see which directions things take before making further migration decisions.
- In UK, Russia and elsewhere, anti-immigration rhetoric is rife (Migration Watch, Daily Mail 19/11/2008; see Spiegel 1/2009).
- Globally, in December 2008 international air passenger travel dropped by 4.6% compared to December 2007 (IATA 2008). Equally, international tourism in some regions turned from high positive growth rates in 2007 (Europe + 5%, Asia + 10%) to negative rates in 2008 (Europe and Asia both – 3%) (WTO 2009).
- Social discontent is reported from various countries, such as Russia, Lithuania, Romania, Greece, Iceland and the UK (Spiegel, 8/2/2009). Most of this is directed against governments but some is targeting immigrant workers, as in the UK (Guardian, 11/2/2009).

Issues

A number of issues can be identified that seem to characterise the current crises and their impact on international migration and immigrant populations.

1. The credit crunch - which was preceded by the food price crisis from 2007 and peak oil prices in summer 2008 - has been followed by financial, currency and manufacturing crises. A drop in demand, hence in prices for natural resources, including gas and oil and steel particular affects developing and transitioning economies. Finally, export and global trade is in steep decline. Meanwhile, several countries have turned into recession and many old, new and emerging economies suffer from negative GDPs, such as the US, Russia, UK, Germany, France, Spain, Hungary, Ukraine Turkey and many more, whilst some other countries still enjoy positive growth rates, notably China, India and Poland. Worldwide, overseas projects are frozen or terminated, investments postponed, funds withdrawn from shaky markets and money drawn back into the economically leading nations. Demand for natural resources, manufactured products, consumer goods and services of all kinds is decreasing. In response, production is reduced, sales shrink and, as a consequence, staff made redundant or whole branches and factories downsized or closed. For instance, in domestic markets demand for taxi rides, restaurant food, hair dressing and office cleaning is declining because those who were made redundant first, such as young urban professionals, no longer require such services. Equally, the middle classes struggle with rising interest rates on their mortgages and credit cards and can no longer afford such services. The construction sector too feels the downturn, demand for new housing or for renovations decreases and in some countries, such as Spain, Russia or Ukraine, construction has come to an abrupt and complete standstill.

2. Various sectors that are badly affected by the crisis are known for relying on migrant labour, such as service industries, construction, mining, ore and food processing, steel, but so too does the international finance and management sector. Logically, if demand for services, construction or banking is falling, demand for highly and low skilled staff decreases too and employees are laid off. Hence, worldwide, indigenous as well as migrant workers - cleaners and builders, miners and textile workers - lose their jobs. Simultaneously, highly skilled employees such as stock brokers are also sacked and on the global markets fewer experts are deployed on overseas projects and they are discharged or called home. Because all industrialised countries go through a crisis there will be fewer opportunities for Europeans within the EU, in the US, Canada, Australia and New Zealand. International students might find it harder to identify grants, get credits or to afford studies in another country.

To take the example of the UK, because there are no longer jobs in the traditional destination countries emigration of British citizens is likely to go down. And because unemployment rises, house prices tumble and the British Pound falls and income, saving and pensions dwindle and lose value, fewer people will be able to afford a (second) home in the sun and retire to Spain or Cyprus. According to media reports, some of the 800,000 British expatriates in Spain in order to escape the consequences of the falling Pound have already returned home and a mass exodus is expected (BBC 24 News, 19/1/2009).

This will also be the case in other countries with other mobile Europeans, e.g. Dutch and Germans. Therefore, fewer Europeans will move to another EU country or abroad. Instead, some European migrant workers and retirement migrants might return back home to enjoy the safety of European welfare states.

Often, however, it is migrant workers or ethnic minorities, whether in South Africa or in the UK, who feel the brunt first and hardest and are amongst the first to be made redundant. In the UK it is reported that the first workers to be made redundant are those who are deployed by agencies, they have no contract with the business they are working for but with the agency only. And a large proportion of these agency workers are immigrants. And in Germany, for instance, 'foreigners', mostly ethnic minorities without citizenship, already suffer disproportionately. In 2007, their unemployment rate was twice as high (18%) as the average unemployment rate (9 %) and the discrepancy is further increasing (IZA 2009).

3. One possibility is that as a consequence opportunities for migrants as well as immigrants diminish in industrialised and industrialising countries alike. In the UK emigration and immigration slowed down in 2007, though both were still at a high level. Thus, for the time being, things seem to come to a halt and people remain where they are and might wait to see which directions developments take before making further migration decisions. Gloomier prospects also trigger some return migration, in particular of temporary migrants, including irregular migrants. The same seems to be true for internal mobility. For instance, in Kyiv, the capital and economic power house of Ukraine, it is observed that large numbers of workers return home to their towns and villages. This is because periods of unemployment are for some better coped with at home where family and friends provide a safety net. A related consequence will be that migrant workers who lose their jobs will no longer be able to remit to their home regions and countries, and because some regions, countries and numerous families heavily rely on these remittances this will add to their difficulties.

4. Another trend seems to be that the crises have a more devastating effect on some emerging economies, such as Ukraine and Turkey, where many businesses go bankrupt and people lose their jobs. As there are few welfare provisions, people might have no other option than to seek opportunities abroad, not only in employment but also in petty trade. Often, they will try neighbouring countries. Simultaneously, decreasing income in the top industrialised countries may well increase demand for cheaper goods and services and in particular shadow economic activities. This could then open more opportunities for labour migrants, including irregular immigrants. Further to this, new opportunities could arise in those countries that are not much affected by the crises and still display economic growth, for instance Poland and India. As a result, migration at least from and to some countries could actually increase. This, however, is unlikely to outnumber the damping effect of the current crisis.

5. There might also be cases in which migrant workers lose their job and guest workers are sent home without being able to identify new destinations and new sources of income. What if the one million Ukrainian guest workers in Russia lose their jobs and are sent home whilst not having the alternative to instead migrate to the EU because demand for migrant workers is decreasing there too? In this case people would get stuck. Conventionally, and in theory

(Hirschman, exit, voice or loyalty), if migration is no option people alternatively fall into resignation, which could generate all sorts of social problems, or they raise their voice, in other words turn to the streets and protest in demand for jobs, welfare or whatever; even riots of the discontented, poor and hungry would be possible. This seems to have been the case in Iceland, Lithuania, Romania and Russia whilst recent outbreaks of unrest, as in France or Greece could be related to the crises. Notably, in Western Ukraine, traditionally a region of high emigration, a rise in strikes and protest can be observed (see various reports on www.radioswoboda.org).

6. Finally, anti-immigration agencies, such as Migration Watch UK, seem to take advantage of the crises, exploit the opportunity and reinforce their demands for more immigration restrictions. Certain trade unions too, as in the UK over the case of foreign EU workers in construction or contracts given to non-UK manufacturers, call for 'jobs for British workers' and call for protectionist policies. This, however, could prove counter-productive as usually migration adds to economies of scale, increases GDP and creates jobs. Thus, in times of crises when GDP is shrinking a decline of migration could actually further contributes to this fall and could in fact lead to further losses of indigenous jobs.

Scenarios

From this reflection five main scenarios or a combination of several could be anticipated:

- Scenario 1: Migrants could return in large numbers, the global movement of people including international migration could diminish and migration - pointedly spoken, not literally - could come to a halt.
- Scenario 2: Migrant workers who are made redundant in their present host country as well as workers who lose their jobs in their home country might try to migrate to other countries. This could be fuelled by increasing demand for more cheap labour and service. Thus, global movements of people in search for livelihoods could increase, at least from and to some other countries.
- Scenario 3: The crisis is felt harder by migrant workers and the recipients of their remittances, and by ethnic minorities; the economic crisis will not generate a migration crisis but rather turn out to be an individual crisis for migrants and their families at home.
- Scenario 4: Countries go through a migration transition, some stop sending migrants, others start sending or receiving migrants and accordingly new sending and destination countries emerge. Thus, whilst the overall level could remain the same, we could see a new migration order emerging.
- Scenario 5: Several countries turn to more protectionist migration policies, not just over migration but also over trade matters. Anti-immigration lobbies exploit the current crisis and promote their agenda. This could fall on fertile ground as indigenous workers who suffer from the crisis might turn to blaming aliens for their misfortune. Thus, xenophobia and racism could increase.
- Scenario 6: As emigration ('exit') is no longer an option for improving life people will turn to protest ('voice') and a period of discontent and social unrest could be expected.

Conclusion

The presumption is that in the short run and under conditions of severe and prolonged crises all activities that characterise globalisation, from the flow of capital and goods to the flow of people are likely to slow down and decrease. In the medium term, migration of people desperate to find new sources of income could increase. And in the long run, new sending and receiving counties could emerge which results in a changing global migration order. This will possibly happen anyway but would be accelerated by the crises. Thus, the interplay of crises and migration could prove to have a massive impact on the transformation of society.

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