

Update 1B: Forced Migration in an Era of Global Financial Crisis - What Will Happen to Refugees?

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The neo-con orthodoxy of global economic liberalisation and deregulation always found it hard to come to terms with nation state concerns to regulate migration and protect ‘sovereignty’ at the border. But, on the surface at least, that special category of forced migrants – refugees, asylum seekers and IDPs – had been immune from the contradictory political and economic priorities. Can we expect this immunity to continue with the global financial crisis? Will it impact that special category of forced migrants and, if so, how and to what extent?

The ‘limited impact’ scenario

From one perspective, it is hard to see how the two phenomena, financial crisis and forced migration, might link together: there are at least three reasons why one might argue this case.

First, one might argue that conflict, violence and persecution (the principal causes of refugee flows) exist irrespective of the health of global or even national economic conditions. For these reasons alone, the flow of ‘forced migrants’ might be immune from these new economic forces. Propelled by new or continuing crises such as Iraq, Somalia, Afghanistan, DRC, Georgia, the rising trend of refugees in the last two years, after several years of declining numbers, might continue – currently at 11.4 million according to UNHCR 2007 data; or the number of refugees might fall if post-conflict and peace-building measures produce stability in war torn and fragile states around the world, although this prospect seems remote given the intractability of many of the current humanitarian crises.

Second, the argument for minimal impact is given added significance because the regulatory apparatus to ‘manage’ refugee migration, as opposed to economic migration, is also distinctive. The response of the international community to this category of migration is governed by the 1951 Geneva Convention relating to the Status of Refugees and the 1967 Protocol. This provides a well established, although problematic,

international legal and normative framework for protecting the rights and claims of refugees. Very deliberately, this apparatus sits firmly outside the economic and social dynamics which drive international labour market migration. This should safeguard the special conditions of this category of migrant, in theory at least, from national governments seeking to protect their own 'indigenous' labour forces from rapidly rising unemployment by restricting migration and by returning migrants to their countries of origin.

Third, the world of refugees is shaped by a humanitarian discourse about protecting basic human rights and moral obligations which, in theory at least, sets these challenges above the partisan politics and interests of national governments and international agendas.

The 'major impacts' scenario

Despite the plausibility of this argument for minimal impact, can a counter argument also be made? I believe it can and that there is a strong case to suggest that there will be major impacts. Here, a number of countervailing tendencies can be asserted.

First, almost irrespective of the overall volume of people seeking sanctuary, the official numbers of those gaining the prized and privileged status of 'refugee' under the Geneva Convention is very probably going to decline. Of course, the exception would be an, as yet, unpredicted new humanitarian crisis causing a large new outflow of refugees. Such a situation would challenge the statistical validity of my argument but not the principles on which the argument is based.

How might the official number of refugees decline whilst the actual numbers fleeing conflict and persecution stay the same or, most probably, rise? This perverse outcome might occur, not as the direct impact of the financial crisis on the causes of forced migration, but because receiving states will make an even stronger case to ratchet up the legal and policy measures which they have so successfully applied in the last decade to deter and restrict refugee claimants.

In recent years the case for restricting refugee claims has been wrapped up in a wider political and often racist rhetoric about the scale of irregular and unregulated migration in a global economy, the purported abuse of the refugee convention and the impacts on domestic social cohesion. There can be little doubt that in the current climate this rhetoric

of restrictionism and control will become much more prominent, not just in the developed world but in the global south, too, where the majority of refugees are concentrated.

These national political imperatives to protect domestic labour markets and to tighten the management of migration, will undoubtedly have negative impacts on refugee claims. Increasingly, those seeking asylum will find it harder to lodge their claims as bona fide refugees; more people will be consigned to 'temporary protection' categories; the appeal machinery will be circumscribed; destitution will be covertly engineered; and we can expect a significant increase in the numbers of 'failed asylum seekers' being repatriated, probably forcibly. In this way governments will be able to demonstrate their protectionist priorities - reducing the impact of the global financial melt down on domestic labour markets and limiting the 'undeserving' claims of low status asylum seekers on a social welfare infrastructure increasingly under pressure as unemployment rises.

So the first effect of the financial crisis will almost certainly be a reduction in the official number of refugees world-wide, whilst significantly increasing the vulnerability of those forced to flee war and persecution because national governments will be further disinclined to sustain the vital protection norms enshrined in the 1951 Geneva Convention. More asylum seekers will be driven underground: worse still, others will not even risk these outcomes and, by remaining behind, may well swell the numbers of victims caught up in conflict.

Second, the vulnerability of all those who are forced to flee conflict and persecution – irrespective of their actual legal status - will increase significantly. This is because the funding of humanitarian assistance, and indeed all development assistance, will inevitably decline quite severely over the next few years. Whilst it has become an almost annual event for agencies like the UNHCR to reprise predicted budget shortfalls for their programmes, in the current financial climate these claims take on a new urgency and meaning. They cannot be discounted as mere campaign talk. Just as the labour market measures, discussed above, reveal a resurgence of national government interests over global agendas, the new fiscal orthodoxy of massive government borrowing to refinance domestic finance markets alongside neo-Keynesian rescue packages to stimulate growth, reveal an equally fierce resurgence of domestic economic needs over the claims of international constituencies such as refugees, and IDPs. Declining government assistance for humanitarian needs will be mirrored by declining charitable income for the vast number of NGOs delivering humanitarian assistance.

The consequences of this starvation of humanitarian assistance funds will be severe. The so called relief-to-development continuum takes on a new meaning in these circumstances. More significantly, not only will there be less assistance available for humanitarian interventions in current and future refugee emergencies: longer term programmes of peace-building and post-conflict reconstruction will also be reduced. We can therefore expect the incidence of so called 'protracted refugee crises' to increase in parallel with the diminution of the resources and thus the means to seek solutions to current and future conflicts. The vulnerability of IDPs has been a particular concern of the humanitarian community for the last decade. In the present circumstances of declining international assistance, their vulnerability can only increase.

Third, in recent years one of the major conceptual challenges to the exceptionalist discourse of the refugee migrant, has been to claim that the asylum-migration nexus, or what others call mixed-migration flows, provides a more robust description of the complex of factors which impel forced migration in the contemporary world. The immediacy of persecution and conflict, the traditional root causes of exile, cannot be separated from less obvious causes which usually have a longer gestation such as a state fragility, the decline of human rights protection, economic marginalisation and the 'failure' of development. In other words, and contra the argument in the first section, conflict and economic wellbeing (amongst other variables) are inextricably linked in the migration process. This complex of reasons has propelled significant numbers of international migrants in recent years - notably global south to global north but also, less politicised and documented, south-south migration. And it is this complex of reasons which has enabled governments in the developed world to justify the restrictionist and deterrence regimes, discussed above, in order to distinguish the 'genuine refugee' from the economic migrant masquerading as a 'bogus asylum seeker'.

Whilst not opening up debate on the validity of the concept, it does shed some light on how the consequences of the global financial meltdown might impact the generation of forced migrants. Two outcomes can be postulated and they are supported by many of the same reasons: an increase in migration which is more likely to be conflict-induced and an increase in mixed-migration flows where conflict conditions are mixed with other factors.

In the first case, we might anticipate an increase in conflict-induced migration because the financial meltdown will negatively impact countries already conditioned by limited

development opportunities, weak governance and civil society structures, and widespread impoverishment. We know that these conditions, combined with processes of social and ethnic marginality as well as threatened elites seeking to assert their controlling interests, provide a powerful way of elucidating the complex 'causes' of many current refugee and IDP situations. The financial crisis will precipitate the slowing down or reversal of economic growth as development assistance and development programmes falter: competition to sustain livelihoods, and power, in an environment of increasingly scarce resources will accentuate. It is not unreasonable to assume that progressively more marginalised groups, or elites who fear a loss of power, will have recourse to violence to protect their interests and that these outcomes will generate further forced displacement in the future. To avert these outcomes, innovative but resource-scarce ways will need to be found to strengthen civil society and government structures, but in highly adverse circumstances. The impacts of this displacement might be greatest within the affected countries (ie generating IDPs) or in the immediate neighbouring countries.

In the case of mixed migration flows, in other words where conflict is a causal factor, but is perhaps low level or sits alongside other more immediate factors such as economic and social impoverishment, the conditions which have generated large volumes of migration in recent years might continue in the global financial crisis. Typified by the flows of migrants from sub-Saharan Africa to Europe, the relative economic advantages of the global north over conditions in the global south will persist in the current financial meltdown. Despite increasing restrictionism in the north and thus the heightened risks of irregular migration, it seems paradoxical but perhaps not unreasonable to assume that those escaping a complex mixture of poverty and conflict will continue to want to do so. Indeed, the pressure to escape these conditions might increase as marginality, in poor countries of origin, itself increases. Compared with migration which is more directly conflict-induced, we might assume that mixed migration flows will accentuate the existing tendency to longer distance, transcontinental migration.

An interesting question for economists is to assess whether the costs of smuggling and trafficking will increase with the scarcity of opportunity, or decline as disposable income and the propensity to borrow diminish in an environment of financial impoverishment.

Other forced migrant cases

Two other situations of forced migration merit consideration in the current climate.

What might happen to development induced migration in the global south? The firm assumptions are that development assistance will decline, development will slow and that many economies will go into recession. Particularly in the global south, recourse to highly-g geared neo-Keynesian intervention, now adopted by governments of the developed world, is a non-starter. As a result, investment in dams, roads, railways, urban renewal projects and the like – infrastructure projects responsible for the development induced displacement of millions of people every year – will decline, although perhaps not immediately as already funded projects are implemented. Thus the only forced migration ‘winners’ from the fiscal crisis seem likely to be those who would have otherwise been displaced by projects which are now unrealisable. Even so, these communities will be susceptible to the impacts of economic meltdown – marginal livelihoods will be increasingly constrained, impoverishment will be accentuated.

Finally, what might be the impacts on so called, but misnamed, environmental refugees? Here the outcomes are perhaps most difficult to forecast – as indeed they were before the recent financial crisis. But focusing again on the global south we can draw some tentative conclusions.

The global economic slowdown might have an impact on global warming. If it does, then it is likely to be imperceptible given the scale of change already built into the world’s climatic system and will, in any case, be short-term. Thus the displacement impacts of, for example, the predicted rise in sea levels and disaster-induced displacement because of the increasing incidence of floods, tornadoes and the like, seem likely to remain undiminished.

More complicated to assess are the impacts which the current financial crisis might introduce to the long-onset changes in environmental conditions and thus the propensity to migrate. Will ‘tipping points’ become more or less intense and frequent if the financial crisis eventually translates into increased environmental ‘shocks’? Which populations will be most adversely affected by the way the financial crisis will work its way through to environmental impacts? How might affected populations reduce their ‘environmental’ vulnerability and increase their ‘environmental’ resilience as livelihoods become additionally stressed by economic factors.

Answers to these, and similar questions, must be predicated on the clear recognition that only in exceptional circumstances are changing environmental conditions the direct and unique cause of migration. Empirical evidence now discounts this simple linear relationship. We know that changing environmental conditions do, indeed, have the propensity to generate migration, but only in combination with a nexus of socio-economic and political variables which determine household livelihood strategies and the role which migration might play as one option to deal with these dynamics. By extension, the impact of the financial meltdown on this nexus will also be both indirect and complicated.

Perhaps more than for any other category of 'forced migrant' discussed so far, the need to develop systematic and robust models to understand and predict the possible consequences on environmentally induced migration is the most pressing.