

**Update 1H** Brief views on the effects of the global financial crisis on migration

**Dr Maruja Asis** of the Scalabrini Migration Center, Quezon City, Manila, Philippines, <http://www.smc.org.ph/> sent the following comments:

At least for the Philippines, there has been some repatriation (the figures are debatable) of some 2,000 from Taiwan. Numbers or estimates of possible displacements are reported in the papers, but there has not been repatriation from other destination countries. If we go by the lessons from the 1997 economic crisis in Asia, the construction and manufacturing sectors are likely to be affected the most (also, the financial sector, but this is not a migrant labor market). In part, the closure of factories or the downsizing of factories in Taiwan has resulted in the retrenchment of Filipino workers. Interestingly, news of retrenchment of other national groups has not arisen. In terms of overseas employment prospects, it is difficult to glean from the reports now on what these will be. On the one hand, there is news or hints of possible retrenchments and repatriations, but on the other hand, there is also news of new job prospects in the Gulf countries. It will be interesting to watch whether Malaysia, Korea and Thailand - which were most affected by the 1997 crisis - will act differently in their treatment of migrant workers. All three countries implemented large-scale repatriation in the hopes of freeing jobs for local workers, only to discover that locals and migrant workers occupy different labor markets. Hence, they experienced high domestic unemployment and at the same time, they had labor shortages in plantations (in the case of Malaysia), rice mill industry (in the case of Thailand), and in sectors that have come to be associated with migrants' jobs.

The 1997 crisis also demonstrated that the demand for domestic workers is relatively unchanged in spite of the crisis.

In terms of remittances, although there are forecasts of lesser inflows, the volume has not been affected thus far. Remittances are in fact countercyclical, which is something that cannot be said about investment flows. In the case of the Philippines, remittance flows have not been affected, and with the Christmas season, more inflows are expected.

One major difference between the 1997 crisis and the current one is the appreciation of the crisis - the 1997 was a regional crisis (Asian) and exposed the lack of safety nets in Asian countries; the current one is appreciated as showing the deep cracks of capitalism.

Among others, the current crisis underscores the lack of data and indicators to measure the impact of the crisis on migration.

Dr Asis also drew attention to the regular reports in the magazine *Asian Migrant*, starting with the November 2008 issues, obtainable at:

<http://www.smc.org.ph/amnews/amnarch.htm>

**Professor Hwa-Seo Park** of the School of Social Education, Myongji University, Seoul, Korea drew attention to a late 2008 Press Release of the Korean Ministry of Labour, in which it announced its decision not to issue new work permits for foreign workers at least until next February 2009. Prof. Park also wrote:

One interesting thing is the dramatically soaring remittances from the Overseas Korea Communities especially in the US and Japan under the slogan of 'Buy Korea'. For instance, last month US\$ 1,200 million was remitted for real estate purchase, stocks etc from the ethnic Korean communities.

Similar phenomena occurred during the last 'IMF' financial crisis in 1997 when the ethnic Koreans overseas made tremendous effort in mobilizing their capital to help and invest in Korea through purchasing Korean products only and depositing into Korean banks.