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New Times? Economic Crisis, geo-political transformation and the emergent migration order

Changes in Global Migration Governance

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NB Paper based on notes for a spoken presentation.

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Allow me to start by thanking the Centre on Migration, Policy, and Society for the invitation to speak at this annual conference. I'm especially grateful to Jenny Newman.

Within the overall theme of 'New Times? Economic Crisis, Geopolitical Transformation, and the Emergent Migration Order' I've been invited to speak about 'Changes in Global Migration Governance'.

A few comments on the overall theme for this conference.

First, I don't think these are 'new times'. The impact of the global financial crisis on migration is in abeyance. Around the world migrants have not been laid off or returned at the scale once predicted. The World Bank has adjusted its forecast for remittances upwards. There have been no seismic changes that compare for example with the migration impacts of the Great Depression or the Oil Crisis. I also think it is too early to speak about geopolitical transformations. In spite of the global financial crisis, most commentators would agree that this remains a unipolar world and that the US economy remains dominant. The shift of power from West to East is gradual and far from complete.

Neither am I sure that we can really speak of an 'emergent migration order'. Most governments still show little desire or even capacity to coordinate migration policies or to establish an institutional locus of responsibility for helping states manage movements of people. Only in the areas of refugee protection, and more recently migrant smuggling and human trafficking, have large numbers of governments agreed to binding international laws and norms. And within the UN system efforts to improve coordination among agencies and with the International Organization for Migration remain largely unambitious, focusing on consultation rather than decision-making.

Second, I think careful analysis is required about the extent to which either economic crises or geopolitical transformations, when they do take place, will

necessarily have implications for the current migration order. The relationship may not be causal or direct.

There clearly are global trends that do limit unilateral approaches to migration, and portend the need for enhanced international cooperation and global governance. These include growing economic integration, changing security interests, increasing transnationalism, technological innovations, growing reliance on smugglers and traffickers to facilitate irregular migration, and climate change.

Should economic crises such as the global financial crisis be added to the list? Are new global governance approaches to international migration really required to respond to the impacts of economic crises? On the basis of evidence from the global financial crisis, I think the answer is 'no'. Indeed, I'll suggest that far from accelerating an emergent migration order, responses to the global financial crisis have in fact been characterized by a retreat away from multilateralism and global governance towards unilateralism and national self-interest.

What about geopolitical transformations? Major transitions of geopolitical power historically have had migration implications, if for no other reason than that they have not usually taken place peacefully. But a few flashpoints such as Kashmir, Korea, and Taiwan aside, there are no indications that the geopolitical shift of power from West to East will necessarily be violent. What is more Asia is already the engine-room of global migration. The shift of power from West to East may underline existing migration patterns and processes, but I have my doubts that it will transform them.

Against the backdrop of these introductory comments; I'd like to do three things in this presentation. First, and briefly, I'll summarize the main migration impacts of the global financial crisis for which we currently have evidence. Second, I'll consider policy responses, and the extent to which the global financial crisis has resulted in any significant shifts in the current migration order. Finally, I'll conclude with some reflections on the future of global migration governance.

The impact of the financial crisis has been uneven around the world. While much of the developed world is beginning to recover, the least developed countries are only now beginning to be affected. The impacts of the global financial crisis on migration have varied significantly too, according to factors such as the proportion of migrants in a given country, their concentration in particular economic sectors, their legal status, and their skills levels. Equally states have responded differently to these migration impacts, in some cases negligibly, in some cases decisively, and in some cases inconsistently. It follows that it is hard to generalize the migration impacts of the global financial crisis, especially given time lags on data on migration and remittances.

Nevertheless a number of trends have become apparent.

First, rising unemployment among foreign workers: This has especially been the case in employment sectors that are most sensitive to economic cycles, such as construction, manufacturing, financial services, retail, travel and tourism. Unemployment rates for foreign nationals have increased in the Russian Federation, Spain, Taiwan, the UK and the USA. In Malaysia and Singapore labour market policies have been put in place to encourage employers to retrench migrant workers first and to replace them with unemployed nationals.

Second, deteriorating working and living conditions: There have been reports from the Russian Federation, Malaysia and Singapore of reductions in wages or non-payment of wages for foreign workers. More generally deteriorating working conditions, such as a reduction in working days or the availability of overtime, are apparently affecting migrant workers disproportionately, as they are often in the weakest bargaining position for example as temporary contractual workers. Sporadic instances of discrimination against migrant workers and a rise in xenophobia have also been recorded, in Malaysia, Russia, Singapore, Spain, and the UK.

Third, returns: Significant returns of unemployed workers have been reported particularly from the Gulf States and especially from Dubai. Returns have also taken place from Malaysia to Indonesia. Some European governments, for example in the

Czech Republic and Spain, have introduced financial incentives to encourage unemployed migrants to return home. The Governments of the Philippines, Bangladesh, and Sri Lanka have all introduced assistance packages to support returning migrants.

Fourth, reductions in remittances: A decline in remittances flows has been predicted by the World Bank for 2009, at best by 0.9 percent and at worst by six percent. This compares with a growth rate of 6.7 percent in 2008. In addition changes in exchange rates affecting currencies in significant destination countries are decreasing the value of remittances even where their volume remains constant. It has also been predicted that migrants may be less willing to send money through formal channels because of a lack of confidence in the stability of banking systems.

Fifth, irregular migration: There is some evidence, for example between Mexico and the US, of a reduction in the flow of irregular migrants, as potential migrants realize that job opportunities are scarce. At the same time the existing evidence is that stocks of irregular migrants are increasing, for example in the Russian Federation, as unemployed migrants remain in destination countries and seek to work without authorization, rather than return home to unemployment and the risk of not being granted a visa to come back again. It has also been suggested that the downturn in the global economy may drive more people into the hands of migrant smugglers and human traffickers.

Sixth, student migration: Global statistics are not available for overseas student enrolment in 2009 yet, however Higher Education Councils in Australia, the UK and the USA have all made public statements predicting a reduction in enrolments.

Seventh, humanitarian migration: The number of people of concern to UNHCR has increased significantly in the last year to over 42 million people. It is very hard to establish a causal relationship between the effects of the global financial crisis and the root causes for refugee movements. The High Commissioner is however concerned that donations to UNHCR will be reduced at the November 2009 pledging

conference; while the UN Emergency Relief Coordinator has predicted an overall reduction in humanitarian funding in 2009 and 2010.

Has the global financial crisis and its migration impacts encouraged, or facilitated, or necessitated a shift in the migration order towards greater global governance? I think not, for five reasons.

First, overwhelmingly the response to the migration impacts of the global financial crisis has taken place at the national level, and in particular in an effort to protect national labour markets. A number of countries have stopped issuing work permits to new migrants, restricted the renewal of visas to temporary migrant workers, reduced quota numbers for the admission of foreign workers, or raised entry requirements. To an extent national responses have also been associated with scepticism about regional agreements and arrangements, even in the European Union.

Second, on the whole national responses have been responsible and effective. States in South East Asia, for example, seem to have learned the lessons from their responses to the Asian financial crisis in 1998, and this time around have made migration policy on the basis of labour market evidence rather than in response to public pressure. Migrant workers have not been laid off at the rate initially feared. Where they have occurred returns have taken place in an orderly manner and there have been no reports of forced returns. Similarly working and living conditions for migrant workers have not deteriorated as significantly as expected, and in most countries existing social protection measures appear to have been effective.

Third, although they have been limited, bilateral and regional initiatives appear to have coped well with the crisis. There have been some examples of labour-exporting countries, for example Indonesia and the Philippines, negotiating directly with destination countries to maintain access to the labour market there. Australia entered into high-level dialogue with the Indian authorities earlier this year to maintain the flow of overseas students. Consular protection has been mobilized to help protect some migrants who have been laid off or become vulnerable, especially

in the Middle East. Bilateral agreements have generally been used to facilitate return movements. And regional consultative processes, such as the Bali Process, have prioritized the migration effects of the global financial crisis on their agendas and shared information and engaged in dialogue.

Fourth, at the global level, I would argue that responses to the migration impacts of the global financial crisis are better characterized as a withdrawal away from the idea of multilateral cooperation or global governance, rather than progress towards it. The crisis has exacerbated the long-standing divergence of interests between poorer countries seeking opportunities for their workers in the labour markets of the rich world, and richer countries seeking to protect their labour markets for national workers.

International organizations have also missed the opportunity to use the crisis as a catalyst for greater cooperation. UNHCR has been concerned about humanitarian funding, ILO about the protection of migrant workers, and IOM about impacts on its core activities. All three organizations have commissioned separate research and commentaries, with very little coordination or integration. In the face of the global financial crisis international organizations have retreated into their silos.

The Global Migration Group, charged with providing stronger coherence and leadership on the UN response to international migration, has struggled even to find a chair for its next round of meetings in Geneva. As for the Global Forum on Migration and Development, Argentina has withdrawn as the next host, citing the global financial crisis as one of the main reasons.

Fifth, I don't think the global financial crisis has exposed any pressing new agendas for global migration governance. There have been three main problem areas. First, in some countries migrant workers are being exploited in and out of work. Origin and destination states have attempted to respond, but we have hardly seen a new impetus to ratify the UN's Migrant Workers Convention. In some countries migrant workers who have been laid off have apparently remained in an irregular fashion rather than risk not being able to enter the country again. In some cases their

conditions are reported to be very bad. But irregular migration, with the exception of migrant smuggling and human trafficking, remains resolutely the prerogative of national policy. Probably the third main issue of concern has been the difficulties of reintegration for returning migrant workers, who in some cases are adding to increasing unemployment already occurring as a result of the global financial crisis. Again largely this is a challenge for national policy, not global governance.

I don't think any of this should surprise us. During a recession it is to be expected that states will act to protect their labour markets and try to manage migration. Restrictions characterized the responses to the Great Depression, the Oil Crisis, and the financial crises in Asia, Russia and Latin America. It appears that the lessons states have learned from previous economic crises is not to cooperate more, but to make sure that unilateral policies are more effective. Similarly it should be no surprise that during a recession international organizations should be concerned to secure funding from their donors - precisely the states that are being affected by the global financial crisis - and thus emphasize their core competencies rather than extend into uncharted territories.

The interesting question is whether what I have characterized as a withdrawal from multilateralism and cooperation is a temporary phenomenon, which will pass as the global financial crisis does, or something more permanent. It is too early to say, but I would make this observation. Initiatives towards global governance in the past decade – the Global Commission on International Migration, the UN High Level Dialogue, and the Global Forum on Migration and Development – all took place against the backdrop of economic growth. A time when a 'win-win-win' scenario seemed possible; when remittances were growing exponentially; and when labour markets around the world were expanding and opening up to migrant workers. I wonder whether the global financial crisis will be viewed as a reality check, and herald a more cautious, less consensual, and less ambitious period of global migration governance.

If there is a withdrawal from global governance in migration, however, I can imagine it spurring greater global governance in other fields. Over the last decade, warnings

that remittances are an unreliable source of GDP; that diaspora investments cannot replace development assistance; and that labour export is not a sustainable economic model, have largely been ignored. Perhaps they will not be any longer. It may be that a more realistic approach to migration will require a more responsible approach to trade, aid and development. More unilateralism in migration may result in greater multilateralism in other related fields.