

The Global Economic Crisis and the Future of Migration: Issues and Prospects

What Will Migration Look Like in 2045?

Bimal Ghosh



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Also by Bimal Ghosh

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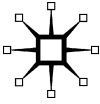
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The Global Economic Crisis and the Future of Migration: Issues and Prospects

What will migration look like in 2045?

Bimal Ghosh

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*Remembering Manjula,
Now far away, yet always so close; and
To: Swati and Rex
For their loving and constant support*

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Preface

More than four years ago the world was afflicted by the worst economic crisis since the 1930s. At the height of that crisis, in 2009, several international organizations, including the International Organization for Migration (IOM) and the Hague Process on Refugees and Migration (THP), became increasingly concerned about the impact of the crisis on international migration. Out of this concern, the two organizations asked me to carry out a comprehensive analysis of how exactly the economic crisis would affect the origin and destination countries and what should be the policy responses to the issues involved in both short and long term.

In 2011, my book, *The Global Economic Crisis and Migration: Where Do We Go from Here?* came out in compliance with the IOM/THP joint request. In writing a foreword to the book, William Swing, Director General of the IOM and Peter Sutherland, United Nations Special Representative on Migration and Development said in part¹:

The corrosive effects of the Great Recession...are driving changes in migration policies and patterns – changes that can significantly influence social peace, inter-state relations and the pace of global economic recovery. Yet these migration issues have thus far received little attention, with recession-related policy debates and public discussions mostly focused on financial rules and reform. Into this void comes Bimal Ghosh's new book – which bridges the policy gap and offers a fresh outlook on the future of migration.

I have been encouraged by the response the book has since received and I am thankful to all those who have cared to write or speak to me personally in this connection. Why should I then write another book on the economic crisis and migration? It seems worthwhile to explain the reasons.

Since the publication of my previous book in 2011 (with December 2010 used as the cutoff date) there has been no lessening of the pressure on the world migration system. Indeed, in many ways the strain

¹ See annex for the full text of the Foreword.

on the system has increased. Anti-immigrant parties and lobbies have been gaining strength; and migration policies have become more restrictive and inward-looking. In many parts of the world, the immigration climate has become markedly tense. Public polls (May 2012) in 15 European countries,² for example, revealed that while migrants in general rated their wellbeing worse than the native-born in these countries, the newcomers (those who arrived in the previous 12 months) were more likely to hold this negative feeling. At the same time, host societies were becoming less tolerant of migrants. Results of a survey (published in August 2011)³ by London-based Ipsos research firm, in nine European countries showed that as many as 56 per cent of people felt there were too many migrants on their soil and only 17 per cent thought immigration had a positive effect. In austerity-bitten Europe, there is evidence of a growing anti-immigrant feeling, as reflected in a warning from Human Rights Watch that xenophobic violence has reached alarming proportions in parts of Greece.

With all this, as the risk of mismanaging migration was rising, I started wondering if it would not be useful to revisit these issues and write a new book. I was in fact thinking of a book, which would update and complement my previous work with new data and fresh thoughts. In addition, and more importantly, it would address in depth the new migration challenges, in terms of both risks and opportunities, that were being unleashed by more recent political and economic developments – developments that were unknown or less conspicuous at the time that I was writing my previous book on the subject.

The uprisings in the Middle East and North Africa (MENA), now widely known as the Arab Spring, are among those developments. The mass revolt over lack of political freedom and economic opportunities which first started in December 2010, in Tunisia has now swept through a good part of the region. The spirit underlying these uprisings has spread even beyond the Arab world and may have inspired or encouraged protest movements of a varied nature and with diverse demands across regions. Regardless of the final outcome of the Arab Spring uprisings, they will have a profound impact on migration both in the MENA region and beyond, creating new opportunities as well as risks. I thought it was time that these were carefully discerned and fully analysed.

² *Gallup World*, May 2012, "In Europe, migrants rate worse than natives."

³ "Global View on immigration," *Ipsos*, August 2011.

I also thought of another, and even more powerful, precursor of change in world migration, especially South–North and South–South flows: the rebalancing of the world economy. The prolonged global economic crisis has accentuated the rebalancing process driven by slow economic growth or stagnation in rich countries alongside significantly higher rates of growth and a more positive future economic outlook in an increasing number of emerging economy countries. This economic rebalancing and associated geo-political changes may well be an important watershed in modern history. The changes and the uncertainties they bring would also play a key role in reshaping the existing configuration of world migration. And the trend would be reinforced by the continuing spread of labour-saving technology and changes in way of life in rich countries as well as by recent demographic trends in both advanced economy and many developing countries.

I had touched on this latter issue in my previous book, but the discussion was not in sufficient depth or detail. I felt it was important to bring into sharper relief how the new political and economic trends, including the underlying structural changes, are likely to influence world migration in the coming decades. These changes, I thought, were not receiving the attention they deserve. Some analysts were in fact assuming that once the (supposedly short-lived) economic crisis is over, world migration will continue to flow as in the past. This is because, according to their hypothesis, the principal structural factors such as economic and demographic asymmetry between rich and poor countries that have been driving much of the contemporary migration will remain the same. This static or “business as usual” approach worried me.

I also found it troubling that in dealing with the impact of the ongoing economic crisis on migration, some analysts were focusing too narrowly on the recent headline figures on new migration entries. Admittedly, relative to the depth and gravity of the economic crisis, these figures for new flows showed a somewhat small (though not negligible) decline; it was also less than previously anticipated. Unfortunately, this seems to have led these analysts to overemphasize the “resilience” of migration and conclude that migration has remained unaffected by the economic crisis. Clearly, this narrow approach ignores the changes not only in the composition and direction of the new flows but also the changes in the causes and conditions underlying them. In doing so, it fails to explore adequately the economic, social and human implications of these changes. I could not escape the feeling that this narrow approach – like the static “business as usual” approach I have just

mentioned – was likely to give wrong signals to policy planners and lead them astray. I pondered these thoughts – and may I add – agonized over them for several months.

The present book is the outcome of these reflections. It also complies with the wishes of those friends and colleagues who had read my previous book and have been urging me to update and enlarge in a new book the discussion already contained in the 2010 publication.

The book addresses several issues, such as those related to the Arab Spring, which are highly volatile and continue to evolve so fast that they exclude all possibilities of bringing the readers right up to date. Given the schedule of production, I have tried to use the latest information available, with January 2012 as the cut-off date.

The book opens with an introduction that highlights the need to delving deep into the real significance of the recession-driven changes in world migration. It alludes to many structural changes that are set to reshape the configuration of human mobility over the coming three decades and the uncertainties associated with them and sets the stage for the detailed discussion that follows in three parts of the book.

The first part (Chapters 1–5) deals with the background of the recession-driven changes in migration patterns and practices, examines the effects of these changes on origin and destination countries and the world society, and then puts forward a set of policy and operational measures to meet the challenge that they entail. This part of the book draws heavily on my previous book on the global economic crisis and migration.

Part II of the book (Chapters 6–8), is devoted to the future of world migration. It opens with Chapter 6, which deals in some detail with the Arab Spring and the consequences of the conflicts on migration in the Middle East and North Africa and beyond: this is done from short-medium- and long-term perspectives. A full-length discussion on the future of global migration follows in Chapter 7, which also presents a profile of what global immigration may look like by 2045. This chapter makes special reference to new South–North and South–South movements in the context of the rebalancing of the world economy, and changing demographic, technological and cultural trends. Chapter 8 takes on the follow-up discussion of the changing landscape of South–South migration, and provides insights into the growing economic and migratory links within the South.

Building on my previous writings, the third and last part of the book (Chapter 9) provides an outline of a new global architecture, based on a common and cohesive set of norms and principles, to deal with the

present malaise in the migration system and make future movements more orderly, predicable and humane. It urges G20 leaders to spearhead the drive to build this new architecture and set the course for further action jointly by the United Nations and other international agencies concerned.

Although several organizations have continued to show a keen interest in this book, in writing it I have deliberately avoided drawing financial support from any one of them; and responsibility for the views expressed in it rests with me alone.

As I recall, my first association with Macmillan Press dates back to 1997. I am delighted to resume my happy partnership with it, now reborn as Palgrave Macmillan Publishing. I would like in particular to thank Taiba Batool, senior commissioning editor, for her close interest in the project; to Ellie Shillito and Vidhya Jayaprakash for their constant vigilance on the production process and its time schedule; and to the Newgen staffs who worked so hard to make the script ready for printing on time.

* * *

The book is dedicated to my family: that speaks of the living memory of my lost wife, Manjula, and tells the story of the love and support I enjoy from my daughter, Swati (Reina) and my son, Atish (Rex). With his greater familiarity with computer technology, Rex also rescued me from the welter of confusion in which I was entrapped on several occasions as I was fixing the charts and tables of the book. Many thanks, Rex.

Geneva and Washington, D.C.
November 2012

List of Abbreviations

ACP(s)	Asian, Caribbean and Pacific countries
ADB	Asian Development Bank
CIS	Commonwealth of Independent States
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
GDP	gross domestic product
GCC	Gulf Cooperation Council
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
LDCs	least developed countries
MENA	Middle East and North Africa
MDG	millennium development goal
NGO	non-governmental organization
NIROMP	New International Regime for Orderly Movement of People
PWC	Pew Research Center
OECD	Organisation for Economic Cooperation and Development
UNDP	United Nations Development Programme
WTO	World Trade Organization

Introduction

More than four years ago, caught in the deepest and worst of all recessions in decades since the 1930s, the world economy was sliding to the edge of the abyss. The slide was arrested as nations joined hands, concerted their actions and mounted an unprecedented global rescue programme. The world economy is now struggling hard to come out of the morass of the economic decline and leave the crisis behind. The risks of a setback, however, still persisted; and despite the fledging signs of recovery and growth, many were concerned about both the continuing and new headwinds. They were uncertain about the sustainability of the recovery. Some were even fearful of a double-dip recession. In the USA a Gallup poll in April 2011 found that 29 per cent of those queried thought that the economy was in a “depression” and 26 per cent thought that the original recession had persisted into 2011. The eurozone is already projected to fall into a mild recession in 2012. (See Chapters 1 and 7 for more details).

On 23 September 2011, as the world’s financial leaders were gathering in Washington D.C for the board meetings of the IMF and the World Bank as well as for the G-20 finance ministers conference, the *Financial Times* in London headlined “Financial Institutions Stared into the Abyss” and on the very next day it cried out, “Global economy pushed to brink.”

As the world economy stands at a crossroads, the focus in the policy debate on the economic crisis has been shifting towards the risks of a double-dip recession and the shape and sustainability of recovery, including two-track growth separating advanced and emerging economies, the former lagging behind the latter. Issues of public debt and fiscal deficit, austerity and growth, job creation, banking and financial reform, rebalancing the world economy, adjustment of exchange rates,

2 *The Global Economic Crisis and the Future*

inflationary pressures in emerging economies and the like – have continued to dominate the global agenda. The long litany of issues does not, however, include the post-recession challenge of migration and its future governance. So far policy makers have taken little notice of it. In effect, migration remains in the back burner of post-recession policy making.

And yet, the current global economic decline and insecurity are not a uni-dimensional problem that can be addressed in isolation. These have aroused powerful human emotions and generated social turbulence. In February 2009, the US Director of National Intelligence, went to the extent of telling Congress that instability caused by the global economic crisis had become the biggest security threat facing the United States, outpacing terrorism (*The New York Times*, 2009a).¹ A poll conducted by Harris Interactive in the midst of the recession (March 2009) showed that a majority of people in six major Western democracies expected a rise in political extremism in their countries as a result of the economic crisis (*The New York Times*, 2009m).² It also found widespread expectation of unrest, with strikes and demonstration forecast by 86 per cent of those in the six countries.

Not surprisingly, the economic malaise has already become closely intertwined with a series of social upheavals – such as the unrest in debt-ridden peripheral countries in the eurozone, the political uprisings – dubbed the Arab Spring – in the Middle East and North Africa, and the protest movements of malcontents now spreading fast across countries and regions.

These events touch on issues such as joblessness, poverty and inequality, wages and incomes, interpenetration of labour markets and mobility of people, including government policies and public attitudes concerning migration. These are issues that can seriously influence social institutions, respect for human rights and internal peace, interstate relations and the pace of global economic recovery. And the effects could well be profound and long lasting.

It is particularly striking how disorderly and sudden movements of people linked to current political upheavals and the economic crisis, combined with the opportunistic needs of political leaders, can put

¹ “Job Losses Pose a Threat to Stability Worldwide,” *The New York Times*, 15 February 2009.

² *Ibid.*, 7 May 2009. “Economic Crisis Raises Fears of Extremism in Western Countries,” *The New York Times*, 7 May 2009, <http://nytimes.com/2009/05/07/poll.html>

powerful pressures on some of the established institutions. In Europe, for instance, the arrival of a total of some 43,000 migrants from Tunisia to Italy, mainly in the island of Lampedusa, sent a shock wave across the European Union and threw new challenges to the Schengen Agreement on free movement of people – a collective agreement which embodies one of the fundamental principles on which the European Union is based.

In normal times, the event would have passed almost unnoticed in the rest of Europe. But it was not to be so this time. As a Member of the European Parliament recently put it, these recession-driven changes were creating “unbearable pressure on EU institutions from angry voters in national elections and indeed on (leaders of) member states who often answer an angry electorate with attacks on the EU” (*Financial Times*, 2011).³ In the sombre financial and political climate, the matter was so blown up that some were even fearful of an unraveling of European integration.

This Lampedusa episode is not an isolated event. It is symbolic of two conflicting and worrisome trends. It reveals how the ravages of the prolonged economic crisis have created a tense social and political climate in many migrant-receiving countries and made them increasingly inward-looking and unduly panicky about new arrivals. At the same time, the event is also indicative of how economic hardships and political upheavals have helped to build up new emigration pressures in many countries, including some of the erstwhile migrant-receiving ones, and propelled people to leave their homeland in a disorderly and irregular manner and even risk their lives.

The economic meltdown is reshaping the existing migration pattern in many different ways, the long-term consequences of which are yet to unfold fully. In several countries, it marks a change in their recent economic and migration history, with far reaching implications for the future. Ireland, for instance, had left far behind its history of famine and mass migration in the mid-nineteenth century and emerged as the “Celtic tiger” with a vibrant economy. As investments increased, businesses flourished, and exports expanded, it attracted immigrant workers from abroad, and the country welcomed them. It soon became an immigration country.

³ Claude Moraes, Member of European Parliament, “Letters,” *Financial Times*, 3 June 2011.

But with the deepening of the economic crisis, the situation radically changed. It is not just the foreign workers who were leaving or had already left the country, but an increasing number of Irish nationals, too, have been doing the same in search of better opportunities abroad. Ireland's migrant stock representing nearly 20 per cent of total population in 2000 dropped to 10 per cent in 2010, and in terms of annual flows, Ireland has once more become an emigration country. Spain, which prior to the crisis was hosting large numbers of immigrant workers, saw its migrant stock dwindle from over 14 per cent of total population in 2000 to 4.4 per cent in 2010. Even more worrisome, recent indications are that an increasing number of Spaniards, including skilled and professional people, are anxious to leave the country for better opportunities abroad. If there has not yet been a larger outflow, that is largely because opportunities elsewhere, too, are hard to come by.

Portugal had made significant economic progress, including in closing income inequality from 2004 until the onset of the recession in 2008. But the situation has now changed. As austerity is enforced, economic growth is stalling, inequality has been rising, and workers are fleeing abroad, especially to Brazil where the number of Portuguese nationals holding two-year work visas more than tripled in just the first nine months of 2011 from 2010. And many more are waiting to do the same (2011 aa).⁴ Before the crisis, a small country like Iceland rose high as credit flowed in and its economy boomed. But as indebtedness soared and the credit dried up, it faced a brutal meltdown and saw outflows of many of its promising youth. The country has now lost one-tenth of its entire population.

After it joined the European Union, Latvia became one of the world's fastest growing economies. As the recession harshly hit the country, it was constrained to accept, as part of an international bailout arrangement, a stringent austerity programme. After three years, economic growth has now returned. But the cost has been heavy, and the country has changed in many ways. Not only has the economy become smaller by 25 per cent, but the country has also lost 5 per cent of its entire population in the last three years. From 2004 to 2008, the net emigration averaged 16,000 a year. As the recession and the austerity started to bite, the average shot up to 40,000 a year; the flow consisted of whole

⁴ "Portugal's Poor Suffer as Austerity Bites: Flight to Brazil for Workers Seeking Employment," *Financial Times*, 23 December 2011.

families, including many young and educated people with no intention to come back. According to Michael Hudson, an economics professor at the University of Missouri, what could further encourage such massive outflows was a bank practice of demanding personal liability from borrower's entire family as co-signatories of a mortgage contract. Trying to collect repayment of high levels of existing loans would lead to further emigration of whole families, emptying the country, according to Professor Hudson (*Financial Times*, 2011ab).⁵

An emigration culture has now developed in Latvia. The same number of people as in the crisis years – around 40,000 – may have left in 2011, although the economy grew by 4.5 per cent. A pessimistic perception now seems to have taken hold and even the well-educated and skilled people seemed to feel they had no future in the country. The government is now faced with a challenge to ensure that there are enough working-age people to provide a labour force needed for new investment and growth and to fund the pension system. It is of course not certain that all potential migrants will find suitable opportunities abroad and some may finally be constrained to stay in, nursing a feeling of despair.

Just as the economic crisis has been pushing people away from their homeland, it is also making it more difficult for them to do so. This is not just because of new restrictions on immigration in the destination countries, but also because of the aspiring migrants' lack of personal resources or access to credit needed to finance the move. More paradoxically, in some ways it is also restricting their freedom of movement even within their own country. In normal times jobless workers in the USA, for example, would move to areas where there was work, but many of them are now trapped into staying put as their houses are worth less than they owe on them.

When large numbers of people in a country lose hope about their future and that of their children, and feel impelled to leave their homeland, or want to do so but cannot due to lack of opportunities for legal entry, it ceases to be only an economic problem. Just as it entails human hardships and anguish, it also enfeebles the social fabric of a country, adversely affects the psyche and self-confidence of a nation, and makes harder for it to rise again and leap forward. The situation is almost dramatic, especially for countries which for years had been welcoming

⁵ "Latvians Vote with Feet on Austerity," *Financial Times*, 7 November 2011.

foreigners to help develop their economies, enrich their culture, and participate in their prosperity.

The underlying economic problem, then, needs to be addressed not as an isolated issue but along with its wider social and institutional ramifications, including those related to migration. And this cannot be done by any single country or by individual countries' isolated action.

Unfortunately, however, the existing migration system which is essentially based on unilateral management of migration by each country is ill equipped to deal with the task in such circumstances. As we will be discussing in this study, the situation calls for new visions and approaches, including a common framework for mutual cooperation and coordinated action. Isolationist and inward-looking policy measures, based on panicky and knee-jerk reactions, can only make the situation worse for all.

Headline migration figures and the realities of recession-driven changes

Among some of the few analysts who have examined the post-recession migration issues, some have expressed the view that world migration has remained almost unaffected by the recession. The view is based on the argument that, despite the severity of the crisis, the headline figures of migration and remittance flows have shown only relatively small declines. Realities suggest that this view is simplistic and misleading. A critical assessment of the real effects of the crisis on migration cannot be done simply by looking at, and comparing the headline figures of the flows during and prior to the crisis. It also calls for an in-depth and insightful analysis of the hard realities underlying the new recession-driven flows. Headline figures reveal little about any changes in the causes, conditions, and composition of the new flows. And yet changes in these contextual realities can profoundly influence the nature and effects of migration even if the over-all numbers of migrants remain the same.

This explains why in order to assess the effects of the recession on migration, it is important to look not just at the numbers of new migrants but also to find answers to such questions as: Who are the new migrants? Why are they moving? How are the origin and destination countries responding to the movements? It is well known that when migration takes place as a matter of migrants' free choice and their orderly and predictable movement meets the real needs and interests of the origin and destination countries, the results are mostly beneficial.

However, as mentioned above, much of the recession-related new flows are driven by despair and deprivation – more under duress than as a matter of free choice. In many cases unplanned, unpredicted, and almost forced departure of large numbers of so many people, including skilled and enterprising youth, are depleting the human resources of the sending countries and casting dark shadows on their future growth.

As the outflows of some of the best and brightest workers from Spain and Portugal to Germany continue to grow, some are also worried about the loss of investment made over the years on their training. As Cesar Castel, director of operations of the Spanish branch of Adecco, a Swiss recruitment agency, sadly remarked, “It is a huge loss of investment... . On average it cost us 60,000 euros (US\$ 80,000) to train each engineer, and they are leaving”(*The New York Times*, 2012a).⁶ A no less worrisome aspect of the situation is that it has started creating a backlash in Southern Europe and placing a strain on the basic principle itself of free movement of labour within the European Union. Somewhat paradoxically, conditions in the destination countries worldwide – at least some are only reluctant receivers – are not always propitious enough to make an effective use of the migrant’s full potential. At least some of them are only reluctant receivers, and “de-skilling” or occupational downgrading of migrants is not infrequent. These realities clearly contradict the notion that nothing has changed in migration as a result of the recession.

Changes in the composition of the migration flows also matter in other ways. As will be discussed in Chapters 2 and 4, in the wake of the recession labour migration has fallen rather sharply, while there has been a relative increase in new entries through family reunification and humanitarian channels. Many of these migrants are either too old or too young to participate in the workforce. Even those who are of working age have low employment potential as their entry was not through labour migration channel. Clearly these recession-driven changes in the composition of the flows have important implications for employment and integration policies of the receiving countries.

Further, migration is not just about new flows. Issues related to the existing migrants are no less important. Experience shows that in times of economic crisis host society’s tolerance of foreigners declines just as its “taste for diversity” wanes. Past experience across countries also

⁶ “Brain Drain Feared as German Jobs Lure Southern Europeans,” *The New York Times*, 30 April 2012.

suggests that though normally migrants' wages and working conditions tend to catch up with those of the native-born workers over time, this hardly happens in times of economic crisis: migrants then tend to suffer more in terms of job losses and deterioration of wages and working conditions. The discussion in Chapters 3 and 4 of the book show that the current crisis, too, has led to similar changes in the host society's attitude towards migrants as well as in the working and living conditions of migrants. As these recession-driven changes directly affect migrants and their welfare, they need to be seen as constituting yet another rebuttal of the notion that "nothing has changed in migration" as a result of the crisis.

Perils of a "business as usual" approach to migration

In a similar manner, but with a longer term perspective, some other analysts have argued that the effects of the recession on migration, however striking, are only temporal and that over time they will continue to be shaped as usual by structural factors, including labour market and demographic asymmetry between countries, and disparities in the world economy. This may be partly true. And yet it could be perilous to foresee a "business as usual" scenario for migration in the post-recession years, to ignore the potential pitfalls that it entails, and thus to disregard the need for better management of human mobility in the wake of the recession and beyond. There are several inter-related reasons why it is so.

History shows that some of the seemingly short-term policy measures taken during an economic crisis could have an enduring effect. It took several decades for international migration to recover from the impact of the unduly restrictive immigration measures that countries like the USA and France had taken before and during the Great Depression of the 1930s and the social climate created by these actions. During the years 1900–1914, the average annual flow of permanent immigrants in the USA had reached 800,000, but it fell to 400,000 in the decade prior to 1929 and did not return anywhere near the pre-1900–1914 annual average till the year 1990. Experience also shows that when the network links between potential migrants and the diasporas abroad are weakened, and the channels of labour market information dry up, orderly flows of migrants could be derailed and dampened even when labour demand across countries increases following economic recovery. If we refuse to learn from past mistakes, we run the risk of repeating the same.

Likewise, if migration is badly managed during an economic crisis leading to abuse of migrants' labour and human rights alongside a rise

in irregular flows, it could become a source of social conflicts and interstate tension. Host countries could then be unduly reticent to admit new immigrants for many years to come: the scars may not disappear too soon.

Even more importantly, it is misleading to assume that the structural factors, such as the demographic and labour market asymmetry or the disparity in incomes between rich and poor countries, that have hitherto largely influenced South–North migration would always remain exactly the same. Just as the human society constantly evolves and changes, so do nations and their demographic and economic characteristics and cultural moorings. And this can lead to a realignment of economic and migration links between different groups of countries.

As we will discuss in detail later in Chapters 7 and 8 of this study, many of the structural factors that influenced the configuration of international migration, especially South–North movements, over the past decades are now set to undergo significant changes. New patterns of global migration are in the process of emerging. The book argues that as a consequence of these changes, there will be much less tension, especially in South–North migration by 2045, on condition that the ensuing changes are wisely and multi-laterally managed. This is discussed in detail in Chapter 7 of this study and is briefly recapitulated below.

First, in a growing number of labour-abundant developing countries, rates of women's fertility and population growth are falling fast while in several rich countries, the opposite is happening, with the fertility rates slowly rising towards the replacement level of population growth. If these two trends hold, the demographic asymmetry will be playing a diminishing role in South–North migration, especially after 2035–40.

It is well known that migration already accounts for a large part of net population growth in a number of rich, low-fertility countries. In the initial period through their higher birth rates, migrants also help rich countries avoid having their total fertility rates fall below the replacement level, although eventually they also become used to local practices and cultural moorings and tend to opt for smaller families.

As will be discussed in Chapter 7, some analysts have also argued that new migration from the South is likely to help in narrowing the existing demographic asymmetry between rich and poor countries in another way. Given the growing transnational links between countries and the motivation and profile of the new migrants of the “youth-bulge” generation, it is likely that they may act as effective agents to convey many of the host countries' ideas, values, and practices – including those related

to smaller families – to origin countries. In doing so, these migrants might contribute to the transition from high to low birth rates in poor countries.

Second, although the huge income differential between rich and poor countries is not going to disappear any time soon, the gap is narrowing as wages and incomes are rising fast in a growing number of emerging economy countries. Economies in many of these countries are forecast to grow at double the rate for the rich countries in the coming years. Unlike the rich countries, they do not carry a heavy debt burden and they enjoy better economic fundamentals. As people in many in of the emerging countries which are also major migrant senders to rich countries in the North are becoming more hopeful about their country and their own future and that of their children, at least some of the potential migrants of the South may well be inclined to stay at home, especially in view of declining opportunities in the North. This will reduce the pressure for migration to the North in the future.

Third, rapid economic growth, as now projected for an increasing number of countries in the South, will open up many new possibilities of South–South economic co-operation through trade, investment, and exchange of skills and technology. Although this will also entail competition and at times inter-state tensions and rivalry, over-all, the logic of economic gains will prevail. Linked to these economic activities, there will be an increased flow of people, especially in the form of short-term visits and temporary assignments of businessmen, and technical and professional personnel between fast-growing middle-income countries, boosting South–South migration. All developing countries are, however, not likely to grow at the same speed, nor do they have the same resource endowments or the same economic characteristics. This diversity will also create additional opportunities for two-way migration flows between and within the groups of middle- and low-income countries as both groups (with a few exceptions) will be moving towards higher levels of growth.

In short, there will be increased South–South migration, which will take some of the erstwhile immigration pressure away from the North. Significantly, in contrast with the sluggish or stagnant economic growth in rich countries, the dynamism of some of the fast-growing emerging economies is also likely to attract, as has already started happening on a limited scale, some new migration flows from the North to the South. This will mark a partial reversal of the trend that has endured over decades.

Fourth, the increasing use modern technology and automatic devices both in the wider economy and in households in rich countries will continue to reduce their demand for low-skilled migrants. Change in lifestyle and cultural mores in these countries, including the self-reliant traits and practices of the younger generations, will reinforce the falling demand of low-skilled labour. At present, given the restrictions on legal entry of low-skilled immigrants, the unmet demand for such low-skilled labour encourages their inflows through irregular channels. This often becomes a source of inter-state tension. With a falling demand for low-skilled labour in the North, this is likely to be less of a problem in South–North migration, although the pressure for irregular migration within the South may increase.

The brief analysis above highlights the contours of the many structural changes that are set to reshape the configuration of international migration over the coming three decades. The long-term scenario does not portend that there will be less migration. On the contrary, it will keep on rising. But its composition and directions will vastly change. In its 2011 report on migration (OECD, 2011a) the OECD recognizes that future migration movements are “unlikely to mirror completely the pattern of the past” (OECD, 2011a).⁷ It does not, however, spell out the main reasons for this.

Meanwhile, over the near- to medium-term, the situation will be difficult. The pressure for migration will be far greater than what the destination countries, whether in the North or the South, will be willing or able to accommodate. In the North, the on-going economic crisis will make many rich countries uneasy to play the role they have played in the past as receivers of migrants. As mentioned above, several of them will see an increasing number of their own nationals anxious to seek opportunities abroad. As concerns the South, young men and women of the “youth bulge” generation, who will have less family burden, will expect not just jobs but better jobs than their parents may have had or tried to have. Even the fast-growing developing countries may find it hard to create enough high level jobs to meet the aspirations of the youth in the near to medium term.

⁷ It does, however, briefly mention changes in the global economy resulting from the rise of the emerging countries and geo-political tensions and uncertainties in several parts of the world as causal factors but assumes that the current demographic asymmetry will remain the same. OECD, *Migration Outlook*, 2011, Paris

Based on recently gathered data, a research paper by Gallup's Migration Unit reflects the tense migration situation (Gallup, 2011).⁸ According to this paper, despite a slight decline between 2007 and 2010, 630 million persons (14 per cent of global population) wish to move abroad permanently, with 48 million planning to move in next 12 months, including 19 million who were actually preparing for it. Even when allowances are made for the gap that often exists between what people say or desire and what they actually do, the numbers seem staggering. They are clearly indicative of the huge migration pressure that continues to exist across countries and regions at a time when opportunities for legal entry are dwindling. These are disturbing signals of potential turbulence in world migration in the near to medium term before it finds relative stability in the long run – starting around 2035–40.

In brief, intertwined with changing global economic and political trends and events, the transition of world migration to future stability is not likely to be always smooth or linear in nature. Economic and political shocks or temporary turbulence can make the trajectory of change even bumpier for human mobility than can be anticipated now.

The present fragmented and unilateral migration policies and practices will be inadequate to respond to these changes in migration just as the “business as usual” approach will lead the policy makers astray, with unhappy consequences. As with the global financial sector, a new global regime, more coherent and multilaterally coordinated as well as more transparent and predictable, is what is critically needed. The prolonged economic crisis has heightened this need and added to its urgency. Chapter 8 of this study suggests the ways in which this new global architecture for migration can be built.

⁸ <http://www.gallup.com/poll/148142/international-migration-desires-show-signs-cooing>; Neil Espinosa, “Key insights on global migration,” Gallup Migration Unit, Washington D.C. 2011

Part I

The Economic Crisis and Migration