

CHAPTER 1

INTRODUCTION

HOWARD DUNCAN, JOHN NIEUWENHUYSEN, AND
STINE NEERUP

The scales and patterns of international migration have been greatly altered in recent decades, and the prominence and sensitivity of debate on the subject have increased considerably. The spread of continents and nations involved has also been enlarged. International migration is no longer simply the story of expanding industrialized nations attracting people from less economically well-endowed ones. It has become far more complex, and movements within, from and to developing continents, such as Asia and Africa, are now included as forefront issues.

International and internal migration have always been the outcome of a mixture of influences—social, political, cultural and economic. But on rare occasions the impact of a widespread single international, globalized event can change the pattern of movements. This volume studies one event of this kind—the consequences for international migration of the global financial crisis in various countries and continents. This crisis was initiated by the chaotic conditions in the United States housing market in 2006, and the descent of the world’s largest economy into a very serious recession, whose effects swept swiftly around the globe in 2007 and 2008. Its aftermath—in the form of high unemployment rates and severe public debt problems in many advanced economies—continues into 2011 and is likely to endure further.

In stable economic times, relations between international migration flows, and employment protection and distribution issues in receiving countries are strained, and can spark key policy controversies across borders. But uncertain times, such as those induced by the economic crisis from 2007, test the capacity and willingness of receiving countries to include new arrivals. They also disturb and can even destroy previous policies and consensus on immigration.

This cosmopolitan collection of studies of continents and different individual countries takes the opportunity to analyze the great diversity of consequences for international migration arising from the impact of the global financial crisis between 2007 and 2010, from which the world's economy has not yet recovered.

It is true that there have been signs of partial and scattered recovery. But added to the ordinary travails and hurdles facing economic growth after the crisis, and subsequent to the completion of the book's individual chapters, a new series of difficulties has descended on the international economy, including all countries covered in the volume. Unrest and rapid, unexpected political change, including violence (amounting in some nations to civil war) have suddenly arisen in several Middle East countries, whose oil supplies are a central plank in stable world economic growth. In addition, natural disasters aplenty (in particular the catastrophic Japanese tsunami in March 2011) have weighed down on economic growth. These events will of course affect migrant flows in ways that cannot yet be foreseen, mingling with the already considerable and complicated changes ensuing from the economic downturn.

In seeking to answer the question of how international migration flows and national labour market policies have been affected by the global financial crisis, the authors have dealt with many diverse topics, including

- shifts in public attitudes to new arrivals as local labour markets have tightened;
- challenges in inequality of income, job opportunity, and paths to citizenship and relative rights as economic stringency increased;
- rising new preferences for temporary migration and narrower legal entry paths among receiving countries, causing irregular migration and human trafficking to become the (more problematic) substitutes;
- the alteration (and even sometimes reversal) of remittance patterns and the ensuing consequences for migration as a development tool;
- the importance of establishing good-quality data, which are uniform and comparable between nations;
- the changing and varied policy responses to the financial crisis: labour market restructuring, redesigned integration policies (some aimed at discouraging prolonged stays), and different migration flow levels and composition patterns insofar as these can be regulated;
- distributional issues such as the relative labour market and economic outcomes for migrants and the local-born populations—in several countries covered in the volume, employment standards for migrant workers have declined and governments have been tardy in their responses to assist in countering these reductions;
- the degrees to which governments take a direct and close interest in immigration to their countries, and the extent to which they can have an influence on the size, sources, and composition of the immigration;

- conflicts between government and vested sectoral-interest attitudes (for example, business and unions) toward immigration during the crisis;
- the absence in many countries of policies, plans, or strategies to deal either with the economic consequences of the fiscal crisis or its labour market and immigration implications.

Overall, therefore, the country and regional studies of immigration and the global financial crisis in this volume reveal considerable diversity in both experiences and responses.

Beginning with the four traditional immigration-receiving countries (the United States, Canada, Australia, and New Zealand), various responses to and consequences of the economic downturn were evident.

In the United States (Chapter 2), the rich and complex pattern of immigrant flows shows that the country experienced a “near pause” in net immigration, following decades of sustained growth. The changing labour market circumstances induced quite swift responses as visa applications declined, reflecting weaker demand, and unauthorized immigrant inflows also slowed. The gains in opportunity for improving their status that immigrants had experienced in previous growth periods were also reversed during the recession, especially for Hispanic immigrants.

Canada, Australia, and New Zealand (Chapters 3, 4, and 5) are immigrant-receiving countries whose policies bear strong resemblance to each other. Programs are planned and administered by defined criteria, under the general proposition that each labour market requires a continuous stream of newcomers to sustain its economy, especially through acquisition of migrants with formal skills.

Of these three Commonwealth countries, New Zealand’s economy was the worst affected by the global financial crisis. However, although unemployment in New Zealand doubled in the two years after 2008 (from 3.5 to 7.3 percent), the labour market outcomes of the overseas born did not appear to be disproportionately adversely affected; nor was there a discernable rise in anti-immigration rhetoric. Overall, the impact of the recession on the movement of people to and from New Zealand is described in Chapter 5 as being “mixed.” And, despite the rise in unemployment, the government was careful to ensure that the supply of skills was sufficient to prevent shortages that would hamper economic recovery.

Both Canada and Australia experienced comparatively more favourable economic conditions during the financial crisis than many other nations. Canada took a long-term view and, with supportive public opinion, maintained a strong migrant intake program. Australia did the same until the November 2010 federal election, when—in response to fears of rising public anxiety about immigration levels—program targets were reduced. But it remains to be seen for how long these smaller intake

numbers will continue as part of policy, considering that the Australian unemployment rate is low by international standards and that there are severe skill shortages in some industries and regions, for example, mining in remote Western Australia and Queensland.

Two individual European illustrations of immigration and the economic crisis (Denmark and Italy) are provided in Chapters 6 and 7. In Denmark, immigrant flows and the entitlements and rights of newcomers both decreased, with contentions that there was a choice to be made between welfare and immigration. There are uncomfortable alternating policy incentives—labour is needed to help sustain Denmark’s strongly and stoutly defined welfare-oriented social system but, since immigration is perceived as a threat to society, there has been an increasing unwillingness to extend welfare benefits to newcomers. Thus the integrity of the welfare system has been undermined.

By contrast, in Italy the economic downturn did not prevent the rapid growth of the legally resident foreign population, the pace of whose expansion appears unparalleled in Europe. In response—since employment was declining as immigrant numbers rose—the Italian government froze entry planning in 2009 and 2010. However, this did not prevent some selective differentiation, for example, permission for entry of personal- and home-care workers. At the end of 2010 the general labour admission policy was renewed. Controversial legislation reframing illegal entry and stay as criminal offences, and processes for granting long-term residence permits to non-European Union applicants, were introduced.

Chapters 8, 9, and 10 deal with the migration consequences of the global financial crisis in the broader continental perspectives of Europe, Asia, and Southern Africa. The contrasts between the approaches of the different countries in the three continents are considerable.

As Chapter 8 shows, the financial crisis invoked more restrictive migration in almost all European Union countries. Labour admission channels have been tightened in conditions of declining employer demand and rising social tensions between local born and newcomers in the job market. Overall, it is concluded that even with weak economic recovery in Europe, sectoral labour shortages will arise and more efficient migration strategies will be required—despite a deteriorating political environment, which is not conducive to increased flows of people.

Also of special but contrasting interest is Asia (Chapter 9), where few economies had specific policies to deal with the global financial crisis or other recessions. In only three countries of origin (Bangladesh, Nepal, and the Philippines) was any assistance provided for migrant workers affected by the economic downturn. And in only one receiving nation—Japan—was help given to workers wishing to return home. Moreover, this assistance was provided to but one group, on condition that no future return to Japan would be possible.

The Asian analysis yielded significant general conclusions—in particular that the importance of migration during the global financial crisis arose not so much because of changes in flows or high migrant unemployment as because of the potential that was created for increased irregular migration, people smuggling, and social disorder. These conclusions point to the need for “flexible regular migration channels” capable of responding to labour market needs, instead of the present “ad hoc, reactionary” approach to labour market management in Asia.

In contrast to both the responses of Asian governments and the efforts in Europe to reposition migration, South African governments appeared to view migration policy as a low priority. As a result, there was a “disjuncture between migration issues and development goals.” However, an indirect way of managing entry to the South African labour market (related possibly more to electoral issues than the economic crisis) emerged—away from the media—through a reduction in permanent entries. This approach suits most vested interests within the ruling party in South Africa, but challenges remain because of the volatile regional labour market scene.

CHALLENGES

In their well-regarded review, *The Age of Migration – International Movements in the Modern World*, Stephen Castles and Mark Miller note that

disadvantaged and vulnerable groups of workers—migrant women, irregular workers, ethnic and racial minorities ... end up in the most precarious positions. Deprivation of human and worker rights for groups that lack legal status and market power seems to be an integral aspect of all advanced economies today. (Castles and Miller 2009, 244)

The study of the global financial crisis in the countries and continents covered in this book bears testimony to the importance of this observation since, as noted in several cases, employment standards for migrant workers declined and governments were tardy in countering these reductions.

The conclusions of our volume, covering countries in Asia, Africa, North America, and Europe, also coincide with those in the 2010 International Organization for Migration’s *Migration and the Economic Crisis in the European Union: Implications for Policy* (Koehler et al. 2010, 78). In particular, our authors emphasize the need to temper (sometimes politically attractive) short-term restrictions by weighing them against the importance of the likely rise in demand for long-term migration levels of skilled workers. In several instances they show how the inclination of governments during the crisis to cut migration inflows by imposing temporary restrictions

has caused shortages in occupations and sectors that continued to grow despite the crisis. Consequently, a balance has to be struck between the needs of employment growth in some economic sectors and the more general requirement of restricted intake.

Other parallels between conclusions in the IOM study of Europe and ours of a broader field include the danger of withdrawing funding for and attention to measures aimed at integrating migrants in the economy and society during an economic crisis; and the need for adequate, dependable, and comparable data on migration as a necessary base for informed policy discussion and formulation.

The findings of our volume also underline some observations in the IOM's *World Migration Report 2010* (IOM 2010, 11). Chapter 9 of our study on Asia shows the diverse patterns of growing migration in this continent, and suggests that its variety will increase over time. The IOM *World Migration Report* notes predictions that the emerging economies of Asia will become even more important destinations of new labour migration, and observes,

Emerging countries of destination will need to develop new capacities to cope with new labour migration ... [and] the economic downturn provides a window of opportunity for reforming labour migration policies and instituting new approaches before the demand for labour resumes. (IOM 2010, 11)

International Migration in Uncertain Times provides insights into why it would be unwise for countries—either sending or receiving migrants—to delay reforming the management of labour flows until these systems are once more tested by another financial or other crisis.

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