



GMPA

Global Migration Policy Associates

*An International research, policy development,
advisory services and advocacy group*

OSCE Alliance against Trafficking in Persons Conference: "People at Risk: Combatting Human Trafficking Along Migration Routes"

6-7 July 2015, Vienna, Austria

Plenary panel presentation by Patrick Taran, President, GMPA: Migration, Trafficking and Globalization: What are States to do?

A few comments to set in context the challenges of global mobility today, the trafficking consequences of dysfunctional policies, and how to ensure safe migration.

The starting point: Trafficking is the direct, «natural» and inevitable result of confronting global needs for mobility with dysfunctional control regimes. Globalization, technological change and demography drive growing demand worldwide for labour and skills. Meanwhile, warfare and absence of decent work compel increasing displacement of people. Placing stronger barriers between inevitable people supply and demand in a globalized economy creates a market of industrial scale to get people across those barriers.

Why this assertion? The answer is in what migration is about today.

In broad terms, migration is key to sustaining the world of work in the Twenty-First Century. Migration today is fundamentally about internationalized labour and skills mobility in a globalized world. As former mayor Ken Livingston said about his city: 'London would not make it to breakfast without migrants.'

Migration is also about the results of brutal injustice, oppression and warfare. It is the consequence of sustaining dictatorships, of military interventions, as well as the absence of decent work in countries with growing youthful populations where jobs and means to survival are not growing.

Regardless of what compels people to move, 90% of all migration is bound up in employment outcomes. ILO estimates showed that some 105 million of the 214 million migrants in 2010 were economically active¹: employed, self-employed or otherwise engaged in remunerative activity. Given an estimate of one dependent for each active migrant adult, more than 90% of all migration ends up in economic activity outcomes, meaning people working or dependent on those who are².

¹ ILO, *International Labour Migration: a Rights Based Approach*, International Labour Office, Geneva, 2010, p. 1.

² Ibid

Migration today is key to the viability of labour markets worldwide. It is key to obtaining return on capital in a globalized capitalist economy. It is key to development yes. Even more so, the viability, indeed the very survival of the developed economies depends on migration.

Foreign born workers comprise 10% to 15% of labour forces in Western European countries --30% in Switzerland.³ Including persons with at least one foreign born parent shows 20-25% of West European workforces «issue de immigration» as said in French. For reference, 49% of the population of our host city Vienna is foreign born or has at least one foreign born parent.

Elsewhere in the OSCE region, 10-20% of workforces of Belarus, Kazakshtan, Russian Federation and Ukraine are foreign born. The proportion is around 18% in Canada and the USA⁴. Meanwhile, 40% to over 90% of work forces in member States of the Gulf Coordination Council (GCC) are foreigners.

Migration rejuvenates workforces, maintains viability of agriculture, construction, health care, hotel, restaurant and tourism and other sectors, meets growing demand for skills, and promotes entrepreneurship. Migrant remittances, transfer of skills, investments, and expanded trade enhance development and well-being in many countries.

The value of economic activity by migrants to host countries may be 2.5 trillion dollars annually measured by an extrapolation of remittances to aggregate net earnings. Over 500 billion dollars is remitted to homelands by migrants annually⁵, but remittances represent on average about 20% of migrants and immigrants take home pay.

A word on the gender dimension. Nearly half of all migrants today worldwide are women and girls⁶. Different from past decades, most women migrants today are economically active, employed or self-employed outside their own home. In segmented and stratified labour markets, women migrants are especially in demand, as they are seen especially apt for 'women's work' that is often low paid and with few if any workplace protections. The threefold discrimination many migrant women face –of gender, class and nationality –often doubled by color or race as well—effectively assigns them to precarious, unprotected, low paid work, with consequent economic, social, health, family and other risks and exclusions. In particular, we remind that women and girl migrants face high risks of sexual and gender based exploitation as well as violence, both in the migration process and in destination countries. They also are especially subject to exclusion from social participation.

Migration in Global Context

Regarding the centrality of labour and skills mobility to economies today, we need to reconsider the reality of movement and the term 'migration corridors'. Most migration is taking place within regions –not between. And most of that within Regional Economic Communities or common market spaces. Nearly half of immigration to EU countries is from other countries in Europe.⁷ Over 60% of migration originating in sub-Saharan Africa remains in Africa; this is also the case for Asia. Indeed, much migration today takes place within the twelve Regional Economic

³ Recent figures for most EU countries and “immigration countries” mentioned are found in the OECD *International Migration Outlook: SOPEMI 2011* Statistical Annex

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⁵ World Bank. “Migration and Remittances” September 2, 2014.

⁶ United Nations Population Fund. “Population Facts” No. 2013/2. September 2013.

⁷ The latest available data from 2014 shows that of the total EU foreign born population of 51.4 million persons, 17.9 million were born in a different EU Member State while 33.5 million were born outside of the EU-28. Eurostat, Statistics explained; Migration and migrant population statistics, at: http://ec.europa.eu/eurostat/statistics-explained/index.php/Migration_and_migrant_population_statistics#Migration_flows

Communities that have formal regimes of free circulation of persons, involving more than 100 countries in total. 80% of migration originating in West Africa goes to other member states of ECOWAS, the Economic Community of West African States. Figures within the CIS space are similar, while it is 60% or more for the East Africa Community, the Southern Africa Development Community and South America's MERCOSUR.

The world of work needs skills and labor. And we ain't seen nothin' yet.

Within 15 years, the majority of world's countries and populations will be in serious work force decline⁸. "By 2035, more than seven million Germans – 20% of the labor force in 2012 – will have left their desks and workbenches to retire."⁹ The Russian Federation has lost 10 million since 2000 and the current rate means nearly 1 million workers less per year in its domestic labour force. Population and workforce numbers in Ukraine are in free-fall. The US workforce has held steady in recent years only due to immigration; it will now start declining even with current immigration levels. A recent study says that Switzerland will need 400,000 additional workers by 2030. Elsewhere, Qatar anticipates bringing in another 1 million workers up to 2022, in addition to a million and a half now. And there's the big one: China's work force will decline by as many as 100 million people over the next 30 years.

Some 140 of 224 recognized countries and political territories are at or well below zero population growth fertility rates¹⁰. This includes eight countries in Africa, nearly all in Latin America and the Caribbean, many across Asia and literally all of Europe as well as the Caucasus. Over coming years, all these countries face increasing departures from the work force uncompensated by decreasing numbers of youth entrants. Many already do today. This means increasingly intense demand worldwide for what has become the most crucial economic resource of all today, skills and labour. It also means looming crises for social security systems when increasing numbers of retired workers living longer face declining work force numbers.

On top of that, a recent forecasting study by the McKenzie Global Institute calculated that the global shortage of skilled workers for employer demand will reach 85 million by 2020, 5 years from now. 40 million with tertiary education in developed countries, and 45 million with technical and vocational skills in developing countries¹¹.

On the other side...

Pressures for displacement and emigration from countries North and South remain intense; in some situations they have significantly intensified in the last five years. A main factor remains the absence of jobs and decent work in countries with growing youth populations. In numerous countries, job creation has remained consistently flat while youthful populations are increasing, adding millions of new workers each year to labour markets for which there are no jobs. Population growth is expected to continue over the next three decades across sub-Saharan Africa,

⁸ For a corporate view on the phenomena, see Ernst & Young online report: "Six global trends shaping the business world: Demographic shifts transform the global workforce" at: [http://www.ey.com/GL/en/Issues/Business-environment/Six-global-trends-shaping-the-business-world – Demographic-shifts-transform-the-global-workforce](http://www.ey.com/GL/en/Issues/Business-environment/Six-global-trends-shaping-the-business-world-Demographic-shifts-transform-the-global-workforce)

⁹ Michaela Coppola: "Demographics: Where have all my colleagues gone?" Published by PROJECT M in Global Agenda, Allianz SE (insurance group), April 2015. <http://projectm-online.com/global-agenda/demographics/germanys-aging-workforce-and-decline-in-gdp-wealth>

¹⁰ This and following figures drawn from the on-line *CIA World Factbook, Country Comparison: Total Fertility Rate(s)* at <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2127rank.html>. 2.1 to 2.2 children per woman is considered the 'replacement rate' of zero population growth, below which population will decline.

¹¹ McKinsey Global Institute, *The world at work : Jobs, pay, and skills for 3.5 billion people*. June 2012, available at : http://www.mckinsey.com/insights/employment_and_growth/the_world_at_work

with fertility rates and population growth gradually decreasing by mid-century¹². A major consequence will be millions more youth reaching working age with no prospects for employment.

Meanwhile, warfare, generalized violation of human rights and devastation of entire countries --Afghanistan, Eritrea, Libya, Iraq, Syria and Yemen-- has swollen the world's refugee numbers with no respite in sight, neither to the generalized violence nor to provision of arms and military interventions by Western and Arab states.

Meanwhile, financial crises and austerity measures that devastated national economies as well as social protection systems resulted in youth unemployment rates at or close to 50% in several European countries¹³. New waves of emigration, especially of young skilled workers, are departing from Greece, Ireland, Italy, Portugal and Spain.

So what' this got to do with trafficking and State responses?

The evidence shows that implementing free movement regimes goes a very long way to stopping, indeed ending, trafficking. And smuggling. Europe's own experience is salient. Trafficking of young women from Central and Eastern Europe into sex work and exploitative labour in Western Europe was a serious problem in the 1990s --when those countries were subject to restrictive visa regimes. The moment the visa restrictions were dropped for the A-8 Accession countries, trafficking appeared to disappear overnight. And it has stayed minimal within Europe ever since.

Freeing movement within other regional economic communities has similar effects. We've had little data on trafficking within the CIS region where a visa free regime for most countries existed since the early 1990s. One of the pillars of the emerging Eurasia Economic Union is free movement of labour, although the mobility regime is still being defined.

The challenge today is between regions. In part, because of warfare and human rights violations in regions where no opportunities for work, protection or survival exist in neighbouring countries. And because the skills and labour needs within regional economic communities such as the EU cannot be met from within.

Here it is essential to distinguish trafficking and smuggling. Smuggling is the only way out for many refugees. It is also the only way in for needed foreign labour under restrictive regimes. It is crucial to recognize internal pressures to seek cheap, docile labour. And to rely on migrants because no other workers are available and because, in a deregulatory, unprotected work environment, migrants in irregular situations can be easily exploited. However, this allows companies to stay in business and economic sectors to remain viable in a highly competitive globalized economy.

Here I remind the relationship between real labour demand and smuggling --sometimes trafficking-- implicates employers including large industrial enterprises in OSCE member countries who find themselves compelled to rely on smuggling activity, calling on subcontractors to provide the labour they sorely need but cannot obtain in local markets. While carefully maintaining a "plausible deniability" that they aren't aware that sub-contractors call on willing and waiting pools of labour on other sides of borders, help them across and deliver them to destination place of employment. Without border formalities or authorization because that authorization won't be forthcoming, certainly not when production activity requires more workers tomorrow or next week, not next year.

As you may be aware, several of the biggest meat packing companies, poultry producers and

¹² Population Reference Bureau, 2013 World Population Data Sheet, available at : <http://www.prb.org/Publications/Datasheets/2013/2013-world-population-data-sheet/data-sheet.aspx>

¹³ Eurostat. Table 1: Youth Unemployment Figures, 2011-2013 Q4.

agricultural firms in the US have been cited and/or prosecuted for hiring undocumented workers and for being accessories to smuggling/trafficking. But from a business point of view, it is a *do or die* situation. Without that labour arriving promptly when needed, those companies risk losing big orders or simply going out of business. It's not so different in construction and agriculture sectors in most EU member countries, or in the Russian Federation or Kazakhstan for that matter.

The context of trafficking and smuggling is a global conundrum. For many enterprises in many countries and for entire economic sectors, low cost foreign labour is the only ticket to survival. Labour dependent agriculture would not be viable in Europe nor in North America nor in South Africa –nor could a part of the population afford to eat—without cheap immigrant labour. Health, home care, schooling for children and care for populations of aging people increasingly depend on migrants in all regions, as do hotel, restaurant and tourist sectors.

Global competition, free trade, and the race to the bottom phenomena push against costs of labour and provision of social services; indeed they challenge the very social function of States. Keeping some migrants cheap, docile, flexible –and removable without social costs-- becomes not just highly desirable. It becomes imperative to keep jobs at home and economies afloat, no matter what those jobs are and who is doing them. Despite rhetoric about controlling migration, significant numbers of migrant workers remain in irregular situations, tolerated because they provide that cheap, flexible labour needed to sustain enterprises, employment and competitiveness.

The challenge underlying this conference is no less than the future viability of economies and societies across the world. Exploitative conditions experienced by many migrants are structurally driven. Smuggling and ultimately trafficking are driven by arbitrary, disfunctional restrictions on mobility. These restrictions in turn fuel environments and conditions for both trafficking and for heightened exploitation of migrants. Control regimes that ignore the basic laws of supply and demand in a globalized capitalist market economy risk themselves destabilizing internationalized labour markets and undermining the economic viability and competitiveness of entire national and regional economies. More restrictions, more controls, more resources for fighting irregular migration and trafficking –without fixing the system-- are only *gonna make it worse*.

The governance framework

I remind that there is a comprehensive framework for governance of migration. It is designed to support good governance and administration at the national level, where most responsibilities and issues lie. It also lays out clear guidance on refugee protection and humanitarian responses.

The legal framework is provided by 1) the nine main Human Rights Conventions; 2) all up-to-date International Labour Standards; 3) the widely ratified 1951 Convention and 1967 Protocol on the Status of Refugees, 4) the Vienna Convention on Consular Relations; and 5) the Protocols on trafficking in persons and smuggling of migrants to the Convention against transnational organized crime.

The migration governance system comprises supportive mandates and responsibilities in a range of international and regional agencies and organizations, many of which are represented here. It includes globally applicable policy recommendations elaborated in formal, authoritative international conferences.

Increasing restrictiveness of migration regimes and de facto rejection of refugees in both East and West occurs in the context of changing ideology, structure and practices of governance of migration. Security and control institutions of States now predominate in managing migration and controlling migrants, with Ministries of the interior or home affairs carrying lead responsibilities on migration in most countries.

In previous decades, the locus of migration governance in immigration countries was generally in labour and employment-concerned ministries. This reflected the primacy of regulating labour markets and protecting workers as well as overseeing employment relations and social dialogue, when, as today, most migration resulted in employment outcomes.

Administration of the foreign component of work forces by control institutions of States has significant consequences in shifting law enforcement affecting workplaces from labour standards to immigration enforcement and in imposing policing solutions to labour conflicts at the expense of social dialogue. Meanwhile, enhanced border and movement control measures within regional economic community spaces impede and raise costs of movement of goods, services, and commerce as well as labour and skills.

Key responses towards ending trafficking

The resolution of trafficking can only be guaranteed by getting migration law, policy and practice right-- right in protections and right in regulating --not impeding-- global mobility.

Several key “migration” components for governance that must be addressed --in every country. They are inter-connected and all engage the role and responsibilities of the State.

- Ensure international protection for all refugees and persons in refugee like situations;
- Regularize migration, including by accessible channels for regular migration that address real, measurable, growing demand for labour and skills in many countries. It means not just more opportunities for safe and legal migration, but an *international regime of safe and legal migration*.
- Facilitate full implementation of free movement regimes in all regional economic and development communities
- De-Criminalize migrants and migratory movements
- Prevent sub-standard, abusive employment relations and conditions of work.
- Stop xenophobic hostility and violence against migrants.

I must include two particular dimensions for sustainable governance and social cohesion:

- Engage specific measures to prevent discrimination and exploitation of migrant women
- Ensure social protection and public health access for all migrants.

Conclusion

To conclude, trafficking in persons is the direct consequence of dysfunctional approaches restricting migration in an increasingly mobile world. Only a regulatory, needs and rights-based approach to regularizing migration will address the causes and consequences of trafficking.

To accomplish this, migration must be governed under the rule of law and with the involvement of key stakeholders, across government and including the social partners --the employers and the unions representing workers, including migrants-- as well as civil society and migrants themselves.

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