



IOM International Organization for Migration  
OIM Organisation Internationale pour les Migrations  
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**Heike Wagner, Head of Research, IOM Vienna**

**“The Impact of the Global Financial Crisis on Female Migration”  
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The global financial crisis has led to a downturn in the global economy (maybe even to a deeper recession). The depth and extent of the crisis, however, is difficult to predict and the impact of the crisis is likely to vary according to country, geographic region, employment sector and – gender, - the topic of my speech which focuses particularly on the impact on *female* migrants. I am basing my speech on the IOM Policy Guidance published in January focusing specifically on gender.

**Women**, migrant as well as **national** women, face **multiple disadvantages in crises**<sup>i</sup>. Evidence from past crises show that economic recessions put a disproportionate burden on women, as women tend to have lower unemployment and social security benefits. In times of crises, women also take on additional responsibilities to provide non-market substitutes for goods that their families can no longer afford and they assume increased responsibility for household caregiving. Women's jobs are often more affected than men's job based on the prevailing stereotypical views of men as the breadwinners. The impact of the current crisis is likely to result in increased activity in the informal economy and will reverse gains in women's empowerment, gender equality and poverty reduction. The economic and financial crises in Latin America, South Asia and Eastern Europe showed that the most vulnerable social groups were hit hardest, and that women in particular had ended up with larger burdens of unpaid work.<sup>ii</sup>

The ILO report on Global Employment Trends (published in January 2009)<sup>iii</sup> shows that the global unemployment rate increased from 5.7 % in 2007 to 6.0 per cent in 2008, rising for men to 5.8 % and for women to 6.3 %. However, gender differences in recent labour market developments are still to be analysed in full and at a long run.<sup>iv</sup> Yet it is clear that the crisis has a **gendered impact** – not only for female migrants but also for nationals.

The crisis hits the most vulnerable groups hardest. This is also true for migrants, male and female migrants. For example, during economic downturns they are often the first to lose their jobs. Thus, **female migrants** are multi-affected by the crisis: as *women* on the one hand and as *migrants* on the other hand. Women migrants, especially those in irregular situations, are particularly vulnerable to harassment, intimidation or threats to themselves and their families, economic and sexual exploitation, racial discrimination, poor working conditions, increased health risks and various forms of abuse, including trafficking into forced labor, debt bondage, involuntary servitude and situations of captivity.

There is still no concrete evidence available on the impact of the global financial crisis on migration in general and even less when it comes to gender concerns. But we know from statistical sources and various studies the significance of differences between male and female migration. Armenia, e.g. shows a significant and stable difference between male and female migration, for both *immigration* and *emigration*. On the contrary, Azerbaijan's outflows have almost been the same in numbers for women and men in 2007, the most recent official statistics available. The *inflows*, however, show a wide difference between male and female *immigrants*. As pointed out in the OSCE-Guide, a feminisation of migration from Central

Asia to Russia has been observed, however, “the percentage is lower than elsewhere and the feminisation process slower than in other regions.”

The **impact** of the **financial crisis** on female migrants, however, is yet under-researched. Nonetheless, the following effects have already been observed or are likely to occur:

### **Likely impact of the financial crisis on migration**

- As mentioned, migrants are especially affected by **job losses**. However, the crisis impacts differently on male and female migrant workers, particularly in sectors dominated by one sex (e.g. construction in which male migrant workers predominate or “typical women’s work” in domestic services, hotel and catering services, the care sector, the entertainment and sex industry where women dominate).<sup>v</sup> The often poor working conditions could worsen as the economic crisis unfolds.<sup>vi</sup> The demand for migrant workers in destination countries is likely to remain stable in certain employment sectors, particularly where there exists a structural demand for migrants, such as healthcare and domestic work (and in some countries agriculture).<sup>vii</sup>
- Besides the structural demand for migrant workers, due to the crisis, **wages** are likely to fall and **work conditions** might worsen as companies and employers seek to cut down expenses. Likewise, **social services provisions** are likely to be reduced, impacting on migrants’ quality of life and health. The wage cuts can especially affect female migrants who often work in informal or unregulated sectors where such cuts are easier for their employers.
- Due to the crisis many countries are adopting or planning to **adopt more restrictive immigration policies**. Even before the crisis, many policies that aimed to manage immigration incorporated a gendered bias based on the breadwinner role. More restrictive policies will therefore have a direct impact on women. A reduction in the number of migrants to be admitted for employment has already been announced in some countries (Italy, U.K.) or is under discussion in others. In Spain, the Government has introduced financial incentives to encourage unemployed migrants to return home.
- When unemployed migrants **return** to their countries of origin (or regions of origin in the case of internal migration) they are likely to face inferior economic conditions (e.g. high unemployment and poverty), which could affect economic and social stability. For women, return could mean losing the economic independence obtained through migration and could also impact on potential changes in gender roles that happened during migration.
- On the other hand, there is still a demand for a migrant labour force and there are still persons who want to migrate. This leads to **an increase in irregular migration** and the **strengthening of the informal labour market** as unemployed migrants in destination countries seek to work informally and as opportunities for regular labour migration decline. An increase in trafficking in human beings is expected. In addition, reduced wages and poorer work conditions are likely to result in more women falling victim to the **sex industry** or **human trafficking**.
- But then, other potential migrants choose to **stay home**, see out the crisis there and **reduce** the labour migration flows.
- No matter if this results in a significant reduction or not, **discrimination** and **xenophobia** is likely to rise as migrants are *mistakenly* perceived as taking the jobs of local workers particularly in low-skilled sectors of the labour market.
- Talking about the countries of origin and **remittance flows**; different factors are likely to influence the volume of remittance flows. On the one hand, a **decline** is expected as

migrants lose their jobs and poverty increases. On the other hand, *those* migrants who can *afford* sending remittances might **increase** their volume, seeking to reduce the harmful impact of the crisis at home. The World Bank expects remittances to fall in 2009 by 0.9 per cent and, at worst, by no more than six per cent.<sup>viii</sup>

- As the OSCE-Guide stresses, “**remittances are gendered**”. Notably, women migrants are the most responsible and most frequent remitters; as recipients of remittances, however, women are often extremely dependent on these incomes and can be severely affected by a decline of remittances.

**For policy responses in the context of the financial crisis it is necessary to consider evidence from previous economical downturns at both global and regional levels.<sup>ix</sup>** It has been shown, migration will continue regardless (and irregular migration may increase) because of the continuing structural demand for labour in certain sectors of the economy and despite increases in unemployment. The Asian financial crisis demonstrated that keeping markets open to migrants is important for stimulating a quicker economic recovery.

**Therefore**, flexible, coherent and comprehensive policies are needed to ensure the following points:

- The **rights of migrants** have to be effectively protected.<sup>x</sup> It is necessary to ensure that migrants are not stigmatized for job losses that occur and that they are protected from discrimination, sexism and xenophobia. This also calls for measures to inform the general population and raise awareness in destination countries about the valuable economic and social contributions made by migrants.
- **Regular labour migration channels** must remain **open** with a view to meeting the continued demand for migrant workers thus helping to prevent irregular migration and trafficking in human beings.
- **Remittance flows** must be **facilitated** through the lowering of transaction costs. This is especially important for female migrants who use to send smaller amounts of money more often and therefore spend more on transfer fees.<sup>xi</sup> In the countries of origin public and private sector initiatives should encourage the productive use of remittances.
- Measures need to be adopted to assist with the **repatriation, reception and reintegration of returning** migrants. In order to ensure gender sensitivity of these services, the specific needs and circumstances of men and women should be assessed beforehand, taking into account the context of the particular country of origin; the marital status of the migrants; and whether or not they have dependent children.<sup>xii</sup> Reintegration assistance involving training and earning employment qualifications should not focus on placing women solely in gender-typical professions because they are often low paid and sometimes do not allow for a sustainable income. Reintegration programs should also address stigmatization of returning migrants, especially (but not solely) victims of trafficking and women who have experienced sexual exploitation, and who are often discriminated against by their families and communities of origin.
- Policies need to ensure that the **consensus** achieved between destination and origin countries in recent international fora on migration and development is not weakened as a result of the financial crisis.<sup>xiii</sup>
- Finally, **policies** need to make sure that labour mobility and the interests and needs of migrants are fully factored into any remedial measures (including reforms to the global financial system) and that a gender focus is adopted in order to not neglect the **special needs of female migrants**.

## IOM's position

To end, IOM considers the **following five points to be of particular relevance** for policy making in the context of the financial crisis:

1. On the basis of past experience with similar crises and the current economic outlook, the financial crisis is likely to have negative effects on both migrants and nationals, although these effects will differ according to country, geographic region, employment sector and gender. Considerable attention, therefore, needs to be devoted to **ensure** that migrants, and especially female migrants, who are particularly prone to stigmatization in such circumstances, are **adequately protected** from **xenophobia, sexism** and any other forms of **discrimination** in the employment sector and social spheres.
2. Given that migration, and labour migration in particular, is an integral part of today's global economic, political and social life, **flexible, coherent and comprehensive policies** are needed to effectively manage migration, which are all the more pertinent in an economic downturn. Calls to reduce migration in destination countries tend to be based on the false perception that "migrants take jobs" or "compete for welfare benefits". Migrant domestic work and care work being the main labour sector of female migrants worldwide fill a gap rather than take jobs, and in fact the majority of migrants create economic activity and jobs. Human mobility, as underscored in IOM's 2008 World Migration Report,<sup>xiv</sup> makes economies more dynamic and more efficient. Thus, **migration** may also be a **positive force** in alleviating various aspects of the financial crisis and potentially make an important contribution towards overcoming the economic downturn. Trying to combat the financial crisis by simply cutting immigration may make the situation worse.<sup>xv</sup>
3. A strong degree of **solidarity between countries of origin and destination** is called for to safeguard and continue to harness the benefits of the migration and development relationship for both sets of countries as well as for the benefit of migrants and their families.
4. Migration is part of globalization and the global economy. Consequently, this requires that it be **factored into policy responses** aimed at economic recovery. A policy which is not blind to gender aspects but makes them the core of its approach.
5. For this, policy making needs a **basis of comparable, up-to-date data and analysis** with a clear gender focus. The impact of the financial crisis on migrants as well as countries of origin, transit and destination, needs to be carefully monitored and relevant research and data be carried out, collected and disseminated through such publications as the OSCE-Guide. IOM Armenia in cooperation with UNDP, is currently developing a survey on the impact of the financial crisis on Armenian returnees with a special focus on gender issues. I would be very happy to share and discuss the results of the study and let me end by expressing my congratulations on the OSCE-Guide which is a very important tool. In the context of the current crisis such a Guide has become even more important. Thank you very much.

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i ILO Gender in crisis response (2003).

<http://www.ilo.org/public/english/employment/crisis/download/factsheet9.pdf> (consulted on 13.02.2009)

ii UNESA (2009): Commission for Social Development. Forty-seventh session. 4-13 February 2009. E/CN.5/2009/CRP.2.. Note by the Secretariat. <http://www.un.org/esa/socdev/csd/2009/documents/crp2.pdf> (consulted on 13.2.2009)

iii ILO (2009): Global Employment Trends | January 2009 [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_101461.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_101461.pdf) (consulted on 13.02.2009)

iv Global Employment Trends for Women (Anm. von ILO), scheduled for March/April 2009."

v Gender-segregated labour markets in receiving areas offer different opportunities and rewards for women and men migrants. For example, the reduction in demand for male labour due to economic slowdowns in certain sectors, and the shift to the service industries induces a high labor demand for "female" stereotyped skills such as care giving and nursing. The significant increases in female labour force participation of women across the OECD countries, as well as in certain destination countries in Southeast/East Asia (such as Hong Kong, Singapore, Taiwan) and in Latin America (e. g. Costa Rica, Argentina), has created a need for social services, especially where mothers of young children work full-time. This is the case of the migration of female domestic workers to North America, the Middle East, and Europe.

vi Female labour migrants are frequently confined to low-skill and "typical women's work" in domestic services, hotel and catering services, the care sector, the entertainment and sex industry, and agriculture or assembly lines. These areas of work are quite regularly characterised by bad working conditions, low wages, high insecurity, invisibility and a high risk of sexual harassment, exploitation and abuse. The impact of the financial crisis could make this even worse.

vii Such demand is partly attributable to broad demographic considerations – aging and shrinking populations in much of the industrialized world compared to growing populations in much of the developing world -- as well as the fact that local workers either lack required skills or are reluctant to take up certain low or semi-skilled jobs in many countries.

On the other hand, job losses are more likely to affect migrants in construction, manufacturing, finance, services, retail and tourism, but we do not know the precise impact on the care and domestic work area. It may be less, depending on the job losses of working women who may take over the childcare, domestic work and care for the elderly etc. at home as a result of the crisis. Then again, there is still a structural demand for domestic and care work (e.g. due to an aging population and at the same time healthcare cut-back and reduction of social welfare services in European countries).

viii D. Ratha, S. Mohapatra and Z. Xu, "Outlook for Remittance Flows 2008-2010: Growth expected to moderate significantly, but flows to remain resilient", 11 November 2008, Migration and Development Brief No. 8, Migrant and Remittances Team, Development Prospects Group, The World Bank, [http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/MD\\_Brief8.pdf](http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/MD_Brief8.pdf).

<sup>ix</sup> e.g. the oil crisis in the early 1970s and the 1998 Asian financial crisis

x , for example, in terms of their working and living conditions and in the event of loss of employment.

xi Consequently, maximizing the positive impact of women migrants' remittances on their families and communities would necessitate money transfer mechanisms which respond to gendered patterns of remittance-sending. These should be developed and promoted in coordinated action with banks and other stakeholders, creating favorable economic and financial conditions and cost-effective services, which take into account men and women migrants' different patterns of sending remittances. Women migrants need to be recognized as potentially significant clientele by financial service providers, and, importantly, they need to be made aware of existing options and ways to avoid spending large amounts of money on transfer fees.

xii It is for example of central importance to ensure the safety and privacy of women migrants throughout the transportation process.

xiii For example, measures could be taken to increase official development assistance (ODA) or, at the very least, to guard against reductions given that part of ODA contributes to the creation of conditions (e.g. poverty reduction, job creation) that limit the precipitation of irregular movements and related abuses – the objective is to ensure that migration remains a matter of choice.

xiv World Migration 2008: Managing Labour Mobility in the Evolving Global Economy (IOM, Geneva, 2008) <http://www.iom.int/jahia/Jahia/cache/offonce/pid/1674?entryId=20275>.

xv Nevertheless, countries of origin are likely to experience some influxes of returning migrants, which may result in economic and social instability in poorer countries. Reduced labour migration flows and increases in irregular migration and trafficking in human beings are also possible outcomes.