



The Global Financial Crisis, Migration and the Prevention of Trafficking in Persons

Jonathan Martens
*International Organization for
Migration (IOM)*

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1. Presentation Overview



(2) Global Financial Crisis and its Impact on Migration

(3) Impact on Trafficking in Persons

(4) Implications for Prevention

(5) Conclusion



2. Impact on Migration

Information Sources

- Empirical observation (limited)
- Past financial crises (not always comparable)

Overall impact on migration – ie. on global migration patterns and on condition of migrants – remains unclear or varied.

Migration Flows – Some Trends:

1. Reduced regular labour migration flows to some countries.
2. Reversals of rural to urban internal migration.
3. Reduced flow of irregular migrants to some destination countries.

Past Crises: do not suggest an increase in irregular migration flows, but stocks of irregular migrants may grow (Koser/GCSP).



2. Impact on Migration

Migrants face (new) challenges:

1. Job losses – particularly in construction and manufacturing, retail, tourism, and financial services.
2. Reduced or non-payment of wages, decrease in opportunities for overtime/working days.
3. Ineligibility for social benefits.
4. Higher levels of xenophobia and discrimination.

Past Crises: Even though unemployment did not disproportionately affect migrant workers, their conditions of work deteriorated more quickly.

N.B. Even in times of recession, migrant workers were still:

- Overrepresented in 3D jobs
- Easier to exploit (egs. not heavily unionized; accept wage reductions).
- **Women likely to be most affected.**



2. Impact on Migration

Return

- Increase in the return of unemployed migrants to countries of origin (egs. Gulf States → India; UK → Poland; U.S. → Mexico).
 - Many appear to be adopting a 'wait and see' approach.
- **Not all migrants will or can return:**
- Eg. Some irregular migrants in the U.S. are not leaving despite scarcity of work opportunities because of difficulties and risks of re-entry.

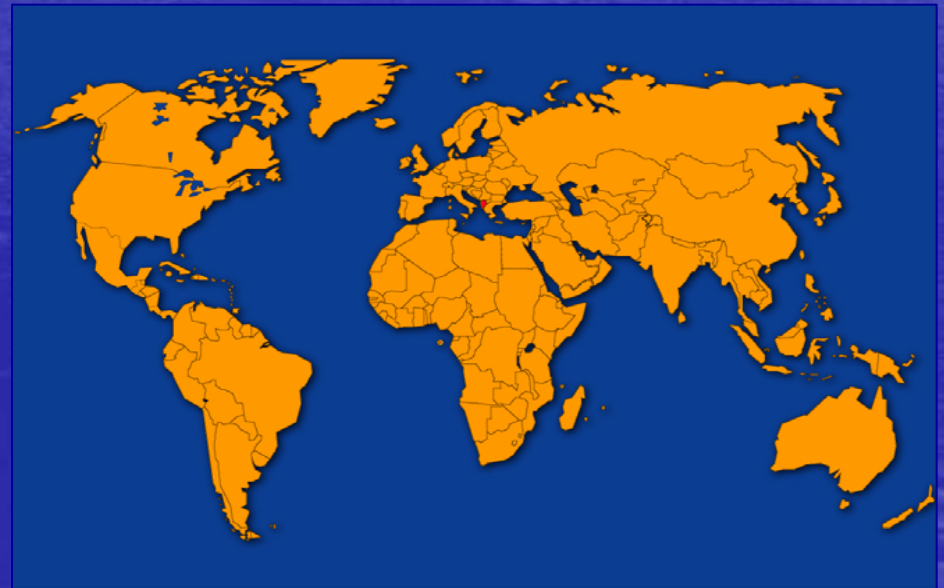
Past Crises: No clear trend.



2. Impact on Migration

Remittances:

- Remittances total \$300 billion annually; predicted decrease in remittances by 5-8% in 2009 (World Bank);
- Certain sectors and corridors expected to be most affected:
 - Construction-related remittances from the US to Mexico;
 - From the Gulf States to South Asia, Africa, other Middle Eastern countries,
 - From Russia to other Eastern European and CIS countries



2. Impact on Migration

How have governments reacted?

1. Complete freeze on all new entries of foreign workers in some sectors.
2. More restrictive immigration policies.
3. Policies to encourage employers to retrench migrant workers.
4. Financial incentives to encourage unemployed migrants to return home.
5. Institution of assistance packages for returning migrants in some origin countries.

Past Crises: Increasing restrictions may have had the unintended consequence of promoting the role of 'middle men' and generating a market for irregular migration (Koser/GCSP)



3. Impact on Trafficking

Some Early Conclusions:

1. *Probable increase in stocks of irregular migrants as regular migrants lose jobs and overstay visas/find work in informal sector.*
2. *Probable deterioration in working conditions for migrant workers, who are:*
 - Less likely to be unionized/accept wage reductions;
 - More likely to work in 3D jobs and informal sector.
3. *Likelihood that female migrant workers will be disproportionately affected negatively.*



3. Impact on Trafficking

Early Conclusions cont.:

4. *Greater Demand for Cost Savings*

- Cash-strapped consumers will prioritize cost of goods and services.
- Cash-strapped businesses will try to cut costs –eg. by avoiding unionized labour.

5. *Greater need for labour migration opportunities*

- Larger pool of people suffering from financial insecurity = larger pool looking to migrate.
- Greater pressure to work abroad will increase risks and conditions that people are willing to accept.

These conditions are likely to be exploited by human traffickers.



4. Implications for Prevention

IOM Emphases:

1. Demand

- Raise awareness of businesses and consumers

2. Migrant abuse and exploitation

- Availability of protection for vulnerable migrants
- Promote information on rights of migrants
- Discourage xenophobia
- Integration/Reintegration

3. Partnerships

- Engaging international groups, international partnerships between countries of destination and origin

4. Research and monitoring

- Quarterly survey of all IOM offices
- Regular policy briefs
- On-going regional studies



5. Conclusion

‘Only by safeguarding the rights of migrants, and ensuring that migrants are treated with dignity and respect..,can we create the conditions in which migration can contribute to development. In this time of financial hardship, we all need to be especially vigilant.’

Ban Ki-moon
UN Secretary General

