

INTERNATIONAL MIGRATION IN THE ASIA-PACIFIC REGION AND THE GLOBAL FINANCIAL CRISIS

by

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Outline of Presentation

- **Introduction**
- **The Pre GFC Migration Situation**
- **Impacts on Flows of Migrants**
- **Impacts on Remittances**
- **Policy Responses**
- **Outlook**
- **Conclusion**

The Asian Model of Migration (partly after Castles 2003)

- Immigration needs to be highly restricted. It is not generally perceived as being a positive.
- Hence, where there are good reasons for migration, such as the demand for labour or the arrival of asylum seekers fleeing persecution, it is not allowed.
- Emphasis has been on constraint, policing and exclusion rather than migration management. There is little tradition of the development of a managed migration system in the international system.
- Where the need for migrant workers, tourists, business people has been recognized as essential to the economy this has been strictly on a temporary basis.
- Foreigners should not be allowed to become citizens except in exceptional circumstances.
- Culture and identity should not be modified in response to external influences (Castles 2003, 6).

Constraints on Labour Mobility in ASEAN

- **Protection of national sovereignty**
- **Fears of disturbing national homogeneity**
- **Fears of driving down working conditions and salaries**
- **Fears of migrants as the ‘other’**
- **Recency of migration’s increased significance**
- **Widespread negative characterisation of migrants by the media**
- **Scapegoating of migrants**
- **Poor and inefficient governance**
- **Limited capacity in migration management**

Pre GFC Migration Trends in Asia

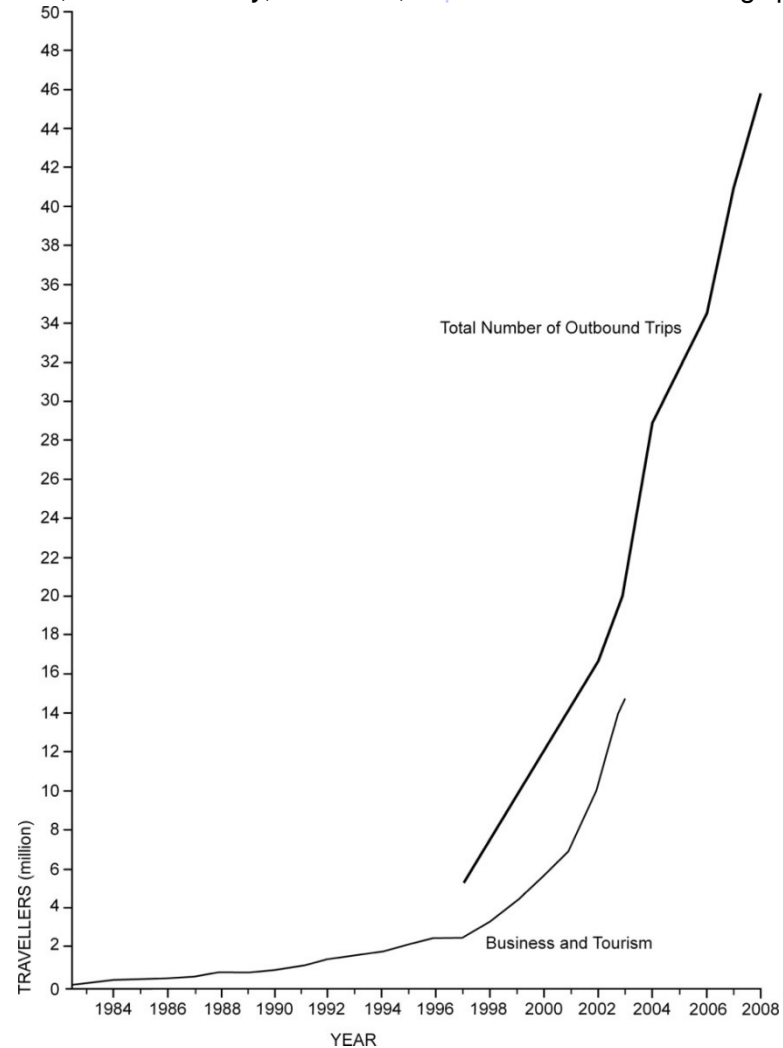
- **Increase in scale and complexity of migration**
- **Increased south-north and south-south migration**
- **Significant undocumented migration**
- **Increased female migration**
- **Growing concern with governance of migration**

(continued)

- **Increasing appreciation of potential development dividends of international migration in origin and destination**
- **Increased government involvement**
- **Beginnings of multilateral cooperation on migration**
- **Significant circular, return and reciprocal migration**

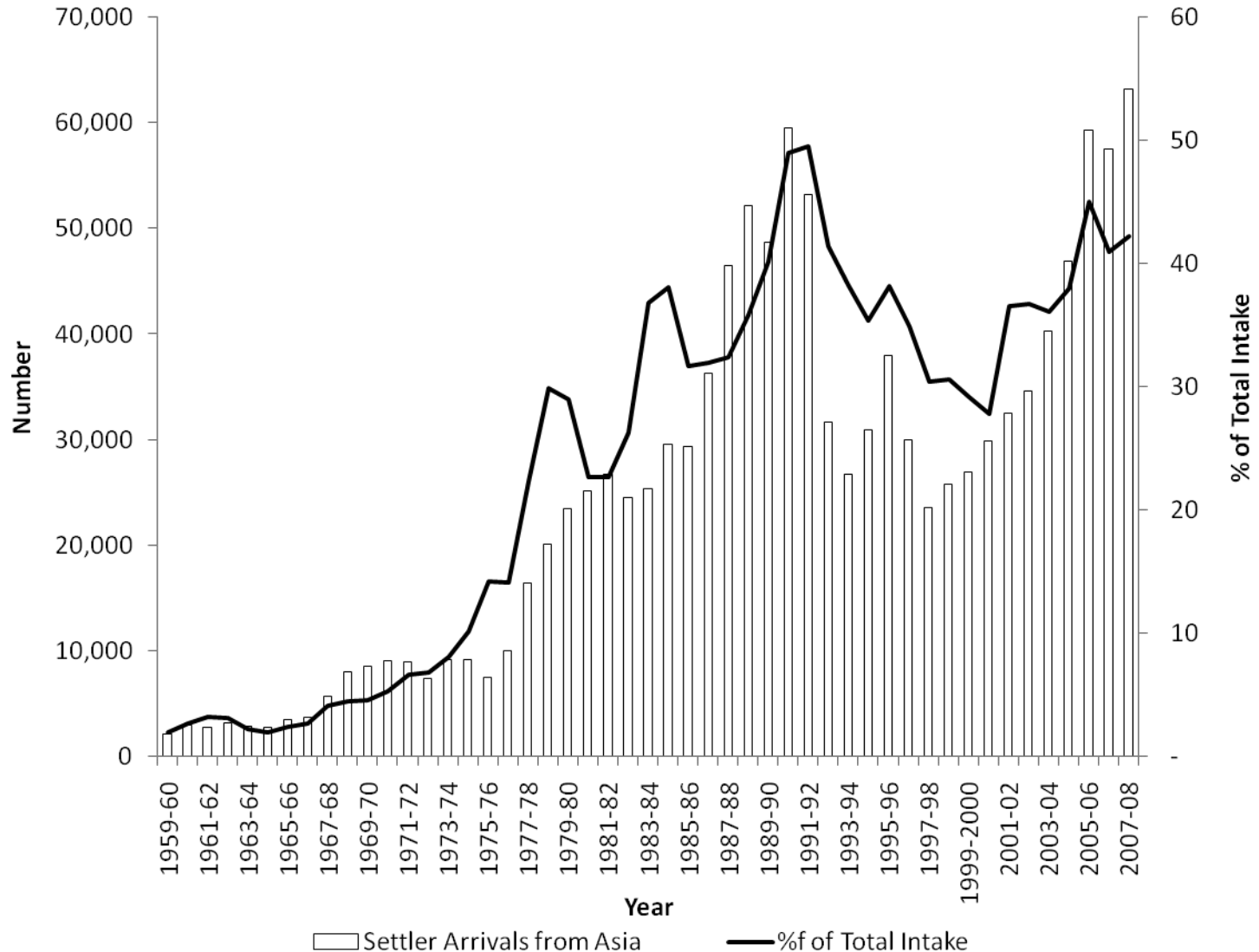
Number of Chinese Travelling Abroad for Business and Tourism 1981-2003 and Total Number of Outbound Trips from China, 1997-2008

Source: *Far Eastern Economic Review*, 24 June 2004, p. 30; *Asia Times Online*, 9 February 2006; Knowledge @W.P. Carey, 21 June 2006, Special Section 'China's New Consumers', <http://knowledge.wpcarey.asu.edu/index.cfm?fa=SpecialSection@specialId=46>; *Public Diplomacy Watch*, 16 November 2006; Embassy of the People's Republic of China in Australia, <http://au.China-embassy.org/eng/xw/t354774.htm>; Yao Xu, 2008 'Chinese Outbound Tourism Soars', *US-China Today*, Graff 2009, <http://news.future-of-travel.org/?p=1580>



Australia: Settler Arrivals from Asia, 1959-60 to 2007-08

Source: DIMIA *Australian Immigration: Consolidated Statistics* and DIAC *Immigration Update*, various issues



Note: Settler Arrivals from 2006-07 onwards are by Region of Birth

Australia, USA and Canada: Growth of the Asia-Pacific-Born Population, 1971 to 2006 (Thousands)

Source: OECD 1995, ABS 1971, 1991, 2001 and 2006 Censuses; US Bureau of the Census 2001 and 2006 Current Population Survey; Statistics Canada, Census of 1971; 1991, 2001 and 2006; Gibson and Lennon 1999

	Australia		USA		Canada	
	Asia-born	Pacific-born*	Asia-born	Pacific-born	Asia-born	Pacific-born
1971	167.2	97.2	824.9	41.3	131.8	
1971-1981 % p.a. increase	8.3	8.2	11.9	6.5	15.2	
1981	371.6	212.8	39.8	77.6	541.2	
1981-1991 % p.a. increase	8.3	5.1	7.0	3.0	7.0	
1991	822.2	349.8	4,979.0	104.1	1,064.8	41.7
1991-2001 % p.a. increase	1.8	2.7	4.8	5.6	5.8	2.3
2001	982.5	455.3	7,970.0	179.0	1,878.0	52.2
2001-2006 % p.a. increase	4.2	1.7	2.4	-2.8	4.3	2.1
2006	1,208.7	496.4	8,590.0	155.0	2316.6	57.8

* Excludes Australia-born

Asian Countries: Estimates of Stocks of Migrant Workers in Other Countries Around 2006

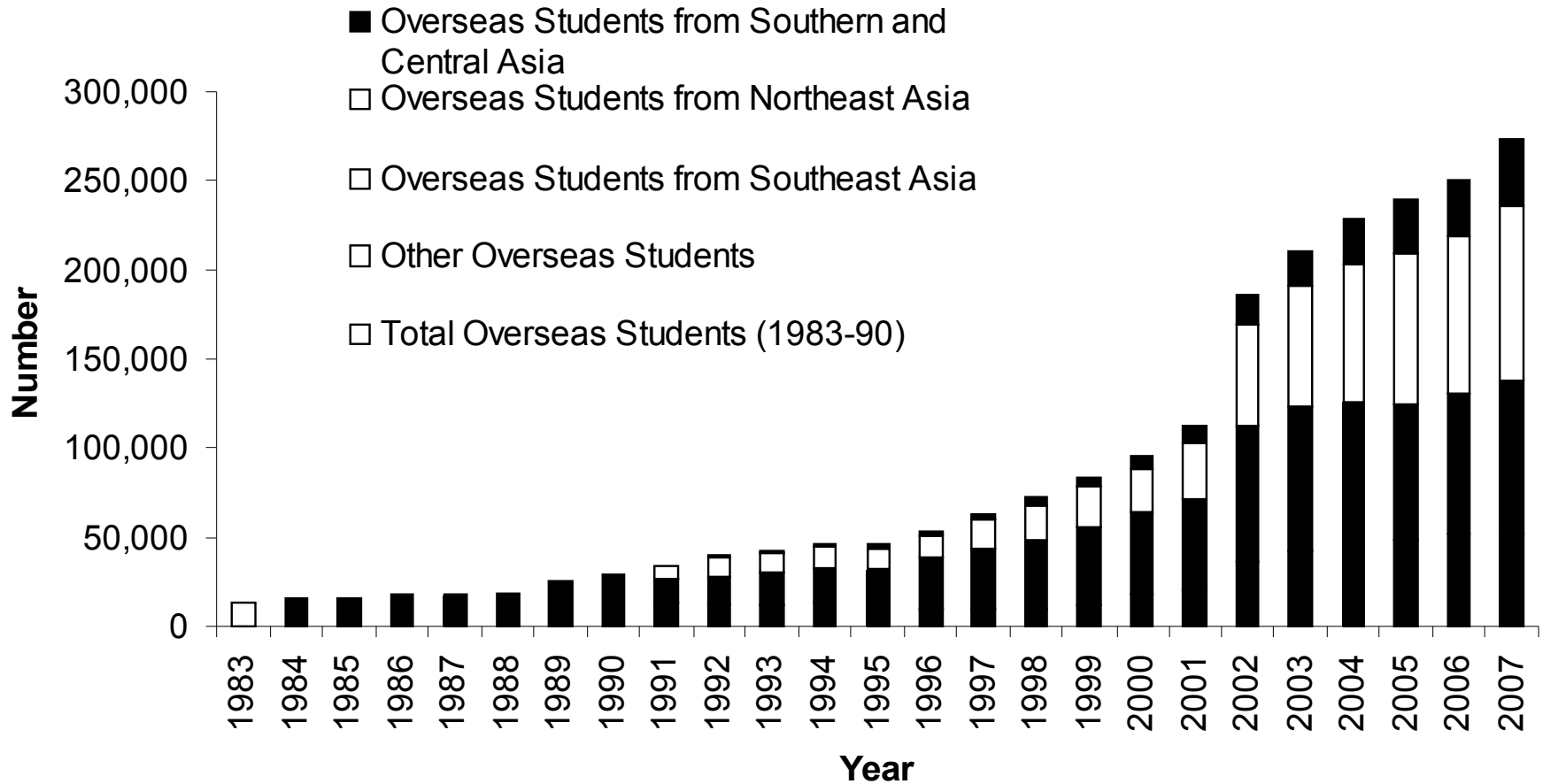
Origin Countries	Number	Main Destinations
Southeast Asia		
Burma/Myanmar	1,840,000	Thailand
Thailand	340,000	Saudi Arabia, Taiwan, Myanmar, Singapore, Brunei, Malaysia
Laos	173,000 ^b	Thailand
Cambodia	183,541	Malaysia, Thailand
Vietnam	400,000	Korea, Japan, Taiwan
Philippines	8,726,520	Middle East, Malaysia, Thailand, Korea, Hong Kong, Taiwan
Malaysia	250,000	Japan, Taiwan
Singapore	775,000 ^a	
Indonesia	2,700,000 ^a	Malaysia, Saudi Arabia, Singapore, Hong Kong
Total	15,388,061	
South Asia		
India	3,100,000	Middle East
Pakistan	3,180,973	Middle East, Malaysia
Bangladesh	3,000,000	Saudi Arabia, Malaysia
Sri Lanka	1,500,000	Middle East, Malaysia
Nepal	1,565,000	Middle East, India, Malaysia
Total	12,345,973	
North East Asia		
China	550,000	Middle East, Asia and the Pacific, Africa
North Korea	300,000	China
South Korea	632,000	Japan
Japan	61,000	Hong Kong
Total	1,523,000	

a. Documented

b. Undocumented

Overseas Students in Australian Universities, 1983-2007

Source: DEST *Students: Selected Higher Education Statistics*, various issues



Marriage is Changing Ethnic Composition of Populations

- **2003 Chinese Taipei** - 13.4 percent of births involve foreign parent
 - 32.2 percent of all marriages involve foreigners
- **2005 South Korea** - 27 percent of all marriages to a non-Korean
- **2004 Japan** - 257,292 foreign spouses

NATIONAL DIASPORAS IN RELATION TO RESIDENT NATIONAL POPULATIONS

Source: US Census Bureau, 2002a and b; Southern Cross, 2002; Bedford, 2001; Ministry of External Affairs, India, <http://indiandiaspora.nic.in>; Naseem, 1998; Sahoo, 2002; Iguchi, 2004; Gutiérrez, 1999; Philippines Overseas Employment Service; Asian Migration News, 15-31 January 2006; OECD database on immigrants and expatriates; Luconi 2006; Nguyen Anh 2005; http://en.wikipedia.org/wiki/korean_diaspora

USA:	8.7 million – 2.7 percent of national population
Australia:	900,000 – 4.3 percent of national population
New Zealand:	850,000 – 21.9 percent of national population
Philippines:	7.5 million – 9.0 percent of national population
India:	20 million – 1.9 percent of national population
Pakistan:	4 million – 2.8 percent of national population
China:	30 to 40 million – 2.9 percent of national population
Japan:	873,641 – 0.7 percent of national population
South Korea:	6.4 million – 13.2 percent of national population
Vietnam:	2.6 million – 3.2 percent of national population
Mexico:	19 million* – 19 percent of national population
Singapore:	100-150,000 – 3.5 percent of national population
Cook Islands:	52,600 – 34 percent of national population
Niue:	5,884 – 294.2 percent of national population
Tokelau:	2,019 – 138.5 percent of national population
Samoa:	78,253 – 44.5 percent of national population
Fiji:	128,284 – 15.8 percent of national population
Italy:	29 million – 49.4 percent of national population

* Mexican diaspora in the U.S.

Drivers of Migration

- **The Three D's**
- **Network proliferation**
- **Migration Industry**
- **Labour Market Segmentation**
- **Government Intervention**

Recessions and Migration

- **Effect of recessions on migration complex and hard to predict**
- **1973-74, 1981-82 and 1997-98 Asian crises effected migration but impacts relatively short term.**
- **GFC likely to have greater impact because most countries are affected and it is more severe.**
- **Evidence of impact fragmentary.**

Immigrants and Migrants Are More Vulnerable During an Economic Crisis

- **Over-represented in sectors more sensitive to the business cycle**
- **Less secure contractual relationships**
- **More often in temporary or part-time work**
- **Over-represented among less skilled**
- **Over-represented in vulnerable business ownership**
- **Face potential discrimination**
- **Governments face less criticism from internal constituency**

Impacts of the Crisis

- **Unemployment rates higher among migrants/migrant workers**
- **Declining legal flows to free mobility areas**
- **Medium term risk of increasing irregular flows in response to cutting back official flows**
- **Increased vulnerability to trafficking**
- **However, most migrants seek to stay in destination if they lose their job**

Migrants More Vulnerable to Recession Effects

- **Marginal position – often undocumented**
- **Younger**
- **Often most recent employees**
- **Lack access to benefits**

Fear that the modest gains made in liberalising migration in Asia and the Pacific will be lost as countries become more protectionist, just as they are with trade and investment.

Destination Countries

IMPACTS

- **Voluntary Return Programs (e.g. Vietnamese workers in Czech Republic)**
- **Laying off foreigners first – Singapore, Korea, Japan, Malaysia**
- **Taiwan – limited companies so that maximum of 20 percent of workers could be foreign workers**
- **Freeze on issuance of work permits – Malaysia, Korea, Thailand**
- **Stepping up detection and deportation of undocumented migrant workers – Malaysia, Korea**
- **Repatriations – e.g. Filipinos from Taiwan (Asis, 2009)**
- **Experience of Asian Crisis of late 1990s may influence policies of some countries to not rush into repatriations (Asis, 2009)**
- **Flow of migrants influenced more quickly than stock**

Taiwan

- **Fall in number of foreign workers from 374,000 in July 2008 to 343,000 in April 2009 (4 percent of workforce)**
 - **Concentration of lay-offs in electronics and garment manufacturing**
 - **Care givers continued to increase. 172,000 in April 2009 – exceeded numbers of construction workers for the first time**
- **Government attempt to cut 30,000 migrant worker jobs to provide work for locals**
- **Migrant workers finding it harder to get overtime and work hours reduced, making it difficult to meet costs**
- **December 2009-January 2009 – 17,500 migrant workers lost their jobs in manufacturing sector**

Japan

- **Nikkeijin – 360,000 Peruvians and Brazilians**
- **April 2009 – Government policy to pay 300,000 year (\$3000) to each adult Nikkeijin who agreed to leave Japan**

Key Features of the Japanese Repatriation Program

Source: MPI, 2009

Eligible migrants	Only Nikkeijin from Latin American and their family members, who had entered Japan and started employment prior to April 1, 2009. The program is restricted to those with legal resident status.
Family members	Eligible
Countries of origin	Latin America
Departure bonus given to the jobless workers	<p>The plan offers the applicant \$3,000 for airfare and \$2,000 for each dependent, and immigrants can keep the amount they do not use.</p> <p>Those who are receiving unemployment benefits will receive an additional set amount: If more than 30 days remain for unemployment benefits, the individual will receive \$1,000 dollars; if more than 60 days remain, the individual will receive \$2,000 dollars.</p>
Other incentives	N/A
Disincentives	No reentry under the same residence permit/visa for three years. (They could, however, return as tourists or apply for a residence permit/visa other than the one possessed at the time of government repatriation assistance.)

Movements To and From the Gulf States

Source: Fix *et al.*, 2009

- **A mixed picture because of differences in destination countries**
- **Little change in Indian migration, especially to Saudi Arabia**
- **Bangladesh has begun to look for new destinations for migrant workers displaced**
- **Similarly with Philippines**
- **Nepalese shifted from Qatar and UAE to Saudi Arabia**

Impacts on South Korea

- **South Korea**
 - **Decline in permanent emigrants of 44.4%**
 - **Increase in return of citizens overseas**
- **Intake of foreign workers lowered**
- **Laid-off migrants allowed to stay in Korea for up to 60 days to look for a new job**

Concentration of Job Losses in Particular Sectors (Martin 2009)

- **Construction**
- **Financial services**
- **Manufacturing**
- **Travel related services**

Hence migrants in these areas likely to be most effected. However some areas not effected, e.g. domestic workers, care workers, health workers

Construction

- **GCC countries shedding construction workers, Dubai, Saudi Arabia**
- **China – reduction in infrastructure development**
- **Thailand – January 2009 announced would not reregister migrants**
- **Malaysia – January 2009 froze new entries of migrant workers**

Manufacturing

- **China: most visible impacts. More than 100 million employed in manufacturing. Some 25 million lost their jobs (*AMN*, March 2009).**
- **Korea: halted admissions under the Employment Permit Scheme in February 2009**
- **Malaysia: 752,000 registered foreign workers but plan to reduce significantly.**

Domestic Workers

- **Experience from Asian crisis of 1998-99 was that they were largely unaffected**
- **Sri Lanka, major source of destination workers, reports that its migrant worker outflow and remittances have not been not effected**
- **Philippines Overseas Employment Administration reported in February 2009 that there were no lay-offs of Filipino domestic workers in Singapore and Hong Kong because the recession encourages households to have two earners and thus need a domestic helper (MN, February 2009)**

Impacts on Working Conditions

- **Migrant workers often have weaker bargaining position, especially undocumented workers**
- **Reports of pay cuts, delays in payment, reduced conditions**
- **More risking illegal overstaying**
- **Some locals beginning to take on less attractive domestic work previously reserved for migrant workers (e.g. Taiwan)**

Reductions in Foreign Workforce

- **Korea:**
 - **Cut number of work visas from 100,000 in 2008 to 34,000 in 2009**
 - **Quota of ethnic Koreans from China cut from 34,000 in 2008 to 17,000 in 2008**
- **Taiwan: Reduction of foreign workers by 30,000 in 2009**
- **Kuwait: Foreign workforce declined from 1.77m in 2007 to 1.75m in 2008**
- **Malaysia: January – banned new hires of migrant workers in services and manufacturing**

Adjustments by Migrant Workers at Destinations

- **Displaced workers move into informal sector**
- **Displaced workers become undocumented overstayers**
- **Accept lower conditions/wages**

Malaysia

- **Government has announced several initiatives to reduce dependence on foreign labour**
 - **Doubling migrant levy in services and manufacturing**
 - **Enforcing that levy must be paid by employer, not the migrant worker**
 - **Banning new hires in manufacturing and services**
 - **Tightening control of recruiters so all migrant workers have to have a job promised**
 - **Subsidising training of local population if they replace migrant workers**
 - **Employers ordered to retrench migrant workers before local workers**
- **Indonesian Ambassador to Malaysia estimates 15 percent of 2 million Indonesian migrant workers could be laid off by mid 2009**

Australia

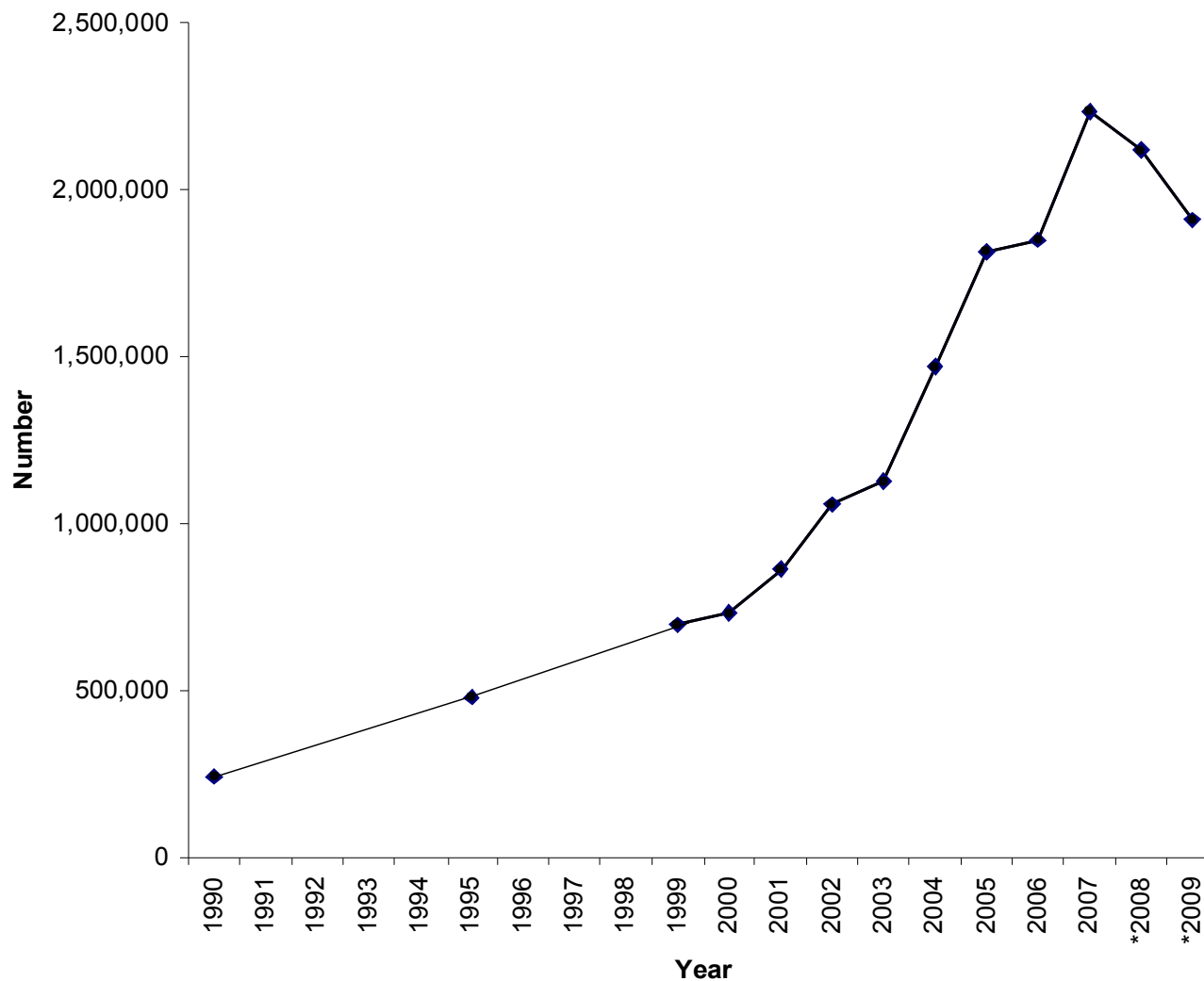
- **Announced substantial reduction (14 percent) in intake of skilled migrants from a record 133,500 in 2008-09**
- **Some evidence of increased return of skilled Australians, especially from US and UK**
- **Pressure to stop recent pilot program to bring in agricultural workers from Pacific countries**
- **First reduction in number of temporary business migrants (457s) since the visa was introduced in 1996**

Australia's 457 Program

- **Similar to HB1 in US except not capped and market demand driven hence vulnerable to crisis**
- **Increased exponentially since introduced in 1996**
- **2006-07 increased by 23 percent, 2007-08 by 26 percent but declined by 13 percent in 2008-09**
- **Primary application in June 2009 40 percent lower than June 2008**

Malaysia: Stocks of Migrant Workers, 1990 to 2009

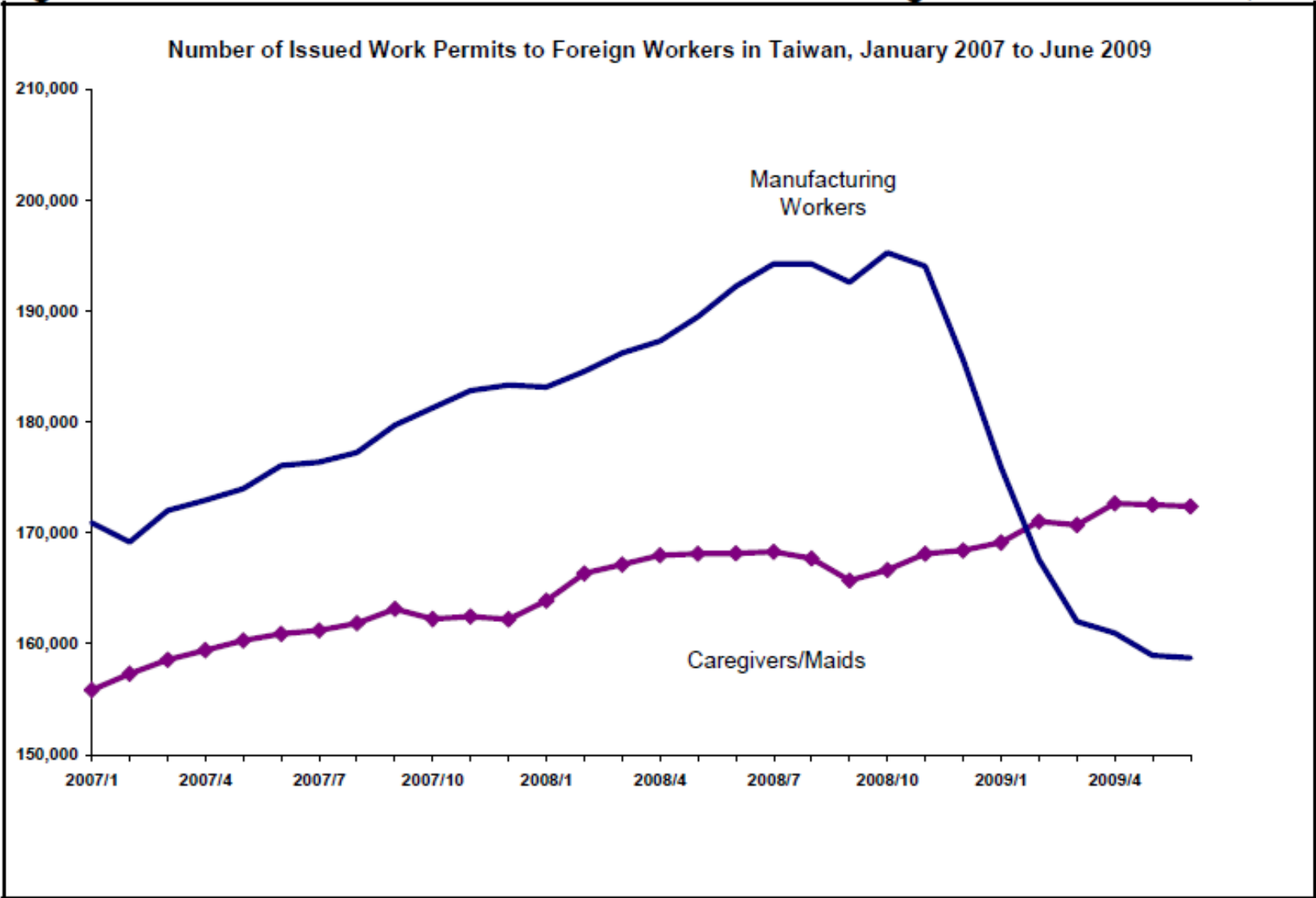
Source: Malaysia, Economic Planning Unit; Kanapathy 2008; Badri 2008; Economic Planning Unit Malaysia



* At 31 March

New and Renewed Work Permits Issued to Foreign Workers in Taiwan, 2007-2009

Source: MPI, 2009

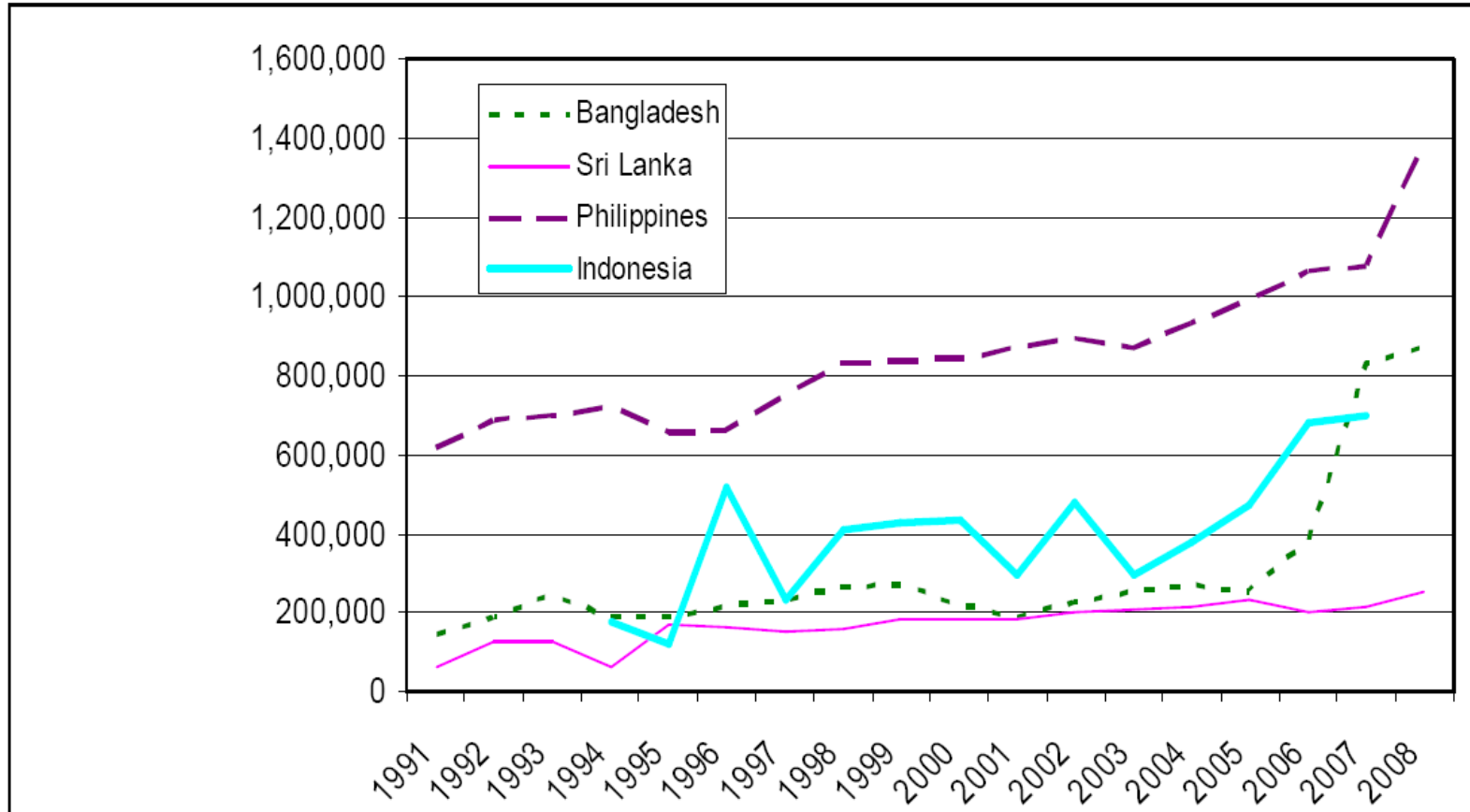


Origin Country Impacts

- **Absorbing return migrants**
- **‘Brain’ gain of skilled returning migrants**
- **Transaction costs of migration may increase**
- **Seeking new markets for migrant workers**
- **Migrant workers more vulnerable to traffickers and illegal recruitment**
- **Migrant families reported to be saving more and spending less (Philippines)**

Little Evidence of Decline in Numbers of Migrant Workers Leaving

Figure 1: Annual outflows of migrant workers from selected Asian countries



Source: Abella and Ducanes, 2009, p.

Origin Country Policies

(Abella and Ducanes, 2009)

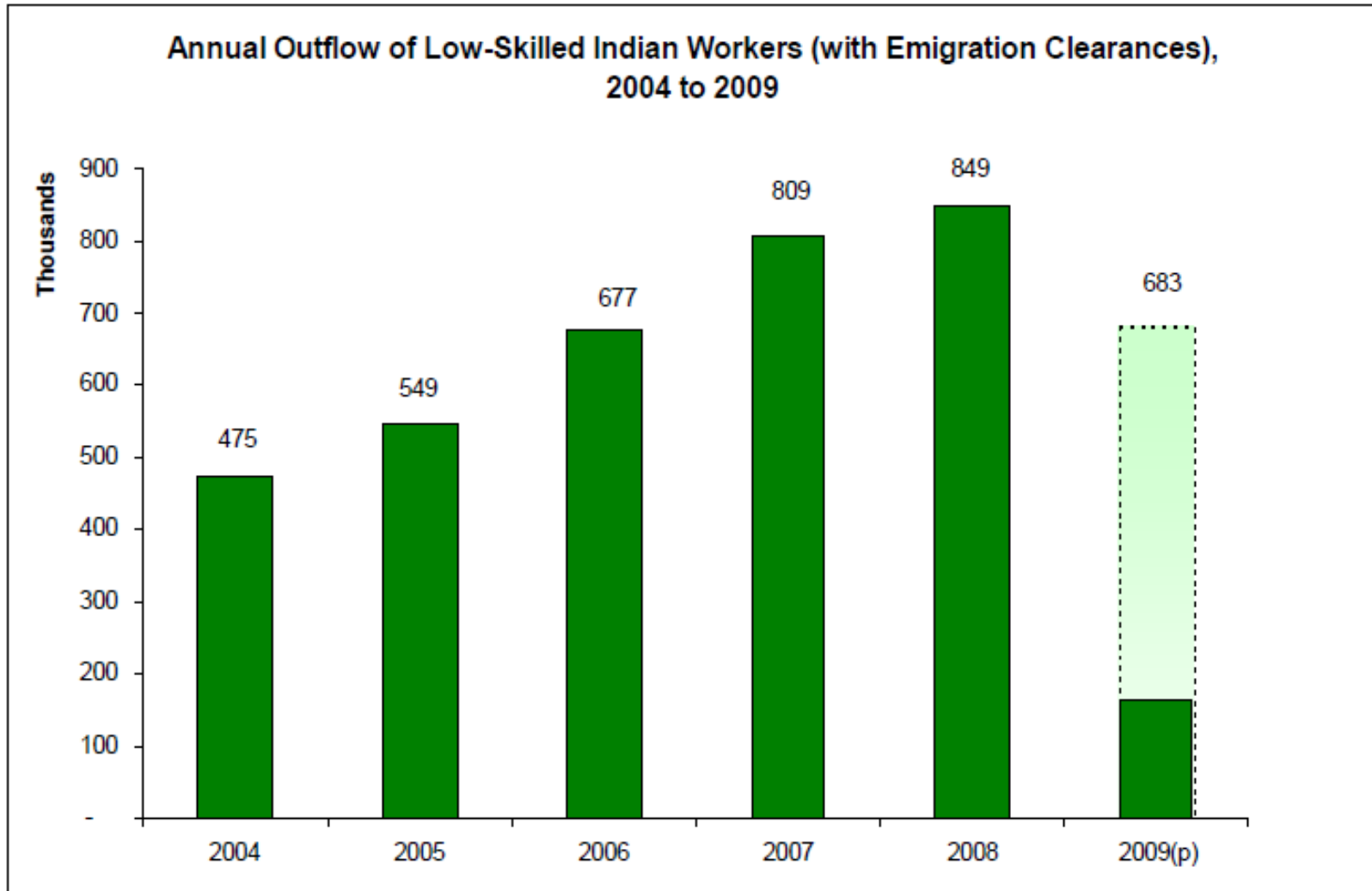
- **Embassy assistance to retrenched migrant workers – Sri Lanka, Bangladesh, Philippines**
- **Establish help desks in origin provinces influenced – Philippines**
- **Assistance with repatriation – Philippines**
- **China: Grain subsidies, vocational education initiatives and rural infrastructure projects to help laid-off workers returning to villages (AMN, March 2009)**
- **Safety net programs for returning migrant workers – Bangladesh, Philippines, India**

Return Migration

- **Little known about it.**
- **May be greatest where the origins are able to offer opportunities rather than strength of recession at destination.**
- **Bangladesh: Returnees who had been laid off due to the crisis 4,817 in January and 8,022 in February. Outflow declined from 50,632 to 43,856 over same months.**
- **However, main evidence is that laid-off workers wish to remain in destination.**

Annual Outflow of Low-Skilled Indian Workers, 2004-2009 (Projected)

Source: MPI, 2009

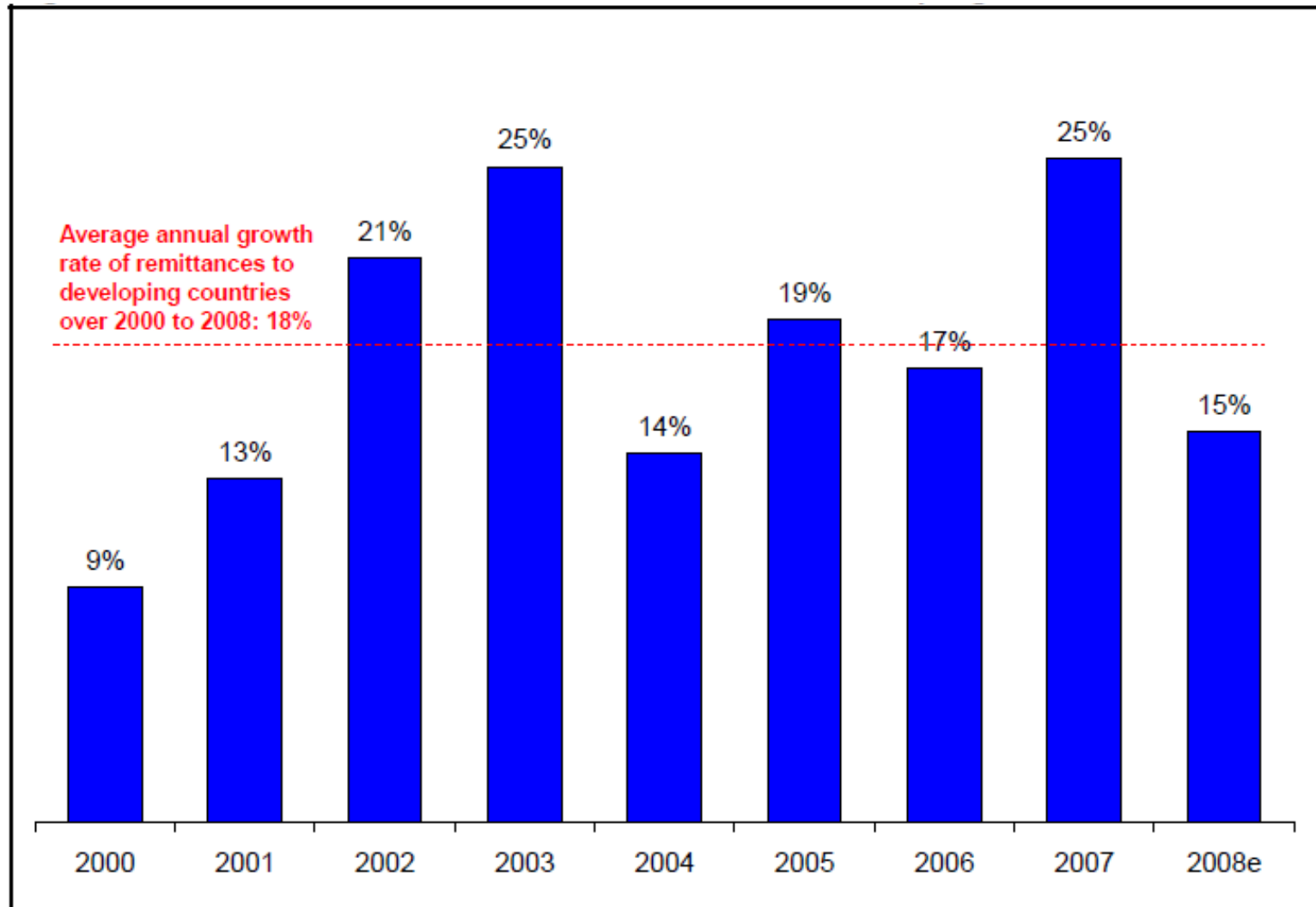


Remittances

- **Increasingly identified as a significant element in the economies of several Asia-Pacific countries**
- **World Bank has improved the methodology of estimating and monitoring remittance flows**
- **Increasing effects to:**
 - **Enhance remittance flows, reduce transaction costs**
 - **Divert remittances into development related investments**

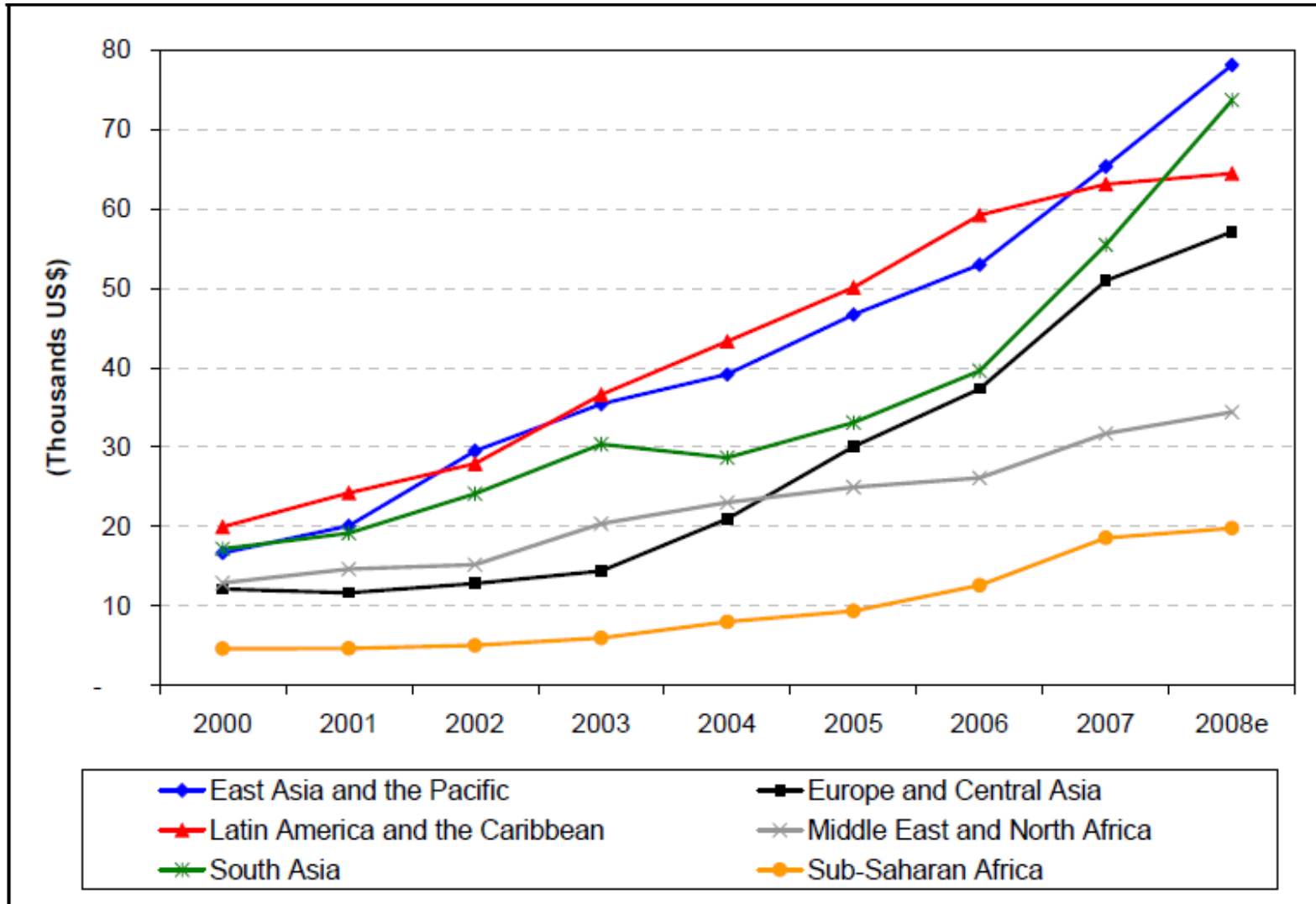
Annual Growth Rate of Remittances to Developing Countries, 2000-2008

Source: MPI, 2009



Remittance Flows by Region, 2000-2008: The Rise of Asia

Source: MPI, 2009

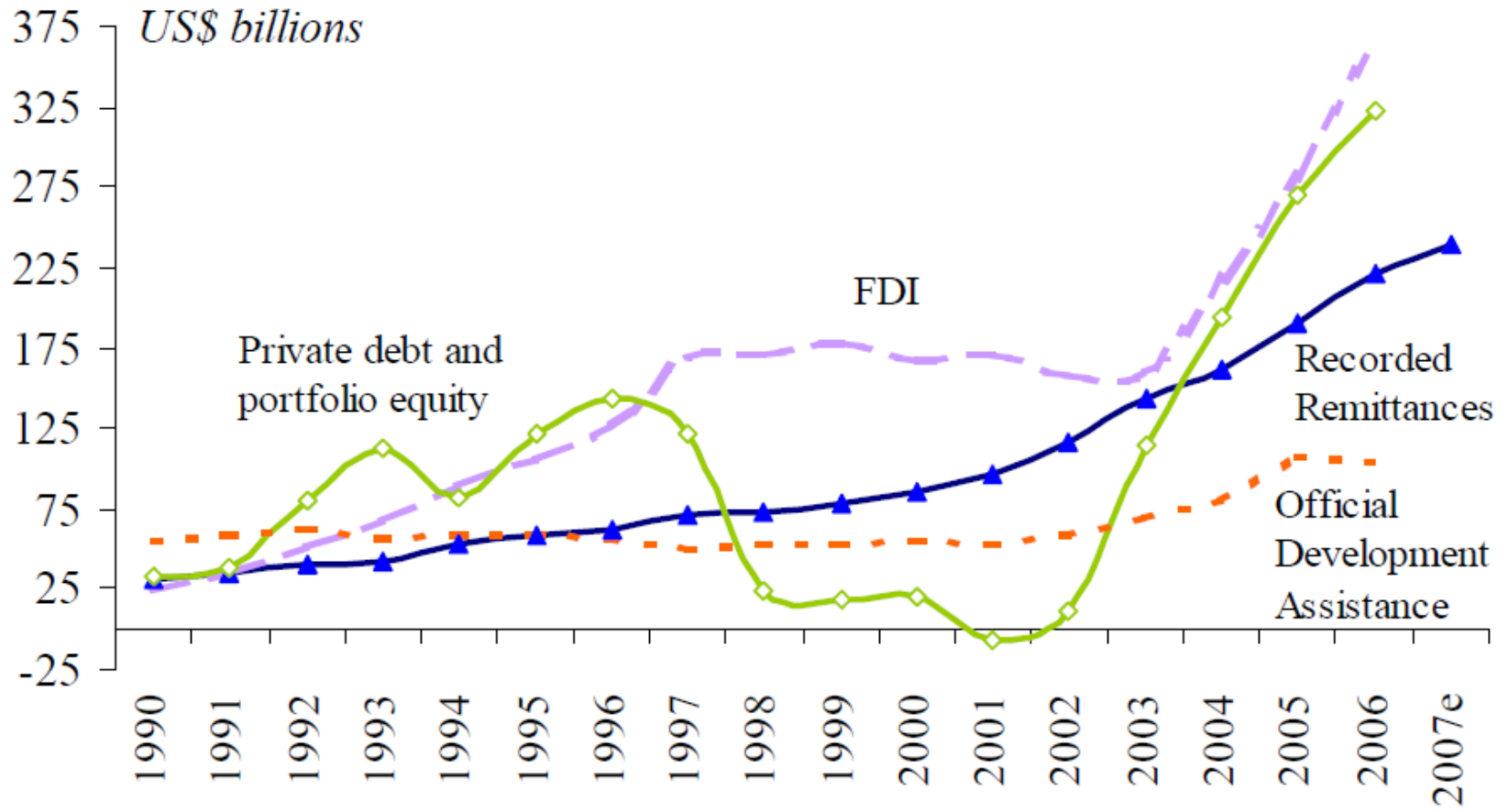


Remittances and Crises

- **Evidence of remittances being countercyclical**
- **Resilience of remittances in face of crisis**
- **Some remittance flows are triggered by crisis**
- **Remittances are less sensitive to crisis impact than migrant numbers**

Remittances and Capital Flows to Developing Economies

Source: World Bank, 2007



Main Asian Labour Exporting Countries: Workers' Remittances Relative to Exports and Imports in US\$ Million, 1980-2006

Source: Hugo 1995; *World Bank Development Report*, various volumes and Remittances dataset,
<http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/Remittances>

Country	Year	Workers' Remittances	Total Merchandise		$\frac{R}{X}$	$\frac{R}{M}$
			Exports (X)	Imports (M)	X	M
Indonesia	1980	33	21,908	10,834	0.2	0.3
	1992	264	33,815	27,280	0.8	1.0
	2006	5,722	183,964	78,393	5.5	7.3
Philippines	1980	421	5,744	8,295	7.3	5.1
	1992	2,538	9,790	15,465	25.9	16.4
	2006	15,200	47,028	51,980	32.3	29.2
Thailand	1979	189	5,240	7,158	3.6	2.6
	1992	1,500	32,473	40,466	4.6	3.7
	2006	1,333	130,575	128,600	1.0	1.0
China	1982	564	21,875	19,009	2.6	3.0
	1992	739	84,940	80,585	0.9	0.9
	2006	23,319	969,073	791,614	2.4	2.9

Growth Remittances and Migrants, 2000, 2005, 2010

Source: Martin, 2009

World	2000	2005	2010
Real GDP (2005, trillion \$)	39.2	44.8	50.5
Annual Growth (%)	4.2	3.4	1.0
Nominal Remittances (\$ billion)	84.2	194.2	297.0
Annual Growth (%)	-	19.0	6.0
Migrant Stocks (m)	177	191	205

Fiji and Tonga Estimates of Total Remittances, 2004 (US\$)

Source: Brown 2008

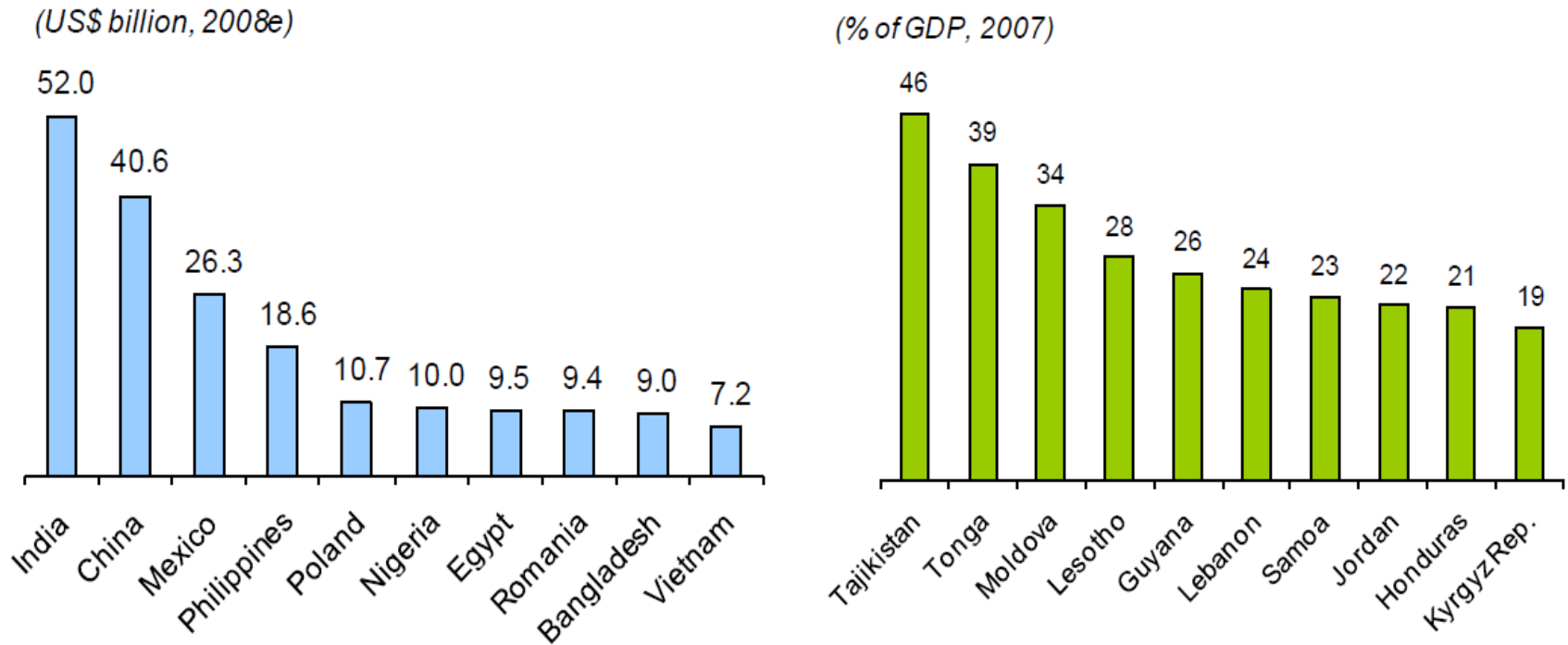
	Fiji	Tonga
Remittances Received Per Capita	\$370.88	\$753.02
Population	836,002	98,322
Percent Who Are Recipients	42	90.9
Total Remittances (US 000\$)	\$130,343	\$67,330
As Percent of GDP	6.2	41.8
As Percent of Exports	8.3	154.2

The Impact of Remittances

- They have played a social protection role by providing a steady and reliable source of income for consumption in poor and vulnerable households (World Bank 2006b, viii).
- While findings vary on the impact of remittances on income distribution in origins in the Pacific, there is evidence that they benefit most the poorest populations and improve equity in income distribution.
- Remittances can have an impact in poverty alleviation in the Pacific.
- Remittances have induced higher rates of saving.
- There is some evidence of remittances stimulating business activity in origin communities.
- Receipt of remittances is associated with higher levels of secondary school attainment and increases the likelihood of other household members going on to higher education.

Top Recipients of Migrant Remittances Among Developing Countries in 2008

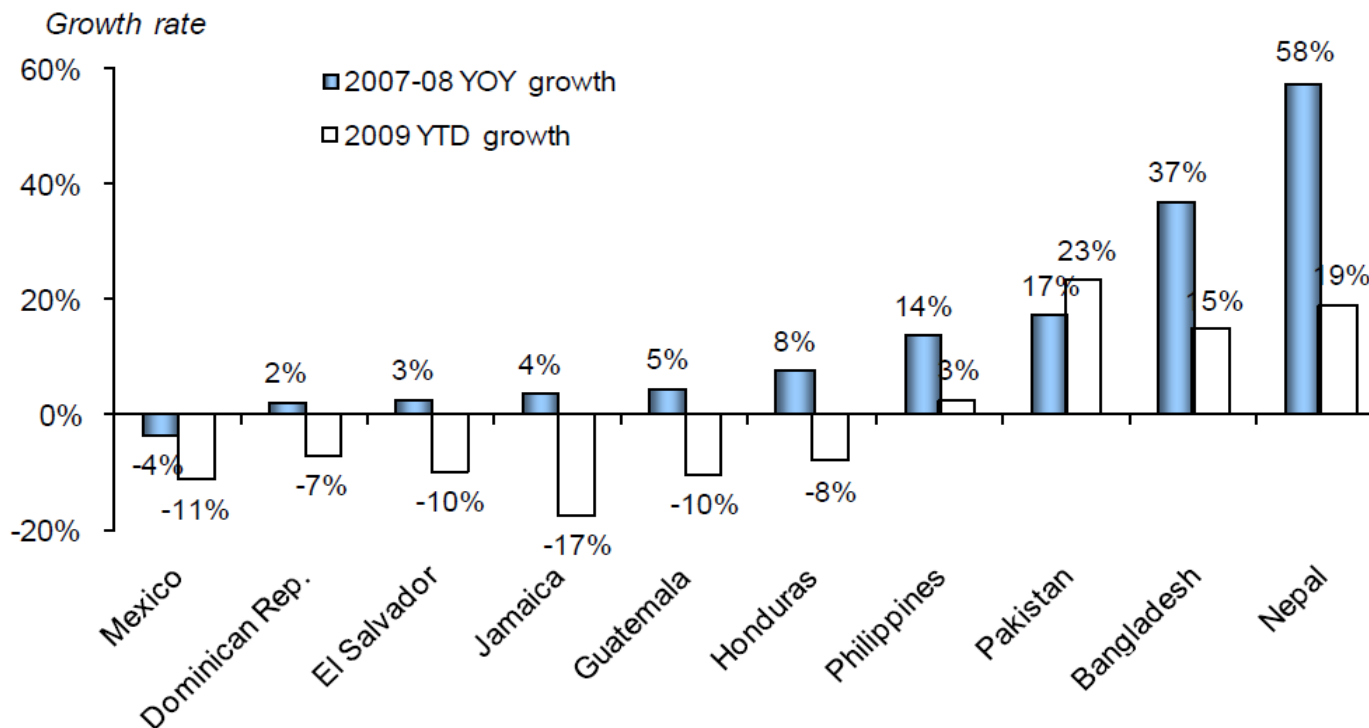
Source: World Bank, 2009



Source: Same as table 1. GDP data for 2008 are not available for many countries; hence data are shown for 2007.

In Contrast to a Decline in Latin America, Flows to Some Countries in South and East Asia are Still Growing But the Rate of Increase has Slowed

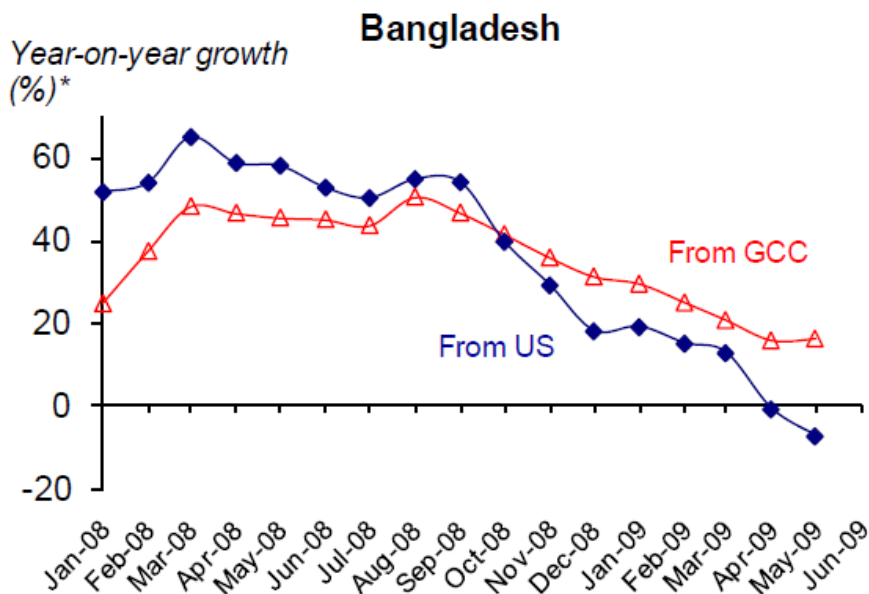
Source: World Bank, 2009



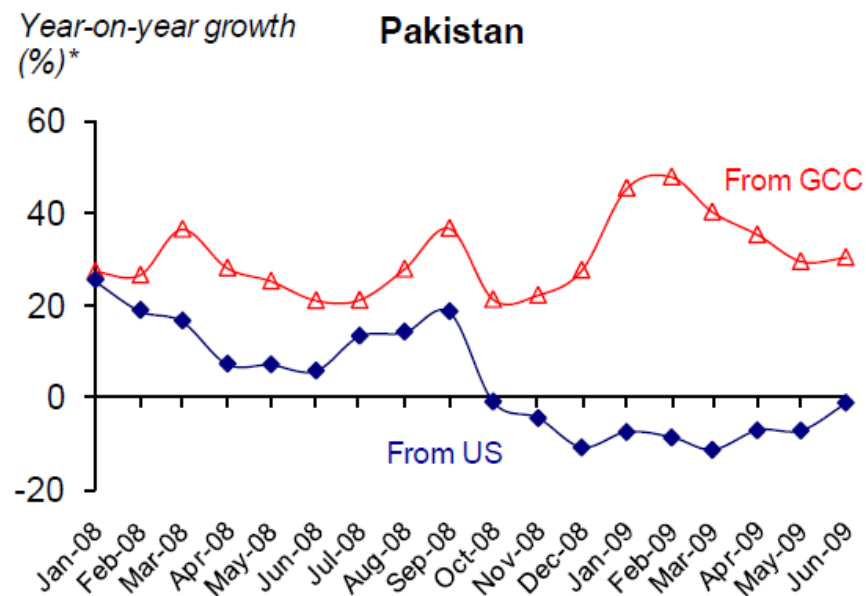
*Year to date (YTD) growth refers to growth of remittances up to the latest available month in 2009 compared to the same period the previous year. Latest available monthly data for 2009 are January-June for El Salvador, Guatemala and Pakistan, January-May for Bangladesh, Honduras and Mexico, and January-March for Dominican Republic.

The Rate of Increase of Remittances from Gulf Countries is Slowing but Still Positive, While Those from the US have Become Negative

Source: World Bank, 2009



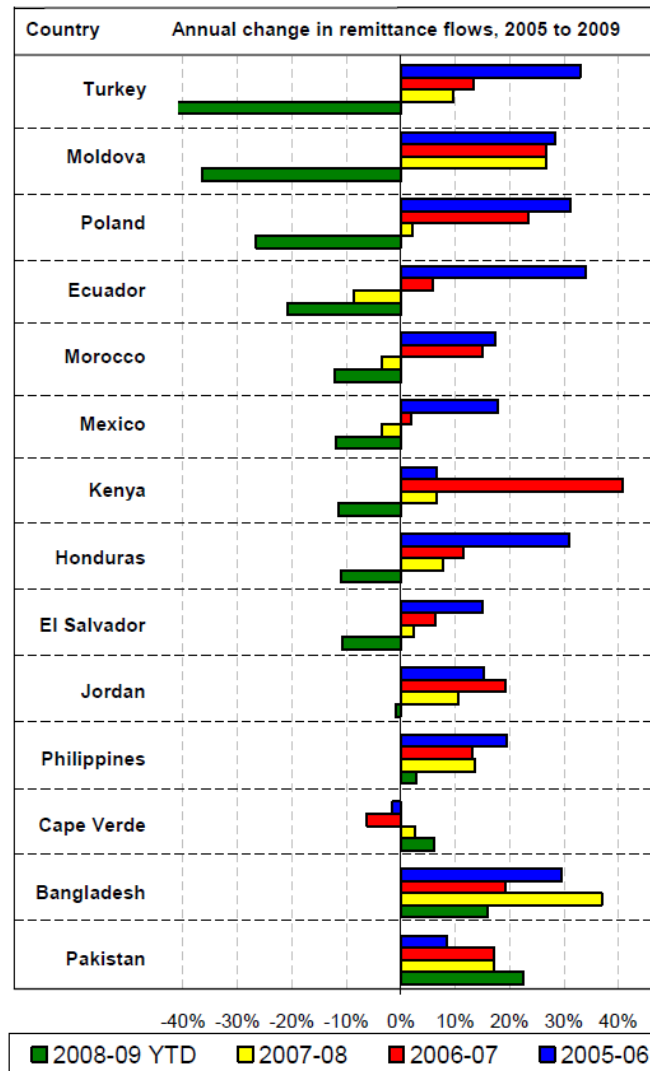
*Growth of 3-month moving average



*Growth of 3-month moving average

Remittances to Many Developing Countries Have Slowed (Annual Growth, 2005-09)

Source: MBI 2009

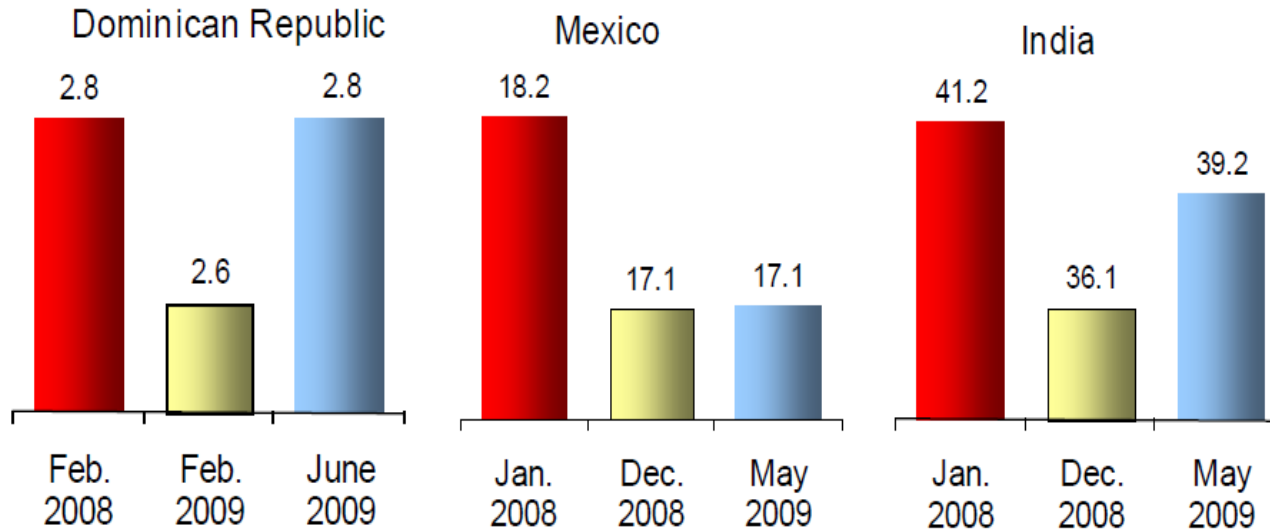


Notes: 2008-2009 data compare January to June totals for Bangladesh, Cape Verde, Kenya, Mexico, Morocco, Philippines, and Turkey. January to July totals for El Salvador, Honduras, and Pakistan; first quarter totals for Poland, Moldova, and Jordan; and first semester totals for Ecuador.

Non-Resident Deposits* Declined in 2008 But Have Risen Since

Source: World Bank, 2009

(\$ billion)



* Dominican Republic - foreign currency deposits, India - foreign currency and repatriable rupee deposits, and Mexico - foreign currency demand deposits and time deposits from the public. Note that these charts use different scales.

Remittances – World Bank

- **Slow down in growth in last half of 2008, continued into first quarter of 2009**
- **Predicted downturn of 7 to 10 percent in 2009**
- **Downturn already reported in Sri Lanka, Philippines**
- **Greatest declines in Central Asia, lowest in South Asia**

World Bank Forecasts

	2008 Estimate	Base Case Forecast		Low Case Forecast	
		2009	2010	2009	2010
<u>US\$ Billion</u>					
East Asia/Pacific	78	74	76	71	71
South Asia	74	71	74	69	69
<u>Growth Rate (%)</u>					
East Asia/Pacific	19.6%	-5.7%	3.0%	-8.8%	-0.5%
South Asia	32.8%	-3.6%	3.9%	-6.4%	0.5%

Impacts of Decline in Remittances in Low Income Countries

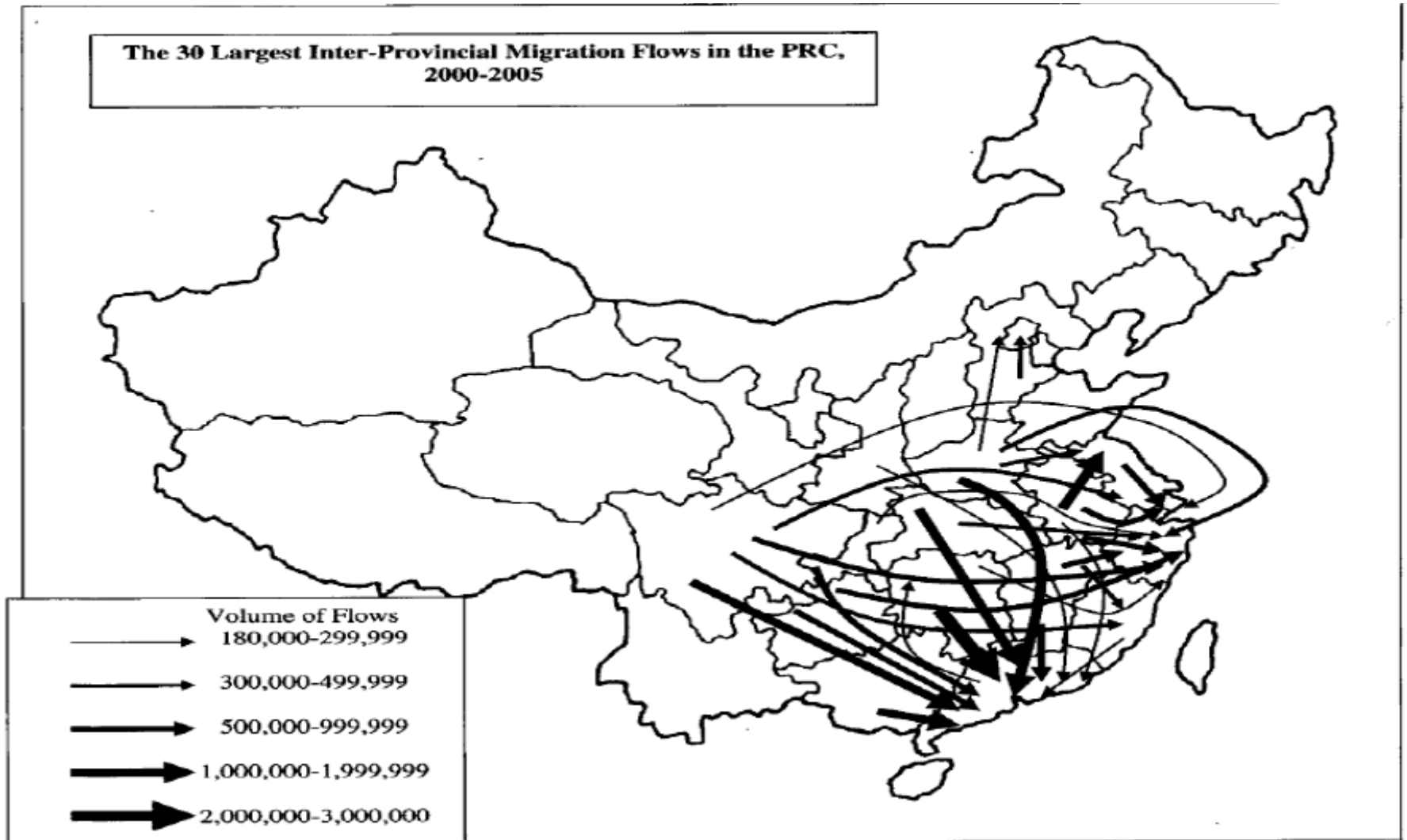
- **Substantial detrimental effects in stalling developing in areas upon remittances**
- **Potential to increase ‘push’ factors driving irregular migration**

Impact of the Crisis on Migration in China

- **In such a vast nation as China much internal rural-urban migration has strong similarities to international migration**
- **Massive rural to urban migration to the east coast has occurred over recent years**
- **It has been reported that 150 million people have moved from rural areas to cities since the early 1990s**
- **Crisis has seen massive return migration, e.g. Hubei province reported influx of 700,000 returnees from cities in November 2008. Jiangxi Province 300,000, Anhui 400,000. Estimate 20 million will return in 2009.**

Internal Migration Flows in China, 2000-2005

Source: MPI, 2009



Diagram, p. 9 of Fix et al. September 2009

Asian Crisis of 1997

- **Malaysia, which had a fifth of its workforce made up of migrants, imposed a ban on the intake of foreign workers and began substantial deporting of migrant workers, especially Indonesians**
- **However, did not have a large impact on emigration from Indonesia because:**
 - **Increased pressure in origin areas pushing out migrant workers**
 - **Labour market segmentation in Malaysia**
 - **Displaced workers moved into informal sector in destination**
 - **Moves to areas less effected by crisis**

Potential Impacts on Environment Related Migration

- **Reducing resilience to cope with long term and sudden environmental changes in low income countries**
- **Impact on vulnerability among communities in high risk areas**
- **Increased pressure on local environments through over-exploitation of resources**
- **Economic crisis may exacerbate environmental pressures**
- **Diminishing the potential for migration to be an adaptation strategy to cope with climate change**

Need to Consider the Longer Term

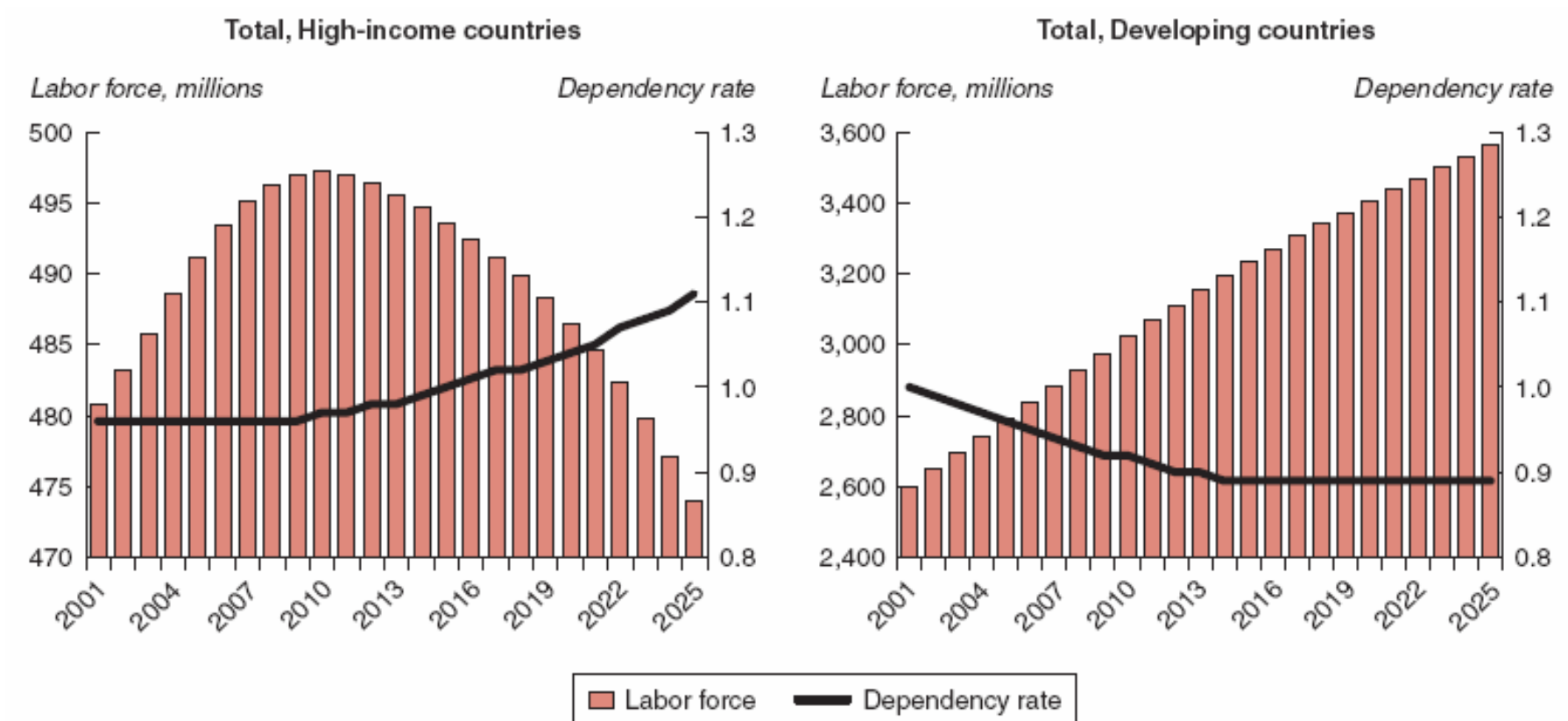
- **Delaying or cutting back on integration measures during an economic downturn can have negative long term implications for integration of immigrants and social cohesion (SOPEMI, 2009)**
- **Management of labour migration needs to be sufficiently responsive to short term labour market conditions without denying more structural needs**
- **Destination countries need to avoid changes which leave them unable to respond quickly to labour market needs in the recovery phase**

Outlook

- **Much uncertainty, depends very much on how long the recession goes on**
- **However the underlying drivers of migration remain and several of them are strengthening**
- **For example, from 2010 the number of working age persons in high income countries will begin to decline and there will be a decline of 500 million in this age group by 2025 (World Bank, 2006)**

Labour Force Age Groups and Dependency Rates

Source: World Bank, 2006



Labour Migration Will Remain Important

- **Foreign workers integral to economies – labour market segmentation**
- **Some jobs are tailored to migrants (e.g. in Malaysia plantation and forestry exports would not be competitive without cheap migrant labour)**
- **Role of social networks will strengthen**
- **Many skill shortages remain**

Conclusion

- **In the Asian Crisis of 1998-99 several destination countries learned that knee-jerk large scale repatriation of migrant workers can have negative consequences for economic recovery**
- **It must not be lost sight of the fact that migration is an increasingly important long-term structural feature of Asia Pacific economies**
- **The potential for appropriately managed migration to facilitate development in origins and destinations needs to be realised**