

# Globalization-illegal Migration-Poverty Reduction<sup>1</sup>

## Analysis of a complex phenomenon

Again and again it surprises me to see, how skilful illegal migrants use elements associated with "Globalization" in order to plan and implement their illegal migration projects. In that context, "Globalization" does not only refer to the globally interconnected neoliberal financial and economical system, but to the general "process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, velocity and impact – generating transcontinental or interregional flows and networks of activity, interaction and the exercise of power".<sup>2</sup> These processes changes the parameters in which a person or society lives and moves and rest upon (among others) improvements in infrastructure, electronic communication, the spread of English as foreign language taught in schools and the increase of cross border traffic in persons and goods. This development actually or potentially connects individuals, institutions and states to a complex interrelationship of mutual dependencies across the globe.

Whoever shows interest in the interrelationship between Globalization, illegal migration and poverty reduction realizes quickly that there is hardly any empirical research in that field. The reasons are obvious: Illegal migrants are always trying to protect themselves from curiosity – no big difference whether the interest comes from authorities or social scientists. This means, that knowledge in this field rests to a large extent on fragmentary insights and more or less intelligent 'guesstimates'. But beyond the walling-off of the "milieu" against intrusion from outside are other problems, e.g. that of definition: Who is an 'Illegal'? Those in possession of an Exceptional Leave to Remain (as in the French speaking context) or merely those who don't possess any papers issued or recognized by the authorities of the country in which they are factually resident (as I decided in the case of my research)?

A three-year long stay in Belize (the former British Honduras) provided me with some insight into illegal migration-chains linking Central America with the United States. With methods taken from qualitative social research I gathered information among illegal migrants, their relatives and experts. Insights gathered that way subsequently were verified and evaluated in the context of scholarly research and discussion in the field. Finally, insights of my previous empirical field studies in this milieu were re-evaluated under the new research interest and findings and, wherever possible – updated.<sup>3</sup>

## Globalization processes generate illegal migration

There are indicators that illegal migration movements are generated by the consequences of Structural Adjustment Programs, Free Trade or Foreign Direct Investment – core elements of the present global economic order. For example: The emigration of illegal Ukrainians was, among others, caused by the consequences of Structural Adjustment Programs in their home country, e.g. the closing down of unprofitable factories owned by the state. In Mexico, illegal

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<sup>2</sup> Held, D. / McGrew, A. / Goldblatt, D. / Perraton, J. (2001) *Global Transformations - Politics, Economics and Culture*. Oxford: Polity/Blackwell Publishers, p. 16

<sup>3</sup> The previous field studies were Alt, J. (1999) *Illegal in Deutschland*. Karlsruhe: von Loeper (done in Leipzig, state of Saxony) and Alt, J. (2003) *Leben in der Schattenwelt*. Karlsruhe: von Loeper (done in Munich, Leipzig and Berlin).

migration was boosted by the introduction of the North American Free Trade Area (NAFTA), in El Salvador I could find indications that the way Foreign Investment into mining was conducted expelled farmers from their land. From these three countries alone, millions of people saw no alternative other than emigrating illegally to the neighbouring EU or USA.<sup>4</sup>

The evaluation of interviews, migration statistics as well as police-statistics on arrests and deportation indicate parallel developments between the increase of "migration flows" and "flows in finance, goods and services": Whenever there is an intensive flow of money and goods between countries, there is also a major flow of illegal immigrants. The other way round: If countries are cut off from Foreign Direct Investment or global free trade connections, there is also hardly any flow of (illegal) migrants to be stated. Research strengthens the hypothesis that you cannot aim for a global integration of markets and make sure at the same that unwanted migrants stay out of this integration. However this is not a one-way movement: Improvements in the economic situation of the countries of origin motivate 'illegal' migrants to return. In summer 2006, for example, there were in Berlin only a fraction of those illegal Ukrainians which were there between 1995 and 2005, because by this time the economic situation at home was much better than in the years after the collapse of the former Soviet Union. Sadly: This positive trend is endangered again by the effects of the present financial crisis, since once more jobs are lost in the Ukraine.

Structural Adjustment Programs, Free Trade and Foreign Direct Investment are, of course, not causing illegal migration as such, but rather, their practical implementation and application. This refers to consequences of the fact that, e.g. Free Trade is not really fair and free, but distorted by protectionism and subvention, or that Structural Adjustment Programs are put into place without thinking adequately about the need to 'cushion' affected population groups against e.g. redundancy. The former Chief Economist of the World Bank, Joseph Stiglitz, voiced the opinion that many bad consequences of the introduction of market economy in the former soviet republics are due "to a misunderstanding of the very foundations of a market economy, as well as a failure to grasp the fundamentals of reform process." And he argues that "at least part of the problem was an excessive reliance on textbook models of economics. Textbook economics may be fine for teaching students, but not for advising governments trying to establish from anew a market economy."<sup>5</sup>

As long as insights as the one quoted are not heeded one can expect that illegal migration movement will start wherever possible, especially from within those regions, where there exists no public system of assistance for the unemployed other forms of social insurance. Migration to places where jobs and employment are hoped for is in that case a major alternative for those people to a life of poverty and lack of perspective. Saying that, there is not need for assuring a job before leaving. For many, the mere hope for jobs is enough to leave. The fact that migration to these rosy places is only possible by resorting to illegal means does not fall into the account for the people considering this option. Hope for betterment is always stronger than the certainty of poverty. Sadly, following this hope implies for many people the willingness to incur debts on themselves or families, so that they are able

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<sup>4</sup> As to Ukraine: Ukrainian Parliamentary Commissioner for Human Rights (2003) *On the status of observance and protection of the rights of Ukrainian citizens abroad*. Special Report Nr. 1. As to Mexiko: S. Polaskis contribution in: Carnegie Endowment for International Peace (ed.) (2004) *NAFTAs Promise and Reality*. Washington D.C. oder A. Portes (2006) *NAFTA and Mexican Immigration*. Princeton University. As to El Salvador: Here I resorted to talks and research in the Internet.

<sup>5</sup> Stiglitz (1999) *Whither Reform? – Ten Years of the Reformation*. Keynote Address for the Annual Bank Conference on Development Economics, Washington, D.C., 28-30 April 1999. p. 3

to pay traffickers. However: for them, it is a worthy and promising investment in a more secured future and therefore worthwhile.

The increasing interconnectedness of the world integrates nowadays even regions into the global illegal migration networks which until recently were cut off and isolated and where people considered already the journey into the provincial capital to be a major adventure. This phenomenon could be observed by looking at the migration networks between the Q'eqchi of the Toledo District in Belize and those in Los Angeles. Toledo is a remote district in the south of Belize in which 30 years ago not a single road was leading, where even today villages are not supplied with electricity and where many people still live from subsistence farming. New developments such as the possibility to send children into High School, to replace a thatched house by a concrete house with zinc roof, or to open a little business require the access to cash. You can't pay a school principle with a bag of corn or a chicken. But if you are not able to plant enough in order to sell it on the market, or if you disqualify for obtaining a loan from the bank due to the lack of a regular income, then illegal migration is an option readily available for all those who are intelligent, endeavouring and adventurous.

### **Globalization processes facilitate illegal migration**

The example of Toledo illustrates the importance of transnational social, commercial and criminal networks for international illegal migration movements with social networks probably being the most important ones to start with. Whenever Q'eqchi Maya from Belize implement a successful migration project it is due to the assistance received from family, relatives and friends either from Belize or from Guatemala, where many Belizean Mayas originate. Decades ago already, Maya from Guatemala moved illegally to the USA, starting at the time when the military government oppressed and persecuted the indigenous population of that country. Ever since they settled the US and started working, communication and information between them and their families at home was channelled also to relatives in Belize. This flow of information is nowadays easier than ever: Mobile phone provider from Guatemala also cover the border region and villages of southern Belize and enable international phonecalls, even though the national Belizean Telecommunication Company has not to that day succeeded to establish working villages phones inside the own country. That way, information about employment and housing reaches the Maya villages in Belize as well as information about reliable "travel agents" assisting the unlawful border crossing into the United States. Sometimes even the "seed money" for the illegal migration project is provided via those channels and relatives.

Besides that, also information accessible via electronic media gains importance as can be observed at High School students in Toledo. Young men and women get a thorough education in English language and don't succeed finding a job in Belize, where the unemployment rate among young people is at 39%. Therefore they want to try their luck in the US. Their idea of the US, however, is mainly shaped by pirated videos and DVDs or information carried together via Internet. Movies have an enormous impact on the imagination of these young people who, after their migration succeeded, are then shocked and surprised about the reality which awaits them. Finally, Email needs to be mentioned. More and more visitors come to Toledo, get to know young, gifted men and women, continue contact with them via Email which is accessible for High School students and invite them, eventually, for a visit in the US. The visit then implies the temptation to look for work and violate visa conditions.

Due to improvements in international travelling, migrants can cover larger distances faster than ever. In the 1970s, 50% in Central America migrated within the region, 50% moved to the USA. In the 1980s the share of those aiming for the US was already 80%, in 1990 the

share rose to 93%.<sup>6</sup> A similar tendency is recognizable elsewhere, e.g. looking at migration movements between Africa and the European Union. Morocco registered a tenfold increase of Sub-Saharan Africans entering the country via Algeria. "There are well founded reasons to believe that this tendency will accelerate, as Sub-Saharan Africa has probably a higher potential for immigration into the EU than any other region of the World. Some experts even believe that population movements from Africa could evolve into one of the largest in world history in the medium and long run."<sup>7</sup> Nota bene: Medium and long run. In the short term a drop in migration can be assumed. First numbers indicate that migration of illegal migrants from Africa to Europe dropped because of the world economic crisis.<sup>8</sup> However: The consequence of exactly this global crisis in Africa south of the Sahara is a major argument for the assumption that this drop in numbers will only be temporarily.

## Illegal migration and poverty reduction

Illegal migration has poverty reducing consequences for the countries of origin. First of all, people leave the country who otherwise could not find employment anyhow. Staying there, they would be a burden to their families. Of enormous importance are, however, the remittances sent home by migrants. World Bank estimates, to which normally is referred to, assumes that these monies added up to 305 billion US\$ in 2008 – in spite of the global economical problems which made themselves felt already since the end of 2007!<sup>9</sup> The true amount is, most likely, still higher, since remittances of illegal migrants have to be transferred outside the formal banking system: Since they are not permitted to have a bank account they have to resort to alternative means, e.g. money transfer agents (Western Union, MoneyGram), courier, phone or internet (e.g. Hawallah-banking). For that reason, their money transfers are not adequately included in statistical counting. Some experts assume that the amount of illegal remittances can even equal that of legal remittances. Two examples: "Many Africans prefer informal channels for remittances' transactions in view of the lack of performance of the African banking system, notably if they are unauthorized guests in their receiving country. These informal transfers amount to two to threefold of the share of officially recorded remittances, according to estimates of the IOM".<sup>10</sup> And B. Ghosh indicates the wide range of justifiable estimates: "A recent study of the available estimates made between 1970 and the early 1990s for 11 different countries showed that unrecorded remittances could vary between 8 and as much as 85 percent of total flows."<sup>11</sup> For my field study in Munich 2002/2003 my estimate was that the people contacted there could transfer monthly amounts between 100 and 500 Euro, whereas in the case of the Q'eqchi in Los Angeles, due to the more difficult employment situation, the monthly amount ranged only between 100 and 500 US\$. And yet: These small amounts add up. In the case of Munich I calculated that annually up to 100 Million Euro were transferred from Munich and surrounding districts into the countries of

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<sup>6</sup> Mahler, S. (2000) *Migration and Transnational Issues. Recent Trends and Prospects for 2020*. CA Working Paper Nr. 4, Institut für Iberoamerika-Kunde, Hamburg. S.10. However: Results of these statistics are probably 'conservative' since illegal immigrants are only insufficiently counted and captured in census statistics.

<sup>7</sup> Kohnert, D. (2008) EU-Africa economic relations: Continuing dominance, traded for aid? In: *Gebrewold, Belachew (ed.): EU External Relations: Africa and Asian Areas*. Garnet book series "Europe in the World". London: Routledge. Quotes and reference following the manuscript, p. 17.

<sup>8</sup> Basler Zeitung, 18.5.2009 "Wegen Rezession weniger Illegale" ("Due to recession less illegals")

<sup>9</sup> World Bank (2009) *Revised Outlook for Remittance Flows 2009-2011*. Migration and Development Brief 9. Washington, 23 March 2009, most likely only giving numbers for the remittances of legal migrants.

<sup>10</sup> Kohnert 2008: 18

<sup>11</sup> Ghosh, B. (2006) *Myths, Rhetoric and Realities: Migrants' Remittances and Development. Harnessing the Development Potential of Migrants' Remittances*. Study prepared at the request of the Hague Process on Refugees and Migration (THP) and the International Organization for Migration (IOM). 15/16 March 2006, Palais d'Egmont, Brussels, p.12.

origin, in the case of the 15 families linked to the illegal migrants the amounts added up to 27000 US\$ annually, which is a lot for the poor people of southern Belize!

From a global perspective, remittances of migrants are twice the amount of Official Development Aid, provided by the states of the world for development. It is two thirds of the amount of Foreign Direct Investment. In many countries remittances are the main source of foreign currency, ahead of income from tourism, export of raw materials or international trade.<sup>12</sup>

An important argument against the benefits of remittances for the country of origin is that these monies are 'merely' used for consumption. And yet: Even then this money creates and secures jobs! For example: Women, whose husbands are illegally abroad, have to employ local villagers for hard work in the family fields or for building new houses. Beyond that, remittances secure the education of children and increase the health level in a region because doctors and hospitals can be paid.

Remittances of legal and illegal migrants lower the number and level of poverty in countries of origin. A study conducted in 71 developing countries came to the conclusion that "a 10 per cent increase in the share of remittances in country's GDP would lead to a 1.2 per cent decrease in the percentage of persons living on less than US\$1 a day; and it would also reduce by 2.0 per cent the depth or severity of poverty"<sup>13</sup>. For Guatemala can be shown that remittances represent 60% of income of lowest tenth of the population. This means that those households are still poor, but 'less poor' than before. "International remittances had more impact on reducing the depth of poverty than on the poverty headcount. In other words, they were really helpful for the poorest of the poor."<sup>14</sup>

Finally: On the background of the discussion sparked of by Dambisa Moyos book "Dead Aid",<sup>15</sup> namely, that bilateral Official Developmental Aid fuels corruption of politicians and officials in the countries of origin, it should be noted that monies transferred by migrants bypass these corrupt structures, reach the poorest of the poor and are spent on projects most needed and helpful for the poor.

The potential of remittances for poverty reduction in countries of origin could be improved if more money could be channelled into the development of local infrastructure. Here Mexico is exemplary, where in some regions local, state and federal institutions add one dollar to every remittance-dollar provided by migrants or their relatives ("Tres por uno"-program). This money then is spent on public projects, e.g. schools, hospitals or roads. Further obstacles for a more sustainable job-generation are: Missing options to increase an amount of money by obtaining loans from local banks, lack of an efficient rule of law, and missing access to markets (either legally or in terms of infrastructure) to sell products manufactured locally.

It would be wrong to view illegal migration merely positive in the context of poverty reduction, especially because the social costs are not factored into the overall bill. Contacts to illegal migrants in Europe, Central America and the USA show that family suffer under the

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<sup>12</sup> Again: more often than not the talk is only of remittances done by legal migrants. A survey on the importance of remittances for developing countries contains e.g. Ratha, D. (2007) *Leveraging Remittances for Development*. Migration Policy Institute, Policy Brief, June 2007.

<sup>13</sup> Ghosh, B. (2006), S. 68.

<sup>14</sup> World Bank (2006) *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*. Washington, November 2005, S. 121.

<sup>15</sup> Moyo, D. (2009) *Dead Aid*. London: Penguin

absence of one or both parents. In Central America, the male dominates the family, and if the father is absent, a mother or grandparents have problems asserting authority over older boys; in Eastern Europe families break apart because fathers are unable to run households or raise children while their wives do cleaning jobs in Germany. Beyond that exists the phenomenon of "dependency". Relatives trust that money will be transferred by illegal family members abroad and don't do anything on their own to earn money and improve their situation. They live already so much better as their neighbours who don't have "their migrant" placed in a developing world; hence own efforts are just not worth the effort.

Finally there is the physiological and psychological damage suffered by illegal migrants, e.g. due to the hardships of a life in clandestinity. They want to send money home to their families, they have to pay back debts to traffickers also in times of need. Therefore they work too much, sleep too little and eat and live unhealthy. Classical drugs assisting to cope with stressful situations such as drugs, cigarettes or alcohol are not even necessary to ruin ones health if somebody has to live under such circumstances. Sickness is finally a large obstacle to have the dream of returning to ones home country come true: In countries of origin there is no access to adequate medical treatment of all those sicknesses which have been acquired in the course of a life of an illegal migrant.

### **Is sealing the border effective in a globalizing world?**

Looking at the policies of developed nations in handling illegal migration it is obvious that the attempts to seal off ones border against unwanted immigration is still the dominant option. In this context the debate 2004-2007 in the USA was of interest, when president George Bush advocated a two pronged approach to tackle the problem of illegal migrants which in these days was estimated to range between 11 to 12 million people. First, an improved control of the border towards Mexico, second, a reform of the national immigration law. The latter contained a guest-worker program to facilitate temporary stays for those still living outside the US, and criteria for an "earned regularization" of those already illegally inside the country. This comprehensive reform failed 2007 when it was defeat in the US Senate. However, the plans for border fortification were implemented: In October 2006, 1.2 billion US\$ were set apart for a High-Tech Fence at the southern border. In summer 2008, not even half of the fence had been completed, the costs were increased by then from the budgeted 4.4 million US\$ per mile to 7.2 million US\$ per mile.<sup>16</sup>

And the efficiency of these measures? Empirical research done at the border between the US and Mexico as well as at the Eastern Border of the European Union indicates that fences, sensors and concrete walls don't inhibit illegal migration. These measures change at best the character of a migration project and cause longer roads and more attempts, hence making the entire project more time intensive, costly and deadly.<sup>17</sup> Illegal migrants have to raise more money for their journeys, thus they get more indebted. Injuries and fatalities increase: At the border between Mexico and the US, the number of dead immigrants increased 21.1% between 1998 and 2004, e.g. due to the need to cross even deadlier parts of the desert.<sup>18</sup>

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<sup>16</sup> Christian Science Monitor, 1.4.2008: "Where US – Mexico border fence is tall border crossings fall", New York Times, 11.9.2008: "Border Fence Is Not Likely to Be Done by Year's End".

<sup>17</sup> Vgl. Alt, J. (2004) *Illegale Migration: Von der Grünen und Blauen Grenze zur "Embedded Migration"*. In: *Zeitschrift für Ausländerrecht und Ausländerpolitik*, 24. Jahrgang, Heft 9 S. 310-315

<sup>18</sup> Government Accountability Office (2006): *Illegal Immigration: Border Crossing Deaths Have Doubled Since 1995; Border Patrol's Efforts to Prevent Deaths Have Not Been Fully Evaluated*. Report GAO 06-770, August 2006 S. 42.

Important for assessing the effectiveness of border-deterrence measures are cross-border movements at regular border-crossing points, which are unavoidable in the times of globalization: Increasingly people and goods are circulating between countries in such a number that adequate controls are no longer possible in order to prevent misuse. For example: In the USA, 50 million people cross the largest (and for illegal migrants most popular) border crossing point, Tijuana-San Diego per year. Per day this means 45000 cars with one or two people inside and 20-30 000 pedestrians. Certainly, all have to provide some sort of identification, but firstly, there are many ways to cheat with rented or stolen border-crossing cards, and secondly there are long waiting periods whenever border guards attempt to check these ID papers carefully. Which results in protest by those having to wait for their turn.<sup>19</sup> Also new ID documents to be introduced by the Western Hemisphere Travel Initiative won't really change the problem since even these High-Tech documents are in need to be checked and verified against the person presenting it. Beyond that are options resulting from the trade with fake documentation, corruption and transportation options in containers: Only a very small percentage of freight containers into the US can be checked and, not surprisingly, those illegal immigrants among my interviewees, who used (or could afford) this option to enter the US by land or sea, were successful at the first time.

In the age of globalization the flow of people and goods across borders will continue to increase. The former German Home Secretary, Otto Schily, had to admit the following when introducing the new biometric ID papers in Germany: The new data enables immigration officials the "automated recognition of the passport holder, thus complementing the traditional way of control by eye and impression".<sup>20</sup> That way he indicates that only if there is an initial suspicion on part of the border agent regarding the identity of the passport holder, he will then be able to check thoroughly the provided biometric papers and person. And his press-speaker, Gabi Holtrup, added: "In spite of intensified cross border cooperation, more personnel and better technical equipment there is no seamless control of the border – 'Of course, not every car will be checked when crossing the Schengen border. Otherwise traffic would collapse'".<sup>21</sup>

President Obama seems to return to the two pronged approach: Even though he directed already 400 Million US\$ from his first economic stimulus package towards the modernization of border crossing points, there are also indications that he wants to renew the revival of the immigration reform debate.<sup>22</sup>

### **How to design better policies to deal with illegal migration?**

Illegal migration is a constitutive element of our globalizing world and cannot be suppressed by nation-state means. As long as there are people for whom illegal migration provides hope for a better live; as long people can earn money within this 'business', as long commercial and private employers are happy with the work of these people – so long there will be ways and means to bring together demand and supply and to circumvent the most sophisticated ways of immigration control by states. The consequence should be: If you can't oppress illegal migration in times of globalization, you better try to fashion the unavoidable in a way which regulates the ongoing processes better than instruments so far and makes better use of the inherent beneficial potentials. Changes must benefit individuals as well as nation states, improvements must be found both by securing human rights of the individual, combating crime and enhance development of poor countries. Some examples:

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<sup>19</sup> Martin, Ph./ Martin, S./ Weil, P. (2006) *Managing Migration – The Promise of Cooperation*. Lanham: Lexington Books. S. 183ff.

<sup>20</sup> Press Conference Statement, 1st June 2005, translated by the author.

<sup>21</sup> Rheinischen Merkur, 11 December 2003, translated by the author.

<sup>22</sup> See Website <<http://www.whitehouse.gov/issues/immigration/>>

It is not possible to demand respect of human rights internationally if you yourself violate these very rights domestically. In Germany there is still no access for illegal migrants to health-care or primary education without the risk of status-discovery, followed by expulsion. And this in spite of the fact that there are also pragmatic reasons to be more lenient: Better health-care would result in less danger of contamination, better schooling would prevent children from becoming 'socialized by the street' and turn criminal. Could illegal migrants report exploitation and deception to police and courts without having to fear deportation first, it would be a very efficient means to combat trafficking in human beings and exploitation by criminal employers or even traffickers.

Regarding immigration policies, it would be useful to really realize the implementations of demographic changes in countries and regions of destination. The EU 2009 Report on Aging by EU Commissioner Spidla emphasized that the ratio of people able to work to those retired will decrease from 4:1 now to 2:1 in 2060. In the same context in the year 2000 already, a United Nations Department of Economic and Social Affairs Report argued for a "Replacement-Migration".<sup>23</sup> Only that way workers could be found for jobs unattractive for nationals, or payments could be secured into the social welfare systems to keep the system functioning. For Germany this would mean an annual inflow of 6000 people per 1 million inhabitants in order to keep the ratio of employable people to the population at a whole.<sup>24</sup> In an updated version, UNDESA concludes in 2006 that for reasons of aging and development on the job market between 2006 and 2010 annually 2.5 Million, and between 2010-2050 annually 2.3 Million immigrants will be needed to balance the changes.<sup>25</sup>

When thinking about ways how this need for "controlled immigration" can be satisfied one should not forget the following: In migration research it is a widely shared insight that transnational networks based on family, relatives, friends and neighbours are a cornerstone in crossborder illegal movements. It is primarily these networks which channel migration relevant information and resources into the countries of origin; it is via those networks that new illegal migrants can find accommodation and employment in countries of destination. Therefore any migration policy should take these operating networks into account. This would have been the case with the immigration law proposed by the German government formed 1998-2005 by Social Democrats and Green Party: In the draft version of 2001, in paragraph 20, family ties, poverty and Human Rights situation would have been criteria when judging immigration applications, besides the age and skills of the applicant.

The question is also why new immigrants should be brought into the country in the first place since hundreds of thousand are living already inside – albeit illegally. But: these people undertook tremendous integration efforts because they strove hard to blend into the host society and avoid detection and arrest: By learning the language, the customs of the country and the 'right behaviour'. Therefore one should consider seriously the US model of "earned regularization" which links legal status for immigrations with criteria such integration, a paid job, absence of a criminal record and social ties.

As indicated above, globalization offers more and more people worldwide illegal emigration as a way to escape poverty and the absence of employment at home. If, then, states of the

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<sup>23</sup> United Nations Department of Economic and Social Affairs (UNDESA) (2000) *Replacement Migration: Is it a Solution for Ageing and Declining Populations?* Az. ESA/P/WP.160, New York, 21 March 2000

<sup>24</sup> Press Statement on the occasion of publication of the UNDESA report on Germany on 17<sup>th</sup> March 2000.

<sup>25</sup> See also: International Organization for Migration (2008) *World Migration Report 2008 – Managing Labour Mobility in the Evolving Global Economy*. IOM World Migration Report Series, Vol. 4, Geneva. S.36ff.



world don't like illegal migration, they have to first and foremost take care that people can remain in their country of origin and lead a decent life. This means in the short run to open illegal immigrants legal ways to transfer their hard earned remittances back home to their families, so that no longer a lions share will go to money transfer agencies: Depending on the country of destination, their fees are as high as 10% of the amount transferred. The reason for this proposal is: The earlier a migrant sees his migration goal to be fulfilled (e.g. that a shop could be opened, a house being built, a car being purchased) the earlier he is ready to return home. In the medium term care needs to be taken that in countries of origin the conditions for productive investment improve, so that remittances will be used increasingly to open businesses and to create local jobs. In the long run, the developed countries will have to re-think their policies on trade and subsidies: It is insufficient to create industries and jobs in poor countries, if there is, due to protectionism, no way for them to sell their produces on the world market.

### **Prospect on the background of the global economic crisis**

The current global economic crisis is unique in many ways, it challenges any attempt to foretell anything, including development in the field of legal and illegal migration. It is normally assumed migrants of any kind, once they are unemployed in the country of destination, return home and wait there for economic recovery. After all, it is there where they have their family and where the costs of living are cheaper. However, this may be true for some groups of legal immigrants, as first data from the US indicate.<sup>26</sup> Different from them, illegal migrants are rather forced to hold out: The lack of jobs at home makes it even more impossible for them to repay their debts towards loan sharks and traffickers, and for that very reason they also could not afford another illegal entry of the country once the crisis is over. But illegal migrants have advantages on the job market and in times of crisis skilful illegal migrants are more attractive than ever: Other than nationals and legal immigrants, they are mobile and flexible and are not bound to one specific place. In addition, commercial and private employer are more then ever inclined to save costs: Reports from the construction industry indicate that in times of crisis first the expensive, legal employees are made redundant, whereas illegal migrants can continue their employment. That way, employer can submit low-cost offers to ordering customers, which means that the firm as a whole, together with the leftover of those legally employed can "stay in business".<sup>27</sup>

The global economical downturn is felt in the field of remittances. The World Bank predicted for 2009 a decrease in the global flow of remittances of 5-8% from 305 to 290 billion US\$. First figures from countries in Asia, Latin America and Africa indicate a much steeper drop of up to 20%.<sup>28</sup> Decreases of that magnitude would be unique in the area of remittances since these kinds of transfers in the past proved to be much more resilient than the flows of Foreign Direct Investment – which is understandable: Migrants want to assist their families back home specifically in times of crisis, which makes this flows of money so much more stable and reliable also for the countries of origin in the past.<sup>29</sup>

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<sup>26</sup> Papademetriou D./Terrazas, A. (2009) *Immigrants and the Current Economic Crisis: Research Evidence, Policy Challenges and Implications*. Migration Policy Institute, Washington DC, January 2009.

<sup>27</sup> Vgl. World Bank (2008) *Outlook for Remittance Flows 2008-2010*. Migration and Development Brief 8. Washington, 11 November 2008. S.4

<sup>28</sup> For example: Los Angeles Times, 2.6.2009: "Remittances to Mexico down sharply". Internetressource unter < <http://articles.latimes.com/2009/jun/02/world/fg-mexico-remittance2> >. Retrieved 7th October 2009

<sup>29</sup> See World Bank (2009) *Revised Outlook for Remittance Flows 2009-2011*. Migration and Development Brief 9. Washington, 23 March 2009. There might be a reversal of the trend: Kenya reported again a slow, but noticeable increase in remittances during the first half of 2009. See: Charles G. Koori: "Commentary on remittances volumes for the period January-July, 2009". Internetressource < [http://www.centralbank.go.ke/forex/Diaspora\\_Remit.aspx](http://www.centralbank.go.ke/forex/Diaspora_Remit.aspx) >, retrieved 7.10.2009

For that reasons one should not forget that, in these days of global crisis, there are countries which have less resources to cope with the consequences of the global economic crisis than others. Sharp drops in Foreign Direct Investment, sale of raw materials, trade, tourism, developmental aid and tax are only exacerbated by the drop in remittances. Hundreds of thousands if not millions will lose their means of income and become potential illegal emigrants.

On that background it can be hoped that the Leading Group on Solidarity Levies to Finance Development will make progress: This coalition of state and non-state actors deals with innovative sources of finances for development; and among the strategies discussed is also the option of improve transfer-mechanisms of remittances. Until this happens, one should consider another option discussed in this Leading Group, namely a Tax on financial speculation with which developmental aid could be financed.<sup>30</sup> Incomes from this tax could be used to combat the root-causes of migration and would therefore be also a good investment to prevent illegal migration movements in the future.

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<sup>30</sup> See the "Presidency Conclusions" of the annual meeting of the Leading Group from 29<sup>th</sup> May 2009.