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## Irregular Migration in Europe and the Current Economic Crisis

Conclusions and Suggestions for Policy Makers from the CLANDESTINO Workshop (<http://clandestino.eliamep.gr>), Athens, 27 April 2009.

A question that has arisen during the last months is whether and how irregular migration stocks and flows are affected by the current economic crisis. The current economic and financial crisis is probably yet to reach its highest peak, however a stagnation of economic activity and rising unemployment have been felt by several countries all over the world. The overall negative climate clearly affects both migrant and native workers. The media have been reporting dire competition for jobs between native and migrant workers (the title of a news story in the Italian newspaper *Corriere della Sera* published in the Sunday 22nd March edition was eloquent: *Italians want the migrants' jobs back*) as well as between legal and irregular workers especially in sectors like construction, which have experienced the crisis in more acute ways. It might be logical to assume that the negative economic climate would lead to a reduction of migration inflows towards developed economies as well as a growth in return migration flows. The assumption is that some immigrants will be motivated to return to their home countries while fewer immigrants will be inclined to move given the negative prospects as regards employment and wages.

However, **the situation is more complex and more fluid** than that: first because **the crisis affects in different ways different categories of immigrants** and their families, and second because job prospects and wages are probably worsening in source

countries too, keeping thus the comparative profit from migration similar to the pre-crisis period. It may seem logical to assume that long term settled migrants and their families will be affected by the crisis in ways similar to those of natives. They are less likely to lose their papers if they lose their job and they are unlikely to move because of the crisis. Migrants who are undocumented though and mid-term migrants, notably those who have been staying in the destination country 5 years or less and/or whose legal status is insecure or who have left their families behind are more likely to consider going back

The decision to return is further affected by two factors: on one hand, the pressure from their families back home to keep sending remittances and, on the other hand, the job prospects in the source country upon return. If the former are high and the latter are low, these immigrants are more likely to stay in the destination countries and accept worse working conditions, lower wages, even periods of unemployment. Those who may lose their papers because of lack of employment may also consider staying and going underground, working in the informal market if there are few prospects of economic survival when they go back and especially if prospects of then returning to the destination country are bleak because of migration restrictions in developed economies

These are some of the thoughts with which Anna Triandafyllidou, Clandestino workshop coordinator has introduced the ***Roundtable on Irregular Migration and the Global Economic Crisis*** that took place at the Clandestino workshop on ***Irregular Migration and Informal Employment in Europe*** on 27 April 2009, in Athens.

As **Dita Vogel from the Hamburg Institute of Economics** and partner to the Clandestino project has noted it is uncertain

whether there are already observable changes in irregular migration flows and what is the nature of these changes. This is an open question not least because as Theodore Lianos from the University of Athens has pointed out there is a certain time lag for migration flows to react to changing economic and labour market circumstances. Franck Duvell, Senior Fellow at COMPAS, of the University of Oxford and a partner to Clandestino, asks whether we find already policies developed to address the labour market situation of irregular migrants during the crisis.

In response to this remark, **Carmen Gonzalez Enriquez from *Universidad Nacional de Educacion a Distancia* in Madrid** has noted that a recent Spanish government poll on the labour market situation in Spain with 60,000 respondents across the country has shown that unemployment has risen to 17% in the general population but to 27% among foreigners. In terms of policies developed to respond to the situation Gonzalez Enriquez has noted that legal channels are being restricted: the labour market sectors in which foreign workers can be invited to work have been drastically reduced compared to last year. The proposed reform of the law on Foreigners restricts the right to family reunification: while presently people with a 2-year legal stay can bring in their families including their parents, a 5-year legal stay will be required for the parents to join. Random controls at public places with a view to apprehending irregular migrants, Enriquez Gonzalez added, have occurred in Spain during the last months for the first time ever.

Last but not least the Spanish Ministry of Labour has introduced a scheme encouraging legal migrants to go back by paying them in two installments (first part paid in Spain, second part received at the country of origin) the unemployment allowance that they would receive if staying in Spain. Migrants who participate in this scheme undertake not to go back to Spain for the next three years. Gonzalez Enriquez has noted that by March

2009 fewer than 4,000 migrants had opted for that scheme, not an impressive count considering that Spain has more than 1 million unemployed immigrants in total. The Spanish expert also has drawn attention to recent evidence from the same big poll that new migrants still arrive in Spain seeking for employment prospects.

**Donn Flynn, Chair of PICUM and Director of the Migrant Rights Network in London** has noted that while the UK appears to have been hardly hit by the recession it remains unclear whether migrants are leaving the country or still arriving. The incentive to register in the Workers' Registration Scheme are very low for short term migrants hence it is impossible to have an accurate count of migrant workers in the country today. He also argued that probably there are differences depending on the country of origin. Migrants from 'young' EU member states may be going back temporarily to check out the job situation in their countries of origin while migrants from developing countries most likely stay put because employment prospects and the economic situation in their countries of origin are worse than in the UK, so there is no possibility to go back. At the same time, the UK government estimates that the number of people unemployed has reached 3 million. Don Flynn expected that there will be an increase in irregularity among currently legal migrants that have been in the UK for a longer period of time as it will become increasingly difficult to secure a job in the formal labour market.

Concerning the situation in Greece, **Apostolos Papadopoulos from Harokopio University** in Athens noted that the number of work permits has been steadily decreasing in Greece suggesting how uncertain the legal status of migrants is in Greece, in particular at times of economic crisis when jobs in the formal labour market are scarce and hence the possibility to collect the necessary welfare stamps for permit renewal is even scarcer. However, Papadopoulos noted that the situation is very different for different categories of migrants. As regards employment

in the countryside, migrants will stay in the areas where they have better networks that help them find employment while normally they would have circulated in different areas to look for better job prospects. Those who are more recent arrivals are likely to consider return but those who are in Greece on a long term basis are not likely to return. Given the relatively difficult economic requirements for family reunification (income that the person applying for her/his family to join her/him is required to demonstrate) and given that it will be harder for migrants to find legal jobs and hence prove their levels of income, he expects that family reunification permits will decrease in Greece. Overall he considers that the main impact of the crisis on the migration situation in the country is to further slow down the process of social and economic integration of immigrants because they will have to resort to the shadow economy for jobs, many will lose their stay permits and hence they will have to start all over again their integration process.

In addition to the above, **Charalampos Kasimis of the Athens Agricultural University** has drawn attention to the fact that irregular migrants have no option of returning to their countries of origin not least because they are indebted to the smugglers that brought them in and because if going back to their countries, they have no legal means to come back in Greece and Europe more generally. On the other hand, in a positive note, Kasimis has emphasized that Albanian immigrants can rely on their extended family structures for support and hence will be cushioned to a certain extent, like Greeks are, from the impact of the crisis on employment. The general concern however is that the crisis will bring *the regularization of irregularity*, or to put it in other words it will make irregular work, the normal work, at least for immigrants. And this should be a big concern for policy makers.

**Anna Triandafyllidou** noted additional effects of the crisis in Greece and in southern Europe more generally including the depression of wages among immigrants, especially for those working on daily wages,

the expansion of irregular employment, fear among immigrants to remain unemployed but also to be caught by police. She noted also that the situation in source countries needs to be considered if a government is to design appropriate policies aiming at mitigating the impact of the crisis, as if the situation in source countries is much worsened, return is unlikely no matter what the encouragement is. Last but not least differences between men and women need to be considered: the service sector and in particular domestic employment and the cleaning and caring sector will suffer less from the crisis will sectors such as construction and generally jobs in the unskilled sector will suffer more. In other words, men appear to be more immediately affected by the crisis than women.

**Eda Gemi, a PhD candidate at the University of Athens and Coordinator of the Albanian immigrant Cultural Association 'Steki'** gave her personal impressions on how the crisis has affected immigrants in Greece. She has pointed out that several immigrants have been made redundant from construction and the industrial sector. Banks have started refusing to give loans to migrant entrepreneurs and generally fear has already spread among immigrants that they may fall back to irregular status because of unemployment and impossibility to renew their stay permits.

**Thanos Maroukis, Research Fellow at ELIAMEP** and member of the CLANDESTINO team, stressed that an increase in the informal economic activities had happened again in the 1980s as a response to the 1973 oil crisis. In the present circumstances thought it remains to be seen whether immigrants' networks are strong enough to sustain patterns of informal economic growth given the little support and tolerance they experience from host polities and societies across Southern Europe

Indeed, regarding the situation in Italy, **Francesco Fasani author of the CLANDESTINO study on Italy, based at University College London**, argued that it is difficult to say whether flows are increasing or decreasing. Recent policy developments in

Italy relate more to the change in the government from a centre-left to a centre-right-wing coalition than to the onset of the crisis. As things stand the annual quota system in Italy mainly refers to temporary legal migration while the underground economy continues to provide the welfare safety net for migrant workers. Under these circumstances, the Ministry of Labour has issued a circular note to labour inspection offices to apply the law but 'accommodate' the labour market needs. In other words, this means turn a blind eye to irregular employment. The situation is thus shaped by more difficult legal entry, less labour market checks leaving the adjustment to the crisis to the mechanisms of the labour market and notably to those most vulnerable in it notably migrant workers, whether legal or undocumented.

Fasani agreed that in Italy like in Spain and Greece the crisis increases the danger of irregular work and hence fall back to irregular status not only for newcomers but also for migrants who have settled in the country legally for a number of years as in Italy like in the other southern European countries, the renewal of migration status is usually short term and depends totally from the employment situation of the migrant. Fasani also agreed with Gonzalez Enriquez, Kasimis, Flynn and other participants to the workshop that irregular migrants may have less to lose than legal migrants if they return but they will sure find re-entry very difficult hence they may consider staying enduring irregular status for the years to come.

**Michele Levoy, Director of PICUM (the Platform of International Cooperation for Undocumented Migrants)**, noted that rejected asylum seekers who feed into the wider pool of irregular migrants are in a dire situation because they have nowhere to go. She has also emphasized the need to chart the process by which a migrant becomes undocumented. This must be part of the policy response to the crisis.

Regarding the situation in Greece, **Eugenia Markova, Senior Research Fellow**

**of London Metropolitan University** and main researchers in the Undocumented Workers' Transitions project, noted that in the UK there is increased bullying of irregular workers by native workers in sectors like construction with a view to making them leave. It is also worth noting that regular and informal work co-exist in many labour market sectors and often in the same business.

In relation to this, **Apostolis Fotiadis, a journalist at the Greek daily *Kathimerini* and Anouar Ikhbal, vice president of the Greek-Pakistani Association** noted the recent rise of racist attacks against people who look Pakistani in Greece. More than 20 people have suffered such attacks in incidents all over Greece during the last months. This rise in xenophobic and racist violence is apparently spurred by the economic crisis and the fear of unemployment among natives alongside pre-existing racist or xenophobic attitudes. Anouar Ikhbal agreed with other speakers that the crisis in Greece has led to the lowering of daily wages for immigrant workers more than leaving them unemployed. Employers seem to take advantage of talk on the crisis to pressurize workers further more, lower their wages, not pay overtime or weekends or not pay welfare contributions. Moreover, Ikhbal has noted how migration policy affects the employment situation of migrants: in Greece immigrants from non EU countries need to invest 60,000 Euro to start a business and obtain an independent worker permit. This sum is prohibitive and the result is that people who could have started a small legal business, a shop for instance, are obliged to work as street-vendors without papers. He also emphasized the concern of all immigrant associations regarding irregular migrants and how they will survive during the crisis. If for legal migrants the informal labour market is the welfare safety net as Fasani suggested earlier, what is the safety net for people who are already in this secondary, low pay and high risk market?

Although the **CLANDESTINO Roundtable** may have raised more questions

than it could provide answers, it did reach **some important conclusions that can be of relevance for policy makers and civil society actors:**

- The likelihood that legal or irregular migrants will return to their countries of origin depends on the situation in countries of origin as well as on the family and other safety nets that migrants dispose of in the country of residence.
  - Legal migrants have more to lose than irregular ones if obliged to return but irregular migrants may find it not feasible to go back because they are indebted to smugglers
  - The crisis leads less to unemployment and more to the normalization of irregularity: informal work is likely to become commonplace among immigrant workers both legal and irregular ones in the coming months
  - Wage decrease is also a big issue in all the countries as migrants, especially those without legal status, may be willing to accept the lowest of wages and the heaviest of working conditions by fear of remaining completely unemployed and with no means at all for subsistence
  - Xenophobic and racist incidents have increased in countries where there were hardly any while random identity checks at public places by police forces have become more frequent in countries where there was none. These developments contribute to a sense of insecurity among immigrants while legitimizing a view of irregular migration as a crime.
  - Overall the impact of the economic crisis in terms of flows between source and destination countries is uncertain and very difficult to measure because of lack of data and because a time lag is necessary for the crisis to shape flows.
- However, the crisis does shape flows within countries between the formal and informal labour market and between stocks of legal and irregular migrants: the crisis is likely to overall increase the share of irregular migrants among the total immigrant population.
  - The Clandestino workshop suggests that there have been policy developments in some countries reducing legal flows and seeking to encourage return migration with few results so far.
  - Policies are needed rather to help labour markets react to the crisis in ways that do not excessively penalize the most vulnerable and exploitable workers notably irregular migrants.
  - Policies are needed to cater for those most vulnerable among the immigrant population: there is a need to provide for basic social support protecting irregular migrants from extreme poverty and from falling prey to networks of organized crime (e.g. prostitution and child exploitation for instance).

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Athens, 3 May 2009