GRFDT Policy Brief 6 Livelihood of Migrants during Covid-19 and Future Challenges



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LIVELIHOOD OF MIGRANTS DURING COVID-19 AND FUTURE CHALLENGES

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Livelihood of Migrants during Covid-19 and Future Challenges

Monika Bisht Ranjan¹ & Erere Oghoghome²

Executive Summary

The Global Research Forum on Diaspora and . Transnationalism (GRFDT) organized a webinar titled 'Livelihood of Migrants during Covid-19 and Future Challenges' on 2nd June 2020, which brought together distinguished speakers and scholars from diverse research areas who shared their ideas, insights and knowledge on livelihood issues of migrant communities in different countries of the world. Prof. Renu Modi, (University of Mumbai, India) moderated the discussion on behalf of GRFDT, and the panel speakers included: Prof. Jeffrey Lesser (Emory University Atlanta, USA), Prof. Raj Bourdouille (Former Senior Officer in UN, Commonwealth of Dominica), Prof. Sandhya Rao Mehta (Sultan Qaboos University, Sultanate of Oman), Prof. Faiz Omar Mohammad Jamie (University of Bahri, Sudan), Prof. Bahija Jamal (Hassan II Morocco) University Casablanca, and Dr. Camelia Tigau (National Autonomous University of Mexico, Mexico).

The panel broadly focused on five critical issues during the discussion: documentation of labour migrants, healthcare, unemployment, irregular labour migrants and problems related to evacuation from host countries to home countries. Labour migrants have been stranded in host countries facing joblessness and poverty, lacking food, money and healthcare. According to the International Labour Organisation (ILO), there are 1.6 billion workers in the informal economy- that is nearly half of the global workforce, who have lost their livelihoods due to the Covid-19 pandemic (ILO, n.d.). The latest ILO data on the labour market reveals the devastating effects of Covid-19 led lockdown on workers in the informal economy and several enterprises worldwide. This webinar tried to explore the vulnerabilities labour of migrants understanding country-specific migrant issues. The outcome of the discussion provided critical recommendations for policy framework by identifying problems, highlighting needs and emphasizing welfare schemes for migrant communities. The policy brief recommended the documentation of irregular labour migrants vis-àvis provision of healthcare benefits for migrant communities in host countries.

Keywords: Migrants, Covid-19, livelihoods, healthcare benefits, host countries.

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Note: Views expressed are of author(s).

Introduction

The living conditions of migrants all over the world are occasionally a subject of global outcry and concern. Labour migrants, skilled and unskilled, face discrimination, exploitation, low wages, and limited access to health care, social and economic benefits, in various economies of the world. The advent of the COVID-19 pandemic has not only worsened these realities for migrants but is also threatening to significantly impact the sources of livelihood for migrants. The global lockdown initiated as a result of the pandemic caused the closure of industry operations and workplaces. This, in turn, has resulted in massive job losses for migrants and significant cuts to remittances sent. The COVID-19 crisis has shone some light once again on the living conditions of migrants in their host countries. This time, however, attention is to be drawn to non-inclusive policies and systems that put migrants at greater health, economic and social risk. It is apparent that, first, the lack of documentation is a barrier to the proper integration of migrants in their host societies. This, in turn, leads to issues of livelihood loss, unemployment and lack of access to health care and other social services, particularly in crisis time when they are much more essential. The lack of support from the government for migrant communities has put migrants at more risks and made them more vulnerable to the impacts of the COVID-19 pandemic.

This policy brief examines the economic impact of the COVID-19 pandemic on migrants' livelihoods and reveals the present condition of migrants in a number of countries. It also emphasizes key areas for policy reform to ensure the protection and welfare of migrants before and during a crisis, such as the COVID-19 pandemic. These key areas include the documentation of migrants; migrants' economic inclusion and protection; and migrants' access to health care and social amenities. The reforms made would generally improve the welfare of migrants but more importantly establish inclusive structures and systems resilient enough to cater to the needs of migrants in times of crisis.

Impact on Migrant's Remittances

In 2020, remittance flows to Low Middle-Income Countries (LMICs) are expected to decline by around 20 per cent, marking the sharpest decline in recent times. The remittances have been declining not because of the decline in the stock of international migrants, but mainly due to deterioration in wages and employment of migrant workers in host countries due to Covid-19. The decline in remittance flows is expected to be sharpest in Europe and Central Asia, South Asia, and Sub-Saharan Africa. These regional patterns are affected by Covid-19 and a fall in the price of oil, which affects the economies of Russia and the Gulf Cooperation Council (GCC) countries in particular. Russia is the most important source of remittances to Central Asia; outbound remittances from Russia, as expressed in US dollars, would also be impacted by the weakening of the ruble against the dollar.

Estimates and Projections of Remittance Flows to Low- and Middle-Income Regions 800 700 600 500 400 300 200 100 \cap 2008 2010 2012 2014 2016 2018 2020 2022

Figure 1: Estimates and Projections of Remittances Flow to Low- and Middle-Income Regions in the World

Source: ILO Monitor: COVID-19 and the world of work. Fifth Edition. International Labour Organization

Such estimation effects would also be seen in outbound remittance flows from Europe through the weakening of the euro against the US dollar. The decline in outbound remittances from the GCC countries would be impacted by the recession-induced by the coronavirus as well as a fall in oil prices. Remittance flows to South Asia, East Asia, and the MENA countries would be impacted as well.

Despite the decline, however, remittance flows are expected to become even more important as a source of external financing for LMICs. In 2020, Foreign Direct Investment is expected to decline by over 35 percent due to travel bans, disruption of international trade, and wealth effect of decline in the stock prices of multinational companies; private portfolio flows through stock and bond markets may decline by about 80 percent (ILO, April 2020).

Medium-term downside risks dominate the remittance outlook for 2021. The recovery from the crisis is likely to be prolonged and arduous. Global and regional growth in 2021 is likely to remain subdued. Given these global trends, remittances to LMICs are expected to grow at about 5.6 per cent in 2021 to \$460 billion, well below the 2017 level of \$487 billion and far from the recent records of 2019 (ILO, April 2020).

The effects of Covid-19 have been seen in production, working hours and labour participation. Compared with the first quarter of the previous year, working-hours have been affected in the first quarter of 2020. The following section discusses the impact of Covid-19 on the global working-hour in the first quarter (from January to April) of 2020.

Effects on Global Working Hour

ILO has revised the estimate of global working-hour loss in the second quarter (from May to August) of 2020, compared with previous estimates. The latest estimates presented in the fifth edition of the ILO Monitor reveal a decline in global working hours of 14 per cent in the second quarter of 2020 (up from

the previous estimate of 10.7 per cent), which is equivalent to 400 million full-time jobs. Lower-middle-income countries are the hardest hit, experiencing a decline of 16.1 per cent (ILO, April 2020).



Figure 2: Percentage of Global Working Hours Reduced in the Covid-19 Pandemic

Source: ILO Monitor: COVID-19 and the world of work. Fifth Edition. International Labour Organization

The Americas is estimated to have suffered a reduction in working hours of 18.3 per cent, or 70 million Full-Time Equivalent (FTE) jobs, in the second quarter (from May to August) of 2020, compared with the previous estimate of 13.1 per cent. This is the highest working-hour loss among the major geographical regions and the largest upward revision since the fourth edition of the ILO Monitor. Within this region – and among all regions and subregions of the world – South America has the highest estimated working-hour loss in the second quarter, at 20.6 per cent. Losses for Central America and for Northern America are estimated at 19.2 and 15.3 per cent, respectively. Figure 2 shows the hours worked in Europe and Central Asia are estimated to have declined by 13.9 per cent, or 45 million FTE jobs, in the second quarter, up from the estimate of 12.9 per cent presented in the previous edition of the ILO Monitor. The largest loss in this region is estimated to have occurred in Southern Europe (18.0 per cent), followed by Northern Europe (15.3 per cent), Western Europe (14.3 per cent), Central and Western Asia (13.6 per cent) and Eastern Europe (11.6 per cent) (ILO, 30 June 2020).

In Asia and the Pacific, the total working-hour loss for the second quarter of 2020 is estimated at 13.5 per cent, or 235 million FTE jobs, up from the previous estimate of 10 per cent. Among the subregions, the greatest reduction in working hours is estimated to have occurred in Southern Asia (with a decline of 17.9 per cent in the second quarter), five followed by South-Eastern Asia and the Pacific (12.6 per cent) and Eastern Asia (10.4 per cent) (ILO, 30 June 2020).

Working hours in the second quarter of 2020 are estimated to have declined by 13.2 per cent, or 8 million FTE jobs, in the Arab States, an upward revision of 2.9 percentage points from the estimates presented in the previous edition of the ILO Monitor.

In Africa, the total working-hour loss in the second quarter of the year is estimated at 12.1 per cent, or 45 million FTE jobs, increased from the previous estimate of 9.5 per cent. In the sub-regions, estimates for working-hour losses in the second quarter of 2020 indicate that Northern Africa experienced the sharpest decline (15.5 per cent), followed by Southern Africa (12.2 per cent), Central Africa (11.9 per cent), Western Africa (11.6 per cent) and Eastern Africa (10.9 per cent).

Overall, the Covid-19 crisis has made a significant impact on the livelihood of migrants and natives. However, given the fact that migrants have lesser social and political support at host countries, their vulnerabilities become a more critical issue for discussion. This brief further looks into the country-specific cases to engage with the issue more purposefully. The specific country-specific discussion is an outcome of the panel discussion.

Brazil

Brazil's constitution emphasizes health care as a human right for every citizen, and this is reflected in the country's proactive and responsive national health system. The health system proved resilient during the measles epidemic, adequately responding to the health challenge and catering to the needs of poor and vulnerable societies. However, during the COVID-19 pandemic, labour migrants have been excluded from the health system. They are treated as outsiders and denied access to adequate health care owing to the lack of official documentation of labour migrants in Brazil. Consequently, cases of coronavirus infection are not adequately accounted for among migrants. This lack of documentation has led to critical problems for the migrant community such as poverty, hunger, unemployment and homelessness.

Dominican Island

Haitian migrants in Dominican Island work in the agricultural sector, which contributes 20% to the country's GDP. They engage in farming and produce fruits and vegetables for export. They also work in informal economies and businesses such as small restaurants, hair salons, tailoring shops and as vendors, cleaners, etc. These migrants who earn meagre wages have limited alternative employment opportunities. Despite their contribution to the economy, migrants who have been infected by the Coronavirus are not availed adequate treatment in public medical facilities and the government does not have data on COVID-19 cases among migrant population. This has led to an increase in COVID-19 related deaths in the country. As a result of the restrictions that have accompanied the pandemic, migrant communities have become jobless and poor, yet they have not been beneficiaries of the economic assistance rolled out by the government. These migrants have been unable to send remittances to their families in their home country. A development which could further worsen the food crisis in Haiti.

USA

The pandemic has caused a rather uncomfortable situation for Mexican migrants in the USA. Due to the hardship caused, many Mexican labour migrants who are generally unskilled and uneducated seek to return to Mexico. They are, however, prevented from doing this due to the fact that they are undocumented. An agreement between the USA and Mexico to the effect that Mexico will restrict asylum seekers from entering the USA has not deterred these migrants from seeking to return to Mexico even though this means they may be prevented from returning back to the USA. The Mexican Ministry of Foreign Affairs has set up a special program at consulates and embassies to support migrants and repatriate those experiencing economic hardship in the USA as of 1st June, 2020. This has become necessary due to the lack of food and health securities for undocumented migrant workers in the USA.

Even though these migrants are integral to the USA's agricultural economy, they are treated as illegal workers.

Oman

The same issue of documentation arises in the present condition of migrants in Oman. COVID-19 related death rates have raised some concern about undocumented labour migrants as the exact number of migrants who have died from the virus is not known. Furthermore, there has been widespread loss of jobs among migrant workers as a result of the pandemic. This has affected not only those working in the informal sector but also those in the formal sector. The health sector has experienced an enormous increase in job losses, but the situation is more critical in the construction and manufacturing industries and domestic work. Migrant workers do not have basic amenities to survive and are being forced to leave workplaces by their employers. Oman has been regarded as a dream destination for many migrants from India but the socio-economic and political conditions as well as the recent pandemic are transforming the job market. This development is likely to impact the flow of labour migrants to Oman post-COVID. Inadvertently, the high cost of visas and recent favouritism of skilled migrants over unskilled migrants are also likely to dictate the migration of workers.

Sudan

Migrants in Sudan can be categorized into two: Regular (registered) and Irregular (unregistered). Regular or registered migrants are those who are skilled and work in the public sector or international organizations and have better jobs and earnings. These set of migrants come from China, the Philippines, India, and Bangladesh etc. They also include students from Somalia, Nigeria and Asia. Irregular or unregistered migrants are migrants who are originally heading towards Egypt but temporarily have to stay in Sudan and work. Irregular migrants in Sudan have been faced with unemployment, hunger and homelessness as a result of the pandemic, whereas regular migrants have received several facilities from the Sudan government.

Morocco

Morocco is located about 14 kilometers to Spain and serves as one of the main migratory routes to Europe. The Moroccan government has launched a campaign for the regularization of migrants in Morocco. Presently, there are about twenty-three thousand irregular migrants in Morocco. As a result of COVID-19, the movement of migrants across the region has been suspended. Migrants in the country live in small houses and in urban areas which are overcrowded. They also face livelihood difficulties. The government has initiated a few supportive steps for migrants working in the informal sector, such as medical insurance and health card to access health facilities. Civil society organizations have also provided support to migrants during the pandemic. This presents a slightly different and positive situation for migrants in Morocco in comparison with the situation of migrants in the other countries reviewed. The welfare of migrants is to some level integrated into the COVID-19 response plans of the Moroccan government.

Policy Inputs

There is a need for every country to have a comprehensive database of both documented and undocumented migrant workers in its country. This will enable host countries to draft inclusive policies. Governments of host countries should liaise with private sector employers, including those in the informal economy as well as international organizations in achieving this. This database must be used for the purposes of social inclusion and integration and not primarily for repatriation or victimization of migrants.

Governments should ensure proactive and effective policy frameworks for migrant communities. These frameworks must encompass the livelihood, health & educational benefits and security of labour migrants, especially in the time of crisis.

A uniform health system which is inclusive for all types of labour migrants is essential. The uniform health system should have specific mechanisms for undocumented labour migrants to access health services.

Uniform health systems should employ a human rights-based approach to enable poor and unemployed people to have access to medical insurance and health benefits regardless of whether they are migrants or natives. Everyone should be given better access to state healthcare services.

Financial support and unemployment allowance should be made available for unskilled migrant workers, especially in crisis time.

Legal and social protection of vulnerable groups such as irregular migrants, informal migrants and refugees should be prioritized. There are many cases and reports of atrocities and violence against migrants, incidences of racism, unfavourable working and living conditions in host countries. In view of these issues, host countries should develop legal and social safety mechanisms.

Universal Social Security Framework should be established to provide basic amenities and financial assistance to poor and marginal sections of the society. Systematic and organized auditing of social security provisions should be carried out by the host countries.

Entrepreneurship should be promoted in micro and small enterprises, and thus there should be special attention towards employment generation activities for unskilled workers at ground level.

Techno-friendly and vibrant mechanisms to transfer remittances to home countries must be made available especially in time of crisis. Both home & host countries should have an inter-government level program for easy remittance-transfer.

Governments should promote liberal and effective visa policies that facilitate free & easy evacuation of labour migrants in times of crisis. This would ensure that migrants are not stranded in host countries, and they can receive more support in their home countries if they desire.

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