

Gender, Remittances and Migration and the Financial Crisis

The global economy is highly responsive to the ebb and flow of financial markets. The current economic crisis is a prominent feature highlighted in all sectors of world affairs where careful analysis of everything under the sun is scrutinized and translated into monetary considerations. Labor migration, as a significant phenomenon tied to the whims of the global economy, has undergone numerous forecasts and trajectories that hypothesize the future of remittances and its impact on national governments in developing countries and consequently on the lives of migrants, their families and communities of origin. UN-INSTRAW has consistently challenged prominent migration analysis that is based on economic theories by using a gender perspective and nuanced interrogations to acknowledge the diverse realities of the migratory project. Case studies conducted from 2005-2008 in the Philippines, the Dominican Republic and Colombia exposed how gender plays a major role in the sending, receiving and management of remittances and accordingly to the migration and development nexus. Two key units of analysis employed in our case studies are the transnational household and migratory social networks. They continue to serve as important sites of analysis during the current global economic crisis. Transnational families maintain daily communication and carry out their lives across borders. Households in countries of origin feel the direct burden of any changes in the amount of remittances received while homes in destination countries have been noted to cut consumption and reorganize in order to maintain remittances sent. Social networks serve as important buffers and support systems for migrants and their families. Various spheres of migrants lives' are linked to events tied to their migration. The current financial crisis has potential implications on the migrant communities formerly studied by UN-INSTRAW. Based on the findings on the migration between Philippines-Italy, Dominican Republic-Spain, and Colombia-Spain this paper will identify trends and points of interest that must be considered when discussing the effects of the economy on remittances and migrants.

It is important to note that the studies conducted in Colombia, the Dominican Republic, and the Philippines are contextually situated in historical, political, social and economic patterns of migration, thus we attempt to take these details into account. The participants of the studies all migrated in relation to some financial need that was a manifestation of greater issues affecting their lives in countries of origin such as severe national and local unemployment or growing conflict in home countries. Today some of these issues are intensified and call for innovative approaches which deal with recent circumstances. Remittances have garnered great attention during the crisis because it speaks to the reliance of different actors on the money sent by migrants. A World Bank Study (November 2008)¹ indicates that despite the financial crisis, remittances will remain resilient as migrants continue to send the money their families need to survive. These financial flows can be consistently monitored however the social impacts have been given less focus. UN-INSTRAW's migration and remittance projects provide valuable insight which can give a sense of what lies ahead for the participants in the specific migration corridors discussed. Sending remittances at times of economic hardship calls into question the sacrifices made by migrants in order to maintain the usual funds remitted. It also requires some thought about how migrants and their families must deal with the failing economies in both countries of origin and destination.

¹ World Bank (November 2008) 'Migration and Development Brief 8'

The projected resilience of remittances is a reflection of the intense ties between migrants and their families. In the Philippines-Rome study, it was noted that many women would go to such lengths as borrowing money (which in turn has high lending fees) in order to send money home to their families. Gendered notions of women who 'sacrifice' for their families is exposed as women spend less money on their own well-beings and futures in order to support their families. This coincides with data that shows that women remit money on a more constant basis than their male counterparts. During the financial crisis such behavior will escalate as migrants are noted to increase work, post-pone consumption and use their savings in order to remit (WB November 2008). Remittance studies indicate that migrants are aware of changes in exchange rates and they adjust the money they send accordingly. The Philippines study discussed how migrants send more money when the exchange rate is favorable and that they must send more when the dollar depreciates in order to send the standard amount their families need to survive. The diminishing purchasing power of all currencies only forces migrant workers to send more money which means they have to find ways to make up the extra money they need to remit.

As in all stages of the migratory project, gender will play a major role in the employment of migrants in destination countries. Massive lay offs in developed countries have surrounded specific sectors of employment such as the construction industry which employs mostly male migrant workers. According to Cholewinski²(2008) health workers and domestic workers will be less affected by the current financial crisis because of the necessity of the work. Reproductive tasks within households must be maintained. Cuts in other sectors simply mean that fewer buildings will be built or that fewer people will be utilizing service sector products (as in the case of travel or restaurant industry). The majority of the participants in the three case studies work in private homes as caregivers and domestic work, therefore there is less chances that they will lose their jobs. However if their employers are facing economic constraints this may have implications for their workloads. Or in cases where couples/spouses live together and where the male partner is in a traditionally male occupation (such as construction) there is a possibility that lay-offs in their sector will only add increased pressure on the other partner in order to maintain the remittances sent. Migration is not likely to stop during the financial crisis especially if certain jobs need to be filled and if native employees are still willing to take certain jobs therefore it is probable that a steady stream of female laborers will still be required for domestic work and care giving.

A number of speculations regarding migration believe that migrants will return to their home countries during the financial downturn yet it is unlikely that immigrants will leave destination countries during the economic crisis. Return migration tends to be influenced by positive economic, political, and social developments in countries of origin (World Bank 2009) and in the nature of the current global crisis almost all countries are experiencing difficulties especially developing countries. Therefore there is a greater need to remain abroad especially if local economies are not providing further employment options. Considering the complexity of the process of migration especially for irregular migrants who went through great economic and physical lengths to migrate will continue to live in destination countries. As

² Cholewinski, R (2008) World Migration Annual Report

developed countries attempt to increase social safety nets for their citizens, the exclusion of irregular migrants will only increase their vulnerability. The Economist ³ notes that the unemployment rate in Spain is now at 12% and the government has proposed a 're-emigration' plan of voluntary return for those with residence permits or work visa. This plan includes the chance to claim future unemployment benefits in two lump sums if they agree to stay out of Spain for 3 years. The country hopes that around 87,000 migrants will take the offer. Yet once again, if these migrants will only be returning to places that are worse off, then it is likely that people will not leave.

Social Networks

UN-INSTRAW has highlighted the value of transnational social networks in the migratory project. Its maintenance provides key links to employment in destination countries and to the communities in home countries. Our studies have noted the solidarity practiced in transnational spaces for example when migrants experience death in their families, migrant groups collect money to help with expenses. The current recession will most likely only strengthen these ties. In a recent article⁴ written about the town of Vicente Noble, the subject of our 2006 Dominican Republic study, the decrease in remittances received produced a strain in the lives of some families. One elderly woman who is reliant on the support of her children in Spain and the United States now turns to local help where she has set up accounts for food and medicine that she will pay back later hopefully with remittances sent by her children. As a member of a community with a large proportion of inhabitants serving as migrant workers abroad there are common understandings and systems of support which exist to sustain people during difficult times. The solidarity that exists within transnational networks and the communities of migrants in destination and origin countries will probably be strengthened during difficult times.

Food Security and Agricultural Communities

The global economic crisis is not mutually exclusive of other global trends, it can in fact pronounce the severity of other crises. Food security is a significant topic that is directly affected by remittances. A large proportion of all remittances sent are spent on basic needs like food. Thus migration and remittances are often seen as poverty reduction strategies. Yet the correlation between the recession, lower wages and rising food prices aggravates the situations of poor and even middle income households. The Philippines case study specifically focused on the impact of migration on agricultural communities. Findings indicate that while remittances can be used to help improve agricultural productivity, another phenomenon is occurring. The exposure of rural people to the financial benefits of migration coupled with the lack of available jobs in countries of origin has prompted some people to leave agricultural lives. The Philippines-Italy study on agricultural development and remittances points to significant trends that may only increase the direct impact of the economic crisis on agricultural communities. The study revealed transformations in perspectives towards rural agricultural life. People began to view their futures outside of farming and even believed that it was un-modern and backward. The global rice crisis of April 2008 can also be considered a precursor of the difficult times ahead especially for lower income families in regions that are dependent on

³ 15.01.09

⁴ 2009-02-17 | hoy.com.do | mayelin acosta guzmán
'Vicente Noble siente efecto crisis mundial; caen las remesas'

rice as a staple food product. The Philippines example of the impact of remittances on agricultural societies reveals certain difficulties faced by formerly farming communities. Changing perceptions of agricultural life affect the future of production in their areas. It could also affect direct families if they used to subsist on the crops they grew. The shift towards a greater dependence on market bought goods only intensifies their dependence on outside funds in order to purchase food.

Conclusion

The ongoing financial crisis affects all aspects of the migratory process. Therefore careful consideration of the gendered social impacts of the crisis on the actual lives of migrants and their families is required. Economic indicators and effects should not be the only tools of analysis used to better understand the actual depth of the global economic crisis. Understanding the impact of gender and other significant factors such as race, class, educational level and migration status in conjunction with social phenomenon will provide a better sense of what policies and practices must be made to alleviate the effects of the dwindling economy.